

Lockheed Martin Buys Savi

The technology provider says its acquisition will help it better serve government and DOD customers.

By Claire Swedberg

May 5, 2006—[Lockheed Martin](#) (LM) has agreed to acquire RFID solutions provider [Savi Technology](#). The company says it will close on the Savi acquisition by the end of the second quarter this year. Savi declined to comment on its impending takeover.

LM, a provider of aeronautic and electronic equipment and information technology services, announced Thursday that it had entered into agreement to acquire Savi. Nearly 80 percent of Lockheed Martin's business is with the [U.S. Department of Defense](#) (DOD) and the U.S. government. The company focuses on defense and intelligence, homeland security and systems and information technology.

A privately held company based in Sunnyvale, Calif., Savi Technology offers homeland-security and port-related RFID security solutions. Lockheed Martin has a major relationship with the government and other defense and civil agencies.

"This is a great fit for us," says Lockheed Martin spokesman Jeff Adams, calling it "a win-win" scenario. Lockheed, he said, serves to benefit from Savi's resources specific to RFID technology, while Savi will benefit by gaining access to LM's government and civil customers.

Savi RFID tags track assets in shipments throughout the world. Its customers include the U.S. government, as well as [NATO](#) and other civil and defense agencies (see [NATO Rolling Out System for Sharing Data](#)). At present, it is the primary provider of RFID technology to the DOD. The 15-year-old company supplies RFID tags and software products; its [Savi Networks](#) subsidiary provides information services designed to improve the visibility, management, security and integrity of global ocean cargo container shipments and their contents for international shippers and their service providers (see [Savi Networks Starts Tracking Cargo](#)).

"I think our president said it best," Adams says of Lockheed Martin's chairman, president and CEO, Bob Stevens, who declared in a public statement, "The acquisition of this innovative company is consistent with our strategy of making investments that significantly enhance the capabilities we can offer our customers."

Savi has approximately 300 employees and will become a Lockheed Martin subsidiary, Adams says, managed by [Lockheed Martin's Integrated Systems & Solutions division](#), based in Gaithersburg, Md. Lockheed Martin has a staff of 135,000 globally, and reported 2005 sales of \$37.2 billion. According to [an article](#) published by the *San Jose Mercury News*, sources close to the transaction estimate the sale price to be approximately \$400 million.

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