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# LSI to buy Big Blue unit

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## **LSI Logic announced Tuesday it will buy IBM's Mylex unit to expand its storage technologies.**

The maker of chips for communications, consumer devices and storage did not disclose how much it will pay for the unit. Milpitas, Calif.-based LSI said the acquisition, slated to close in the quarter ending Sept. 30, is expected to improve its earnings.

The deal will give LSI a system of hardware and software technologies known as Redundant Array of Independent Disks (RAID). Mylex engineers and sales staff will join LSI as part of the deal. In addition, LSI will gain access to such IBM customers as NEC, Fujitsu-Siemens, Big Blue itself, [Xyratex \[http://www.xyratex.com\]](http://www.xyratex.com) and [Eurologic \[http://www.eurologic.com\]](http://www.eurologic.com).

The RAID technology will bolster LSI's capabilities in areas such as storage area network (SAN) systems and storage components, the company said.

LSI added that IBM's technology will help it gain new customers in tight economic times.

Storage systems are "proving to be the most cost effective and flexible solutions to meet growing customer storage needs under tight IT budget constraints," Tom Georgens, executive vice president of LSI's SAN Systems division, said in a statement. "This acquisition strengthens our position in this fast-growing segment."

IBM will continue to compete in the storage market with other technologies, including its much-hyped [Millipede](http://www.cnet.com/2100-1001-934815.html) project.

This isn't the first time IBM and LSI have teamed up. The companies [formed](http://www.cnet.com/2100-1040-251263.html) an alliance earlier this year under which IBM licensed some of LSI's chip architecture.



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