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THIS JUST IN

Lowry Computer lands piece of \$75M Army deal

Brighton-based bar code systems designer Lowry Computer Products Inc. recently entered into a multi-year contract with the U.S. Army worth up to \$75 million for passive radio frequency identification electronic products to track military inventory in the U.S. and overseas.

Lowry is the prime contractor and one of three vendors.

The company in early October became one of the vendors for a passive RFID system to track military equipment. Lowry Vice President of Marketing Mark Brown said the new agreement follows up on a five-year, \$8.5 million contract awarded in September 2007 by the Defense Logistics Agency for RFID systems work at the Army's Defense Distribution Centers.

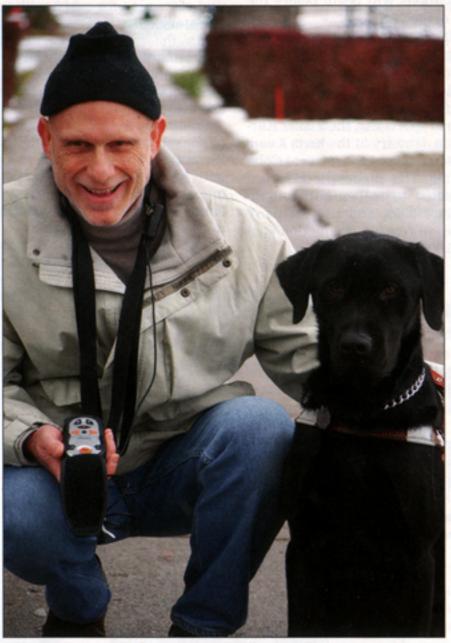
The new contract, adopted in October, is more expansive and has a maximum potential value of \$75 million for all three ventors. Lawry has 160 employees and provides RFID systems for more than 200 clients. The current contract is one of its largest yet, but it was unclear as yet if its share of the contract would generate new job hires, expansion or other economic impact on the region.

"We would like to be able to say already that it would have an impact, but it's so early in the new agreement we still have to work most of that out," Brown said.

Also under the agreement with the Department of Defense: Motorola Inc. will provide hand-held computer hardware to read the barcodes, and Vernon Hills, Ill.-based Zebra Technologies Corp. will provide some of the encoding hardware under the contract.

- Chad Halcom

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NATHAN SKID/CRAIN'S DETROIT BUSINESS

Dan Owens, with Caspian, uses a Breeze GPS device on Walnut Street in Rochester Hills. The units give users their location, which direction they are facing and directions to and from their destinations.

Opening new worlds

Leader Dogs tests program that gives talking GPS units to visually impaired

BY SHERRI BEGIN WELCH CRAIN'S DETROIT BUSINESS

This week, about a dozen students at Leader Dogs for the Blind will get a chance to do something most people take for granted during the holiday season — window shop.

They may not be able to see what's in the storefronts, but they'll be able to roam around downtown Rochester and the stores there without fear of losing their way home.

That's because they have portable navigational units

known as GPS Trekker Breeze, which Leader Dogs is piloting for Quebec-based HumanWare Group Inc. The devices can be used with or without a dog guide.

Relying on the same internal maps Google uses, the devices, when prompted, will announce the stores and buildings as a pedestrian approaches, issue the direction they are facing, the closest intersection and verbal directions to and from destinations.

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Pulte Homes regroups to amass cash

Strategy: Cut costs, emerge a strong buyer

> BY DANIEL DUGGAN CRAIN'S DETROIT BUSINESS

While the move by **Pulte Homes**Inc. to invest \$10 million and bring 350 employees to Michigan represents good news for the local economy, the decision is part of a larger strategy to cut costs in order to survive.

The Bloomfield Hills-based

homebuilder last week announced a consolidation of accounting offices from 26 states into Michigan. On the same day, Pulte announced the end of its 4-cents-per-share quarterly dividend, effective in the first quarter of 2009.

The goal: saving up cash — lots of it.

Company executives and outside analysts agree the key to survival for Pulte is to keep enough cash on hand to make up for sagging sales.

And at the end of the third quarter, Pulte (NYSE: PHM) made sure to focus on its cash on hand. With \$1.2 billion, the company intends to

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Dearborn plans to ride rail to downtown expansion

BY DANIEL DUGGAN CRAIN'S DETROIT BUSINESS

With plans to have commuter trains running from Ann Arbor to Detroit by 2010, the city of Dear-

O'Reilly

born — one of the stops on the line — is positioning itself for the new real estate development expected to come with the train line.

Dearborn Mayor Jack O'Reilly Jr. said

the city is following a strategy to get as much of an economic devel-

opment boost as possible out of the new train line to merge tourism and student traffic with the local commerce in the west downtown district.

Last week, Ann Arbor-based planning group JJR ended a sevenyear study, advising Dearborn on the best place to locate the new station and the best use for surrounding real estate.

The city has announced plans to move its train station to the west, placing it closer to The Henry Ford and University of Michigan-Dearborn.

The new location puts train access closer to the west downtown area and the Fairlane Town Center

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Tight times push companies to dash the holiday bash,

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Largest hospital companies,

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Pulte: Trying to conserve cash reserves

From Page 1

continue cutting overhead to beef up cash reserves to as much as \$1.8 billion by the end of the year.

"Their current mission is to guard cash and hold it," said



Silverman

Gilbert "Buzz"
Silverman,
chairman and
CEO of Bingham Farmsbased Silverman
Cos. "Right now,
it's all about
staying power,
but it will soon
turn to acquisition financing

as they can buy at the bottom and become even more dominant."

Silverman, whose companies have developed and managed 25,000 multifamily residences and 10,000 single-family homes, said Pulte will survive because of its cash on hand, and its positive brand recognition and intellectual capital on the management side.

But if cash is king, uncertainty in the housing markets is the challenger to the throne.

For the first nine months of the year, new home orders fell to 13,500 from 20,600 in 2007.

For the third quarter, Pulte posted a \$280 million loss on revenue of \$1.6 billion, with a loss of \$1.3 billion for the first nine months of the year on revenue of \$4.6 billion.

Despite Pulte's efforts to beef up

cash in preparation for a long slog through 2009, analysts aren't convinced the residential market will pick up soon. Of the 16 analysts covering Pulte, 10 rate it as "hold," four as "buy," and two as "sell," according to **Bloomberg News**.

In a report issued Nov. 2, **Citi Investment Research** equity analyst Josh Levin downgraded Pulte from "buy" to "hold," based on the volatility in the housing market.

"We rate PHM as High Risk because of the uncertainty surrounding the ultimate duration and magnitude of the housing market's downturn," Levin wrote.

Given that uncertainty, Pulte has been focused on survival, Pres-



Dugas

ident and CEO Richard Dugas Jr. said in an Oct. 23 conference call with investors.

"Pulte Homes has been diligent and unwavering in its pursuit of its near-term strategy, namely

cash flow generation, operating with a lean overhead structure in response to the weak demand environment, and managing our house and land inventory," he said.

The consolidation of accounting offices into Michigan is part of that strategy, as a way to be more effi-

cient, said Mark Marymee, Pulte's director of corporate communications.

Pulte stock has been on a rollercoaster ride this year.

It has averaged \$12.45 per share and hit a 52-week high in September at \$17.23, only to hit a 52-week low on Nov. 21 at \$7.12.

The company also took lumps in write-downs for property, which has lost money. For the first nine months, the company incurred \$1.2 billion in write-downs for property that is worth less than it used to be, following write-downs of \$1.7 billion in 2007.

Still, year-to-date, Pulte has outperformed an index of the five homebuilders listed on the S&P 500 by 42.43 percent, and an index of 23 homebuilders by 6.5 percent, according to Bloomberg data.

In addition to keeping a lot of cash on hand, Pulte needs to keep its losses under control and not overextend itself by being tempted by all the land deals, said Jim McTevia, CEO of Bingham Farms-based turnaround firm McTevia & Associates.

But the company will survive, he said.

"And the future will be rosy for all of the companies who survive this," he said. "Because if you're the consumer, and you don't consume for two years, you will gorge yourself."

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