

CISCO GRABS SECURITY GEAR MAKER

BY KATE GIBSON

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Cisco Systems Inc. late Thursday, July 7, said it would acquire **Meetinghouse Data Communications Inc.**, continuing the networking gear maker's move into security technology.

Cisco will pay \$43.7 million in cash and assumed options for Meetinghouse, a privately held provider of security management tools for the enterprise and original equipment manufacturer, or OEM, markets. San Jose, Calif.-based Cisco in April also paid \$51 million for SyPixx Networks Inc., a maker of video surveillance software and hardware.

Coming after **EMC Corp.**'s \$2.1 billion agreement to buy RSA Security Inc., Cisco's latest deal brings in-house a product that it uses to secure wireless devices that attach to a network, including laptop computers, cell phones and personal digital

assistants. Security concerns, always a concern for companies seeking to safeguard their computer systems, are heightening as Internet protocol-based technology evolves and IP networks proliferate, said investment banker James Turino, a partner at **Redwood Capital Group LLC**, which advised Meetinghouse.

"With the growth of IP-related technologies, end-point security has become an area of greater focus," he added.

Cisco has acquired a number of security technology companies, including the 2005 purchase for \$14 million of a security intelligence information service, known as Intellishield Alert Manager, from Cybertrust Inc. of Herndon, Va. Cisco last year also closed a \$13 million acquisition of privately held M.I. Secure Corp.

Best known for selling Internet

networking gear to large corporations, Cisco's \$500 million acquisition of home networking equipment maker Linksys Group Inc. in 2003 propelled it into the business of outfitting companies with the technologies needed to deliver combined voice, video and data services to an assortment of digital devices.

More recently, Cisco leaped into the home entertainment business, buying television set-top box maker Scientific-Atlanta Inc. for \$6.9 billion in a deal that closed in late February. The acquisition, Cisco's largest, has been followed by a string of smaller deals, including the purchases last month of Metreos Corp. and Audium Corp. for \$28 million and \$19.8 million, respectively. Both companies make drag-and-drop applications that support voice, video and data functions.

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