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McAfee to acquire
Secure Computing
McAfee Inc.

[McAfee to Extend Its Network Security Portfolio](#)

By acquiring Secure Computing Corporation for \$465 million

McAfee Inc. [announced](#) that it would acquire Secure Computing, a leading provider of network security solutions. The deal will cost the Santa Clara company an estimated \$465 million, but it will significantly improve their previously not so impressive share in the network security market.

Secure Computing Corporation is a well respected company that offers Web, e-mail and network security solutions to businesses of all sizes. Their products are used by more than half of the Fortune 50 and Fortune 500 companies; the company has a total customer base of more than 20,000 companies spanning 120 countries. In addition, their worldwide network is composed of over 2,000 partners.

As outlined by the press release, the arguments behind this transaction are for McAfee to become one of the major players on the market offering a broad array of products as well as extend their "in-the-cloud" technology with the TrustedSource technology of Secure Computing. The complete solutions McAfee will be able to offer will cover every aspect of network content security such as detection, filtering, encryption, blocking, archiving, reporting and compliance.

CEO and President of McAfee, David DeWalt, noted that he believes "the combination of the two companies will allow us to reap the benefits of a worldwide dedicated sales team three times our size, best-in-class security research, greater partner distribution and enhanced cross-selling opportunities" and described this acquisition as being a "natural extension of McAfee's security-only focus."

Since April 2007, when David DeWalt joined McAfee as CEO, the company has expanded its portfolio through multiple such acquisitions. They include data protection company Onigma (\$20 million), encryption vendor SafeBoot (\$350 million) and risk management tools developer Reconnex (\$46 million). Secure Computing expanded through similar practices, purchasing spam prevention and messaging security company CipherTrust for \$247 million a few years back.

While the total sales of McAfee for 2007 amounted to around \$1.3 billion, through this merger, the revenue from the network security segment alone is estimated to increase to \$500 million. It's still unclear how the two companies will be merged, what will happen to Secure Computing's 900 employees, but it is likely that sales and technical staff for the new resulting product lines will be kept. The CEO of Secure Computing, Dan Ryan, will also join McAfee as head of the Network Security group. Additional information about product integration plans was not disclosed.

The transaction still has to pass approval from the Securities and Exchange Commission (SEC) and the stockholders, but it's expected to be finalized by the end of the fourth quarter of 2008.