

Cisco to acquire Scientific Atlanta

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Cisco Systems is acquiring video-equipment supplier Scientific Atlanta in a stock transaction worth just under \$7 billion. The companies said Friday the deal creates an "end-to-end triple play solution" for carrier networks.

Cisco CEO John Chambers said in a news release that the move was in response to growing consumer demand for bundled triple-play voice, data and, in particular, video services.

"Video is emerging as the key strategic application in the service provider triple play bundle of consumer entertainment, communication and online services," said Chambers. "The combination of Cisco and Scientific-Atlanta brings unmatched experience and innovation in delivering large scale video systems and networks."

Scientific Atlanta is a venerable provider of end-to-end video distribution networks and set-top boxes.

Under the terms of the agreement, Cisco will pay \$43 for each share of Scientific Atlanta. The deal is expected to close in the third quarter of 2006 assuming approval by shareholders and anti-trust regulators.

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