

Websense to Acquire Security Rival SurfControl

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Websense announced April 26 that it will acquire fellow Web security provider SurfControl for \$400 million.

The deal is expected to close in about four months, pending approval from government agencies in the United States and United Kingdom. If approved, the acquisition would mean enhanced products and a new organization with the scale to compete with larger security providers, Gene Hodges, CEO of San Diego-based Websense, said in a statement.

"Additionally, by improving operational efficiencies, we believe we can generate operating margins in the combined business similar to the historical levels we have achieved in our own Web security business," Hodges said.

Hodges said the move will also aid in the company's plans to gain a larger foothold in the security market for SMBs (small and midsize businesses). Websense will renew existing SurfControl subscriptions at levels similar to their historical prices, he said.

The channel partners of the two companies will also benefit from the opportunity to deliver a broader set of security products to their customers, Hodges said.

"We plan to introduce a customer satisfaction and retention program and pledge to support SurfControl's layered software Web security solutions at least through 2010," Hodges said. "We also plan to enhance these

products with data from the merged research databases of the two companies."

Patricia Suelztz, CEO of SurfControl, based in Scotts Valley, Calif., said the acquisition represents a major step in the development of SurfControl's business by making it part of a larger organization better able to compete in the market for Internet security services.

"I believe that SurfControl today provides a unique combination of security solutions for its customers through software, appliances and on-demand services," Suelztz said in a statement.

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