

Cisco buys Flip Video maker

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The logo of US networking giant Cisco Systems stands in front of the company's headquarters in San Jose, California. Cisco Systems Inc. announced on Thursday it was buying Pure Digital Technologies, maker of the popular Flip Video camcorder, in a deal worth more than 600 million dollars.

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Cisco said it was paying 590 million dollars in stock for all shares in privately held Pure Digital, and will provide up to 15 million dollars in retention-based incentives for employees of the San Francisco-based company.

Cisco's foray into consumer electronics is the second move into a new sector by the leading manufacturer of switches and routers this week.

Monday, the San Jose, California-based Cisco threw down the gauntlet to erstwhile partners Hewlett-Packard and IBM and announced it would begin making computer servers.

"Pure Digital has revolutionized the way people capture and share video with [Flip Video](#)," Ned Hooper, Cisco's senior vice president of corporate development and [consumer groups](#), said in a statement.

"The acquisition of Pure Digital is key to Cisco's strategy to expand our momentum in the media-enabled home and to capture the consumer market transition to visual networking," Hooper said.

"This acquisition will take Cisco's consumer business to the next level as the company develops new [video capabilities](#) and drives the next generation of entertainment and communication experiences," he said.

Pure Digital has sold more than two million of the handheld Flip Video [digital camcorders](#), which are simple and easy to use and allow for quick uploading of video to the Internet or sharing by email.

"Flip Video puts the power to instantly capture, edit and share video into the hands of everyday consumers," said Jonathan Kaplan, chairman and chief executive of Pure Digital.

"By combining forces with Cisco, we join a company that shares our passion for video and whose global scale and tremendous technology expertise we expect will enable us to quickly expand and enrich the Flip Video experience."

Cisco said the deal is expected to close in the fourth quarter of its 2009 fiscal year.

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