

# EMC buying Isilon for \$2.25 billion

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(AP) -- The data storage company EMC Corp. has reached a deal to buy Isilon Systems Inc. for \$2.25 billion in cash, betting on a surge in demand for space to put huge amounts of digital information.

It's one of a recent spree of acquisitions in the tech sector as companies look to broaden the types of software and equipment they offer big corporate customers and government agencies.

There have been a large number of deals in particular among companies that help other organizations store and sift through data. EMC bought Data Domain for \$2.1 billion after an intense bidding war with rival storage provider NetApp Inc. last summer. Hewlett-Packard CO. agreed to spend \$1.5 billion on 3Par Inc. in August. And IBM Corp. bought Netezza for \$1.7 billion in September.

EMC said Monday that Seattle-based Isilon will give its customers options for storing so-called "big data," an area that EMC hasn't yet tapped.

Sony Corp.'s recording label and movie studio, for instance, use the company's technology for storing catalogs of [digital music](#) and movie files, Isilon CEO Sujal Patel said, while the Broad Institute, a project of Harvard and MIT, uses it for sorting through [gene sequencing](#) data.

Combined with a related product called Atmos that EMC offers, the business should triple in size to \$1 billion a year in revenue for EMC by the second half of 2012, the company projects.

EMC, based in Hopkinton, Mass., is offering \$33.85 per share for Isilon, a 29 percent premium over the company's previous closing [share price](#) of \$26.29 on Friday.

The boards of both companies have approved the deal, and EMC expects to close the acquisition by year end.

The company said the deal will not have any impact on its 2010 earnings, and it reaffirmed its 2010 financial guidance.

Isilon shares surged 28 percent in midday trading. The stock climbed \$7.49 to \$33.78. EMC shares slipped 15 cents to \$21.57.

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