

Cisco to acquire Meraki for \$1.2 billion

November 19 2012

American information technology firm Cisco said it will acquire Meraki Inc., a leader in cloud networking, in a deal worth \$1.2 billion.

Based in San Francisco, Meraki was founded by researchers at the Massachusetts Institute of Technology.

[Cisco](#) will pay about \$1.2 billion in cash and retention-based incentives to acquire the entire business and operations of Meraki.

The deal announced Sunday on Cisco's website is expected to be completed in the second quarter of Cisco's fiscal 2013, subject to customary closing conditions including regulatory review.

Meraki offers small and medium sized companies networking solutions that can be centrally managed with cloud computing.

Cloud computing allows for the accessing, via Internet and at a distance, information stored on other computers.

This technology spares users from investing in costly [computer data storage](#) equipment.

"The acquisition of Meraki enables Cisco to make simple, secure, cloud managed networks available to our global customer base of mid-sized businesses and enterprises," said Rob Soderbery, [senior vice president](#) of Cisco Enterprise Networking Group.

"These companies have the same IT needs as larger organizations, but without the resources to integrate complex IT solutions," he added.

Meraki technology offers users Wi-Fi, switching, security and mobile device management centrally managed from the cloud.

The New York Times said this is the eighth takeover so far this year for Cisco, which is very active in [mergers and acquisitions](#).

Prior to this, also in the area of cloud computing, it said last week it planned to buy Santa Clara, California-based Cloupia for \$130 million.

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