

FireEye buys firm that tied cyberattacks to China

January 3 2014

(AP)—FireEye Inc. said Thursday it has acquired Mandiant Corp., the firm that linked years of cyberattacks against U.S. companies to a secret Chinese military unit.

FireEye said that the purchase of privately held Mandiant would increase its ability to stop attacks in their early stages.

The company valued the deal at nearly \$1 billion. FireEye said it would buy 21.5 million shares and options of its stock—worth about \$884 million at Thursday's closing price—and pay \$106.5 million in cash to former Mandiant investors.

FireEye makes computer-security software. It had a successful [initial public offering](#) of stock in September, with the shares nearly doubling in price on the first day of trading. The Milpitas, California-based company said its customers include more than 100 of the Fortune 500 corporations.

Virginia-based Mandiant drew attention last February when it issued a detailed report tracing attacks on 141 companies to a hacking unit in Shanghai that experts believe is part of the Chinese Army's cyber command. The Chinese government denied the firm's accusations, but the incident helped the company burnish a reputation in cybersecurity.

Mandiant's clients include more than one-third of the largest 100 corporations, according to FireEye.

Before the deal was announced, shares of FireEye fell \$2.48, or 5.7 percent, to close at \$41.13, but they were soaring \$9.12, or 22.2 percent, to \$50.25 in after-hours trading.

FireEye also said that fourth-quarter revenue would be between \$55 million and \$57 million, higher than the company's earlier forecast of \$52 million to \$54 million. Analysts surveyed by FactSet expected \$53.4 million. The company is scheduled to report results after the market closes on Feb. 11.

Including the Mandiant acquisition, FireEye expects 2014 revenue to be \$400 million to \$410 million.

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