

Symantec builds web security with purchase of Blue Coat

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US cybersecurity leader Symantec to buy Blue Coat Inc for \$4.65 billion

US cybersecurity leader Symantec will expand its web security capabilities and get a new chief executive with the \$4.65 billion purchase of Blue Coat Inc.

The deal announced late Sunday will create a company with \$4.4 billion in combined revenues, 3,000 engineers and researchers, nine global threat-response centers and an expanded capability to protect [cloud](#)

[computing](#).

Symantec said it would pay cash for its Silicon Valley neighbor. But it will effectively get some of that back when Bain Capital, the controlling shareholder of Blue Coat, puts \$750 million into convertible debt of the combined company.

And Silver Lake, another leading private-equity firm already with a stake in Symantec, will buy \$500 million in Symantec convertible debt.

At the same time, Blue Coat CEO Greg Clark will lead Symantec after the deal closes, neatly resolving Symantec's ongoing search for a new chief executive.

"With this transaction, we will have the scale, portfolio and resources necessary to usher in a new era of innovation designed to help protect large customers and individual consumers against insider threats and sophisticated cybercriminals," said Symantec chairman Dan Schulman in a statement.

"Together, we will be best-positioned to address the ever-evolving threat landscape, the massive changes introduced by the shift to mobile and cloud, and the challenges created by regulatory and privacy concerns."

Privately controlled Blue Coat was reported last month planning an [initial public offering](#) of its shares; the merger deal would halt that effort.

Shares of Nasdaq-listed Symantec were up 3.4 percent to \$17.88 in pre-market trade Monday.

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