Belkin To Buy Linksys Router Maker from Cisco

Associated Press

PLAYA VISTA, Calif. (AP) — Belkin, a maker of smartphone cases and computing accessories, said Thursday that it is buying the home networking business unit of Cisco, including the Linksys router brand.

Privately held Belkin, based in Playa Vista, Calif., did not disclose the purchase price, nor did Cisco Systems Inc. The deal is expected to close in March.

Belkin intends to maintain the Linksys brand, as well as honor warranties on current and future Linksys products. The company said that after the acquisition, it will account for about 30 percent of the U.S. retail home and small-business networking market.

Cisco has been moving away from products it sells directly to consumers, and it laid out a strategy last month to become a leading supplier of information technology to big businesses.

In 2011 it shuttered its consumer-oriented Flip video camera business. Last year, it bought NDS Group Ltd., a U.K. software firm that helps cable and satellite TV companies deliver content to subscribers' digital video recorders, tablets, smartphones and other devices.

Hilton Romanski, vice president of corporate business development for Cisco, said in a blog post Thursday that Belkin and Cisco will continue to have a strategic relationship in dealing with service providers.

"We are confident that we have found the best buyer in Belkin," he said. "We look forward to witnessing Belkin's growth as they bring Linksys into their family."

Belkin CEO Chet Pipkin said the company's ultimate goal is to be "the global leader in the connected home and wireless networking space," saying this acquisition was an important step.

Cisco shares fell 5 cents in after-hours trading to $20.97 following the announcement, after closing up 40 cents, about 2 percent, at $21.02 in the regular session.

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