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Sophos founders in £198m buyout deal

By **Mike Simons** | May 6, 2010

Sophos ^[8], the UK-based security and data protection firm has dropped plans for an IPO and has announced a deal to sell a majority interest in the company to private equity group **Apax Partners** ^[9].

Jan Hruska and Dr Peter Lammer, who co-founded the company in 1985, will sell a "substantial portion" of their equity in the company, but will maintain a significant stake in the ongoing operation, Sophos said. The two founders are to receive around \$300 million (£197 million) from the deal.

The company is significantly smaller than its main end-point security rivals **Symantec** ^[10] and **McAfee** ^[11], but unlike them, Sophos only serves companies and organizations.

Ignoring the consumer market "seems to have stood it in good stead, as it has continued to grow through the downturn," said Philip Carnelley, analyst at **TechMarketView** ^[12]. **Analyst IDC** ^[13] estimates that the global end point security market is worth \$3.1 billion a year and is growing by 9 percent annually.

Sophos provides anti-virus, anti-spyware, client firewall, host intrusion prevention, network access control, application control, device control, disk encryption and data leak prevention products. It claims more than 100 million users in more than 150 countries, with customers including **Cisco** ^[14], **Marks and Spencer** ^[15], **Heinz** ^[16] and **Harvard University** ^[17].

Steve Munford, CEO of Sophos said, "As the market continues its migration from point solution to tailored, unified security suites, Sophos's strategy to offer the world's most resilient, cost effective solutions without any additional complexity remains key.

Apax's financial backing, combined with Sophos's deep understanding of security and data protection is great news for our customers, prospects, and partners. It is also a testament to the efforts of all those who helped bring Sophos to where it is today."