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# European firms get Nortel GSM business

The **Canadian** Press

LM Ericsson and another European company have been selected to jointly purchase the GSM wireless technology business auctioned off by Nortel Networks Corp., which has accepted a joint bid worth \$103 million US.

The insolvent **Canadian** telecom equipment maker said early yesterday that **Sweden**-based Ericsson and Austrian company Kapsch CarrierCom teamed to make the bid, which would split the GSM business units between them.

About 680 Nortel employees will receive offers of employment from the bidders, Nortel said.

Ericsson will purchase assets tied to Nortel's North American Global System for Mobile (GSM) business while Kapsch will acquire assets relating to a sales region covering **Europe**, the **Middle East** and **Africa** and Nortel's **Taiwan** GSM businesses. Kapsch will also purchase the assets of the GSM-R business.

Ericsson has had a significant research and development operation near Montreal for years and is poised to use Nortel people and technology to raise its North American presence.

Ericsson has also paid \$1.13 billion US to buy Nortel's CDMA Business and LTE Access assets, which make technology for wireless networks that use a different standard than GSM.

As part of that deal, which closed Nov. 13, Ericsson agreed to offer jobs to 2,500 former Nortel employees.

The sale of Nortel's GSM business units to the European companies is part of the selloff of Nortel, formerly one of the world's premier telecom equipment companies, and is subject to court approvals in the U.S. and **Canada**.

Nortel said it will seek the courts' approval at a joint hearing on Dec. 2.

The auction of the GSM business units got under way Tuesday morning after being deferred by Nortel. The former **Canadian** technology heavyweight has been selling off its divisions after filing for creditor protection in January.

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