

Ericsson sells defense business to Saab

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Sweden's Ericsson will be selling its defense business to Saab. The electronics group will be selling Ericsson Microwave Systems AB as well as its 40-percent stake in Saab Ericsson Space to Saab. The deal is expected to be concluded by September.

Ericsson Microwave Systems provides radar, command and control systems for defense applications, while Saab's main operations are in aviation, space and civil security.

"The advanced radar development focusing on defense customers has today less synergies with Ericsson's core business. As a result of the agreement, we will strengthen our focus on telecommunications. We are also very confident about the future prospects for the national security and public safety area, which will remain within Ericsson, where the development has just recently started to take off," Carl-Henric Svanberg, chief executive of Ericsson, said in a news release.

Meanwhile, Ake Svensson, chief executive of the Saab group, stated that "we are delighted to welcome EMW's very talented employees to Saab. EMW makes a perfect fit into our business and we foresee good growth opportunities going forward for the strong combined product offering."

The two companies said they intend to evaluate opportunities for future cooperation between them in the area of national security and public safety, where their relative strengths are complementary.

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