

# Nortel strikes deal to sell business unit to Avaya

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Striking employees of Nortel France, a subsidiary of the Canadian telecommunications firm Nortel, gather in front of the entrance of the factory during a general assembly in Chateaufort, outside Paris. Nortel said Monday it reached a deal to sell its enterprise solutions business to US-based Avaya for 475 million dollars pending approval of a bankruptcy court.

Canadian telecom equipment maker Nortel said Monday it reached a deal to sell its enterprise solutions business to US-based Avaya for 475 million dollars pending approval of a bankruptcy court.

The deal, to be submitted to a US [bankruptcy](#) judge overseeing the restructuring of [Nortel](#), includes the North American, Caribbean and Latin America and Asia operations and a portion of the Europe, Middle

East and Africa operations, Nortel said.

"We continue to be fully focused on running our operations and continuing to serve our customers while actively engaged in the sale of our businesses," said Nortel president and chief executive Mike Zafirovski.

"We have determined that the sale of our businesses maximizes value while preserving innovation platforms, customer relationships and [jobs](#) to the greatest extent possible."

Once Canada's largest company, Nortel has been struggling since the dot.com collapse. It filed for bankruptcy protection in both the United States and Canada in January as it faced some 107 million dollars in interest on its debt.

The company lost 3.4 billion US dollars in the third quarter of 2008 and saw revenues fall 14 percent.

Last year, Nortel said it was slashing 2,100 jobs mostly in North America and would transfer another 1,000 jobs to lower-cost countries, following deep losses.

Nortel, which did business in 150 countries and had about 26,000 employees around the world in February, traces its history back to 1882 as the mechanical department of Bell Telephone Canada.

In June, Nortel agreed to sell most of its wireless business to [Nokia Siemens Networks](#) for 650 million dollars.

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