

Sprint Nextel signs networking deal with Ericsson

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(AP) -- Sprint Nextel Corp. has signed a seven-year deal with LM Ericsson for the Swedish telecommunications equipment maker to take over operation of Sprint's wireless and wireline networks.

The deal, valued between \$4.5 billion and \$5 billion, will transfer about 6,000 Sprint employees to Ericsson. Sprint would retain ownership of its networks.

The move is seen as a way to help Sprint cut costs and make itself more competitive in the wireless market, where it has been losing subscribers.

The deal, which has been rumored for months, is expected to close in the third quarter.

Sprint shares jumped 4.9 percent to \$4.50 in midday trading.

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