U.K. group buys Ericsson's Mobitex division

By Colin Holland

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LONDON — A U.K. investment group has acquired the Mobitex wireless data division of Ericsson which is based in Gothenburg and has approximately 100 employees. Developed by Ericsson, the Mobitex network is an open, international standard which is a packet-switched, narrowband, data-only.

The business will be known as Mobitex Technology AB and as part of the agreement between the companies, Mobitex Technology AB will become an Ericsson Strategic Business Partner, and will also share certain technology patents.

Mobitex Technology AB is backed by UK investors and supported by Handelsbanken, the Swedish banking group. Amongst its major shareholders are Andrew C Fitton, the former chief executive of the UK Mobitex network operator Transcomm plc, also the former President of the worldwide Mobitex Association, and Russell Backhouse, the former finance director of Transcomm which was recently acquired by BT.

Also as part of the agreement Mobitex hardware will continue to be manufactured under contract by Ericsson and for the immediate future the business will continue to operate from Ericsson’s premises at Lindholmen, Gothenburg, before relocating to new premises before the end of 2004.

Andrew Fitton, who has been appointed Chief Executive of the new company, said, "This is a very exciting development — I have been associated with Mobitex since 1999 during which time I have seen it become increasingly successful, as the number of users employing the technology worldwide has increased 500 percent. The Mobitex community has unparalleled experience in wireless data, being independent..."
will enable us to fully leverage this experience, to address markets with compelling offerings and to form new business alliances within the wireless data world. With the focus that independence will bring, I believe that Mobitex will flourish.”

Mobitex Technology AB designs, supplies and supports wireless packet switched data networks using the Mobitex technology for dedicated wireless data. Compared with traditional cellular technologies this technology is said to provides a more secure environment, higher levels of reliability, faster data delivery and extensive seamless coverage.

There are now over 30 networks worldwide and around 100 government and emergency services organisations that use Mobitex, as do 400 of the Fortune 1000 companies. The largest Mobitex network is operated by Cingular Wireless and covers the whole of the USA. In Europe the UK national network operated by Transcomm.