Cingular Wireless LLC, www.cingular.com, Atlanta, Ga., one of the largest network operators in North America and a major proponent of M2M technology, announced the sale of its Cingular Interactive business unit to private-investment firm Cerberus Capital Management LP, New York, N.Y.

As a subsidiary, Cingular Interactive operates the Mobitex network, a data-only wireless network regarded as being very well suited for machine-to-machine data transfer. In recent months, Cingular shifted the focus of Mobitex very heavily toward M2M, or as the company calls it, "transaction and telemetry" applications.

“(Cingular Interactive) is a business unit whose strategy will have it evolving in the near term to being completely dedicated to M2M,” Tom Langan, director of Cingular Interactive, said in May. “We have a substantial installed base of over a million subscribers. A good portion of those are existing mail and messaging, and a good portion are the more traditional vertical/enterprise applications. Also, a growing percentage are in what is now being described as the M2M space.”

By spinning off as an independent company, Cingular Interactive will likely have greater flexibility for combining the Mobitex network with other M2M solutions and services, says Glen Allmendinger, president of Harbor Research Inc., www.harborresearch.com, San Francisco, Calif., an M2M analyst firm.

“I think it's a really significant step in the maturation of the market,” Allmendinger says. "I think it frees (Cingular Interactive) up to do a lot of very creative things. They could provide a front end that incorporates other carriers and build more scope and value into that model on top of Mobitex. I think it gives them a way to communicate that they not only have a reliable data network, but they're also going to begin to add all of these other elements that are required to provide an end-to-end solution."

Terms of the sale were not disclosed, and a Cerberus spokesperson says a timeframe for the deal’s completion is still being determined. According to a press release, the acquisition of Cingular Interactive will include the Mobitex network, customer service operations and information technology systems, as well as a majority of Cingular Interactive’s current customer base.
Members of the unit's management team are expected to continue in their current positions.

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