
Deal Street

S&R, NDA, Paul Weiss and Willkie advise on Ericsson-Telcordia deal

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Swedish firm Ericsson has acquired telecom-software entity Telcordia for \$ 1.15 billion (approximately Rs. 5130 crore) in an all cash transaction, on a cash and debt-free basis. Telcordia is now part of the Ericsson Group and its approximately 2,600 skilled employees have joined Ericsson.

S&R Associates advised Ericsson on the Indian aspect of the transaction with a team led by Partners Sandip Bhagat and Uday Walia along with Simran Dhir.

Paul, Weiss, Rifkind, Wharton & Garrison acted as International legal Counsel for Ericsson. The team was led by Counsel Ji Lu.

Nishith Desai Associates advised Telcordia on the Indian leg with a team led by Partner Vivek Kathpalia while Willkie Farr & Gallagher acted as International legal advisors. The Willkie team was led by Partners Steven Gartner and David Boston.

According to the press release, Ericsson, on June 14, had announced that it has reached an agreement with Providence Equity Partners and Warburg Pincus to acquire 100 per cent shares of Telcordia.

Willkie had advised Providence and Warburg on the original acquisition of Telcordia in 2005.

The combination of the two companies creates the leader in service fulfilment, service assurance and network optimization and gives Ericsson a leading position in realtime charging and significant capabilities to support operators end to end.

The OSS/BSS (Operations Support Systems/Business Support Systems) is a growing market driven by the demand for business efficiency, innovation and high quality user experience. In 2010, the market for software and systems integration was valued at about USD 35 billion and is expected to show a compound annual growth rate between 6-8 percent between 2010 and 2013.

Telcordia, headquartered in Piscataway, New Jersey, generated revenues of \$ 739 million during the last fiscal year ended January 31, 2011. The company will be managed by Ericsson's Business Unit Multimedia, but sales and margins will be shared between Multimedia and Services depending on portfolio mix.
