



PRESS RELEASE  
JANUARY 3, 2011

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# ERICSSON COMPLETES SALE OF ERICSSON FEDERAL INC. TO TAILWIND CAPITAL

- Tailwind renames Ericsson Federal Inc. to Oceus Networks
- Transaction creates new channel for Ericsson to better address the U.S. federal government
- Oceus Networks to serve as Ericsson's exclusive channel to the U.S. Department of Defense

Ericsson (NASDAQ: ERIC) today announced the completion of the sale of 100 percent of the shares in Ericsson Federal Inc. (EFI) to Tailwind Capital, a private equity firm focused on growing companies. As the division of Ericsson focused on the U.S. federal government market, EFI is renamed Oceus Networks and is a wholly owned U.S. business. Ericsson has no ownership stake in the company. The sale was completed on December 31, 2010.

Under the terms of the new structure, Oceus Networks will have the exclusive right to offer the full slate of Ericsson's industry leading standards-based, off-the-shelf technology and support services to this customer base. Ericsson Federal Inc.'s employees have joined Oceus Networks, which is based in Reston, Virginia. Douglas Smith will continue as President and CEO of the company.

For more than 50 years, Ericsson has been a trusted partner to the U.S. public sector. Now Oceus Networks can leverage Ericsson's leading technology portfolio and investment in research and development to design and deliver standards-based government solutions to meet the emerging and future communications needs of the federal government.

"We are excited about the opportunity to work with Oceus Networks to deliver broadband solutions for future government networks," said Emil Nilsson, CFO and COO of Ericsson's North American operations. "Under Tailwind's ownership, Oceus will be fully focused on the federal sector and the partnership brings us enhanced ability to offer the latest standards-based solutions to the U.S. federal government," Nilsson concludes.

"Oceus Networks will leverage Ericsson's world-class technology to design, build and support emerging communications solutions for the government, but will now have an improved ability to engage with customers in long-term planning and ultimately better serve their needs," said Jim Hoch, Managing Partner of Tailwind Capital.

"Tailwind has established a track record of helping portfolio companies accelerate growth, and Oceus Networks represents a compelling opportunity to acquire a leading communications-focused systems integrator that is well positioned to leverage its strategic,



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long-term relationship with Ericsson and capitalize on a number of powerful market dynamics and trends”, said Douglas Smith, CEO of Oceus Networks.

The terms of the transaction are not disclosed.

#### NOTES TO EDITORS:

Our multimedia content is available at the broadcast room:

[www.ericsson.com/broadcast\\_room](http://www.ericsson.com/broadcast_room)

*Ericsson is the world’s leading provider of technology and services to telecom operators. Ericsson is the leader in 2G, 3G and 4G mobile technologies, and provides support for networks with over 2 billion subscribers and has the leading position in managed services. The company’s portfolio comprises mobile and fixed network infrastructure, telecom services, software, broadband and multimedia solutions for operators, enterprises and the media industry. The Sony Ericsson and ST-Ericsson joint ventures provide consumers with feature-rich personal mobile devices.*

*Ericsson is advancing its vision of being the “prime driver in an all-communicating world” through innovation, technology, and sustainable business solutions. Working in 175 countries, more than 80,000 employees generated revenue of SEK 206.5 billion (USD 27.1 billion) in 2009. Founded in 1876 with the headquarters in Stockholm, Sweden, Ericsson is listed on NASDAQ OMX, Stockholm and NASDAQ New York.*

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#### About Tailwind Capital

Tailwind Capital is a leading private equity firm investing in growth-oriented middle market companies in business and communications services and healthcare. Tailwind partners with management teams to build value through internal growth, acquisitions, and operational and strategic developments. The firm currently has over \$1 billion under management. Representative investments include TowerCo (wireless infrastructure), Archway (marketing logistics), Trover Solutions (insurance services), SDI Health (healthcare data analytics), Apex Companies (environmental services) and Optimal Solutions (IT services). For further information, please visit: [www.tailwind.com](http://www.tailwind.com).

#### About Oceus Networks

Oceus Networks provides broadband solutions to governments that enable them to deliver high-speed voice, video and data communications to the constituents they serve. Broadband



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empowers governments to send and receive critical information and to create opportunities for businesses to compete in the global marketplace. Oceus Networks delivers open, standards-based mobile and fixed network infrastructure as well as an extensive portfolio of public sector-focused solutions to simplify and expedite the deployment of wired and wireless broadband communications solutions.

As both the expedited manner with which networks are deployed and the improved voice, video and data communications refer to speed, that is the basis of the origination of the company's name. Ocius, a variation of the company's name, is a latin word for speed, thereby the company's name reflects the customer value derived from both expedited network development as well as improved communications.

Privately owned and operated, Oceus Networks' headquarters are located in Reston, Virginia, USA.

[www.oceusnetworks.com](http://www.oceusnetworks.com)  
<http://www.youtube.com/OceusNetworks>  
<http://twitter.com/oceusnetworks>

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