

Deal Creates Europe's 2nd Largest IT Services Group

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Siemens takes a 15% stake and a board seat in **Atos Origin**-- a rare France-Germany deal that creates **Europe's 2nd-largest IT services group** (after IBM).

The German engineering giant's loss-making SIS unit will now be part of the French IT services group.

Through the €850m deal, Siemens will off load one its two problem units (the other is NSN, its telecoms JV with Nokia.) Siemens currently prefers to concentrate on the healthcare, energy and industrial sectors.

Among other IT activities, Atos Origin provides IT services to France's 58 nuclear reactors. It's now run by former French finance minister Thierry Breton. Breton hopes to expand the company's IT services business into new markets, including smart grids and meters (an ouch for IBM).

Siemens and Atos will also form a "strategic partnership" by pooling €50m each into software research and development projects.

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