

China's Lenovo buys cloud computing firm Stoneware

September 18 2012, by Kelvin Chan

(AP)—China's Lenovo Group said Tuesday it's buying small U.S. software company Stoneware as it seeks to gain a foothold in the rapidly growing field of cloud computing.

Lenovo, the world's second biggest maker of personal computers, did not say how much it was paying for Carmel, In.-based Stoneware Inc., but said the acquisition would not affect earnings.

The PC maker said buying Stoneware would help to enhance and expand its cloud computing business. The term refers to storing documents and software applications at remote data centers and allowing users to access them through smartphones, tablet computers, laptops and other Internet-connected devices.

Lenovo is beefing up its cloud computing division as it expands into areas with higher margins and growth opportunities than the PC business, which has become one of the technology industry's least profitable and slowest growing areas. Lenovo has recently branched out into making smartphones and Web-linked tablet computers and the deal, its first acquisition of a software vendor, would help connect those devices.

The company said the Stoneware purchase would add "significant new technologies and accelerate its capabilities for both commercial and consumer cloud offerings." Lenovo said it will aim to sign up more customers for Stoneware's two cloud computing products—aimed at the

education industry and the public sector—as well as develop new consumer products.

Stoneware has 67 employees in Indiana and Salt Lake City and Lenovo said none would lose their jobs. The purchase is expected to be completed by the end of 2012.

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