Microsoft expands Internet, data centers in China

The Associated Press

Microsoft Corp. is expanding its data-center service and Internet version of its Office software suite into China.

The deal announced Thursday calls for Microsoft to work with Beijing-based 21Vianet Group Inc. to sell Office 365 and Windows Azure to companies in the world's most populous country. The licensing agreement was negotiated with the help of the Shanghai's municipal government.

Office 365 is a service that gives customers online access to Microsoft's popular word processing, spreadsheet and email programs. Windows Azure enables customers to customize online applications and store data in Microsoft's remote computers.

Like many major technology companies, Microsoft is hoping to sell more services to Chinese companies and government agencies as the country's economy continues to expand.

Chinese customers who prefer to work with companies from their own country and store information in data centers governed by the same laws will be able to buy Office 365 and Windows Azure through a data center that 21Vianet intends to set up in Shanghai. Microsoft, based in Redmond, Wash., will also manage the services from its own data centers in Singapore or Hong Kong that operate under the laws of those countries.

Microsoft's stock rose 98 cents, or 3.4 percent, to close at $29.52 while 21Vianet's U.S.-traded shares added 12 cents to close at $11.20.

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