


[Advanced Search >](#)



FRONT PAGE
NEWS & COMMENTARY

Herb Greenberg
Columnists
First Takes
Special Reports
Blogs
Podcasts
Industry News
Economy & Politics

AT&T sees added revenue from pact with IBM

By MarketWatch

Last Update: 8:24 AM ET Oct 2, 2007

NEW YORK (MarketWatch) -- AT&T Inc. (T) said Tuesday that it expects to bring in as much as \$1 billion in annual revenue over the five-year term of an outsourcing agreement with International Business Machines Corp. (IBM). In filings with the Securities and Exchange Commission, the San Antonio-based telecommunications giant said IBM will use AT&T's global telecommunications and network management services internally as well as externally for its clients. As the agreement is carried out, AT&T expects to incur about \$80 million in charges over the next 12 months. AT&T said the agreement provides for AT&T to offer transition employment to associated IBM employees in more than 30 countries. Under another agreement between the telecommunications company and the Armonk, N.Y., computing titan, AT&T will expand the information-technology services it currently purchases from IBM. AT&T didn't provide financial terms of that agreement. The company said it expects to incur about \$60 million in charges in 2007 over the purchase agreement with IBM. The agreements aren't expected to have a material impact on its financial results, AT&T said. AT&T shares closed Monday at \$42.23; shares of IBM closed at \$119.03. ■

[Site Index](#) | [Topics](#) | [Archive](#) | [Help](#) | [Feedback](#) | [Membership](#) | [Premium Products](#) | [Mobile](#) | [RSS](#) | [Podcasts](#) | [Company Info](#) | [Advertising Media Kit Solutions](#)

The Wall Street Journal Digital Network:

[WSJ.com](#) | [Barron's Online](#) | [BigCharts](#) | [Virtual Stock Exchange](#) | [All Things Digital](#) | [MarketWatch Community](#)
[CareerJournal.com](#) | [CollegeJournal.com](#) | [OpinionJournal.com](#) | [RealEstateJournal.com](#) | [Financial news online](#) | [WSJ.com Entrepreneur](#)

MarketWatch

Copyright © 2007 MarketWatch, Inc. All rights reserved.
 By using this site, you agree to the [Terms of Service](#) and [Privacy Policy](#).

AT&T sees added revenue from pact with IBM - MarketWatch

Intraday data provided by [Comstock](#), a division of Interactive Data Corp. and subject to [terms](#) current end-of-day data provided by [FT Interactive Data](#). More information on [NASDAQ traded](#) current financial status. Intraday data delayed 15 minutes for Nasdaq, and 20 minutes for other Jones IndexesSM from Dow Jones & Company, Inc. SEHK intraday data is provided by Comst 60-minutes delayed. All quotes are in local exchange time.