

## Reuters News May 26, 2011 UPDATE: 1-Rosatom still eyes nuclear venture with Siemens

UPDATES Siemens told to pay 648 mln euros to Areva

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\* Says talks can resume now that Areva legal woes behind

\* Siemens left Areva venture in 2009 to tie up with Rosatom

\* Says JV to be reset in light of new German nuclear stance

(Adds details from Rosatom briefing, background)

By Marie Maitre and Alexei Anishchuk

DEAUVILLE, France, May 26 (Reuters) - Russia's Rosatom said on Thursday it still wants to cooperate on nuclear issues with Siemens (SIEGn.DE) now the German industrial group looks close to severing an atomic venture with a French partner.

"There has been no disruption in cooperation... We have never abandoned our wish to set up a strategic partnership with Siemens, provided Siemens and Areva improve their relations," Rosatom deputy chief executive Nikolai Spassky told reporters at the Group of Eight summit.

Siemens announced in January 2009 it would leave a nuclear joint venture with Areva (CEPFI.PA) to join forces with Rosatom, in a move that took the French state-controlled nuclear reactor group by surprise.

Areva said a non-competition clause prevented Siemens from setting up a rival operation before 2020, opening the way to two years of legal wrangling.

A price tag of 1.62 billion euros (\$2.26 billion) for Siemens's 34 percent stake was determined by independent experts last month, but the value of the stake was still subject to a final court ruling that finally came last week. [ID:nLDE74I254]

The Paris arbitration court asked Siemens to pay Areva 648 million euros after considering the German group had violated its shareholder pact by forging an alliance with Rosatom.

"The legal constraints are over and behind us," Rosatom's Spassky said. "now it is a question of substance. Siemens and us remain committed to this goal of establishing a substantive strategic partnership worldwide but it requires a redefinition."

**The Fukushima catastrophe in Japan, which led Germany to freeze its nuclear plans, has changed the terms of a Siemens-Rosatom partnership, Spassky said.**

Under the original proposed venture, the German and Russian duo would have developed the Russian pressurized water reactor technology, a new-generation nuclear reactor that would compete with Areva's 1,650 megawatt EPR reactor.

"It requires a redefinition because previously we were discussing the construction of nuclear power plants worldwide. Now Siemens is not in a position to construct nuclear power plants since they are constrained by the position of their government," Spassky said, adding though that Siemens remained a key player for machine building, turbines and control systems.

"Since we are both global players I assume the possibility for a mature, very substantive, and mutually advantageous strategic partnership is perfectly there," he said.

"So we are interested, and they are interested. The talks are in the pipeline and now that the constraints are over I assume we will be switching it (the venture) on into high gear."

Spassky have no timeframe for negotiations.

(Editing by Erica Billingham)