

Yipes Makes Good

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By Jeff Caruso

One of the biggest news stories Monday was that Ethernet service provider Yipes was bought by an Indian company for \$300 million.

Now, \$300 million is a nice chunk of change, and the acquisition marks an interesting chapter in the story of Yipes, a company that created quite a lot of buzz for itself back in the day.

Yipes was founded in 1999, riding the Internet wave and the demand for ever-increasing bandwidth. It was in the forefront of touting Ethernet-based metro-area services, and also pushed for using Ethernet across a wide-area network. The company spent lots of money to spread the word - including some dough for creating "Yipes World" at the Gigabit Ethernet Conference.

Within a couple of years, the Internet boom became the Internet bust, and Yipes filed for bankruptcy. In 2002, I wrote about how the company reorganized, emerged from bankruptcy, and scaled back its operations to slightly fewer geographical areas. In 2003, I noted that Yipes received \$63 million in fresh funding.

This week, my colleague Carolyn Duffy Marsan writes that Yipes had raised \$100 million in venture financing. Since last I checked in with the company, it has apparently grown its customer roster to 850 and has expanded its fiber-optic coverage to 14 major U.S. cities, plus some overseas. Marsan says the company grew its business 40% in 2006.

Its acquirer is one of India's largest telecom providers, Reliance Communications. The deal means that Yipes will be able to go international in a big way, as it will extend its managed services to potentially 40 countries.