



THE BUSINESS OF TECHNOLOGY

Reliance Nabs Yipes for \$300M

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Startups that design and develop Ethernet communications gear for telecom providers could get a major shot in the arm.

India's Reliance Communications, one of that country's largest telecom service providers, said it plans to acquire Yipes Holdings, a San Francisco-based telecom services firm, for \$300 million.

It's a princely sum for a company that has had its ups and downs, particularly during the telecom downturn when end-to-end Ethernet didn't seem like such a good idea.

But times have changed since 2001. There's more demand among businesses for the kind of high-bandwidth services Yipes provides, particularly in the financial sector.

Reliance, based in Mumbai, India, says it plans to spend another \$200 million to double Yipes' market reach in the United States from 14 cities to 28.

It will also increase Yipes' reach in its other major markets: London, Hong Kong, and Tokyo. The acquisition is expected to be completed sometime in the fourth quarter.