

YAHOO BOARD HIRES INVESTMENT BANKS TO MULL POSSIBLE SALE

SAN FRANCISCO: Yahoo's board has hired three investment banking firms to evaluate potential bids for its Internet operations in the clearest sign yet that CEO Marissa Mayer may not have much more time to turn around the struggling company.

The move announced Friday comes 2 1/2 weeks after Yahoo disclosed it would consider "strategic alternatives" while Mayer cuts costs through mass layoffs, office closures and a purge of unprofitable products.

Mayer believes the overhaul will boost profits and sharpen Yahoo's focus

on mobile apps and other services most likely to revive the company's revenue growth after years of decline.

Some Yahoo shareholders frustrated with a steep drop in the company's stock price have been pushing for a sale of the Internet operations instead.

The board has now responded to that pressure by hiring investment bankers Goldman Sachs, J.P. Morgan and PJT Partners to set up a process for meeting with companies interested in buying all or parts of Yahoo's business. A special committee of Yahoo's directors will discuss the options with the bankers

and the company's legal advisers, Cravath, Swaine & Moore.

While the board mulls those alternatives, Mayer will continue to pursue a turnaround plan that includes jettisoning 15 percent of Yahoo's workforce. "We believe that pursuing these complementary paths is in the best interests of our shareholders and will maximize value," Yahoo Chairman Maynard Webb said in a statement.

Mayer also is trying to spin off Yahoo's Internet operations into a newly created company while leaving behind prized stakes in Alibaba Group, a rapidly

growing Internet company in China, and Yahoo Japan. The proposed spinoff might not be completed until next year, if Yahoo's Internet business isn't sold before then.

Yahoo Inc. didn't identify any of the potential bidders that it might meet. Verizon Communications has publicly said it might be interested in buying parts of the company after paying \$4.4 billion last year to snap up another fading Internet company, AOL Inc.

Analysts believe Yahoo's other likely suitors may include AT&T, Comcast and various private equity firms that special-

ize in snapping up troubled companies with well-known brands such as Yahoo.

Virtually all of Yahoo's current market value of \$28 billion is tied to its stakes in Alibaba and Yahoo Japan. The holdings in Alibaba alone are valued at \$26 billion.

Analysts still believe Yahoo's line-up of still-popular services such as email, sports and finance could fetch several billion dollars in a sale.

Yahoo's stock gained 62 cents, or 2 percent, to close Friday at \$30.04. The shares have plunged by 40 percent since the end of 2014. —AP



NEEMRANA: This photo taken on January 21, 2016 shows an Indian post office employee working inside a post office in a village in the Rajasthan district of Neemrana. While in the United States online giant Amazon and its ilk experiment with futuristic drones and one-hour deliveries, in rural India e-commerce retains a distinctly old-fashioned feel. —AFP

INDIA POST RIDES E-COMMERCE WAVE AS VILLAGERS BUY ONLINE

ALWAR: With his rickety bicycle and sackcloth mail bag, 62-year-old Indian postman Chet Ram does not look like a worker at the vanguard of an e-commerce revolution delivering everything from mobile phones to cow manure.

He pedals miles each day in rural Rajasthan state, ferrying packages to villages and takes payments in cash because most of his customers do not have bank accounts, let alone credit cards.

While in the United States online giant Amazon and its ilk experiment with futuristic drones and one-hour deliveries, in rural India e-commerce retains a distinctly old-fashioned feel.

Yet the dawn of online shopping is changing the lives of people in rural areas and is breathing new life into India Post, the ailing state-run postal network, which has struggled with a huge deficit for years. In the past two years the 160-year-old postal giant has tied up with 400 e-commerce companies including Amazon and Indian giant Flipkart to deliver a diverse range of goods.

It deploys its vast network of about 460,000 employees across 155,000 post offices to take goods to customers in remote areas, often hundreds of kilometres (miles) from the nearest town.

Government clerk Surinder Singh Yadav from rural Ula Hedi village in Neemrana district says the dawn of e-commerce has transformed shopping for his family, who now nudge him to order products they see advertised on television. "These companies give us a variety we don't get in our local markets, quality at competitive rates and a doorstep delivery," said Yadav, as he accepted a delivery of a spray paint machine.

ONLINE COMMERCE

The absence of reliable private delivery companies outside the big cities led India Post to step in to fill the gap.

"Until recently, people in these rural areas had aspirations but no means to access the market," Kavery Banerjee, secretary of India Post, told AFP. "Now we are delivering women's clothes and latest electronic gadgets even in the remote regions of country like Leh and Ladakh," she added. It has been a huge success, with parcel deliveries increasing 15-fold to 75,000 daily deliveries in the past two years.

But India's vast areas of rural terrain, where roads can be poor and infrastructure patchy, pose challenges to the digital revolution. Most small post offices, like the one in Neemrana, depend on unreliable public transport to collect parcels from region's

bigger post offices. Postal workers use bicycles and old cloth mail bags which make it difficult to transport bigger or multiple parcels. Many rural Indians are still new to the Internet-up to a billion people are not yet online in the country and are wary of e-commerce sites, preferring to hand over money only after receiving the goods. Part of the firm's success has been driven by giving customers the chance to pay cash on delivery-although it takes up to two days to find out if a parcel was accepted by a distant recipient.

"It has given a sense of empowerment to customers who are not confident about e-commerce shopping," said K.C. Verma, an assistant superintendent at a post office in Behror, a town close to Neemrana. One such customer is Sudesh Yadav, a farmer's wife in Daulat Singh Pura village in Neemrana who refused to accept her parcel of a car cleaning kit. "The company has sent the order almost a week late," she told the postman who had cycled to her home on a cold January morning to deliver the goods. "We have already purchased it from a nearby town. Take it back," she said.

FINANCIAL WOES

India Post, which was founded under colonial rule in 1854, hopes the huge growth of e-commerce will enable it to reverse its ailing financial situation. The value of cash-on-delivery parcels handled by the postal department is expected to register a 300 percent increase by the end of financial 2015 compared with last year, India Post said.

It hopes to slash its \$800 million average annual deficit and improve profitability at its 140,000 rural post offices.

Communication and Information Technology Minister Ravi Shankar Prasad told reporters last month that the Indian postal department had the potential to become the "world's leading e-commerce delivery platform". The department has upgraded or added around 70 modern parcel handling centres with existing post offices in the last two years and plans to add to its standing fleet of around 900 mail vans across India. It also plans to address the issue of tracking deliveries, including by giving handheld devices to postal workers.

For rural India's postmen, the flood of parcel deliveries recalls the days of the 1980s or 1990s when sending letters and postcards was much more common.

"These parcel deliveries in the last couple of years are once again making us busier," Ratan Lal, a postman with Neemrana post office SAID. —AFP

HUAWEI UNVEILS 5 INITIATIVES FOR DIGITAL TRANSFORMATION IN THE TELECOM INDUSTRY

DUBAI: Ahead of this year's Mobile World Congress, Huawei has unveiled its five 'Big Initiatives' for the telecom industry to accelerate its digital transformation. The Big Initiatives and the resulting solutions represent the company's long-term commitment to building a better connected world through extensive collaboration across the industry.

The initiatives represent new opportunities for telecom operators in the Middle East and worldwide, foreseeing a potential \$100 billion video industry market, a \$1 trillion enterprise cloud market, and the number of IoT connections expected to grow 10-fold. Huawei describes the five initiatives as Big Video - Everywhere, Big IT - Enabling, Big Operation - Agile, Big Architecture - Elastic, and Big Pipe - Ubiquitous.

During this year's congress, Huawei is also planning to unveil at least one new addition to its rapidly growing consumer device lineup. New agreements are further expected with leading telecom operators from across the Middle East focusing on the development of smart cities, Internet of Things applications and supporting governments' digital transformation agendas.

"Digital transformation is a new engine for telecom industry growth, and it will also empower the innovation of other industries," said William Xu, Executive Director of the Board and Chief Strategy Marketing Officer of Huawei. "Huawei will continue to open up platform capabilities to help carriers to build an open, collaborative, and win-win industry ecosystem to accelerate digital transformation."

DIGITAL TRANSFORMATION

According to forecasts, by 2025 there will be four billion new broadband users, more than 100 billion things will be digitally connected, and every person's consumption of data will increase more than 500-fold. The digital and physical worlds are rapidly converging and consumers are demanding the ROADS experience (i.e., Real-time, On-demand, All-online, DIY, and Social) as the new norm.

For the telecom industry to deliver the ROADS experience and

meet its customers' diversified needs, it requires expanding its own vision, opening up pipes, data, and services to partners, embracing the Big Initiatives for digital transformation, and sharing resources in complementary partnerships.

For the digital transformation of vertical industries, Huawei is collaborating with consultants and software partners to build industry-specific ecosystems so as to provide integrated solutions to

global telecom carriers and enterprises achieve agile innovation, accelerated transformation, and business success in the digital era.

Meeting its latest industry outlook, Huawei has developed open platform solutions for 2K/4K video which aggregate content and enable innovation in video services. In cloud computing, Huawei's priority is working with telecom operators to provide cloud services. Huawei's cloud strategy is to

commercially on a large scale in 2016, and will help to accelerate the global adoption of 4.5G.

NEW BUSINESS OPPORTUNITIES

Huawei's IoT solutions will drive the digital transformation of carriers' home broadband services by making the smart home a reality. Huawei's LTE-based Narrow Bandwidth IoT (NB-IoT) technology will enable telecom operators to deliver ubiquitous, cellular IoT. This technology will spark new business



Huawei headquarters

industries such as transportation, energy, government, and finance. Huawei is also innovating with upstream and downstream partners to help them adapt to new telecom trends such as 5G, SDN/NFV, and digital operations.

INITIATIVES OF THE FUTURE

In the build up to this year's congress, Huawei further announced a new wave of solutions for 4.5G mobile broadband, Internet of Things (IoT), 2K/4K video, and Safe Cities-endorsing open platforms to enable collaboration so that shared success can be achieved in telecom industry. During the upcoming congress Huawei will showcase its latest

co-build an open cloud ecosystem with its partners: Huawei will focus on building IaaS, enabling PaaS and aggregating SaaS, to empower our partners in application oriented and data driven high value creation.

4.5G will deliver mobile broadband data rates of up to 1,000 Mbit/s, enabling HD voice, 2K/4K HD video, and virtual reality experiences to be available anywhere. 4.5G will also make possible the IoT, which will make our lives smarter, and help telecom operators expand into industry markets. GigaRadio, one of Huawei's key products launched at this year's MWC, is a crucial technology for 4.5G. GigaRadio will be deployed

opportunities in smart metering, smart parking, logistics tracking, and smart cities.

Huawei's Safe City solutions are powered by the latest IoT and mobile broadband (MBB) technologies to deliver smart, video-based security systems for cities. These systems enable governments and municipal authorities to prevent crises and improve their response to emergencies. To date, Huawei's Safe City solutions have been deployed in over 100 cities across more than 30 countries.

MWC 2016 will be held in Barcelona, Spain, between February 22 and 25. Huawei's exhibition booths are in Fira Gran Via Hall 1 and Hall 3.

US WOULD BE WILLING TO LET APPLE KEEP SOFTWARE TO HELP FBI HACK IPHONE

WASHINGTON: The Obama administration told a US magistrate judge it would be willing to allow Apple Inc. to retain possession of and later destroy specialized software it has been ordered to design to help the FBI hack into an encrypted iPhone used by the gunman in December's mass shootings in California. The government made clear that it was open to less intrusive options in a new legal filing intended to blunt public criticism by Apple's chief executive, Tim Cook, who said the software would be "too dangerous to create" because it would threaten the digital privacy of millions of iPhone customers worldwide.

"Apple may maintain custody of the software, destroy it after its purpose under the order has been served, refuse to disseminate it outside of Apple and make clear to the world that it does not apply to other devices or users without lawful court orders," the Justice Department told Judge Sheri Pym. "No one outside Apple would have access to the software required by the order unless Apple itself chose to share it."

Meanwhile, the legal fight continued to reverberate on the presidential campaign trail as Republican candidate Donald Trump called on Americans to boycott Apple until it complies with the court order.

Trump made the comment during a question-and-answer session in Pawleys Island, South Carolina, where he's campaigning ahead of Saturday's first-in-the-South Republican presidential primary. Trump says Cook wants to prove "how liberal he is" and told the crowd to "boycott Apple until such time as they give up that security."

In the latest volley between the federal government and one of the world's most respected companies, the Justice Department argued that Apple has the technical ability to comply with a court order issued this week - but won't do so because of its marketing strategy.

"Apple has attempted to design and market its products to allow technology, rather than the law,

to control access to data which has been found by this court to be warranted for an important investigation," the filing states.

'MASTER KEY'

The Justice Department's motion, which seeks to force Apple to comply with Pym's order, appears aimed at rebutting some of the key objections of Apple and its supporters. It says that the software the government seeks, contrary to Apple's assertions, is not akin to a "master key, capable of opening hundreds of millions of locks." And it also rejects the idea that the court order placed an unreasonable burden on the company, saying Apple already has the technical wherewithal to satisfy it.

"To the extent that Apple claims that the order is unreasonably burdensome because it undermines Apple's marketing strategies or because it fears criticism for providing lawful access to the government, these concerns do not establish an undue burden," the government wrote.

Apple's written objection, already signaled by Cook in a message to Apple customers, is due next Friday.

Apple executives said during a call with reporters Friday that the company had worked with federal officials and investigators to try to gain access to Syed Farook's iPhone. The executives, who insisted on anonymity to speak freely amid ongoing legal proceedings, said they went to the FBI in early January with four suggestions, including a workaround using iCloud. Prosecutors noted the four methods and their "deficiencies" in a footnote in their Friday court filing.

APPLE TO CREATE SOFTWARE FOR FBI

The magistrate on Tuesday ordered Apple to provide the FBI with highly specialized software that could be loaded onto the work-issued iPhone 5C used by Farook, who died with his wife in a gun battle with police after killing 14 people in December in San Bernardino, California. The US has said the

attacks were partly inspired by the Islamic State terrorist group.

Although the judge instructed Apple to create the software for the FBI, she said it could be loaded onto the phone at an Apple facility. But the Justice Department made explicit Friday that Apple could retain custody of the software at all times.

The specialized software would bypass a security time delay and self-destruct feature that erases all data after 10 consecutive, unsuccessful attempts to guess the unlocking passcode. This would allow the FBI to use technology to rapidly and repeatedly test numbers in what's known as a brute force attack. In their filing Friday, prosecutors explained that investigators would be willing to work remotely to test passcodes, while Apple retained both possession of the phone and the technology itself.

That's a good "compromise position" because "they're giving all the power to Apple," said Jason Healey, a former director on cyber policy at the White House.

"They're telling Apple, 'You hold the software, we're not asking you to put a backdoor in the encryption, we just want to be able to brute force this thing,'" Healey said. "If the precedent is this, that they deliver the phone to Apple and Apple does it, I think that's a pretty good precedent that can't be done en masse on the next thousand iPhones."

The government said the county-owned phone could be valuable as evidence because Farook appeared to use the device to communicate with his wife in the months before the shootings as well as with some of his co-workers who were killed in the attacks. Two other personal phones were found crushed beyond investigative value in the trash behind the couple's home.

The House Energy and Commerce Committee on Friday invited Cook and FBI Director James Comey to appear before it to discuss encryption technologies and issues of privacy and national security, asking both to tell Americans how they plan to move forward. —AP



NEEMRANA: Indian postman Ratan Lal riding a bicycle as he delivers a parcel to a customer in a village in the Rajasthan district of Neemrana. —AFP