

Computer Daily News

Tuesday, April 24, 2007
Issue No 4605

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STOCK
PRICES -
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AUSTRALIA'S DAILY FAX AND E-MAIL NEWS SERVICE - AVAILABLE ONLY ON SUBSCRIPTION

BIG BLUE DAYS ARE GONE

Lenovo axe poised as local jobs move to low-cost countries

SYDNEY — Pink slips are due to start flying around **Lenovo ANZ** in the next few months as a proportion of 1400 jobs to go in the restructuring (*CDN, yesterday*) are lost locally.

Lenovo's local spokeswoman **Heather Jones** says the jobs (though presumably not always the incumbents) will move to "emerging markets" such as Brazil, China and Malaysia.

So far the finger is pointed at operations and finance but there's no confirmation of which positions and numbers will be affected.

However, Jones says, where possible, local staff will be offered comparable positions in marketing, sales and business development, elsewhere in the Chinese-owned company, or redundancy packages.

Sources in the company said in New York that the shakeout is designed to change the corporate culture, which is still largely inherited from its previous owner, **IBM**. One analyst blamed the continuing Big Blue "hierarchical" structure and bureaucracy.

Jones told ZDNet the search is still on for a country manager for the New Zealand business, with 10 candidates short-listed.

XP and Office for three bucks: Gates makes offer to Third World

BEIJING — Windows XP is neither dead nor forgotten. **Bill Gates** told a news conference in Beijing that the US software giant plans to offer developing countries a software suite containing Windows XP and Office for students — at just US\$3 a pop.

Dubbed the Student Innovation Suite, it will be available for supply via governments to primary and second-

ary students in the second half of this year.

The software bundle includes Windows XP Starter Edition, Microsoft Office Home and Student 2007, Windows Live Mail desktop and other programs. In many emerging markets, Microsoft has seen its software pirated and sold at a fraction of the price of a genuine

● Back in the USA, **Dell** also launched a blast from the past, saying home PC buyers can choose between the older (and some say better with legacy apps) XP operating system and Vista when they buy four models of its Inspiron notebooks and two models of its Dimension desktop PCs. Dell is also planning to offer PCs with Linux.

Green light for AAPT-Powertel deal: G9 set to shrink to G8

SYDNEY — The planned \$357 merger between **NZ Telcom's AAPT** operation in Australia and **PowerTel** moved a step closer yesterday when PowerTel shareholders voted to accept the deal. It has already received NZ Government endorsement and PowerTel MD **Paul Broad** says he expects the merger will be completed early in May.

The deal will see AAPT-PowerTel become Australia's No 3 carrier behind **Telstra** and **Optus**, hopefully increasing market competition. (It will also see the **G9** group of would-be fibre-network builders reduced to **G8**: both outfits are currently members).

The deal puts together AAPT's Australian retail business with PowerTel's wholesale business and its independent high-tech 400Gbps **Nortel**-enhanced longhaul fibre network, which links businesses in Canberra, Melbourne, Sydney and Brisbane.

It has major implications for NZ Telecom, which has suffered major haemorrhaging from the AAPT business. AAPT posted a A\$76 million loss last year. Its value had already been written down in TNZ books from more than \$1.4 billion to just \$270 million and Telecom had failed in



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many attempts to find a buyer for its Aussie business.

PowerTel earlier this year posted its first annual net profit, of \$10 million — compared with an \$8 million loss in calendar 2005.

Said Broad yesterday: "Since we announced the acquisition in late January, we have been undertaking the various regulatory and due diligence procedures and today's approval by shareholders brings us closer to the conclusion. We will now proceed to get the final approval of the **Federal Court** for the scheme ...

"In the meantime, it has been business as usual at PowerTel. We are building on the momentum established in 2006 and our preliminary figures for the first calendar quarter show strong revenue growth with an increase in EBITDA of 24 percent over last year."

● In a parallel move, **Fairfax Media** yesterday announced its merger with **Rural Press** has been cleared to go ahead.

Optus tipped for regional prize

CANBERRA – **Optus** is being tipped as favourite for the biggest slice of the \$600 million subsidy to build broadband networks in regional areas, after Cabinet discusses the handout early this week.

Two consortiums, one led by **Optus** and the other joining **Soul Communications, Astar** and **Unwired**, are said to be at the top of a list of a dozen or so proposals.

Australian IT says the programs face a tough time in Cabinet as ministers make the point that **Telstra** has already build a third-generation mobile broadband network commercially.

Internode upgrades its VoIP

ADELAIDE – ISP **Internode** has launched NodePhone2, a second-generation VoIP service that it says offers low-cost calls with the quality of a traditional telephone service.

NodePhone2 comes 18 months after the launch of Internode's outbound-only NodePhone1. NodePhone2 both receives and makes calls.

The service charges 18 cents for untimed calls to any standard fixed telephone service in Australia and will accept calls directly from the traditional PSTN.

IPTV: a golden river for telcos?

MELBOURNE – Telcos can pull down revenue from IPTV services, research group **Ovum** says, but they'll do even better if they move away from the classic TV "linear" model and take advantage of IPTV's targeting and interactive capabilities.

Ovum says telcos can mix both classic TV advertising and the "immersive qualities" bringing in "the accountability and targeting capabilities of the Internet".

"This will be a year of experimentation and we do not expect to see full deployment of IPTV advertising packages by most operators until 2008," says analyst **Annelise Berendt**. "Some of the newer IPTV operators including **BT**, expect to bring in targeted advertising early this year.

"**AT&T** has been vocal about its interest in deploying IPTV advertising as part of a wider multi-platform proposition. It expects to begin offering 'local avails' in the fourth quarter of 2007.

"We see most immediate potential in on-demand advertising. It provides operators with greater flexibility in terms of targeting and access to the value chain, although audiences are relatively small.

"We also expect targeted local advertising to become a goldmine for operators, leveraging the phone directory businesses and tapping a market that tends not to have access to TV advertising at present."

MS Webcam for notebooks

SYDNEY – **Microsoft Australia** is flogging its first webcam designed exclusively for notebooks, the LifeCam NX-6000 (\$179.95) and two new digital headsets — LifeChat ZX-6000 (A\$49.95) and LifeChat LX-3000 (\$99.95) — all for use with Windows Live Messenger.

The LifeCam NX-6000 offers 2 megapixels resolution for video and 7.6MP interpolated. The lens is collapsible and retracts inside the webcam body. There is an unidirectional microphone claimed to rival CD audio quality.



The LifeChat ZX-6000 headphone, *pictured*, is Microsoft's first wireless headset designed exclusively for the PC and has a range of up to 10 metres.

Gongs for Oz software teams

SYDNEY — Australian software developers and students did well in the **InterSystems Innovator Awards** — winning two of the three categories and earning a place in the third — at the software vendor's annual worldwide development conference in Orlando, Florida.

Queensland software developer **Optimate** won first prize in the Cache Innovator Award category — including US\$5000 in cash — for its Faceguard Longwall Monitoring System. Faceguard provides realtime analysis of roof strata conditions in longwall coal mines and identifies problems that may indicate an imminent weakness in the roof.

Anudita Kuksal from the **University of Technology, Sydney**, won first prize in the student innovator award category — also including \$5000. She developed the Web database management system of Teacher's Pet after she worked in a new tutoring business and noticed the inefficiencies and confusion of manual record-keeping.

Another Australian software developer, **Medical Systems Design**, won third prize in the ensemble innovator award category — including \$1000 — for its SurgiDat patient-centric inventory management system.

SAP grows despite strong euro

BERLIN – **SAP's** first-quarter net profit was up 9.9 per-

cent as sales continued to grow globally — though growth rates eased from a year earlier.

The German software giant's net profit rose to 310 million euros (A\$504 million). Sales of software licences were up 10 percent to 563 million euros from 514 million euros a year earlier.

Growth was recorded in all three core regions — Europe, the US and Asia-Pacific — but the strong euro dampened sales growth.

SAP stuck to its 2007 financial outlook of 12-14 percent sales growth at constant currencies, while predicting a fall in operating profit margin of 26-27 percent, because of higher costs resulting from a product launch.

Staff are top data risks

LONDON – Forget hackers, spammers and virus writers: employees are the greatest risk to an organisation's data and intellectual property, according to **Websense** which polled attendees at this year's **e-Crime Congress**.

Of the 105 international security professionals surveyed, 95 percent feared that companies would not be confident they would even know about it.

Internal threats such as data leakage through malicious intent or by accident, continued to be the greatest concern. Furthermore, 79 percent believed legislation should curb the data leakage epidemic and ensure greater transparency in the advent of an information breach.

Information breaches are costly. They can cost an organisation as much as 2-5 percent of its annual revenue.

Nintendo Wiis on US rivals

LOS ANGELES – **Sony** may be winning the hearts and minds of Aussie gamers (*CDN, April 20*), but **Nintendo** is picking the pockets of US players. As sales of video games, devices and accessories rose 33 percent to \$1.1 billion in March, propelled by sales of new video game consoles, Nintendo's Wii was again top third-generation video-game console.

Nintendo sold 259,000 units, partly because of the new Wii's US\$250 price but also because of its motion-sensitive controller — popular with mainstream gamers as well as new ones such as women, the elderly and very young.

Microsoft's Xbox 360 (\$400) US unit sales were 199,000 in March and outpaced Sony's (\$600) PlayStation 3's 130,000, market researcher **NPD** said. Sony's obsolescent (\$130) PlayStation 2 continued to see strong sales with 280,000 units. Console dollar sales nearly doubled in March to hit US\$257 million.

See the rabbit . . .

NEW YORK – What do you do when the PR skies fall in? You stage a diversion! Of course.

So playing the old switch-the-attention game now is BlackBerry maker **Research In Motion**. It is making a big song-and-dance to announce new software to make **Palm** Treos and 140 handsets running the latest versions of rival Windows Mobile work like a BlackBerry.

INSIDE COMPUTER DAILY NEWS

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("Work" could be the operative word. The inconvenient fact that last week in North America BlackBerry stopped working and inconvenienced millions of the business and political elite is not even mentioned).

The application replaces the Windows layout and icons on the display with the look of the BlackBerry interface, customised to the specific buttons and screen size of that device. The non-BlackBerry device would then be able to connect with BlackBerry servers for e-mail, calendar, address book and other applications from RIM or third-party developers.

Subscribers could toggle back and forth between the two platforms if, for example, they want to listen to music on Windows Media Player.

RIM already offers a BlackBerry Connect e-mail application that can run on devices with other platforms, including Windows, Symbian and the Palm Treo

Meanwhile, there's still no real clarification of BlackBerry's recent little problem – or whether frustrated crackberries will get any compensation, such as extended subscriptions.

Mobile phones lure search giants

SAN FRANCISCO — "Mobile, mobile, mobile!" chanted **Google** CEO **Eric Schmidt** when asked at the **Web 2.0 Expo** in San Francisco what technologies most intrigue the Web search giant.

Google already generates billions of dollars from online advertising. It's racing to bring services like search to the phone. It has rivals – **Yahoo** and **Microsoft**.

ABI Research forecasts global mobile marketing and advertising to increase sixfold to US\$19 billion by 2011 from an estimated \$3 billion by the end of 2007 – and much of that growth will be in the phone market. Google is not necessarily in the box seat.

Improved voice-recognition technology and the inclusion of GPS into mobile phones open the way for new applications to help find relevant information anywhere.

Also, improvements in handset technology make today's mobile phone capable of doing almost as much as computers of a decade ago.

