

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 13 - 19 February 2005

Table of Contents

International	2
Japan	2
Korea	4
China	5
Taiwan	7
Hong Kong	8
Singapore/Malaysia/Philippines/Indonesia	9
United States/Canada	9
Europe	11

This document is provided for information purposes only, and constitutes neither investment advice nor the recommendation to purchase or sell securities of the companies named in this document. IRG Limited, f/k/a iReality Group Limited, and its affiliated companies, make no representation as to the accuracy or completeness of the information contained in this document. For more information on IRG call (852) 2237 6000 or visit www.irg.biz.

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 13 - 19 February 2005

International

Hardware

- **Global sales of personal computers are expected to grow 9 percent this year, lower than last year's 11.6 percent, according to market research firm Gartner.** The report said PC shipments worldwide would be 199 million units this year, from 183 million units last year. Growth is expected to be slow because professional and home users are going through major replacement cycles. Gartner projected. Overall shipment growth is expected to slow this year as both professional and home users wind down major replacement cycles. Laptop or mobile PC sales is predicted by Gartner to grow faster than sales of desktops, with figures showing 17.4 percent for mobiles against 6.1 percent for desktops. A development in the market indicates mobile PCs increasingly becoming more attractive to a broad range of users. The reasons for this change includes rapidly falling system prices, enhanced wireless experiences, and expanded multimedia-entertainment functionality. Gartner sees room for more growth if the PC is made follow a change in direction toward becoming a home entertainment center, a trend that is perceived to be taking a slow pace. Media PCs remain relatively expensive and are also affected negatively by low interoperability with other media devices among others. PCs are affected in their ability to compete against alternative devices that are both cheaper and more readily connected to media sources.

Japan

Software

- **A research group at the National Institute of Advanced Industrial Science and Technology (AIST) has developed a software application enabling people to use their cellular phones to test their hearing capacity.** The new software is designed so that people can predict an onset of hearing deficiency even before such reaches a critical level. Experts believe that when a person starts using a hearing aid before the condition worsens, that person will find it easier to adapt to the device. The software can be downloaded from the Internet. It shows an interface on the phone screen while the user listens to sounds through headphones attached to the handset. By pressing buttons when sounds of different volume and frequency are played, the program can perform a simple test of hearing acuity and display the results in graphic form. The AIST research group aims to work with doctors. The group also sees the service in a year or two. and have a service ready in one or two years.

Internet

- **Real Media announced the opening of a new Tokyo office with the aim of expanding its search engine marketing (SEM) platform in the Asia Pacific region.** Initially, the company plans to focus concentrate first on the SEM business. It will include later its other components, which would include its behavioral marketing solution and its ad-serving and analytic platform. The company already has offices in 10 countries, with Asia Pacific offices located in Korea and Australia, the second- and third-largest Internet advertising marketplace in Asia. Japan is considered the largest Internet advertising marketplace in Asia, coming in as second largest online advertising market globally after the U.S., and with projected revenues expected to reach US\$1.2 billion in 2005, according to PricewaterhouseCoopers. The Tokyo office was launched in coordination with the Japan External Trade Organization (JETRO).

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 13 - 19 February 2005

- **ACCESS Co. Ltd., a global provider of mobile content delivery and Internet access technologies, announced that its NetFront i-mode Global Profile Integrated software solution has been selected by Motorola for use in its E378i handset.** NetFront i-mode Global Profile is one profile is ACCESS' NetFront Mobile Client Suite, which was optimized and developed for NTT DoCoMo's i-mode Global service. The service has been proven in over 43 million deployments of i-mode handsets in Japan and over 4 million i-mode Global handset deployments worldwide. NetFront browser recently surpassed over 150 million deployments globally that include 342 unique devices ranging from mobile phones and PDAs to digital televisions, gaming consoles, and automobile telematics systems from 90 major Internet device manufacturers.

Media, Entertainment and Gaming

- **There is a standoff between Livedoor Co. and Fuji Television Network Inc. in the two companies' effort to acquire shares of Nippon Broadcasting System Inc.** Livedoor, a web portal operator, was reported to have approached Fuji TV about entering into a partnership, but the major TV network was said to have rejected the proposal. Fuji TV now plans to buy more shares of Nippon Broadcasting in order to have a majority stake. Livedoor is believed to have 20-30 billion yen (US\$189 million-US\$284 million) to spend, which include cash, deposits and its bridge loan from Lehman Brothers Japan Inc. Livedoor estimates that, if Nippon Broadcasting's share price remains firm, it will be able to turn the radio broadcaster into a subsidiary, this without having to raise additional funds. This is not good news for Fuji TV because even if it acquires more than 25 percent of the radio broadcaster's outstanding shares, it will not have a control of the company if it becomes a subsidiary of Livedoor.
- **The Ministry of Internal Affairs and Communications is consider imposing tougher restrictions on the foreign ownership of broadcasting stations, an idea born out of the surprise acquisition bid by Livedoor of Nippon Broadcasting System.** Presently, the Radio Law states that if a foreign firm takes direct control of at least 20 percent of a broadcasting station, the license of that broadcaster will be withdrawn. The ministry is said to be considering now expanding this regulation to cover cases in which stakes are acquired by Japanese entities that belong to foreign corporate groups. In order to finance the purchase of the Nippon Broadcasting Shares, Livedoor plans to issue 80 billion yen (US\$757 million) in convertible bonds. Lehman Brothers Japan Inc. is going to lead-manage the issue. If Lehman Brothers converts the bonds to shares, it will become a major shareholder in Livedoor, bringing about a scenario where the foreign financial firm may exert undue influence over Nippon Broadcasting's management.
- **Quin Land is planning to make video game seller Meikyosha Co. into a subsidiary.** Quin Land is doing this by acquiring shares through a tender offer, which is expected to give the online marketing firm a significant position in the entertainment sector. Quin Land is tapping into Meikyosha's branch network that includes retail stores and Internet cafes, for selling its content. With a plan to purchase 51 percent of Meikyosha's outstanding shares, Quin Land is expected to offer about 300 yen (US\$2.8) per share for a total investment of around 800 million yen (US\$7.5 million).
- **BBMF Corporation has announced that it has signed a definitive agreement with Tokyo Broadcasting Entertainment (TXBB).** The partnership agreement will allow BBMF to exclusively develop, operate and manage the mobile game channels, based on the existing licensed mobile contents of TXBB. The new game channels will be launched on all three carriers in Japan, namely, NTT

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 13 - 19 February 2005

DoCoMo, KDDI and Vodafone. The agreement stipulates that, every month, 5 new branded character games will be released to each channel. BBMF Corporation is one of the largest developers of mobile games in the world with presence in Japan, Hong Kong, China, Korea and the U.S. TXBB is a majority owned subsidiary of TV Tokyo, the leading TV broadcaster in Japan with a viewership of around 33.3 million households.

Mobile/Wireless

- **NTT DoCoMo Inc. is going to terminate its PHS (personal handy phone system) and has been reported as planning to stop accepting new customers for the said service as early as April.** The company would then withdraw from the business altogether. After Willcom Inc., formerly known as DDI Pocket Inc., NTT DoCoMo is the second-largest PHS service firm in Japan. With Astel group, the third-largest PHS service provider going into downsizing, DoCoMo's pullout would leave just Willcom as the only PHS firm providing nationwide service. Withdrawal from the PHS will bring about a loss of 60 billion yen (US\$568 million) for NTT DoCoMo

Information Technology

- **Japanese company Business Design Laboratory announced that it has developed a toy "Ifbot" that can deliver material picked up from the Internet, such as weather reports, by voice.** Ifbot was one of six robots used to demonstrate the delivery of weather reports in Tokyo as part of a Robot Service Initiative being developed by robot makers. The maker says Ifbot can also understand spoken words, shows a variety of expressions - including "happy" and "embarrassed". The robot is able to put expression into its conversations.

Korea

Internet

- **The government said it would allocate part of its radio spectrum to local airlines in order that local airlines may be able to provide in-flight e-mail and other Internet services to their clients.** The Ministry of Information and Communication announced this even as the concerns about interfering with aircraft safety are brought up and addressed. With the capability, passengers will be able to plug their laptop computers into ports at their seats and surf selected web sites, or send and receive e-mail.

Mobile/Wireless

- **Local mobile phone carriers are reported to be planning in expanding their WCDMA third-generation mobile telephony services to 24 cities by the end of the year, this in the midst of a slow rollout of the technology during its soft launching.** According to industry sources, SK Telecom Co., the country's largest mobile-phone operator, will cover in its expansion 23 cities this year, with areas including the major areas of Seoul, Busan, Daegu, Incheon and Gwangju. The company said it would invest 600 billion won (US\$584 million) in its plan to develop and market WCDMA services in 2005. KT Freetel Co., (KTF) second to SK Telecom, will commercially launch WCDMA services in 17 cities this year, a plan reflected in the draft submitted to the Ministry of Information and Communication. KTF said it plans to spend 300 billion won (US\$293.1 million) in developing its WCDMA services this year. SK Telecom is targeting 200,000 WCDMA customers this year, forecasting a million customers by 2007. KTF is targeting 133,000 WCDMA customers this year, with the aim of

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 13 - 19 February 2005

upping this to 1 million by 2007. The government is helping ease the investment burdens of the company as it allows the carriers to some flexibility from the business plans they submitted in 2003 during the licensing process.

Media, Entertainment and Gaming

- **The Korean Broadcasting Commission, the country's broadcast regulator, is accepting license applications for mobile television services.** With the government planning to allocate the licenses next month, three of the six spots will be divided between Korea's four terrestrial television stations, which are KBS, MBC, SBS and EBS. The remaining three spots will go to consortiums forged by cable operators, radio broadcasters and equipment makers. Six consortiums representing about 300 companies have already announced their interest and plan to join the licensing competitions. According to a report by the state-run Electronics and Telecommunications Research Institute, mobile television services are expected to generate 14.7 trillion won (US\$14.2 billion) in services and equipment production through 2010, and creating 160, 000 jobs annually during the same period.
- **TU Media Corp., Korea's lone operator of satellite-based mobile television, said it plans to invest 120 billion won (US\$117 million), to install more gap-fillers.** The said equipment is used to retransmit satellite signals. With more of gap-fillers installed, broadcast coverage also gets expanded. The investment plan though is contingent on broadcast regulators giving the go-signal for the company to relay land-based television programs on their satellite network. TU Media spent 120 billion won (US\$117.2 million) last year to install 4,800 gap-fillers in 26 cities nationwide, to enable reception in main areas. Through the additional investment, the company hopes to expand its coverage to 58 cities by the end of the year.

China

Mobile/Wireless

- **ZTE, China's leading maker of telecoms equipment, is reported as among the candidates for a possible partnership with German electronics giant Siemens in the area of mobile phone handsets.** ZTE, China's biggest listed telecoms firm, which is listed in Hong Kong and in Shenzhen, makes mobile phone handsets and also offers infrastructure solutions for fixed-line and mobile networks. So far it has only made handsets for the Chinese market. The list of potential tie-up partners for Siemens' loss-making mobile phone business is already growing. The list has two other Chinese firms, Ningbo Bird and Huawei, South Korean group LG Electronics and Japan's NEC.
- **Qiao Xing Universal Telephone, Inc. announced the estimated net income of its major subsidiary, CEC Telecom Co., Ltd. (CECT).** As per company estimate, CECT would post a net income of US\$13 million for 2004, 40 percent over that of 2003. According to a company official, the striking fact about CECT in 2004 is that while many local players watched their sales volume in the Chinese market of mobile phone handsets decrease, CECT managed to increase its sales volume by about 25 percent compared with 2003. Qiao Xing Universal Telephone Inc., one of China's largest manufacturers and distributors of telecommunications products, has seen its net sales grow from approximately US\$46.4 million in 1997 to more than US\$222 million in 2003. In another development, the company announced that it has obtained binding commitments from certain institutional investors

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 13 - 19 February 2005

to purchase approximately 1.5 million shares of its common stock, for gross proceeds of approximately US\$10.8 million.

- **A report released by IMS Research said that by 2010 there would be 120 million subscribers viewing TV programs on mobile phones.** This development would transform the phones to the “Fifth Media”, following newspaper, radio, television and computer networks. Chinese companies have taken note of this lucrative market and have taken steps to start this business. China Unicom has launched already a service to provide TV programs to mobile phone subscribers. China Mobile followed, with a TV mobile phone service through its GPRS network. With the bright future of the business, industry analysts observe that TV mobile phones are still at their early stage of development in China for reasons that would include limited broadband capacity, limited choice of handsets, higher prices and lack of standards and policies.
- **China mobile production capacity is expected to rise from 300 million handsets in 2004 to 500 million this year, according to a report of the National Development and Reform Commission.** The report notes that as the capacity of domestic enterprises rises rapidly, market competition will result in more intense competition and a decrease in the capacity of the entire industry to post profits. Preferential policies for the industry have brought in major investment from multinational as well as domestic companies. From 1999 to 2002, China’s mobile phone industry sold some 300 million phones, in the process earning some 350 billion yuan (US\$42.3 billion) in sales and over 45.5 billion yuan (US\$5.4 billion) in taxes. By 2003, mobile phone sales reached 180 million units with 95 million sets sold overseas. The number makes up 36 percent of mobile phone sales outside China.

Internet

- **The Chinese government said it has shut down more than 12,575 Internet cafes from October to December last year for reasons of illegal operations.** Although no details about the violations were released, the government mentioned as the major purpose of the crackdown the creation of a “safer environment” for young people in the country. While China promotes Internet use of business and education, the government noted that Internet cafes are causing a lot of harm by giving children access to violent games and sexually explicit materials.

Media, Entertainment and Gaming

- **Sales of online games in China soar 47.9 percent to 2.4 billion yuan (US\$298.4 million).** China has about 94 million Internet users, 20.2 million of which are online games enthusiasts. According to industry watchers, the online games market has the potential to have a boom, with revenues expected to reach 9.3 billion yuan (US\$1.1 billion). The same figure could also level off in 2009 on forecast sales of 10.9 billion yuan (US\$1.3 billion). In 2003, China registered 13.8 million online games players, with sales of related products and services amounting to 1.3 billion yuan (US\$157 million). A significant number of games played in China are from overseas but authorities want to focus on and increase sales of the more than 300 homemade online games over the next five years.
- **Shanda Interactive Entertainment Limited announced Saturday that the company acquired 19.5 percent of the outstanding ordinary shares of Sina Corporation.** With the acquisition, Shanda becomes the largest shareholder of Sina, which is one of China’s key portal websites. The acquisition was done with Skyline Media Limited, Shanda’s subsidiary by way of open market purchases. The amount of money involved was not disclosed. Shanda has a market value of US\$2.1 billion; Sina has US\$1.3 billion.

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 13 - 19 February 2005

Software

- **China Mobility Solutions, Inc. announced the annual sales of US\$4 million for its Chinese subsidiary for 2004.** The figure is a 300 percent increase over the sales of US\$1 million dollars for 2003. Since the beginning of 2004, the company has focused primarily on the rapidly growing market for mobile business solutions in China, a move that the company affirms to be the right decision made. The company generated 11,000 new clients in 2004. China Mobility Solutions is a leading provider of mobile business solutions to many diverse corporations across China. It boasts of a rapidly growing client base of more than 15,000 companies even while retaining access to an additional 500,000 companies through its proprietary database. The company has proprietary profit-sharing contracts with China's largest telecommunications companies – China Mobile, China Unicom and China Telecom.

Taiwan

Semiconductors

- **Taiwanese chipmaker United Microelectronics Corp (UMC) admitted using its "mainland foundry ally" He Jian Technology to win market share in China's burgeoning chip market before a future acquisition of the company.** A company official denied violating Taiwanese regulations covering investments in the mainland but revealed the company's strategy to help the young mainland foundry gain market strength at the expense of Shanghai-based rival Semiconductor Manufacturing International Corp. UMC, the world's second-largest chipmaker, has failed to shake off allegations it founded the mainland firm in 2001 in violation of Taiwanese investment regulations. Mostly former UMC managers run him Jian and the Taiwanese company in the past has said it will do nothing to discourage staff from quitting their jobs to work at the mainland chipmaker. UMC is also believed to have sold used 200mm chip-making equipment to He Jian and referred customers to He Jian. In a statement to the Taiwan stock exchange yesterday, UMC denied selling equipment and transferring patented technology to He Jian. The Taiwanese government restricts investment by the high-technology sector in mainland firms to prevent over-dependence on cross-strait economic ties and the "hollowing out" of technical expertise. Taiwan Semiconductor Manufacturing was the only Taiwanese foundry with approval to open a semiconductor plant in the mainland, using older "trailing edge technology". A spokesperson for Taiwan's Mainland Affairs Council, an arm of the economic ministry, was unable to comment on a case under judicial process.
- **Taiwan Semiconductor Manufacturing Co, the world's largest supplier of custom-made microchips, said sales in January rose 4.6 per cent month-on-month to NT\$20.8 billion (US\$660.8 million).** The growth has been ascribed to higher wafer shipments. Sales in December reached NT\$19.9 billion (US\$632.2 million). The January figure marked a rise of 8.8 percent year on year. The company gave no further details. TSMC reported a record net profit for last year of NT\$92.3 billion (US\$2.9 billion), up 95.3 percent, while sales grew 26.8 percent to NT\$256 billion (US\$8.1 billion).

Mobile/Wireless

- **NeuStar, Inc., a leading provider of information exchange services for the communications industry, announced that it has been awarded an exclusive five-year contract develop, implement, and support number portability in Taiwan.** Number portability is expected to be

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 13 - 19 February 2005

launched in Taiwan in October of 2005. Neustar's partner in this endeavor is Taiwan's Computer and Communication Research Labs under the Industry Technology Research Institute and Systex Corporation. With the technology, Taiwan consumers will be able to retain their wireline and wireless telephone numbers when they switch to another service provider.

- **DBTEL Technology forecasts a growth in its mobile-phone shipments to grow by 20 to 30 percent in 2005.** The company has succeeded in expanding its presence in Malaysia, the Philippines, Thailand and the Middle East. DBTEL plans to concentrate more on sales resources by reducing its number of handset products. It has also scheduled a launch of about 12 handset models even as it prepares the launching of a 3G mobile phone incorporating the China TD-SCDMA standard in March. In another news, DBTEL's wholly owned subsidiary Ares Communications is said to be presently holding talks with the China-based Konka and Guangzhou Soutec Technology about handset deals. Ares has not commented on this report.

Hardware

- **Firich Enterprises, a leading manufacturer of POS (point of sale) devices in Taiwan, said it would establish an assembly factory in Shanghai in the second quarter of this year.** The main reason cited by the company for this move is so that it could meet the fast growing demands by retail chains in China. To help ease the investment, Firich's shareholders were reported to have raised the amount for the company's investment in China from US\$300,000 to 40 percent of the company's net asset value (about US\$13.7 million). In 2003, Firich established Crimson Technology, its marketing subsidiary, in Shanghai. This was Firich's first physical base in China; the assembly factory will be its second.

Media, Entertainment and Gaming

- **Business Wire Taiwan (BWT) and the Central News Agency (CNA have entered into an agreement, which would give BWT access to all of Taiwan's media outlets, Internet service providers and mobile phone operators.** Under the agreement, news from BWT will also be available to government agencies, academic institutions and private industries. The more than 100 newspapers that subscribe to CNA and cater to overseas Chinese communities worldwide will also be getting the news. Business Wire is leading global business and financial newspaper, which disseminates electronically about a thousand full-text news releases daily to the media, the Internet, online services and databases, and the global investment community in 150 countries in 45 languages.

Hong Kong

Media, Entertainment and Gaming

- **Xinhua Finance reported sales for 2004 of US\$59.7 million, which outperforms the original forecast by 5 percent.** Sales for the company were 270 percent up from fiscal 2003 sales of US\$16.1 million. Under the International Financial Reporting Standards, the company posted a 2004 net result of US\$1.4 million net loss, which was an improvement by 56 percent from the original forecast loss of US\$3.2 million. The company continues to see a large demand for all China related products. Xinhua

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 13 - 19 February 2005

Finance Limited is China's premier financial services and media company, providing financial news and information, as well as a broad array of financial products and services unique to the China markets.

Singapore/Malaysia/Philippines/Indonesia

Mobile

- **MobileOne announced it is rolling out its 3G mobile phone service, which makes it the first company in Singapore to do so.** The commercial launch comes at the end of a trial period involving 200 subscribers. SingTel is also launching its 3G service this quarter although the company has been selling 3G handsets since December.

United States/Canada

Internet

- **Monster Worldwide, which operates the popular Monster job-search web site, announced that it had said yes to the acquisition of Emailjob.com, a French jobs-search web site, from Dutch publishing concern Reed Elsevier for US\$26 million.** A leading job-search company, Monster Worldwide said the acquisition would boost its position in a key European market. Emailjob.com had revenue last year of about US\$9 million, while Monster Worldwide took in US\$845.5 million last year.
- **Less than three weeks after Napster began announcing its all-you-can-rent music subscription service, the company is denying Internet claims that its copy-protection measures are flawed.** The company said the service's digital music tracks are no more susceptible to unauthorized copying than any other licensed music service. The statement comes after word surfaced on the internet about how subscribers of Napster To Go, which lets users play an unlimited number of tracks on their computer or on certain portable devices for about US\$15 a month, could make permanent copies of the songs. The method involves downloading a free audio player that is able to record audio directly from a computer's sound card, bypassing copy-protection technology designed to prevent copying.

Semiconductors

- **Texas Instruments said it was testing a new technology that could drive down the price of high-end features.** The semiconductor company, which makes computer chips for more than half the world's mobile phone, said it had developed a single chipset that contained a modem and a processor on a single piece of silicon, replacing two components with one. Company officials said the new design would make it cheaper to build a phone that ran video at 30 frames per second or handled 3-D gaming, capabilities available now only on expensive phones. The new technology, called OMAP-Vox, would also use less power than present chips, the company said. Phone manufacturers were testing it and it could show up in store displays by the end of this year. Texas Instruments declined to identify the companies that were testing the new design beyond saying one was in Europe and another in Asia. Texas Instruments is trying to boost revenue by making more-advanced chips. It also stands to profit if sales of so-called 3G phones reach the high targets set by some industry officials. Third-generation phones operate on high-speed wireless networks capable of transmitting multimedia such as streaming video. The company remains, however, under constant challenge from competitors such as Qualcomm and Intel Corp.

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 13 - 19 February 2005

Internet

- **Verizon Communications said it would buy MCI Inc. in a stock and cash deal said to be worth about US\$6.7 billion.** With MCI owning an estimated 40 percent of the global network, the two companies pictured the deal as having something to do with the Internet. Industry watchers, however, note that the acquisition would eliminate a key competitor of Verizon's for its core long-distance and local telephone customers. The merger announcement received mixed feelings from the public with the idea that this change could lead to fewer choices and higher prices especially to the residential and small-business users.

Media, Entertainment and Gaming

- **The New York Times said it has agreed to purchase About.com, the online consumer information group, for US\$410 million, from holding company Primedia.** Reports say it was an all-cash deal. With the acquisition, the New York Times, which publishes the prestigious New York daily and other publications, will get an Internet property that attract some 22 million visitors, not to mention its 40-plus websites. About.com uses considerable advertising and features a range of information sites from personal finance to consumer electronics, from history to geography, and other topics. The deal also underscores the growing traditional media interest in Internet following the Washington Post acquisition of news site Slate.com last December and the Dow Jones Co. acquisition of Marketwatch.com.
- **More than 22 million adults in the United States have an iPod or an MP3 player.** Men are more likely to be carrying digital music device than women. All this according to the Pew Internet and American Life project. The number is equivalent to 11 percent of the U.S. adult population, meaning those 18 years of age and older. The report also indicates that the devices are mostly for the well to do. Broadband access was strongly associated with ownership of the players.

Hardware

- **IBM said it plans to open more than a dozen software development centers in China, Brazil and Russia with the aim of promoting work on free programs such as Linux.** IBM's sales growth of US\$4 billion last year in developing countries is attributed by the company partly to computer services and advice sold on the use of free software. In China, IBM said will open centers in Guangzhou, Chengdu, Wuhan, Xian and Shenyang.

Ventures/Investment

- **SPAR Group announced its joint venture agreement with SIMS Trading Company Limited with the aim of entering the China market.** SPAR Group said it would hold a 50 percent ownership interest in the new entity, which will operate under the SPAR name and will provide merchandizing and related marketing services to manufacturers and retailers throughout China and Hong Kong. SPAR Group is a diversified international marketing services company, providing a broad array of productivity enhancing in-store services, including the use of RFID (Radio Frequency Identification) improve their sales, operating efficiency and profits. SIMS Trading Company Limited is a division of CITIC Pacific Co. Ltd., which has offices and coverage in over 50 cities including Shanghai, Beijing and Guangzhou, as well as Hong Kong.

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 13 - 19 February 2005

Europe

Internet

- **For the past three years, women have overtaken men in Europe insofar as Internet up-take is concerned, according to a report from the European Commission.** The report says there are three factors making the difference: education, age and income. The poorly educated and the poorly paid are not catching up as quickly, which contributes to them being denied many opportunities. The report concludes that access to the Internet and the possession of computer skills can help people escape poverty. More information is also needed so that policies to help people access the information society can be better targeted. The prohibitive cost of PCs presents one of the major obstacles to reducing the gap between the 'e-included' and the 'e-excluded', the report states. Remote and rural areas in EU often still lack even the basic Internet connections.

Mobile/Wireless

- **Alcatel announced a three-year agreement it has signed with T-Mobile USA Inc., a member of the T-Mobile International group, the mobile telecommunications subsidiary of Deutsche Telekom.** Under the new deal, Alcatel will continue to deploy its Alcatel 5020 Spatial Atrium Distributed MSC solution for the upgrade and optimization of operator's mobile core network. With 1 million ports installed, and with more than 500,000 ports carrying live traffic across the national next-generation mobile core network, T-Mobile USA will be able to continue to deliver product and service innovation.
- **Deutsche Telekom said it planned to lower its tariffs for long-distance and local calls on its fixed-line networks with effect from March 1.** The move is in response to fierce competitions from rivals. The group's fixed networks division, T-Com, was responding to increased competition after its monopoly on the local loop was lifted two years ago. The telecoms regulatory authority RegTP said in a report that Deutsche Telekom's rivals accounted for 33 percent of the local telephony market last year, up from 25 percent a year earlier.

This document is provided for information purposes only, and constitutes neither investment advice nor the recommendation to purchase or sell securities of the companies named in this document. IRG Limited, and its affiliated companies, make no representation as to the accuracy or completeness of the information contained in this document.