

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



Week of 27 February - 5 March 2005

## Table of Contents

International	2
Japan	2
Korea	4
China	5
Taiwan	7
Hong Kong	8
Singapore/Malaysia/Philippines/Indonesia	8
United States/Canada	9
Europe	10

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](http://www.irg.biz).

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



Week of 27 February - 5 March 2005

## International

### *Mobile/Wireless*

- **Worldwide mobile phone sales, driven by strong fourth quarter growth, surpassed 674 million units in 2004, according to Gartner Inc.** The figure, which is a 30 percent increase from 2003, exceeded even the most optimistic forecasts in 2004, with strong replacement sales, seasonal factors and continued growth in emerging markets delivering the highest sales volume ever recorded. The report said Nokia rebounded with a fourth quarter 2004 market share of 33 percent, with Motorola getting back to its second position ahead of Samsung. The positive reviews of Motorola's revitalized brand were the factors that helped in its strong sales in Europe and North America, which was then combined with the pricing in emerging markets like the Asia-Pacific and Latin America. The report mentioned Samsung registering with increased brand awareness in 2004, particularly in China. Gartner analysts, however, said in order for Samsung to challenge Nokia and Motorola, it must change its strategy and expand its product portfolio into the high volume, lower margin segment. The trend in Asia-Pacific, according to the research firm, shows replacement sales playing a significant role in more mature markets like Australia, Hong Kong and Singapore. In China, growth mobile phones indicate a preference for those with color displays and camera phones. Despite a decline in overall mobile phone sales in Japan in 2004, Gartner forecasts the mobile worldwide phone sales as exceeding 730 million units in 2005.

## Japan

### *Internet*

- **Fuji Television Network Inc. has issued a statement ruling out the possibility of the TV broadcaster partnering with Internet service provider Livedoor Co.** A company official has reiterated that Fuji TV has a tie-up already with Internet mall operator Rakuten Inc. in teleshopping services and has formed joint ventures with other information technology companies. If Fuji TV does tie up with Livedoor, Fuji TV has to remove Rakuten as its existing business partner.
- **Yahoo Japan Corp., the top Japanese Internet portal, declared its plan to pay a dividend, saying it will distribute ten percent of its income this business year.** Although the company had not yet decided the specific amount per share, according to Reuter's calculations based on the company's forecast for net profit, the payout could range from 3.5-3.6 billion yen (US\$33.8-34.8 million). Yahoo Japan is 33.5 percent owned by Yahoo Inc. and 42 percent owned by Softbank, a Japanese Internet conglomerate.

### *Mobile/Wireless*

- **Nippon Telephone Inc., a Japanese phone seller, has been approved for listing on the JASDAQ Securities Exchange, according to Japan Stock Exchange.** For its initial public offering, the company will offer 6,000 shares to the public, 4,000 of which are newly issued shares and 2,000 being shares currently held in private. The company forecasts for the current fiscal year through April 30 a parent pretax profit of 427 million yen (US\$4 million), net profit of 199 million yen (US\$1.8 million), and revenue of 12.8 billion yen (US\$122.1 million). SMVC Friend Securities is the lead underwriter of the offering.

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



Week of 27 February - 5 March 2005

- **Advanex Inc. has announced its intention to increase in-house production and at the same time reorganize its hinge business with subsidiary Strawberry Corp.** The plan was made in the middle of strong sales of hinges, which are used in clamshell-type cell phones. The company aims to reduce costs in its production by making more products on its own and having more synergy by way of closer collaboration with its subsidiary. Advanex will transfer the domestic sales operations to Strawberry, which does not have any production facilities. Presently, Advanex purchases some 6 billion yen (US\$57.2 million) worth of hinges from outside contractors annually.

## *Media, Entertainment and Gaming*

- **Yoshimoto Kogyo Co., Japan's top comedy entertainment company, said it would form with a partner an investment fund worth about 10 billion yen (US\$95.4 million) in April.** The fund will be formed in April to invest in projects to distribute vaudeville programs via the Internet and for the production of its comic shows in DVD format. Yoshimoto aims to boost its revenue and profitability by increasing its vaudeville show and music content in cooperation with Faith Inc.
- **Daiwa Securities SMBC Co. said it would sell its 8 percent stake in Nippon Broadcasting System Inc. to Fuji Television Network Inc.** With this move, Fuji TV will secure so far 24.8 percent of Nippon Broadcasting shares in its tender offer, with the company moving closer to its goal of acquiring 25 percent of the radio broadcaster. Daiwa SMBC bought its stockholdings from the founding family of Fujisankei Communications Group. Both Nippon Broadcasting and Fuji TV belong to this group.

## *Hardware*

- **Online PC sales in Japan increased 77.2 percent in 2003 from a year earlier, which accounted for 10.5 percent of total domestic PC sales, according to IDC Japan.** The growing online sales are read as indicators of greater competition between PC makers and mass-retailers with the condition that overall market size remains unchanged. Amidst this situation, major domestic personal computer makers are altering their marketing strategies by expanding online sales. Presently, these strategies rely on mass-retailers as key sales outlets. The renovated web site allows consumers to choose memories, CPUs and other PC parts, offering the consumers about 100 million different parts combinations.

## *Telecommunications*

- **NTT East and NTT West, regional units of Nippon Telegraph and Telephone Corp., said they plan to spend a total of 780 billion yen (US\$7.4 billion) next fiscal year in order to improve their fiber-optic communications networks.** The figure is a slight decrease from the 790 billion yen (US\$7.5 billion) in spending the two units expected for the current fiscal year ending March 31. NTT East said its targeted capital expenditures would total 400 billion yen (US\$3.8 billion); NTT West said its planned capital investment for the next fiscal year would be a total of 380 billion yen (US\$3.6 billion). Both NTT East and NTT West expect their combined outlays on optical fiber networks to increase to 330 billion (US\$3.1 billion) yen next business year.

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



Week of 27 February - 5 March 2005

## Korea

### *Telecommunications*

- **KT Corp. said it would spend 20 billion won (US\$19.9 million) through the second quarter for the upgrading of its telephone networks in four cities.** The four cities of Busan, Daegu, Suwon and Anyang experienced their phone services shutting down due to sudden increase in traffic. Korea's largest fixed-line telephony company, KT entered into an agreement with the Ministry of Information and Communication. Under this agreement, KT would start purchasing equipment to advance their transmission systems and increase the lines to the networks in the said four cities. KT, a former state telecom monopoly, controlled 93.8 percent of the domestic fixed-line telephony market as of January.
- **SK Telecom Co. said it has attracted more than 200,000 customers to its wireless Internet services in China.** Korea's largest mobile-phone operator established a US\$6 million venture, called UNISK, with China Unicom, China's second-largest mobile operator. Under the venture, SK has been delivering wireless Internet and data services since March and the company predicts UNISK's customer pool would grow to 500,000 by the end of the year. The figure is estimated by company as generating US\$2.5 million in revenue. SK Telecom has a 51.3 percent market share in 2004.

### *Mobile/Wireless*

- **LG Telecom Ltd. is expecting further setbacks in its deployment of 3G services as it faces uncertainties with the provision of its base technology.** Qualcomm, the developer of CDMA technology announced that it had abandoned efforts to develop chip sets to electronics manufacturers for CDMA2000 1xEV-DO evolution for data and voice mobile Internet handsets. LG Telecom is the only wireless carrier deploying the technology for its 3G services. Given the present situation, analysts are predicting that LG Telecom will likely give up its third-generation deployment plan and secure a license for widely used third-generation standard instead. The slow deployment by LG of 3G mobile telephony services is seen by industry watchers as hurting the company's competitiveness.

### *Hardware*

- **Samsung Electronics announced conservative business plans even as it points to unfavorable market conditions such as the local currency's appreciation against the dollar for its outlook.** A company official has this year's sales target "conservatively" at 58.1 trillion won (US\$57.6 billion), which is up from last year's 57.6 trillion won (US\$57.1 billion). The company said it would revamp its business structure this year to focus on high-value added products. Samsung's mobile phone business profitability had declined because of the price war with Nokia and Motorola. Samsung has a planned capital expenditure of 10.4 trillion won (US\$10.3 billion) this year.

### *Semiconductors*

- **Hynix Semiconductor, the world's second-largest DRAM maker, reported a business rebound with a record-high operating profit last year ascribed to increased sales of upscale chips.** The company reported an operating profit of 2 trillion won (US\$1.9 billion) last year, with a 58 percent sales increase to 6 trillion won (US\$5.9 billion). In the fourth quarter, Hynix posted an operating profit of 459 billion won (US\$455.2 million), which is the company's sixth consecutive quarter of profitability. The company also announced that it had set aside provisions for in preparation for a price-fixing investigation in the United States.

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



Week of 27 February - 5 March 2005

## *Information Technology*

- **An official of the country's Ministry of Information and Communication said his ministry plans an outlay of 790.7 billion won (US\$783 million) to build by 2010 an information technology hub in a free trade zone in Incheon known for its proximity to China.** The fund will be particularly focused on helping domestic and foreign companies specializing in the radio frequency identification (RFID) system set-up. The government has been keen in promoting RFID technology in its search for a new growth engine for the domestic high-tech industry. According to a government source, worldwide sales from the RFID industry will roughly total US\$90 billion by 2015, which is claimed to be similar to the level of the current mobile phone industry. The funds will be used to construct infrastructure for high-tech companies to set up research and development facilities in the trade zone.

## **China**

### *Internet*

- **According to government sources, the country will have a total of 120 million Internet users by the end of 2005.** The figure would be a 28 percent growth from 94 million at the end of 2004 and makes China the second-largest market in the world after the United States. The same figure, however, appears conservative when placed side by side with independent forecaster Analysys International earlier predicted this year to be the total number of Internet users in China reaching 134 million by late 2005. From 1997, China's online population is recorded to have grown rapidly from 620,000.
- **The Chinese government announced during its annual parliamentary session that it would make its censorship of the Internet even tougher in order to stop those with "ulterior motives."** The report said there would be a strict 24-hour monitoring of Internet chat rooms and forums of major Chinese portals by so-called "security guards." Any messages submitted by Internet users will go through rigid censoring and filtering before appearing on the Internet.
- **Leading online travel service provider eLong announced its unaudited financial results with total revenues for the fourth quarter ended December 31, 2004 of 40.3 million yuan (US\$4.9 million), a 48 percent increase from 27.2 million yuan (US\$3.3 million) reported in the same period in 2003 and an increase of 6 percent from 38 million yuan (US\$4.6 million) reported in the previous quarter.** Total revenues for fiscal 2004 were 138.5 million yuan (US\$16.7 million), an 86 percent increase from 74.4 million yuan (US\$9 million) for fiscal 2003. The company also reported a net loss of 21 million yuan (US\$2.5 million) for fiscal 2004. Founded in 1999, eLong is an independent travel service headquartered in Beijing and with a national presence all over China. The company provides consumers with travel information and the access to hotel reservations at over 2,6000 hotels in major cities across China by way of web-based distribution technologies and a 24-hour nationwide call center.
- **Credit card giant Visa International and eLong announced in a joint statement a partnership aimed to tap the great potential of China's e-travel industry.** The partnership combines the respective strength of both companies: Visa will facilitate e-shopping while eLong with its online network of hotels, airlines and tourist destinations could help expand the choices available to Visa card holders. With security a major concern in the growth of e-shopping, Visa International is expected to provide an online security service to protect the interests of Internet shoppers. The partnership comes

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



Week of 27 February - 5 March 2005

amidst the fact of China's younger generations becoming major users of online services. The sharp increase in the number of business travelers provides a new growth engine for travel service companies like eLong.

- **Alibaba announced the finalization of its strategic cooperation with the Industrial and Commercial Bank of China (ICBC) for online payment services.** With Alibaba's expertise in running auction and e-commerce web sites, the new service will enable users to conduct online transactions with much ease. The cooperation is said to be different from what Alibaba has forged with other banks; in this new strategy, Alibaba will work directly with the headquarters of ICBC.

## *Mobile/Wireless*

- **The overall trend of the wireless value-added service market is described by iResearch as good and its prospects bright.** The Chinese wireless value-added service market will have a steady growth despite the ongoing regulatory campaign and the reshuffling of the industry, according to the Shanghai-based Internet research house. The report mentioned the popularity of smart phones, the continuing evolution of the content of wireless value-added services, and the deployment of the third-generation mobile communications systems as some of the factors assuring the prosperity of the industry. According to a recent report on the wireless value-added service market, the impact of the regulatory campaign would be in the 65 percent growth to 38.5 billion yuan (US\$4.6 billion), compared to the 149 percent year-on-year growth in 2003.

## *Software*

- **Sun Wah Linux Limited (SWL) announced a strategic alliance with VA Linux System Japan K.K. (VA Linux).** The alliance between the Nanjing-based SWL, an independent open-source software developer and solutions provider for Linux-based systems, and VA Linux, a leading provider of Linux solutions for the telecommunications and enterprise systems markets, is aimed at developing a universal Debian GNU/Linux infrastructure and actively promoting the adoption of Debian-based systems in both Japan and China. The partnership will be tapping VA Linux's technological excellence on server-level applications including the Linux Kernel and SWL's long experience on desktop applications and knowledge of internationalization techniques, especially for Asian languages. The alliance is seen as one more step to facilitating the adoption of Open Source solutions in both Japan and China.
- **MIPS Technologies, Inc., a provider of processor architectures and cores for digital consumer and business applications has extended its engineering operations with its opening of MIPS Technologies (Shanghai) Co. Ltd.** The opening of the R&D Center is expected to work on the development of new MIPS processor hard cores and assist Chinese companies design digital consumer devices and at the same time provide technical support to licensees throughout the region. Magma Design Automation, with offices in China and the Far East, is the company that will provide the R&D Center with software design tools and engineering support.
- **Intel Capital and Jafco Asia announced their team up with two other firms to invest early-stage venture capital in Pollex Mobile Holdings.** Intel's role will be that of a strategic investor with Pollex while Jafco's part would be that of a financial investor. With the investments, Pollex is expected to optimize software solutions for the semiconductor giant's chipsets. Japanese handset manufacturer NEC used Pollex software for its N940 TV and camera phone sold in China's domestic market. The company was said to be keen in using software solutions for smart phones running the Linux operating



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



Week of 27 February - 5 March 2005

system. A Jafco spokesperson said that the company would be utilizing its homeland connections (the firm's parent is listed in Tokyo) to introduce Pollex to handset vendors in Japan.

## *Hardware*

- **Digital China Holdings Ltd. announced for its fiscal third quarter a 12 percent rise in its net profit to HK\$74 million (US\$9.4 million) up from HK\$66 million (US\$8.4 million) in the year-earlier period.** The company also posted revenues of HK\$4.2 billion (US\$538.2 million), up from HK\$3.9 billion (US\$499.7 million). The increase in overall revenue was due ascribed by the company to a 9 percent rise in revenue generated from distribution business and a 15 percent gain in software sales, all coming with the company's improvement of its product range. For the nine-month period ended December, Digital China registered a net profit of HK\$169.5 million (US\$21.7 million), which reversed the loss of HK\$24.9 million (US\$3.1 million) incurred in the year-earlier period. Digital China is a firm that distributes computers and electronics products in China.

## *Semiconductors*

- **Motorola offered 517 million shares in Semiconductor Manufacturing International Corp (SMIC) shares, which represent about 47 percent of its holdings in the company.** The report said that the disposal, however, would not cover the investment made by Motorola in the Shanghai-based foundry. Motorola had invested US\$1 billion in the plant. With the attempted share placement and the shares offered in the SMIC initial public offering in March last year, Motorola has recovered about US\$360 million. Deutsche Bank, which was arranging the placement, declined to comment.

## **Taiwan**

### *Hardware*

- **According to the semi-official Institute of Information Industry, computer hardware production of Taiwanese firms totaled US\$67 billion.** The figure is a 23 percent increase over the previous year. Most of the goods however were made in the mainland by Taiwanese firms, with these firms investing more than US\$100 billion in the mainland. The firms capitalizing on cheap labor and lower production costs are continuing to transfer production to mainland. The report said about 73 percent of the value of Taiwanese computer makers' output last year was coming from their factories in the mainland. The institute said the US\$67 billion worth of laptops, motherboards and other hardware produced by these makers last year was the highest in the world. The report did not mention what countries came after Taiwan.
- **Teco Electric Machinery, a leading Taiwanese home appliance company, announced that Japan's Sharp had already withdrawn a request filed with a Tokyo court last year for a temporary ban on its products in Japan.** The request filed in June last year has something to do with suspending sales of Teco's two models of 20-inch LCD TV sets fitted with panels made by AU Optonics Corp. The withdrawal by the Japanese company came after it was told by the court that that its patent claim on Teco products was invalid as the technology involved was considered "prior art" – something that was already in existence.

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



Week of 27 February - 5 March 2005

## Hong Kong

### *Media, Entertainment and Gaming*

- **Asia Television (ATV) will revive its long-delayed main-board listing plan in the fourth quarter of this year, according to sources close to the station.** The company, which is Hong Kong's No. 2 free-to-air broadcaster, plans to float at least 25 percent of its issued share capital to the public. It aims to raise up to US\$1.2 billion to be used for its expansion into mainland markets and to allow existing shareholders to offload their shares. ATV, according to sources, has plans to use the listing proceeds to improve programming and expand its reach in Cantonese-speaking markets in Guangdong, Guangxi and Hainan provinces. The company collects advertising revenue in China through Yaguang Media, a joint venture between ATV and Southern Television Guangdong. ATV is talking with mainland TV operators and advertising agents to extend its revenue-sharing agreement to other parts of Guangdong.
- **Leading pay-television operator I-Cable Communications announced that it plans to spend more on programming, with a focus on financial news and entertainment shows.** Aside from its plan to increase live news coverage, the company would be going into film production targeting the local and overseas markets with an investment of up to HK\$300 million (US\$38.5 million) in the next two years. The pay-television operator reported a customer base expansion to 656,000 in 2003 to 702,000 last year. NOW Broadband TV has an estimated 480,000 subscribers and Galaxy Satellite Broadcasting with 20,000. With its announcement of making five to six movies a year, i-Cable also announced a 29 percent increase in its net profit to HK\$284 million (US\$36.4 million).
- **Market News International (MNI), a part of the news division of Xinhua Finance announced its plans to launch an Asian news service.** MNI was acquired by Xinhua Finance, China's premier financial services and media company in early 2004, is the leading news source for the information on the Federal Reserve and the European Central Bank. It produces news feeds on the foreign exchange market and the corporate and government debt markets. The plan of Xinhua Finance for an Asian service is a response to the market demand, according to the company. There is a strong client demand for information on China's bond market and foreign exchange markets. Xinhua Finance provides real time coverage of Chinese and Asian equity markets as it delivers an integrated platform of China-specific indices, financial news feeds, credit ratings and other information.

## Singapore/Malaysia/Philippines/Indonesia

### *Telecommunications*

- **Philippine Long Distance Telephone (PLDT) announced net profits of 28 billion pesos (US\$511 million) for last year.** PLDT's said it is investing on upgraded fixed line business for data services to sustain revenue streams, which are now derived mainly from its wireless business. Sales posted a 13 percent growth to 126 billion pesos (US\$2.2 billion), with cell phone revenue rising 27 percent as PLDT added 6.2 million mobile users during the year. The Philippines had Southeast Asia's biggest mobile-phone market with 32.7 million subscribers at the end of 2004, followed by 30 million in Indonesia, 27 million in Thailand, 14.6 million in Malaysia and 3.1 million in Singapore. A company official said that while PLDT was ahead in January when compared with year-earlier figures, this year's environment may not be as favorable as last year's because of increased foreign exchange risks.



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



Week of 27 February - 5 March 2005

## United States/Canada

### *Internet*

- **Yahoo said it was stamping its popular brand on Overture Services by renaming it as Yahoo Search Marketing Solutions in the U.S. and most international markets.** The change is going to take place early in the second quarter and is part of the move of the company to make it easier to find Yahoo's different advertising options. The name change will not affect how Overture's popular service works. Yahoo bought Overture Services, an online advertising pioneer, nearly 17 months ago for US\$1.7 billion. Overture became one of the Internet's most important companies by developing an advertising system that made online search engines into moneymaking machines. Yahoo plans to retain Overture's name in Japan and South Korea.

### *Media, Entertainment and Gaming*

- **Midway Games Inc. announced a 156 percent increase in its revenues for the fourth quarter in 2004 to US\$77.2 million, from US\$30.1 million in the fourth quarter of 2003.** Net income was reported as US\$17.6 million in the 2004 fourth quarter, compared with the 2003 fourth quarter net loss of US\$27.8 million. Midway was the No.1 ranked software publisher of games released in all of 2004 based on average review scores on Gamerankings.com for independent publishers with more than one reviewed product. Three titles surpassed the one million units shipped worldwide during the fourth quarter: Mortal Kombat, Deception, NBA Ballers, and Midway Arcade Treasures. Revenues for the year ended December 31, 2004 were US\$161.6 million, a 75 percent increase from the US\$92.5 million in the year ended December 31, 2003. The net loss was US\$19.9 million, compared with a net loss of US\$115.2 million in the prior year.
- **NBC Universal is reported to be in talks to acquire Microsoft's stake in MSNBC, said to be a struggling news cable channel.** Quoting unnamed sources, the report said that the two firms are in talks to finalize a deal that would put NBC Universal in full control of MSNBC. In the deal, Microsoft would still have access to some of NBC's content for online use.
- **24/7 Real Media, Inc. posted a 32 percent increase for the fourth quarter in its revenue to US\$27.5 million, from the US\$20.8 million reported during the third quarter of 2004, and an increase of 109 percent from the US\$13.2 million reported for the fourth quarter of 2003.** The company said it had a solid revenue growth and improved profitability, both sequentially and year-over-year, in each of its business segments and geographic regions. For the year ended December 31, 2004, the company posted a 73 percent increase to US\$85.3 million, from the US\$49.2 million reported for the year ended December 31, 2003.

### *Hardware*

- **Rogers Corporation announced a 53 percent increase in its net income to a record US\$40.1 million.** Net sales in the fourth quarter were US\$87.3 million, compared to the US\$85.8 million in the fourth quarter of 2003. For the full year of 2004, net sales posted a 50 percent increase to US\$365 million. Net sales in 2003 were US\$243.3 million. Rogers Corporation develops and manufactures high-performance specialty materials serving a range of markets, which include portable communication devices, communication infrastructure, computer and office equipment, aerospace and defense.

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



Week of 27 February - 5 March 2005

## *Telecommunications*

- **MCI reported a loss of US\$32 million but reported an operating profit even as it remains the target of two competing acquisition bids.** The telecommunications company posted an operating income for the quarter of US\$434 million, compared with a loss of US\$332 million in the year-ago quarter. The operating income excludes US\$270 million in favorable settlements of bankruptcy related matters. For the year, the company reported a loss of US\$3.8 billion, compared with the US\$22.2 billion profit in 2003. Yearly revenue dropped 15 percent, from US\$24.3 billion in 2003 to US\$20.7 billion last year.

## **Europe**

### *Software*

- **European Union antitrust regulators are said to be consulting with software rivals of Microsoft to determine the compliance of the industry giant to the EU ruling against it.** The software companies are being heard this week by the European Commission even as Microsoft said the EU's move to test the market was logical. Microsoft insisted it was in the process of complying with the EU ruling. The antitrust regulators were reported to be consulting Microsoft's rivals on Microsoft compliance with interoperability. The EU ruling demands that Microsoft offer an alternative Windows version for sale without its video and music Media Player application. Microsoft was being asked also to make technical information available to allow rivals to improve their interoperability of their products with the Windows server.

### *Hardware*

- **The French electronics group Thomson said it incurred a net loss for last year of US\$842.3 million, compared with a profit of US\$34.4 million a year earlier, on a 4.9 percent drop in sales to US\$10.4 billion.** The company, however, said that its sales would grow 10 percent this year in its media and entertainment divisions, which have become the group's center of activity. Last year, the company decided to stop making TV sets, leaving that to TCL, a Chinese partner. In January, Thomson said it plans to transfer production of cathode ray tubes for TV sets to the Indian company Videocon.

### *Mobile/Wireless*

- **Sony Ericsson Mobile Communications AB announced the launch of the W800, said to be the first Walkman brand cell phone that allows users to handle phone calls but also to listen to music, and take pictures and video.** The London-based company said that the Sony Ericsson W800 is the first product to combine a mobile phone, a high-quality digital music player with up to 30 hours' battery life, and a 2 Megapixel camera.

### *Telecommunications*

- **Deutsche Telekom announced net profits of US\$6 billion, which was more than triple its net profits of US\$1.7 billion last year.** For the final quarter alone, the telecommunications giant already posted a net profit of US\$1.8 billion last year, as against US\$482.1 million in 2003. Deutsche Telekom said it is expecting a gross operating profit of between US\$27.4 billion and US\$27.8 billion.

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



Week of 27 February - 5 March 2005

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.