

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



Week of 3 April - 9 April 2005

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International

Mobile/Wireless

- **Third generation mobile subscribers in the Asia Pacific region are projected by IDC to make a phenomenal growth from 10.5 million last year to 142.6 million in 2009.** The figure represents a compounded annual growth rate of 68.5 percent. IDC describes the present market as one that had already overcome the hurdle and showed the increasing availability of handsets that are capable of handling the high-speed services brought about by the new technology. In many parts of Asia, the mobile phones are used mainly for voice communications as well as sending and receiving text messages. The lack of 3G-capable handsets and questions about their costs are some of the major reasons for the delay in the launching of next-generation services. IDC, however, said that there is an increasing effort to face these challenges and hindrances through the development of quality networks, contents, applications and pricing strategies. Companies are also studying target services. The report said that, as of last year, Hong Kong, South Korea and Australia had launched 3G services in the Asia Pacific, which accounts for 10.2 million subscribers. Singapore, Malaysia, Thailand, the mainland, Taiwan and India are expected to follow.
- **With the exclusion of Japan, mobile phone sales in Asia Pacific posted a 24.1 percent growth to 164 million handsets last year because of strong demand for low-tier models, according to research house Gartner.** Nokia remains the market leader, with total annual sales last year making a 28 percent growth to 50.6 million handsets. Nokia's sales were boosted by demand for mid-and low-tier models in emerging markets like India and China. The report said 3G handsets are still not popular among Asians, although sales are expected to rise this year as the technology becomes more available in the region. Nokia had 30.8 percent of the market share; Samsung was second in the region, with sales volumes registering a 31 percent increase to 28.2 million, a figure that represents 17.1 percent market share. Gartner attributes this growth to aggressive advertising and marketing. Motorola grabbed the third slot with sales of 18.6 million, getting 11.3 percent of the market. LG was fourth, with sales of 9.3 million handsets, getting 5.7 percent of the market. Sonny Ericsson was fifth with 4.9 percent of the market and sales of 8.1 million. Bird had 3.5 percent of the market with sales of 5.8 million.

Software

- **Two factors, language and cultural barriers, are said to be preventing Asian programmers from taking part in open-source projects.** Many open-source projects are based in English, according to industry experts, and this is a language programmers do not feel comfortable using. Experts also note the debates over software code in the open-source community can be disconcerting to Asian customers more attuned to harmony and cooperation. There is a feeling that language barriers could lead to the fragmentation of the global open-source community. The result is that instead of taking part in international communities, many programmers in China and other Asian countries are creating their own groups. These local projects are projected to lag behind the development of their more global counterparts. Open-source has been identified by many Asian governments as important to their IT mainstreaming. Researchers have also predicted that Asia will be leading the world in the adoption of open-source software. Open-source project leaders are asking for more involvement from Asian developers as they are crucial to the localization of products.

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Japan

Internet

- **Google Inc. has established an R&D base in Tokyo, the company's third base outside the U.S. and an addition to those set up in India and Switzerland.** The Tokyo Center is expected to collaborate with Google's U.S.-based R&D staff in developing technologies and services for the Japanese market, aside from working with leading Japanese telecommunications companies and electronics makers. Until the setting of the Tokyo Center, all the technologies and services offered in Japan by Google were Japanese-language versions of what Google was mainly offering. The local R&D activities will concentrate on technologies that can improve the precision of Japanese-language searcher. Google is looking to this base as one from which a Chinese-language service would also be launched.
- **Kyocera Corp. is producing and supplying base stations to be installed outdoors and special terminals that connect to personal computers in South Africa.** The company is targeting 50 base stations and 20,000 terminals by June. The commercial service will be using iBurst, wireless high-speed broadband communications, which are capable of downloading speeds of up to 1 megabit per second. These shipments combined with those to Australia are expected to generate 30 billion yen (US\$277 million) in revenue for fiscal 2007, the company said.
- **Mizuho Corporate Bank announced that it has developed jointly with Mizuho Information & Research Institute Inc. a new information system for regional banks that will provide sales staff the capacity to share their financial expertise and marketing know-how.** In the new system, a bank employee will open a web site that will inform their colleagues about their work and specialization. Those who want to explore customer base and gather relevant information can do so under the system before they leave for a sales call. The system is seen as replacing the traditional printed instruction manuals on marketing. The site can also display data on stock prices and foreign exchange rates as well as corporate news.

Mobile/Wireless

- **Toshiba Corp. said it had sold its 33 percent stake in a mobile phone joint venture in China to a local partner.** The company, Japan's second-largest electronics conglomerate, set up the venture with Nanjing Putian and a Hong Kong-based firm in 2000 with the aim of manufacturing and selling Toshiba handsets on the mainland. A Toshiba spokesperson identified the slow take-off of the high-end mobile phones as the one that triggered the withdrawal. The move of the company is seen as a withdrawal from a highly competitive market with a lot of potential. Toshiba said that their withdrawal does not mean the company had flown out entirely from the Chinese market as the company said it would consider an appropriate timing for re-entry. In the meantime, Toshiba said it plans to push ahead with its mobile phone business in Europe, the region where demand for high-speed 3G mobile is increasing.
- **Japanese cellular phone manufacturers are reported to be focusing on their entry into the 3G cell phone market in China.** NEC has already expanded its network of stores in China from 700 last June to the present 2,000. The company also said it plans to increase its sales by about 50 percent to 3 million units. Another company, Matsushita Electric Industrial Co. subsidiary Panasonic Mobile

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Communications is seeking agents that will sell its handsets. The company also aims to increase deliveries to cellular service firms. The two firms have market shares of less than 2 percent each in China. The 3G cell phone market is attracting the two companies especially that licenses for 3G cell phones are expected to be given at the end of this year.

Media, Entertainment and Gaming

- **Sony Music Entertainment (Japan) Inc. and three other major record and music software companies in rejecting before the Fair Trade Commission (FTC) the charge that they have blocked other firms from entering the mobile phone ring-tone service.** Sony with Avex Network Inc., Victor Entertainment Inc., Universal Music Group and Toshiba EMI set up a company called Label Mobile Inc., which offered the “ring-song” service, a service that enables users to download part of a song from the artist’s original version to their mobile phones to use as ring tones. The group, owning the master versions of the songs, proceeded to block about 30 companies by refusing them the use of the master versions. The act, according to FTC constitutes a practice that violates the Antimonopoly Law.
- **Nintendo said it has decided to distribute more of its profits to shareholders because of what it got for 20 billion yen (US\$184.8 million) in foreign-exchange gains on dollar-denominated assets in fiscal 2004.** The move of the game console maker is said to be a reaction to strong calls for higher dividends from overseas investors who took note of the fact that the company held 780 billion yen (US\$7.2 billion) in cash and deposits at the end of December last year. Nintendo plans to pay 200 yen (US\$1.8) in dividend for the second half of fiscal 2004, up 130 yen (US\$1.2) from a year earlier.
- **Toho Co. announced a 7.1 percent increase in its equity stake in Fuji Television Network Inc. after acquiring an additional 1.4 percent of outstanding shares in the TV broadcaster.** The additional share acquisition of Toho was said to have been made upon the request of Fuji TV as a step to “strengthen the position of stable shareholders” who were holding their shares on a long-term basis. With the move, Toho becomes the third-largest shareholder in Fuji TV after Softbank Investment Corp. and Daiwa Securities SMBC Co. Toho, which is one of Japan’s major movie production and distribution companies, said the additional share acquisition is aimed at strengthening its business relationship with Fuji TV.

Software

- **NEC Corp. and Sun Microsystems Inc. announced the expansion of their partnership as they seek more business opportunities in the global market.** Covered by the expanded cooperation is NEC’s boosting of system integration services for servers operating on Sun Microsystems’ “Solaris” operating system. With the Solaris-based servers, NEC said it would be able to respond more to corporate customers’ needs to integrate servers running on different operating systems such as Unix, Linux and Windows. The team will be working on the provision of the middleware that links Solaris and customers’ application software.

Hardware

- **Fuji Photo Film Co. reported its development of a film material for LCD television that expands the viewing angle beyond 160 degrees both horizontally and vertically.** The company will begin manufacturing this film called WV Excellent-Ace for LCD TVs with 25-inch or smaller screens. The company said it would make WV Excellent-Ace at a rate of around 30 million sq. m. a

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year in 2006. It has a capacity to make 50 million sq. m. of angle-widening film a year. It is planning to have a factory expansion that will help boost total capacity to 90 million sq. m. in June.

- **Avix Inc., a Yokohama-based developer and marketer of LED systems, plans to go public on the JASDAQ Securities Exchange.** The company is planning to boost its two main operations, composed of supplying components to domestic and foreign manufacturers of LED displays and providing computer graphics and other image content to LED system users. Its main product is called Cyber Vision, a large outdoor color display. In the year ended March 31, the company is reported to have posted 2.8 billion yen (US\$25.8 million) in parent-only sales, a 29 percent decrease from fiscal 2003. Funds raised through the initial public offering will be used by the company to repay bank loans so that the company can strengthen the firms' financial structure.
- **Matsushita Electric Industrial reported the settlement of its patent infringement row over plasma display panels with LG Electronics.** With the agreement, the companies dismissed the applications of the import suspension and other legal actions in Korea and Japan with regard to their respective patents. The settlement also brings the two companies into a cross-licensing agreement regarding PC and DVD specifications.
- **Fuji Photo Film said it would build a second plant in China for the production of printing plates.** The move is part of its efforts to expand its printing business. The film and camera maker has earmarked US\$39 million to build the plant to be operated by its new wholly owned subsidiary, Fuji Photo Film Printing Plate (Suzhou) Co. The company will be manufacturing in the pre-sensitized plates, commonly known as PS plates, and computer-to-plate, or CTP, plates at the plant.

Semiconductors

- **Elpida Memory Inc. plans to move the assembly and testing stages of memory chip production to two firms in Taiwan as early as fiscal 2007.** With cost cutting as the reason for the move, Elpida's decision marks the first time that a major Japanese chipmaker will shift all of the latter stages of production overseas. The processes of cutting out each chip from wafers and finishing the products are handled by four companies at home and abroad presently. These are the same processes that, after the transfer, will be done at two Taiwanese firms: Walton Advanced Engineering Inc. and Powertech Technology Inc.
- **Nippon Systemware Co., (NSW), plans to introduce a one-stop system chip fabrication business aimed at start-ups.** According to the company, production will be outsourced to Taiwan Semiconductor Manufacturing Co. and will begin in July with 300,000 units a month. The plan is to expand it to 1 million units monthly by the end of fiscal 2005. To boost its price competitiveness, NSW will sign an exclusive contract with TSMC and receive discounts on its charges. The product quality will be guaranteed by a new department to be created at NSW. Clients will only focus on the theoretical design of the system chips. The practical design and testing will be conducted by NSW while TSMC will do the circuit printing process. Taiwan's Advanced Semiconductor Engineering Inc. will handle mainly the actual fabrication.

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Korea

Media, Entertainment and Gaming

- **Electronics manufacturers Samsung Electronics Co. and LG Electronics Co. said they plan to provide HSDPA-enabled handsets to mobile-phone carriers SK Telecom Co. and KT Freetel Co. for their WCDMA services.** These services will be expanded across the nation in the second half of the year. HSDPA is a new third-generation mobile telephony specification designed that is able to deliver data at a peak rate of 14.4 Mbps, considered to be better than the third-generation WCDMA networks that offer data rates of 2 Mbps. By adding more bandwidth, the HSDPA system would allow individuals to send or download data quicker.

Information Technology

- **Official sources in the government point to services rather than product as the driving force behind Korea's information and technology industry.** The government has identified nine product areas as growth engines: mobile telecommunication; digital televisions and broadcasting devices; home network devices; IT system-on chip; next-generation PCs; embedded software; digital contents and software solutions; telematics devices; and intelligence service. The ministry source said the reason for the selection of the nine growth sectors is that said areas are noted for their fast growth. Infrastructures also exist to support the development of the key growth engines.

Software

- **Sun Microsystems opened its first research and development center in Asia in Korea.** The center plans to develop a wide range of software utilizing its Java programming language. The company said it plans to spend some US\$50 million in the next four years to support the center's development activities. South Korea leads the world in broadband Internet usage, with more than two-thirds of its 15 million homes connected to high-speed Internet.

China

Internet

- **Netease is going to focus on expanding its Internet portal business this year.** For the past two years, Netease has concentrated on the development of online games and e-mail systems with the firm becoming one of the biggest online games operators earning profit along the way. Netease said that this year the company would focus on Internet portals, recognizing big potential in online advertising. From its US\$115.7 million revenue in 2004, 66 percent of this was attributed to online games. The company, according to the report, will focus on the development of Netease's Internet content business and increase investment in the area. The company has already formed a strategic partnership with Chinese sports brand Lining, with the sports channel on the Netease website to be called Lining Sports Channel. Netease said it would team up with NASDAQ-listed financial information web site China Finance Online with the aim of strengthening the width and depth of its website content.

Media, Entertainment and Gaming

- **The move of China to open film and television sector to foreign investments is being perceived as 'cautious' as the country's media regulator looks if some overseas companies are moving**

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much to fast with their reforms. The State Administration of Radio, Film and Television (SARFT) and the Ministry of Commerce have been reported to give a go-signal to only one foreign-invested production joint venture between Sony Pictures Television International and a China Film Group subsidiary Huaso Film/Television Digital Production. Viacom for one has not set up a children's programming joint venture with Shanghai Media Group even if the U.S. media giant said it has already approval from SARFT. A planned joint venture between the National Geographic Channel and China Central Television is among those waiting for approval. Industry sources said SARFT was particularly concerned about how overseas media groups were exerting de facto control over regional broadcasters by selling their time slots to advertisers on a commission basis as well as providing programming.

- **Digital Media Group (DMG) announced that it is launching a US\$6 million round of venture financing by way of partnership with Japanese investors.** Gobi Partners leads the investment that has significant contributions from NTT DoCoMo and Dentsu. A DMG official said the funds would be used to hasten the nationwide expansion of DMG's media platform, which will be used so that advertisers can reach out China's massive consumer population in an effectively interactive way. Industry analysts are saying that the group will bring an early stage venture capital focused on the digital media sector, telecoms and technology expertise as well as advertising experience to the field of digital out-of-home media. DMG is the first company in China to operate PIDS (Passenger Information and Direction Systems) inside metro networks.
- **China Business Press Release Newswire (PRnews.cn) and Factiva, a Dow Jones and Reuters Company, announced that full-text and multimedia news announcements from PRnews.cn are now available through Factiva.** Covering important and major Chinese companies, organizations and government bodies, the materials from PRnews.cn are now made accessible to more than 1.6 million Factiva subscribers. News release subjects include Industry Focus, Company Conferences, Exhibitions, Corporate Announcements, Stock Market News, Financial News and many others. PRnews.cn has a customer base that includes more than 500 publicly listed companies on the China Stock Exchange Market, a number that represents about one-third of all publicly listed companies in China. PRnews.cn is a subsidiary of Beijing-based TIXA Internet Technology Co., Ltd.
- **Xinhua Finance said its board has approved a plan for the implement of a stock split within a year.** The news and financial information provider said moves in the company's share price would determine the timing of the split as well as the split ratio. Listed for startup companies last October, Xinhua Finance is the first non-Japanese company to list on the Mothers market. It was also the first initial public offering in Japan by a China-related company.

Mobile/Wireless

- **Lucent Technologies said it will invest US\$80 million in its 3G mobile telephony research center in Nanjing, which brings Lucent's investment in the center to a total of US\$200 million.** The investment is the latest in a series of investments by foreign investors readying themselves for the issuance of 3G licenses this year. Giant firms like Huawei, ZTE and Datang are seen as big winners when bids for 3G equipment are held. Foreign vendors like Siemens, Nortel and Alcatel are anticipating that one operator will deploy TD-SCDMA and are working on partnership with local companies. Lucent currently has a 21 percent market share in 2G and 2.5G CDMA equipment in China. Analysts believe Lucent hopes to leverage its strength in CDMA 2000 to secure contracts if China Unicom's existing CDMA network follows its movement toward 3G.

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- **Ranger Wireless Corp. announced that the company has signed cooperation and licensing agreement with Soyea Technology Co. Ltd.** Under the agreement, Ranger Wireless Corp will market Soyea mobile handsets in North American and other global markets excluding China. Soyea Technology Co. Ltd. is considered to be at the top 100 electronics and communication companies in China. The Chinese firm has total revenue of about US\$150 million, with its cellular manufacturing unit selling over 1.5 million units in 2004. Ranger Wireless Corp is a company that markets services to mobile operators, content providers, ISPs and corporate enterprises worldwide that allow them to provide their subscribers, customers and employees with content and mobile instant messaging

Telecommunications

- **China Netcom Group Corp., China's second largest fixed line company, posted a turnaround net profit of 9.2 billion yuan (US\$1.1 billion) last year, compared against the net loss of 11.1 million yuan (US\$1.3 billion) in 2003.** The figures are the first results since its initial public offering. Identified as the factors that drove the growth in 2004 are broadband and Internet services, which grew by 145.3 percent to 6.2 million subscribers. From its pan-Asia network, revenues amounted to 2.6 billion yuan (US\$318 million) in 2004, a remarkable 91.7 percent growth. The good performance in broadband services and international telecommunications services happens amidst the decline in its core business: PSTN (public switched telephone networks) usage went down by 5.8 percent because of mobile substitution and the accompanying 25.4 percent decline in revenues from leased lines. The company also disclosed that in order to expand market share, it is considering acquiring four provincial networks in Heilongjiang, Shanxi, Jilin and Inner Mongolia, which are currently held by its parent. An official also announced that China Netcom Group has entered into a memorandum of understanding with PCCW regarding cooperation in the six cities and provinces in Southern China.

Semiconductors

- **Network equipment maker Shenzhen Donjin Communication Technology Co. Ltd., a company targeted by Intel Corp in its first copyright lawsuit in China, countersued by accusing the U.S. chip giant of engaging in illegal monopolistic practices.** The company's countersuit mentioned how the Intel software was so tied to its hardware that it prevented customers from using the software in a third-party hardware. Donjin is asking the court to order Intel to end monopolistic practices. Intel, in January accused Donjin of illegally including Intel software in its products. Officials of the U.S. firm were not available for comments.
- **China, through the State Council, announced its plan to provide funding and increase income-tax-breaks for semiconductor companies.** Having scrapped a rebate on value-added tax, the State Council said it is looking to providing funding for up to 50 percent of the cost of a chip manufacturer's R&D project. The industry official said the chipmakers might also be granted exemption from the payment of income tax for up to 10 years. An official of the China Semiconductor Association sees the research funding and income tax breaks as form of compensation that would help chipmakers affected by the cancellation of the VAT rebates. The statement issued by the Ministry of Finance, Ministry of Information Industry and National Development and Reform Commission stated that funding may reach 50 percent. From the present two-year exemption and three years at half rate given to preferred companies, the government mentioned plans to increase chipmakers income tax breaks to five years exemption and five years at half rate.

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Taiwan

Semiconductors

- **With global demands on the rise, two leading foundry service providers announced increases in their sales.** Taiwan Semiconductor Manufacturing Co. (TSMC) saw its March sales post a 2.4 percent growth month-on-month to NT\$17.6 billion (US\$558 million) from NT\$17.2 billion (US\$545.3 million) in February. The firm, however, said the figure marks an 11.8 percent decline year-on-year. The company attributes the sales increase to higher wafer shipments brought about by higher demands. The company announced that its parent sales posted a 3.2 percent decrease from a year earlier to US\$55.6 billion in the first quarter to March. United Microelectronics Corp. (UMC) announced sales rising 14 percent to NT\$7 billion (US\$222 million) in March from NT\$6.1 billion (US\$193.4 million) a month earlier. UMC said its parent sales in the first quarter to March had a 19.9 percent decline to NT\$20.2 billion (US\$640.4 million) from NT\$25.3 billion (US\$802.1 million) in the previous quarter. The company expected its average selling price in the current quarter to go down 10 percent sequentially.

Information Technology

- **Taiwan-based Quanta Computer Inc. and Massachusetts Institute of Technology (MIT) announced their agreement to team up on a US\$20-million, five-year project aimed at developing a technology that will have PCs, laptops, cell phones, and handhelds to work together “seamlessly, intuitively and in sync.”** The agreement, financed by Quanta, is seen as the first phase of a long-term partnership to incorporate new ideas into products. Under the agreement, MIT will be putting together prototypes and Quanta will put the ideas together into more solid prototypes. Quanta is considered the world's largest producer of laptops, manufacturing portable computers and other devices for companies like Dell Inc., Hewlett-Packard Co. and IBM.

Hong Kong

Mobile/Wireless

- **Mobile carriers have urged the Office of the Telecommunications Authority (OFTA) to consider changing the present wholesale charging model and put in a calling-party pays (CPP) principle.** Under CPP principle, an operator pays the receiving-end network for the cost of conveying the voice call, a system that is closer to the fair user-pays principle. The concern is born out of the convergence of fixed and mobile services, the regulatory impact of which will be the basis of a consultation to be conducted by OFTA.

Media, Entertainment and Gaming

- **SCMP Group, which puts out the South China Morning Post and Sunday Morning Post, registered a higher than expected HK\$317.1 million (US\$47.5 million) profit last year, compared to HK\$1.7 million (US\$218,000) in 2003.** The reason for the profit was the resurgence in advertising spending, which was driven in part by an active job market. A poll of 13 brokerages by Thomson Financial has estimated a profit of HK\$271.7 million (US\$34.8 million) from sales of

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HK\$1.4 billion (US\$179.5 billion). The group's official web site, SCMP.com, also made profits, with 22 percent growth in its turnover.

Singapore/Malaysia/Philippines/Indonesia

Internet

- **More Singaporeans are using infocomm for “work, learn and play”, according the 2004 Annual Survey on Infocomm Usage in Households and Individuals by the Infocomm Development Authority (IDA) of Singapore.** An IDA official said the survey results show the steady transformation of nation into a well-connected society. The survey shows Internet access in household stands at 65 percent. Officials explain the steady growth of computer ownership and Internet access to the various national infocomm usage education programs such as National Infocomm Training and Literacy Programme and other similar activities.

Telecommunications

- **Singapore Telecommunications Ltd.'s Optus unit will begin to sell subscriptions in its rival Telstra Corp.'s Foxtel Digital Television.** Under the new agreement, Optus will do an upgrading of its cable network and then offer Foxtel Digital television and entertainment to its telecommunications customers. Australia's biggest phone company, Telstra, owns 50 percent of Foxtel. Optus is considered as Telstra's biggest rival for phone services in Australia.

United States/Canada

Internet

- **Amazon.com announced its acquisition of a publishing company, BookSurge, that prints books when they are ordered, with the online retailer not relying on warehouses stocked with titles.** Booksurge, based in South Carolina, offers an inventory-free book fulfillment network to publishers and authors. It also has a wholesale service for retailers wholesalers and distributors. BookSurge maintains a catalogue with thousands of titles that are printed on-demand and available for sale on Amazon.com. According to Amazon, print-on-demand has altered the economics of small-quantity printing as the arrangement makes it possible for books with low and uncertain demand to be produced at profit.
- **Google has disclosed a feature that will give users the capacity to zoom in on homes and businesses using satellite images.** The satellite technology comes by way of its acquisition of digital mapmaker Keyhole for an undisclosed amount several months ago. This marks the first tie that Google has offered free access to Keyhole's hi-tech maps through its search engine. The feature however is causing some anxieties: Keyhole had previous government ties, with In-Q-Tel, a venture capital said to be backed by the CIA. Issues of privacy also crop when the feature is discussed.
- **AlmondNet, a media and advertising technology company, announced that it has signed an agreement with Lycos, Inc.** Under the agreement, AlmondNet will distribute Lycos InSite AdBuyer paid search advertisements in all of AlmondNet's Post-Search network, a move that will give Lycos a new distribution channel for paid search ads. A report from the Online Publishers Association indicate

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that consumers spend less than 5 percent of their online time visiting the major search engines and more than 95 percent of their online time browsing other ad-supported content. Ads delivery by way of AlmondNet's Post-Search Network enables allows Lycos to enable its advertisers to reach consumers on the sites where they spend 95 percent of their time. AlmondNet is a New-York based company that makes search and Internet advertising innovations. Lycos, Inc. is a wholly owned subsidiary of Daum Communications.

- **America Online (AOL) joined a market already dense with startups, cable operators as well as traditional phone companies by launching its Internet telephone service.** The AOL Internet Phone Service has the regular features of traditional telephony but combined with advanced services that are accessed on a PC over the Internet. The AOL Internet Phone Service is being offered to AOL members at first.

Media, Entertainment and Gaming

- **Time Warner and Comcast announced having reached a tentative agreement to buy Adelphia Communications for some US\$18 billion.** The two media companies agreed to buy bankrupt Adelphia for between US\$12 billion and US\$13.5 billion in cash, this on top of US\$4.5 billion and US\$5.6 billion in stock in a company that would be formed out of Time Warner's cable unit and Adelphia, media sources said. Adelphia's board of directors, a body that is composed of the representatives of unsecured creditors and the bankruptcy judge still has to approve the deal. Adelphia is the nation's fifth-largest cable TV provider.

Software

- **Gartner said that Oracle's potential in the growing extranet access management software market depends on the company's ability to tap its PeopleSoft human resources application.** The analysis comes in view of the three major acquisitions made by Oracle in a span of four months. Industry watchers are now waiting for Oracle to complete the integration of PeopleSoft, retail-automation software supplier Retek and access management specialist Oblix. From the integration, Oracle is expected to draw a product road map that will be given to its customer base.

Hardware

- **Dell said it would continue to go beyond traditional desktop PCs into to flat panel TVs, laptops and printers.** The aim of the expansion is to push the growth of Dell's business to US\$80 billion in a span of four years. The Texas-based firm originally made a forecast of its revenue growing from US\$49 billion to US\$80 billion over the next three to four years. It was when it hit US\$50 billion in sales last year that the company pushed its goal from US\$60 billion to US\$80 billion in annual revenue. Dell said it would spend some US\$2 billion to buy back stock in the present quarter, about 50 million shares, a figure that is more than double what the company had initially planned.

Europe

Internet

- **A website, www.jobdumping.de, that offers jobs to persons willing to work for the lowest pay has attracted thousands of Germans and triggered anger and complaints from trade unions and labor groups.** The site, which some compare to an online slave market, has held more than 3,300

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auctions that gave jobs to some 1,300 people. The site post a 30,000 visits daily. Amidst the background of more than 5.2 million jobless people in Germany, the site makes use of the central principle of eBay online auction service. The operator of the site, who claims his way of compensation comes in the form of percentage of the first month's wage of the successful job hunter, is planning to launch his web site in Britain and in an English-language international site that targets students looking for work in other countries.

Telecommunications

- **BT Group, British telecommunications operator, said it would be connecting the five millionth broadband customer to the Internet in the next few days, a deadline that would be a year ahead of the groups' own target date.** Broadband is proving to be one of the country's fastest growing consumer products with more than 95 percent of homes and businesses using BT-owned fixed lines. Penetration is expected to reach 99.6 percent by July. BT's retail arm has about 35percent of the market in the connections are shared between more than 200 Internet service provider

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