

IRG WMR



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

Week of 11 September - 17 September 2005

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ideas | reach | growth

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| Equity Market Indicators | | | | | |
|---------------------------|------------------------------|------------------------|----------------------|----------------------|----------------------|
| Index | Closing Level (9/16/2005) | % Change 1 Week Ago | % Change 1/1/2005 | % Change 1/1/2004 | % Change 2004 Low |
| S&P 500 | 1,237.91 | -0.3% | 2.1% | 11.3% | 16.4% |
| Dow Jones Industrial Avg. | 10,641.90 | -0.3% | -1.3% | 1.8% | 9.1% |
| Dow Jones Tech. Index | 359.23 | -0.6% | 1.1% | 3.3% | 24.3% |
| Dow Jones Telecom. Index | 211.01 | -0.5% | -3.1% | 13.8% | 20.4% |
| NASDAQ Composite | 2,160.35 | -0.7% | -0.7% | 7.8% | 23.3% |
| The Street.com Net | 202.67 | -0.6% | -2.7% | 32.4% | 37.7% |
| Japan Nikkei 225 | 12,958.68 | 2.1% | 12.8% | 21.4% | 25.0% |
| Japan TOPIX | 1,328.84 | 2.7% | 15.6% | 27.3% | 29.9% |
| Korea KOSPI Composite | 1,174.13 | 1.9% | 31.1% | 44.8% | 63.2% |
| Korea Kosdaq | 536.60 | 0.9% | 41.1% | 19.6% | 65.3% |
| Taiwan Stock Exchange | 6,031.24 | -1.4% | -1.8% | 2.4% | 13.4% |
| Singapore Straits Times | 2,306.38 | 0.2% | 11.6% | 30.7% | 35.6% |
| Hong Kong Hang Seng | 14,983.20 | -1.2% | 5.3% | 19.1% | 36.6% |
| Hong Kong GEM | 967.79 | 2.3% | -2.1% | -18.4% | 0.3% |
| China Shanghai (A-Share) | 1,274.60 | 2.0% | -4.2% | -18.8% | -3.6% |
| China Shenzhen (A-Share) | 309.72 | 3.3% | -5.8% | -21.3% | -5.6% |
| China Shanghai (B-Share) | 69.15 | 2.4% | -8.6% | -34.1% | -8.6% |
| China Shenzhen (B-Share) | 232.15 | 3.3% | 5.6% | -14.7% | 9.5% |

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Technology, Media, Telecommunications and Life Sciences Market Activity

NASDAQ/NYSE TMT and Life Sciences IPO Filings

| Filing Date | Issuer | Industry Sector | Size (US\$MM) | Description | Book-Runner | Co-Manager |
|-------------|--|-----------------|---------------|---|-----------------------|---|
| 9/13/05 | Taleo Corp. [TLEO.US] (NASDAQ) | Software | US\$107.2 | A provider of enterprise staffing management solutions that enable large organizations to establish, automate and manage worldwide staffing processes | Citigroup | CIBC /JP Morgan/ Merrill Lynch/ Think Equity Partners |
| 9/13/05 | A-MAX Technology Ltd [AMAX.US] (NASDAQ) | Technology | US\$150 | Manufactures portable flash-based music players | Merrill Lynch/ UBS | Jefferies Broadview/ Thomas Weisel Partners |
| 9/16/05 | Santa Monica Media Corp. [620826Z.US] (NASDAQ) | Media | NA | A California-based company providing video programs | Shemano | NA |

NASDAQ/NYSE Equity Markets: TMT and Life Sciences IPO Pricing

| IPO Date | Issuer (Exchange) | Description | Size (US\$MM) | Offer Price | Price on 9/9/05 | % Change From Offer |
|----------|-------------------|-------------|---------------|-------------|-----------------|---------------------|
| N/A | | | | | | |

Asian Equity Markets: TMT and Life Sciences IPO Pricing

| IPO Date | Issuer (Exchange) | Description | Size (US\$MM) | Offer Price | Price on 9/16/05 | % Change From Offer |
|----------|--|---|---------------|-------------|------------------|---------------------|
| 9/12/05 | Shenzhen Neptunus Interlong Bio-Technique Co. [8329.HK] (HKSE) | Produces, sells and distributes biological technology and therapeutic drugs | US\$10.1 | HK\$0.33 | HK\$0.29 | -12.1% |
| 9/12/05 | Sagittarius Life Science Corp. [3205.TT] (GSM) | Develops a wide range of Chinese herbal medicines and supplements | US\$1.7 | NT\$15 | NT\$14.35 | -4.3% |
| 9/13/05 | All About Inc. [2454.JP] (JASDAQ) | Operates informational Internet site "All About" and provides online advertising and shopping services | US\$16.9 | ¥260,000 | ¥1,540,000 | 492.3% |
| 9/15/05 | Turbolinux Inc. [3337.JP] (Hercules) | Develops and sells Linux-based operating systems, middleware, server operating systems and application software | US\$17.2 | ¥100,000 | ¥500,000 | 400.0% |

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| Asian Markets: TMT and Life Sciences Convertibles | | | | | | |
|---|---|--|---------------|---------------|----------------------------------|----------------------|
| Issuance Date | Issuer [Equity Ticker] | Description of Issuer | Maturity Date | Size (US\$MM) | Per US\$10,000 converts to | Convertible Until |
| 9/13/05 | Chilisin Electronics Corp. [2456.TI] | Manufactures and markets coils, inductors and ferrite cores | 9/18/10 | US\$12.2 | 7,022 Shares | 9/8/10 |

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Weekly Highlights

International

Internet

- **The boom era of the Internet will soon be a thing of the past, warned a report from Microsoft, unless coordinated action is taken.** An estimated US\$25.3 million was spent on e-commerce last year but the information superhighway is becoming choked and littered by spam, viruses and fraud that some experts could become unusable. Trust in online retailers could be destroyed in the process, too. An estimated 136 billion e-mails are sent around the world every day, of which 64 percent are defined as unsolicited, or spam. A large proportion of spam contains viruses that use computers to send out more spam, and all this without the owner's knowledge. In 2000, an estimated one in 2,500 e-mails sent to businesses contained a virus. Now it is one in 43.

Japan

Internet

- **E*Trade Securities Co. maintained its No. 1 spot, with its August turnover rising 37.6 percent to about 5.5 trillion yen (US\$49.6 billion).** Matsui grabbed the second place from Rakuten after four months, with a turnover increasing by 43.6 percent to 2.6 trillion yen (US\$23.4 billion), with a lot of help from a greater number of investors. Rakuten dropping to third place saw its trading value move up 37.4 percent to 2.5 trillion yen (US\$22 billion). Monex Beans was No. 4, with its turnover climbing 59.1 percent to 2.2 trillion yen (US\$19.7 billion). Another firm, kabu.com Securities Co. saw its trading value go up 41.4 percent to a record 1.2 trillion yen (US\$10.8 billion). The overall result was seen in commission income topping 1 billion yen (US\$9 million). Industry observers took note of the buying by foreign and individual investors trading through online brokers as the cause of the strong market recovery in August. Another factor mentioned was the rise in large capitalization issues.
- **Digital Arts Inc. said it would start to sell content-filtering software to Internet cafes.** The software is designed to filter or block access to "undesirable" content by underage children. The filter comes after the announcement that the Tokyo Metropolitan government is about to implement an ordinance in October that will encourage Net face operators to introduce filtering software for use in their shops. The system will initially be supplied to JAiLO Co., the operator of 71 "Hot BB Station" Net cafes in Tokyo and Osaka.
- **Of firms where foreigners hold stakes going above 10 percent, only about 48 percent have English-language versions of their web sites, according to a survey made by Simul International Inc., a translation services firm.** Of the 158 companies listed on the three exchanges for startups, some 76 have English sites. Where the sites are in English, the study noted grammatical and spelling lapses. Only 11 percent were evaluated as using high-quality English on their web sites, which include Arrk Corp., Riso Kagaku Corp. and Livedoor Co. Simul said that even in its survey covering Nikkei Stock Average component firms, some 37 percent were found to have grammatical errors and 49 percent with spelling errors.

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Media, Gaming and Entertainment

- **Kadokawa Holdings Inc. announced its move to work jointly with Intermedia Firm Equities USA on the development of movies for North American, European and Japanese markets.** Under the agreement, the Kadokawa Group, which includes Kadokawa Shoten Publishing Co. and Kadokawa Pictures Inc., will provide such content as visual images, novels and comics to Intermedia for joint development into movies. In addition to selling its adaptation rights, the group will also be directly involved in the production process.

Software

- **Intec said it will market new EDI (electronic data interchange) software that would facilitate electronic commerce among both domestic and foreign companies in various industrial sectors.** The firm's new software is to be used in broadband telecommunications to handle electronic data on product orders. The software is based on a protocol used by major U.S. and European retailers and foreign firms in other sectors. This will make it possible to set up an e-commerce system at a low cost to link companies using the same protocol in various parts of the world. With the product price beginning at 400,000 yen (US\$3,600), Intec expects to earn 3 billion yen (US\$27 million) in sales in fiscal 2007.
- **Softbank Corp. and Advanquest Software, a French firm, announced their agreement to establish a software joint distribution joint venture.** With a capitalization of 100 million yen (US\$898,000), the venture to be called Advanquest BB will be 51 percent owned by Advanquest and 49 percent owned by Softbank BB Corp., Softbank's wholly owned broadband Internet unit. Under the agreement, Advanquest BB will localize and market in Japan overseas software products to which Advanquest has sales rights. The French company will also localize Japanese software distributed in Japan by Softbank for export to the U.S. The two companies also said they plan to localize Japanese software at a pace of 10 or so a year, with the aim of considering an expansion in their tie-up to cover the entire Asian region.
- **SourceNext Corp. said it plans to release StarSuite 8 office software, a move that is seen as challenging Microsoft's dominance of the domestic market for business software.** The firm will offer the first 50,000 copies of the software, comparable to Microsoft Office, at a price of 3,790 yen (US\$34). Developed by Sun Microsystems Inc., the software contains word processing, spreadsheet, presentation, drawing, and database functions, and is operable on the Linux, Solaris OS, and Windows operating systems.

Hardware

- **Canon Inc. and Microsoft Corp. announced their agreement to have a tie-up in color-processing technology.** The two firms are expected to work on developing a color management system for Microsoft's next-generation operating system, Windows Vista, by using Canon's existing color management technology. The system is seen as doing away with inconsistencies in digital image color reproduction among different personal computers. The agreement is expected to give Canon's edge in the development of printers, copiers and other imaging products.
- **NEC Corp announced its plans to strengthen sales of servers that run on HP-UX, Hewlett-Packard Co.'s version of the Unix operating system.** With the aim of getting 20 percent of the domestic market this fiscal year, NEC said it plans to establish a customer service center that will offer consultation for users switching from computers with CPUs made by HP to those by Intel Corp. NEC said it has plans also to increase partnerships with software developers and to market database software

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and other applications demanding a high degree of reliability. Observers are noting that while NEC has been increasing its market share, Fujitsu and Hitachi Ltd. are going through declines.

- **Victor of Japan, also known as JVC, said it has developed a data compression format that will enable music tracks downloaded from the Internet to be played with CD-quality sound.** In compression techniques such as those of MP3, the sound is said to be muffled and wanting in depth, when compared with CDs. JVC's new technology is meant to respond to these problems. The software for Victor Entertainment Inc. and is compatible with other data compression formats such as AAC, which is used by Apple, and ATRAC, used by Sony.
- **Sony said it will begin to sell eight new TVs that are both LCD screen and rear projection under the Bravia brand in Japan.** The LCD screens will be produced as a joint venture between Sony and South Korea's Samsung Electronics. Sony used to dominate the TV market in the late 1900s with its WEGA cathode-ray tube TVs, but it failed to move its TV business to next-generation flat-screen TVs. Matsushita, Sharp and Samsung moved in and started to dominate the market

Telecommunications

- **Nippon Telegraph & Telephone Corp. said its has purchased back 7 percent of its outstanding shares, valued at 539.3 billion yen (US\$5 billion).** An NTT spokesperson said the company would hold the shares it bought back as treasury stocks for a period. The company announced its share buyback plan at the same time the government's Ministry of Finance announced that it will sell 1.1 million shares of NTT to complete the privatization of the telecommunications giant. Under the current law governing NTT's privatization, the government must hold at least one-third of issued NTT shares. The sale is expected to lower the government's stake to 33.7 percent.

Korea

Internet

- **Samsung Electronics announced its signing of a contract that will allow it to supply equipment for a new wireless Internet technology to Sprint Nextel Corp.** Under the deal, Samsung will deliver handsets and a networking system for Sprint Nextel to be used for a trial of the new wireless broadband technology called "WiBro". No financial terms were revealed. In a separate report, Samsung Electronics disclosed that it is thinking of scaling back its multi-billion dollar investment in the flat screens if profitability continues to go down amidst increasing competition.

Mobile/Wireless

- **SK Telecom Co. said it plans to put up a research and development center in China.** The South Korea's top mobile phone operator revealed that a task force composed of officials and experts is presently doing a market survey in Beijing and Shanghai in preparation for the setting up of the project.
- **South Korea's mobile banking service has increased sharply in the second quarter of the year, according to the Financial Supervisory Service.** The development, according to the country's financial watchdog, underscores the emergence of mobile banking service as one of the new financial services available. Mobile phone remittance services went up 21.6 percent in the April-June period from the previous quarter to 5 trillion won (US\$4.8 billion).

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Telecommunications

- **The Fair Trade Commission handed down a ruling imposing a fine on four local fixed-line telecommunications service providers for illegal cartel activities.** Slapped a combined fine of 25.7 billion won (US\$25.1 million) were the country's four fixed-line companies that include KT Corp., Hanarotelecom Inc., Onse Telecom Co. and Dacom Corp. KT was specifically ordered to pay 23.8 billion won (US\$23.1 million) in fines for rigging the prices of both its long distance domestic services and international telephone services.

China

Internet

- **Tom Online and Union Mobile Pay entered into a partnership to develop the company's wireless payment services to some 360 million mobile phone clients in the mainland.** Through partnership, China Mobile, which is one of the shareholders of Union Mobile Pay, will have access to Tom's 70 million clients. Union Mobile disclosed it plans to launch services in SmartPay's home market of Shanghai even as it competes for SmartPay in the mobile payment market.
- **Alibaba.com fresh from its acquisition by Yahoo! said it would be building up its key businesses, which includes business-to-business e-commerce, consumer auctions, search, e-mail and instant messaging.** Alibaba disclosed that while it only generated US\$68 million in cash revenue last year, it aims to double this amount in the current year. Before the Alibaba deal, Yahoo!'s core business in China was the 3721.com, a local search site it acquired for US\$120 million. Yahoo said the company is happy with the present deal, where shareholder's arrangement places 40 percent with Yahoo!, 27.4 percent with Softbank, and the remainder with the management of Alibaba. After the acquisition, Alibaba disclosed it had no plans for acquisitions or public offering in the near future. In a separate report, Alibaba said it will establish the company's European headquarters in London. The company has some 200,000 customers in Europe, a large portion of which can be found in the U.K.
- **Shanda Interactive Entertainment announced a new series of online games designed to teach gamers about Chinese national heroes and other patriotic figures.** Called the "Zhonghua Yingxiongpu (100 Chinese Heroes)," the new series will carry a total of 100 online game titles, each game based on the exploits of a hero. With Shanda forecasting 10 years to launch all 100 games in the series, China's largest online gaming company said it will release the first five games of the series in late 2005. Shanda is developing the games in cooperation with the General Administration of Press and Publication (GAPP), the Chinese body that oversees the publication of books, newspapers, magazines, and games.
- **Universal, EMI, TR Music, Huayi Brothers, Beijing Chuangmeng Music and Guangdong Freeland Music are suing Baidu for copyright infringement.** The move is seen as something that could force the company to shut down its MP3 search engine, which is the key to the company's popularity among young Chinese Internet users. The music companies allege that the search service makes it easy for users to listen to and download illegal copies of their songs. Baidu was reported to have met with several executives to discuss copyright issues, with Baidu saying that the goal is "to cooperate and make a platform for legal music downloads."

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Software

- **Kingsoft Corporation announced that it was providing free downloads of the Japanese version of Kingsoft's antivirus software.** This marks the first entry of a Chinese software company into the Japanese software market. Based in Beijing, Kingsoft provides application software products and network services in China.

Telecommunications

- **China Netcom Group Corp. (Hong Kong) Ltd. confirmed its acquisition of four provincial telecommunications network assets from its parent company for 36 billion yuan (US\$4.4 billion).** The company said the move would push up its estimated earnings per share for this year by 13.8 percent. The company said it will pay China Network Communications Group 3 billion yuan (US\$370.8 million) in cash and will settle the balance for five years. China Netcom will assume debt of about 23.3 billion yuan (US\$2.8 billion). The four networks have combined revenue of 9.3 billion yuan (US\$1.1 billion) in the first half of 2005, without connection fees. With the acquisition, China Netcom will have more than 114 million lines in service and more than 10 million broadband subscribers. The networks are in the northern provinces of Heilongjiang, Jilin, Shanxi and Inner Mongolia, with a population of about 122 million. The four provinces had a 26 percent fixed-line penetration rate in the first half of 2005, compared with 28 percent in the six provinces the company already operates in.

Semiconductors

- **Micron Technology Inc. revealed its plans to invest US\$250 million in the setting up of a chip plant in Xi'an, the capital of Shaanxi Province.** The first investment that Micron Technology has ever made in China, the project will involve two sections, one for chip assembly and another for chip testing. The factory is expected to generate US\$500 million in export value annually. Micron Technology of the U.S. is an American top 500 company, with sales revenue amounting to US\$4.4 billion and with total assets valued at US\$7.7 billion.

Information Technology

- **Research firm Gartner says China's market for IT services is growing rapidly at a compound rate of 14.1 percent through 2009.** The research firm points to the related market reforms brought about by the World Trade Organization, which are seen as the factors that brought about heavy investment in IT by local companies. American International Group (AIG), reputed to be the world's largest insurance firm, is one of those in search for more business in China as IT outsourcing expands in the country. The company is looking to sell for more professional liability insurance to IT service providers and software. AIG noted that it sees demand as growing if more small and medium-sized IT outsourcing enterprises sign up for such policies, which would make them more competitive against bigger firms.

Ventures/Investments

- **Softbank Asia Infrastructure (SAIF) announced that it is prepared to spend up to US\$640 million in venture capital for investments related to Internet, telecoms, and software.** The investment firm has been reported as having made profits of up to US\$550 million from its investments in Alibaba. Reports show that in the first half of this year, investment in venture capital reached US\$1.6 billion, a massive increase from over US\$7 million from last year. Total venture capital is predicted to go beyond US\$2 billion by the end of this year.

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Taiwan

Semiconductors

- **The world's leading contract microchip maker, Taiwan Semiconductor Manufacturing Co. (TSMC), predicted a moderate annual growth in the global semiconductor industry of about 10 percent.** With the forecast covering the period from 2005 to 2010, observers are comparing this to the average growth rate of 15 percent seen during the three decades to 1995. TSMC points to digital consumer services as the key driver for the growth of the industry, given that the consumer electronics market had always been characterized as volatile.

Internet

- **The Taipei district court handed down a landmark decision branding peer-to-peer (P2P) service provider Kuro as engaging in illegal acts, when it found the executives of the company guilty of illegally copying music.** Analysts say the event is good for Taiwan's music industry but not for the legal status of online sharing in the country. Even as the defendants are expected to appeal the ruling, the music industry through the International Federation of the Phonographic Industry (IFPI), which filed the case, said it will not work with Kuro until it stops 'illegal' downloads. Kuro has more than 400,000 users that shell out NT\$99 (US\$3) per month to use the P2P software.

Hong Kong

Mobile/Wireless

- **New World Cyberbase said it has agreed to sell its mobile Internet and information technology outsourcing unit to the New World Mobile Holdings (NWM).** Under the deal, which was valued at HK\$16.1 million (US\$2 million), NWM would be assuming the unit's outstanding shareholder loans of HK\$277 million (US\$35.6 million). NWM said the deal would boost its capability to develop value-added mobile solutions. The company's mobile Internet and IT outsourcing unit made a loss of HK\$20.7 million (US\$2.6 million) for the year ended March this year, increasing its net loss of HK\$16 million (US\$2 million) a year ago. The deal is pending as it awaits both firms' shareholders' approval.
- **PCCW revealed its failure to get the full approval of its shareholders in its move to take over Sunday Communications.** Already, PCCW had secured 79.3 percent of Sunday, with the deal valued at HK\$1.5 billion (US\$193.2 million). The failure is ascribed by observer as caused by Huawei Technologies, which holds 9.9 percent stake in Sunday, not tendering its shares to PCCW, which then needed to get 90 percent of Sunday's shares to realize the takeover.

Singapore/Malaysia/Philippines/Indonesia

Mobile/Wireless

- **Indiagames announced its partnership with Singapore Telecommunications (SingTel) and seven other leading mobile operators of the Bridge Mobile Alliance to launch the region's first and reputedly largest competition for mobile gamers.** The World Cybergame (WCG) competition will be hosted on SingTel's Games XtremeLeague (GXL) mobile platform, one that features

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registration, community news, and rating of scores. Indiagames is one of the leading mobile content publishers.

United States/Canada

Internet

- **eBay said it has agreed to acquire Skype, a move that would add free voice calls to its online auctions.** The U.S. company disclosed that it would pay US\$1.3 billion in cash and US\$1.3 billion in stock for Skype. eBay will make shell further an amount reaching US\$1.5 billion by 2008 or 2009 once financial target were met. This would push the deal to a total of US\$4.1 billion. Skype has been the market leader for the VoIP business, with about 54 million members drawn to its free Internet-based voice service. Skype is the biggest acquisition for eBay, with the deal going above the US\$1.5 billion paid by the company in 2002 for PayPal.
- **Google Inc. said it may expand its business in China and buy faster computers to support new services, a decision coming after it was able to raise US\$4.1 billion in stock sale.** Google remains the No. 2 search engine in China with 23 percent of the market. Baidu, which gives it a stiff competition, holds 37 percent of the market, according to Analysys International Ltd. in Beijing. Google also owns a stake in Baidu. Google's expansion in China has been marked by a hiring of a former Microsoft executive and then fighting a lawsuit over it.

Mobile/Wireless

- **Verizon Wireless announced in partnership with Vodafone the release of GlobalAccess, a new service that gives business travelers unprecedented mobile versatility.** The new offering will link up Verizon Wireless business customers to the Internet in more than 60 major metropolitan markets in the U.S. as well as in Canada and in 50 countries throughout Europe, Asia, Australia and Africa. Similar to Verizon Wireless' Broadband Access service for business customers, GlobalAccess is a wide-area wireless data service. Through Vodafone's networks and its roaming agreements, GlobalAccess can be used in up to 50 countries.
- **Musicland Group Inc., a leading national entertainment retailer, announced a strategic alliance with Cingular Wireless.** Under the agreement, Musicland will carry Cingular's Pay-As-You-Go GoPhone prepaid products in Sam Goody and Media Play stores. The alliance, entered into by Musicland as part of the continued diversification of its product offerings, will have the two companies focusing on coming up with a break-through concept in wireless retailing. They will also pilot new approaches to retailing digital and wireless devices such as phones to download music and share pictures, as well as MP3 players, digital cameras, broadband, consumer electronics and fashion.

Media, Gaming and Entertainment

- **CNN and Time announced the combination of their business and financial web sites, with the plan of launching them in January again under a single banner.** The new site will use the name www.cnnmoney.com, which at present offers business news from CNN and Money Magazine, one of Time's magazines. The combined site will also carry materials from Fortune, Fortune Small Business and Business 2.0 whose web sites will also be developed into a single new site. CNN and Time are both units of the Time Warner media group.

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Hardware

- **Oracle Corp announced that it is buying Siebel Systems, a software maker, for US\$5.8 billion, a move that would transform Oracle into the world's biggest seller of customer service programs.** Siebel was No. 1 until SAP of Germany grabbed the No. 1 place last year. Under the arrangement, Siebel shareholders will get cash unless they prefer Oracle stock, although no more than 30 percent of Siebel's shares may be exchanged for stock. The deal, which is Oracle's seventh this year, is expected to add to Oracle's profit in its first full year in fiscal 2007.

Europe

Mobile/Wireless

- **PCCW said its wireless broadband unit in Britain is preparing to launch a wireless VoIP service in London and the Thames Valley area.** The firm said it is going to offer dedicated VoIP service over its wireless broadband service that would be different from the independent Internet-based VoIP services such as Skype and MSN messenger because it will be sending the voice traffic by way of its own dedicated channels. PCCW made an investment of US\$50 million in the British business, the same amount the company said it will invest this year.
- **picoChip of UK announced the signing of a development partnership agreement with the Electronics and Telecommunications Research Institute (ETRI) of Korea.** The agreement covers the area of Software Defined Radio for WCDMA/HSPA and WiMAX, and takes the form of an engineering cooperation, which includes joint development and research into future wireless technologies. ETRI is the leading telecoms institute in Korea and is credited for the development of WiBRO specification.

Hardware

- **Egenera and Fuji Siemens announced a tie-up for the development of a "Dynamic Data Center", which is aimed at offering faster servers for businesses.** Valued at 240 million euros (US\$293.6 million), the alliance would take effect immediately and would be operative in Europe, the Middle East and Africa. Under the alliance, Fujitsu Siemens will become the sole provider of the Primergy BladeFrame server developed by U.S.-based Egenera. The two companies will also work on future joint research and development.

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Other Economic Data

| Currency Exchange Rates | | | | | | |
|-------------------------|------------|------------------------------|------------------------|----------------------|-----------------------|--------------------------|
| Currency | Units | Current Rate (on 9/16/05) | % Change 1 Week Ago | % Change 1/1/2005 | % Change 1/1/ 2004 | % Change Last 12 Mth. |
| Japanese yen | ¥/US\$ | 111.3500 | 1.5% | 8.5% | 3.9% | 1.6% |
| Hong Kong dollar | HK\$/ US\$ | 7.7610 | 0.0% | -0.1% | 0.0% | -0.5% |
| Chinese renmenbi | RMB/ US\$ | 8.0871 | -0.1% | -2.3% | -2.3% | -2.3% |
| Singapore dollar | S\$/ US\$ | 1.6817 | 0.5% | 3.1% | -1.0% | -0.4% |
| South Korean won | KRW/ US\$ | 1,030.0000 | 0.5% | -0.5% | -13.6% | -10.1% |
| New Taiwan dollar | NT\$/ US\$ | 32.9370 | 0.9% | 3.8% | -3.0% | -2.7% |
| Australian dollar | US\$/A\$ | 0.7675 | -1.0% | -1.6% | 2.1% | 9.8% |
| New Zealand dollar | US\$/NZ\$ | 0.7074 | -0.1% | -1.5% | 7.9% | 7.1% |
| Philippine peso | PHP/ US\$ | 56.2100 | 0.2% | 0.0% | 1.2% | 0.0% |
| Euro | US\$/€ | 1.2237 | -1.4% | -9.7% | -2.8% | 0.5% |
| British pound | US\$/£ | 1.8082 | -1.7% | -5.7% | 1.3% | 0.8% |

| Fixed Income Prices and Yields | | | | | | | |
|--------------------------------|----------|----------------------|--------|------------|--------|-------------|--------|
| Note | Currency | Current (on 9/16/05) | | 1 Week Ago | | 4 Weeks Ago | |
| | | Price | Yield | Price | Yield | Price | Yield |
| US 30-year | US\$ | 112.9375 | 4.57% | 114.8125 | 4.40% | 114.5000 | 4.42% |
| Japan 30-year | ¥ | 98.1170 | 2.32% | 98.4010 | 2.30% | 97.2050 | 2.38% |
| Hong Kong 10-year | HK\$ | 114.1780 | 3.84% | 114.0380 | 3.89% | 114.1690 | 3.90% |
| China (10/27) | US\$ | 122.2250 | 5.72% | 122.5250 | 5.70% | 122.1090 | 5.73% |
| Singapore 10-year | S\$ | 95.9720 | 2.83% | 96.4650 | 2.77% | 97.4450 | 2.61% |
| South Korea 10-year | US\$ | 111.5450 | 4.09% | 111.6070 | 4.10% | 111.4690 | 4.24% |
| Australia 15-year | A\$ | 108.4050 | 5.16% | 108.5210 | 5.14% | 108.7640 | 5.11% |
| New Zealand (07/09) | NZ\$ | 104.2400 | 5.74% | 104.4380 | 5.69% | 104.3300 | 5.74% |
| Philippines 20-year | PHP | 142.0780 | 12.49% | 141.7960 | 12.52% | 142.3840 | 12.46% |
| India 20-year | INR | 130.4100 | 7.28% | 130.2100 | 7.30% | 129.3200 | 7.39% |
| UK 30-year | £ | 100.9430 | 4.19% | 101.2060 | 4.17% | 99.7829 | 4.26% |
| Germany 30-year | € | 131.4030 | 3.59% | 132.8470 | 3.52% | 129.8710 | 3.67% |

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