



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

Week of 18 September - 24 September 2005

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Equity Market Indicators					
Index	Closing Level (9/23/2005)	% Change 1 Week Ago	% Change 1/1/2005	% Change 1/1/2004	% Change 2004 Low
S&P 500	1,215.29	-1.8%	0.3%	9.3%	14.3%
Dow Jones Industrial Avg.	10,419.60	-2.1%	-3.4%	-0.3%	6.9%
Dow Jones Tech. Index	352.08	-2.0%	-0.9%	1.2%	21.8%
Dow Jones Telecom. Index	207.74	-1.5%	-4.6%	12.1%	18.5%
NASDAQ Composite	2,116.84	-2.0%	-2.7%	5.7%	20.8%
The Street.com Net	199.80	-1.4%	-4.1%	30.5%	35.8%
Japan Nikkei 225	13,159.36	1.5%	14.5%	23.3%	27.0%
Japan TOPIX	1,356.22	2.1%	18.0%	29.9%	32.6%
Korea KOSPI Composite	1,175.88	0.1%	31.2%	45.0%	63.4%
Korea Kosdaq	543.66	1.3%	42.9%	21.2%	67.4%
Taiwan Stock Exchange	5,925.54	-1.8%	-3.5%	0.6%	11.4%
Singapore Straits Times	2,293.04	-0.6%	11.0%	30.0%	34.9%
Hong Kong Hang Seng	15,143.97	1.1%	6.4%	20.4%	38.1%
Hong Kong GEM	990.63	2.4%	0.2%	-16.5%	2.7%
China Shanghai (A-Share)	1,210.28	-5.0%	-9.0%	-22.9%	-8.5%
China Shenzhen (A-Share)	291.72	-5.8%	-11.2%	-25.9%	-11.1%
China Shanghai (B-Share)	66.95	-3.2%	-11.5%	-36.2%	-11.5%
China Shenzhen (B-Share)	224.18	-3.4%	2.0%	-17.6%	5.7%

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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
N/A						

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

IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 9/23/05	% Change From Offer
9/21/05	Ikanos Communications Inc. [IKAN.US] (NASDAQ)	Develops and provides highly programmable semiconductor solutions that enable fiber-fast broadband connectivity over telephone companies' existing copper lines	US\$76.8	US\$12	US\$12.46	3.8%

Asian Equity Markets: TMT and Life Sciences IPO Pricing

IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 9/23/05	% Change From Offer
9/19/05	Advance Modules Group Ltd. [ADVM.SP] (SGX)	Designs, develops and manufactures memory modules and flash memory products	US\$10.9	S\$0.41	S\$0.36	-12.2%

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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
9/20/05	Intus Technologies Inc. [033720.KS]	Develops, sells and supports computer software for graphics and publishing and multimedia integration	9/20/08	US\$1.0	3 Shares	8/20/08
9/22/05	Taihan Electronic Wire Co., Ltd. [001440.KS]	Manufactures a wide range of cables and wires, such as power, communications, copper rod and enameled cables and wires	9/28/08	US\$130	561 Shares	9/14/08
9/22/05	Tube Media Co., Ltd. [060230.KS]	Designs, develops, produces and markets speech recognition, response and synthesis solutions	9/27/08	US\$10	4,634 Shares	9/26/08
9/23/05	Sunkwang Electronics Co., Ltd. [064090.KS]	Manufactures and sells closed-circuit television (CCTV) cameras	9/23/08	US\$1.9	8 Shares	8/23/08

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Weekly Highlights

International

Hardware

- **Excluding Japan, sales in the Asia Pacific region of computer servers registered a 13 percent increase to US\$2.9 billion in the January to June period, according to an industry report from Gartner.** The growth is attributed to strong demand from China. Sales in China went up 22.1 percent to US\$601 million in the three months to June because of huge demand from its telecommunications, government and education sectors. The rise made China the biggest server market as it holds almost 38 percent of the region's sales in the second quarter. With 15 percent share of the market, Korea comes in second; Australia with 14.4 percent is third. Together, China, Korea and Australia made up 67 percent of total Asia Pacific server revenue in this second quarter. Gartner disclosed that, of the 13 markets it monitored, only Philippines and Indonesia posted declines in revenues in the June quarter: a decline of 31.9 percent for Philippines and 0.2 percent for Indonesia. The industry report explained the declines in the two markets as a result of investment deferments by the corporate sectors in the two countries.
- **Excluding Japan, the sales of computer in the Asia Pacific are forecast to grow 15 percent to 40 million this year, according to International Data Corp (IDC).** The research firm attributes the growth to a continuing strong demand for notebooks. This growth is expected to go on until next year with a 12.2 percent increase to almost 45 million units being predicted. Sales of notebook computers this year are expected to post a 35.7 percent increase, compared with 10.2 percent for desktop computers. The emerging markets of China and India will demonstrate the strongest demand for personal computer. The other South Asian countries are forecast to show significant prospects for growth, with the PC markets in Pakistan, Sri Lanka and Bangladesh presenting opportunities in the region for market and industry expansion. The report said China remains the biggest market, holding almost 48 percent of the region's sales this year. India, which is the second-largest PC market in Asia, is forecast to log in the fastest sales growth rate of 30.1 percent this year and 25.6 percent next year. Hong Kong and South Korea, considered to be mature markets, will exhibit modest computer sales growth rates.

Japan

Internet

- **Rakuten Travel Inc. announced the offering of a service that allows South Korean customers to book hotel reservations in that country over the Internet.** The firm did this by expanding the functions of an existing Korean web site that provides travel information to South Korean customers about Japan. A wholly owned local subsidiary in Seoul is running the site, through which customers gain access to hotels and other facilities in 175 locations and with the site increasing such offerings to 700 locations this year. Rakuten said it is also considering providing similar services in China.

Media, Gaming and Entertainment

- **Konami Corp. said it is expecting to register a 43 percent increase in its operating profit to around 2 billion yen (US\$17.7 million) in its casino business this fiscal year.** The company

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disclosed its plans to develop the casino segment into a key business that would bring as much income as its video game software operation. It is targeting sales in its casino business at 15 billion yen (US\$133.3 million), a 29 percent increase. From this target, 90 percent will consist of sales of slot machines, the shipments of which have been declared by the company as posting a 7 percent increase to 15,000 units after a factory was established in Las Vegas. The remaining 10 percent will come from sales of management systems.

- **Square Enix Co. announced its acquisition of a stake of over 80 percent in Taito Corp., a maker of arcade game machine.** Kyocera Corp., with a 36 percent stake, was the largest shareholder of Taito. Square Enix, producer of the popular “Final Fantasy” and “Dragon Quest” series, said it would seek to obtain the remaining shares to make Taito its wholly owned subsidiary. After this process, Taito would be delisted.

Software

- **Turbolinux, a Linux operating software vendor, revealed the inclusion of functions in its Fuji personal-computer operating system that would support Microsoft Corp.’s Office programs.** Among operating systems for personal computers, Windows has almost 100 percent share, but with the new functions, Turbolinux is seen as making inroads in this market. By making Linux compatible with the popular Office programs, it will expand use of the operating system among companies.
- **Azia Co., a developer of customer relations management (CRM) software sold via the Internet, announced that it would go public on the Tokyo Stock Exchange’s Mothers market.** The company derives more than 50 percent of overall sales from its “Web Cas” software that allows users to send product information via advertising e-mail made to a customer’s characteristics. In addition to the CRM software business, Azia assists clients create Internet-related systems and launch web sites. For fiscal 2005, the company hopes to boost its parent-only pretax profit 2.5 times over the previous year to 189 million yen (US\$1.6 million), on an 86 percent growth in sales to 716 million yen (US\$6.3 million). The company aims to do this through the synergy of its other businesses. Azia intends to use 500 million yen (US\$4.4 million) from its offering on training of employee and the setting up of a training center.

Hardware

- **Oki Electric Industry said it will invest around 200 million yen (US\$1.7 million) on the construction of a factory in Shenzhen.** Expected to be completed by 2006, annual production capacity for ATMs is seen as increasing 30 percent to 6,500 machines, while that for commercial use-printers will increase 60 percent to 1 million units. Oki Electric Industry (Shenzhen) Co. now ships most of the ATMs it manufactures to Japan. It exports the majority of the printers it manufactures to the U.S. and Europe. The demand in China for these products to grow encouraged the firm to increase the capacity of its plant in China.
- **Seiko Epson Corp. said it expects group net profit to go down 60 percent to 22 billion yen (US\$195.5 million) in fiscal 2005 because of the weakening demand for electronic components and the increasing competition.** The company’s sales are projected to grow 9 percent to 16.1 trillion yen (US\$143.1 million), a decline from 21 billion yen (US\$186.7 million) from the earlier estimate. Seiko Epson sees its operating profit going down 52 percent to 44 billion yen (US\$391.1 million), a 36 billion yen (US\$320 million) decline from the earlier estimate.
- **Dell Japan Inc. said it will release an offering that would allow companies to trade in their used personal computers.** The company said it would accept trade-ins of PCs made within the past five

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years or so, with the trade-in base to be based on the microprocessor unit. Dell said it would erase all data on the hard drives and resell the PCs in the market for used hardware. The company plans to accept at least 20,000 trade-ins in the first year.

- **Nidec Corp. and its corporate group announced its plan to invest a total of US\$1 billion in Vietnam through 2010.** The first phase of this infusion of capital involves the building of two plants in Ho Chi Minh City, with one serving as Nidec's local base and the production site for cooling fan motors for personal computers. The other plant will be used by the firm's subsidiary Sankyo Seiki Co. and will be the plant for the manufacture of optical components for DVD recorders.
- **Oki Data Corp. said it would release four new dot matrix printers in China, which will bring the total number of models available there to nine.** The subsidiary of Oki Electric Industry Co. aims to increase sales of the printers in China to 200,000 units from 90,000 in fiscal 2004. Dot matrix printers are used to print out multipart forms like invoices.
- **Konica Minolta announced the setting up of a wholly owned subsidiary in Shanghai for the purpose of marketing lenses for handsets.** The move is a response to the growing demand in China for camera phones. Sales at the new unit, capitalized at around 60 million yen (US\$533,000), are aimed at 10 billion yen (US\$89 million) in fiscal 2006. The Shanghai-based company will eventually handle lens units for digital cameras. The presence of a Chinese unit for the company is seen as helping Konica Minolta Holdings Inc. to boost its sales of lens units and other optical products from some 90 billion yen (US\$800.1 million) in fiscal 2004 to 170 billion yen (US\$1.5 billion) in fiscal 2008.

Telecommunications

- **Jupiter Telecommunications Co. announced its plans to acquire Odakyu Telecommunications Services Co. for an estimated several billion yen.** A cable television company operating under Odakyu Electric Railway Co., Odakyu Telecommunication's cable service, Odakyu Cable Vision, is offered to about 130,000 household areas. Jupiter sees a potential demand from the heavily populated areas along Odakyu Train lines and hopes to attract subscribers by offering video-on-demand, phone and other services. The cable operator listed its shares on the JASDAQ Securities Exchange and was able raise about 87 billion yen (US\$773.5 million), an amount the part of which it would use for the acquisition. The Odakyu group disclosed its reasons for divesting its cable business: ballooning capital investment and promotional costs.

Korea

Internet

- **Gravity Co., Ltd., an online game developer and distributor, announced the launching of its mobile games in Japan and North America: "Ragnarok Tactics", a strategic simulation three-dimensional mobile game, and "Ragnarok 2 Mobile Episode: Veriene", a three-dimensional mobile action role-playing game.** Gravity also said it has entered into a contract with SK USA, making SK USA the distributor in the U.S. and Canada of two mobile games developed by Gravity, "Episode of Magician" and "Episode of Merchant". SK USA is an affiliate of SK Group, a conglomerate based in South Korea. In another development, Gravity's online game R.O.S.E Online was commercially launched in the Philippines through its partner Level Up Inc., its licensee in the Philippines after having gone through an open beta test.

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Semiconductors

- **Samsung Electronics announced the development of the world's first 10-chip MCP (multi-chip package) that promises to increase space efficiency in mobile phones and other portable devices.** The company said the new MCP could mix different memory chips depending on its application. Market researcher iSuppli forecasts an increase in the global MCP market from US\$4.9 billion this year to US\$7.6 billion in 2008.

China

Internet

- **Baidu said it would appeal a court decision ordering it to pay fines for violating copyrights, an act committed through its MP3 search technology.** The plaintiffs said that Baidu's MP3 search technology links up web sites that allow users to illegally download copyrighted music. Baidu, in its explanation, said it is merely responsible for the search technology and not the downloading service. With the increase in the use of the Internet in Asia, observers are pointing to the corresponding decline in the music industry's revenue.
- **Shanghai Media Group (SMG) and China Telecom announced the beginning of the commercial trials of IPTV services covering some 17 Chinese cities.** IPTV, according to analysts, is a growth engine for China telecom and media industries. The country's fixed-line operators, in particular, have recognized the profitability of their voice calling services through IPTV. China Telecom and China Netcom have already applied for licenses to offer IPTV services even as the State Administration of Radio, Film and Television (SARFT) has issued only one IPTV license. SMG got this license. It is believed that China Central Television (CCTV) will be the next recipient of the license.
- **Cisco Systems announced that the China Education and Research Network (CERNET), will be using the Cisco CRS-1 Carrier Routing System for the upgrading of CERNET's national backbone network and boost its overall network performance.** CERNET, considered as the world's largest education network, is a nationwide education and research computer network funded by the Chinese government. It is under the direct management of the Chinese Ministry of Education and links more than a thousand major universities and research institutions. The Cisco CRS-1 allows large-scale delivery of high-bandwidth applications, such as video on demand, and real-time interactivity.

Media, Gaming and Entertainment

- **Eight Chinese TV stations announced their signing of an agreement that will allow them to produce programming for seven sports at the 2008 Beijing Olympic Games, according the Beijing Olympic Broadcasting.** Under the agreement, the TV networks will provide international TV and radio feeds for table tennis, badminton, soccer, basketball, volleyball, tennis, and the modern pentathlon. The networks include the China Central TV (CCTV), Beijing TV, Guangdong TV, Jiangsu Broadcasting Station, Liaoning TV, Shanghai Media Group, Tianjin TV and Zhejiang TV. The contract signed with the eight Chinese TV stations is the first for the broadcasting of the Beijing Olympics, with other contracts to be signed with other broadcasting teams from around the world to provide feeds for the other Olympic sports.
- **Enjoy Media Holdings Limited (EJYM) announced the completion of its two acquisitions: a 60 percent share in Guangzhou Enjoy Tianhua Advertising Limited (Tianhua) and a 51 percent stake in Guangzhou Faxian Media Limited.** Tianhua is an outdoor advertising company that

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manages outdoor advertising displays located at the Guangzhou train station, an area where commuters average more than 150,000 daily and over 300,000 during holidays. Faxian Media Limited is a television production and advertising company, which buys time slots from television stations to air its programs and sells advertisement slots of the television programs to its advertisers. Its core customers include the municipal departments, real estate projects and consumer brands. EJYM is a media and advertising company based in Guangzhou, which provides a way for its clients to link up with the young urban and white-collar consumer. It counts among its clients the following: China Telecom, China Mobile, China Unicom, Siemens, Dell and other major firms.

Mobile/Wireless

- **Hurray! Holding Co., Ltd., a provider of advanced wireless value-added services and mobile telecommunication network software in China, disclosed the signing of definitive agreements leading to the acquisition of a wireless value-added services provider in China.** The value of the acquisition has been placed at US\$0.7 million. Hurray! is one of the market leaders in providing wireless value-added services such as ring tones, picture downloads, community and entertainment services to mobile users in China by way of wireless application protocol (WAP). Hurray! also designs, develops, sells and supports a service and management software for use by China Unicom.
- **China registered 37.9 million new mobile phone subscribers in the first eight months of 2005, according to the report of the Ministry of Information and Industry (MII).** This brings the total number of mobile phone subscribers to 370 million. The same period saw the number of fixed-line phone users post a growth of 30.5 million, reaching a total of 340 million. In the first eight months of 2005, total revenue of postal and telecom services posted an 11.1 percent growth to reach 418.6 billion yuan (US\$51.7 billion). The postal services went up by 8.2 percent to 37.2 billion yuan (US\$4.5 billion) and the telecom by 11.4 percent to 380.8 billion yuan (US\$47 billion).
- **China Mobile (Hong Kong) said it has signed up 3.6 million new users in August, an increase from 3.5 million in July, which resulted to a total of more than 231 million GSM customers, 170.1 million of whom are pre-paid, by the end of August.** China Unicom ended this month with 91.3 million customers, an increase from 90.4 million at the start of the month. The CDMA network of China Unicom drew in 340,000 new users to bring the number to a total of 31.6 million. Unicom revealed that its GSM subscriber base included 45.1 million prepaid clients and 46.1 million contract users, with its CDMA base divided into 29.1 million billed users against 2.5 million clients on pay-as-you-go tariffs.

Hardware

- **Mobile phone payment services are targeting regular businessmen that transact much of their business in cash, a fact that is helping create a big market in China for mobile phone payment providers such as Union Mobile Pay (UMPay) and SmartPay Jieyin.** This is in contrast for the market of online payment providers such as PayPal and Alipay that are aimed to facilitate Internet commerce. UMPay said it offered payments for 50 types of service and is looking to expanding its business relations through a partnership with Tom Online. UmPay has also a demonstration project with Coca-Cola in Hubei province.
- **The China Export & Credit Insurance Company (Sinasure) announced its signing of a strategic agreement with the Changhong Electric Appliance Co. for the provision of a package of insurance services aimed at boosting Changhong's exports and strengthening its competitiveness.** Under the agreement, Sinasure will offer both short-term as well as medium- and long-term credit insurance, overseas investment insurance, warranties and financing services.

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Changhong has exported about US\$8 billion worth of goods to 90 countries. It has been issued a mobile license and is about to launch handsets.

- **Lenovo Group Ltd. said it will market laptop computers equipped with Verizon Wireless Internet access technology.** The move will make Lenovo the first computer manufacturer to put the mobile broadband technology of Verizon Wireless into laptops. Dell Inc. and Hewlett-Packard Co. disclosed that they are planning to do the same next year. Lenovo said it will integrate updated network in its ThinkPad Z60m, as part of its marketing strategy to boost the sales of its notebooks in the U.S.

Semiconductors

- **Semiconductor Manufacturing International Corporation (SMIC) disclosed a loss of US\$70.4 million in the first half against a net profit of US\$42.7 million a year ago.** The company explained the result as brought about by decreasing wafer prices. SMIC said its revenue was US\$528.3 million in the first six months, an increase of 29.5% year on year. The Shanghai-based manufacturer, however, said the growing demand for applications such as advanced LCD flat panel TVs and HDTVs is expected to push up the semiconductor industry.

Telecommunications

- **In a business that will be controlled by two state-owned telecom operators, China launched PC-to-Phone service in four mainland cities.** The offering would allow people to make highly affordable long-distance calls from personal computers to a fixed-line or mobile phone. With the approval of the Ministry of Information Industry (MII), China Telecom will be testing the service in the city of Shenzhen in Guangdong Province and the city of Shangrao of Jiangxi Province, while China Netcom would manage the business in the city of Changchun of Jilin Province and the city of Tai'an of Shandong Province. MII, however, issued a warning that other operators are not permitted to run the PC-Phone business.
- **ZTE Corporation and VeratNet of Serbia announced an agreement that would allow Serbia to receive its very first commercial WiMAX network.** Under the agreement, ZTE, China's largest listed telecommunications manufacturer and leading wireless solutions provider, will provide VeratNet with a nationwide WiMAX network. The network is expected to serve almost 10 million subscribers with wireless broadband. ZTE has already signed a partnership agreement with Intel Corporation and Fujitsu to develop and promote standards and specifications for WiMAX networks. This is ZTE's first European deployment of WiMAX technology.

Taiwan

Hardware

- **Asustek Computer of Taiwan disclosed the decline in the supply of motherboard from 10 percent to 15 percent, a condition attributed to the sudden shortage in the supply of chipsets from Intel.** The shortage is expected to affect negatively the growth usually seen in the notebook industry during the third quarter. Chipsets are used on a personal computer motherboard to link the central processor to other parts of the system, and are not cross-compatible with other chipsets. Asustek is, however, not very bothered with the shortage, as it predicts a 20 percent increase in motherboard sales this year to 50-52 million from 42 million last year. Still, the Intel shortage is seen as helping processor maker Advanced Micro Devices. The third-party Intel-based chipset makers such as Taiwan's VIA and SiS are expected to benefit from the Intel shortage.

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Mobile/Wireless

- **Arima Communications announced a good performance of its handsets business and forecasts their shipments to reach 1.2 million units this month.** The company expects to earn NT\$3 billion (US\$90.5 million) in consolidated revenues and NT\$100 million (US\$3 million) in pre-tax profits this month, compared to its pre-tax profits of NT\$97 million (US\$2.9 million) and consolidated revenues of NT\$2.5 billion (US\$75.4 million) in August. For the first half of the year, Arima Communications reported after-tax losses amounting to NT\$640 million (US\$19.3 million), a result ascribed by the company to the declining value of its inventory of handsets and materials.
- **Nokia Oyj announced the launching of its 3G-based mobile content development center in Taipei.** The center is said to be the first of its kind in the world and is seen by observers as deepening the linkage of Nokia with local telecom operators. The center will focus on developing contents and services for 3G technology and is a joint program with Taiwan's Institute for Information Industry. In addition to the center, Nokia said it will work with Taiwan's Chunghwa Telecom Co for the launching of the first mobile film festival in the Asia Pacific region. After Taipei, Nokia said it plans to put up a similar mobile content development center in Hangzhou, in China's Zhejiang Province.

Hong Kong

Internet

- **Ruckus, an innovator in next-generation wireless fidelity (Wi-Fi) technology, announced that PCCW, Hong Kong's primary telecommunications provider, will become the first company in the world to offer consumers a complete wireless multimedia solution.** The offering is part of PCCW's Netvigator Broadband Services, which makes use of new products and technology from Ruckus, which also announced the launching of the industry's first multimedia wireless routing system and multimedia adapter. Formerly known as Video 54, Ruckus also disclosed an additional US\$9 million in financing.

Mobile/Wireless

- **Smart Tone and Emirates Telecommunications Corporation (Etisalat) have announced the signing of an agreement that would allow customers of the two companies to roam in each others networks.** Under the agreement, the users of Etisalat and Smart Tone can use all features available on the 3G networks, which include video calling and conferencing. The partnership will allow their customers to continue to use video calling and conferencing, and access high-speed Internet from their mobile phones even when they are traveling in each other's countries. The agreement is the first roaming agreement for customers of Etisalat's 3G mobile package called "Mubashir."

Singapore/Malaysia/Philippines/Indonesia

Semiconductors

- **STMicroelectronics announced its plans to invest US\$500 million to bolster its Singapore operations.** The European chipmaker said it was increasing its Singapore presence by moving the locations of its chip-testing operations from the U.S. and Europe to Singapore. STMicroelectronics has already invested some US\$3.9 billion in Singapore and maintains four factories in the city-state.

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Software

- **Acronis, Inc. announced that its subsidiary, Acronis Asia, Pte. Ltd., will work with Toshiba Singapore Pte. Ltd for the bundling of Acronic True Image Personal Edition with Toshiba notebooks and tablet computers through South Asia.** By bundling Acronis True Image with its notebooks, Toshiba will allow users to create an exact disk image that can be used for complete system backup. Singapore Pte Ltd is a wholly owned subsidiary of Toshiba Corporation, and its Singapore-based Computer Systems Division (CSD) is the regional headquarters for South and Southeast Asia. Acronis is an acknowledged technological leader in storage management software.

United States/Canada

Internet

- **NetSuite set up its first regional office in Singapore this month and plans to put up an office on the mainland and Japan over the next two months.** This move is seen by analysts as a response to the broadband network expansion in Asia. NetSuite delivers a low-cost, integrated package of customer management (CRM), enterprise resource planning (ERP) and e-commerce applications online to small and medium-sized enterprises. At present, NetSuite's sales are all derived from the North American market. Market researcher iSuppli said the mainland alone will have 34 million broadband subscribers by the end of the year, compared with 39 million in the U.S.
- **A lawsuit was filed by the Author's Guild, an organization of more than 8,000 authors, accusing Google of "massive copyright infringement".** The lawsuit said Google could not put its books in the public domain for commercial use without seeking the permission of the authors behind the books. The group said Google should have known that the copyright laws required it to obtain authorization from copyright owners or literary works to create and reproduce digital copies for its own commercial use. Google, in its defense, said that it respects copyright and that authors can always mark their books for exclusion from the program if they do not want to be part of Google's offering.
- **PeerMe, Inc., a peer-to-peer voice communications technology company, announced the introduction of its first beta product that provides free, unlimited, voice and instant message communications for Internet users.** PeerMe and Boonty, the acknowledged leader in downloadable digital games, announced the first of a series of PeerMe games channels, which will feature thousands of games, ring tones and other downloadable consumer products for PC, mobile and handheld platforms. With the technology developed by Boonty, users will be able to assess PC games from more than 100 games publishers. PeerMe, Inc. is a privately held international peer-to-peer communications technology company with offices in the U.S., Japan, South Korea, China, India, and Bulgaria.

Mobile/Wireless

- **Sprint Nextel and digital media provider RealNetworks announced the launching of a streaming music service for Sprint PCs customers.** This offering makes Sprint Nextel the latest mobile phone carrier to allow its customers listen to music on the devices. The partnership is the second between the companies. Sprint already uses RealNetworks to provide streaming video content for its Real-rTV service. Wireless companies have been competing in a race to add music content to their service portfolios.

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Media, Gaming and Entertainment

- **TiVo's latest software upgrade enables broadcasters to erase material recorded by TiVo's 3.6 million users after a certain date, a function that is making fans of digital video recorders.** Since its introduction in the late 1990s, customers have been able to record anything they want and store it for an indefinite period of time. A post, however, on TiVo's web site disclosed the use of copyright-protection software from Macrovision for pay-per-view and video-on-demand programs. Broadcasters have also tried to enforce a broadcast flag into new TVs to prevent programs from being copied or disseminated on the Internet.

Software

- **Microsoft Corp. said it will invest US\$25 million in Chinese venture partner Langchao Group, with the software giant agreeing to buy redeemable preferred shares in Langchao.** The report said Langchao, which is based in Jinan in the eastern province of Shandong, will use the fund to enhance its software and software outsourcing. The partnership agreement between Microsoft and Langchao goes back to 2004.

Ventures/Investments

- **Sequoia Capital, a U.S.-based venture capital firm that manages US\$2.2 billion, announced its plan to raise US\$150 million for its fund to be used for investment in China.** The move is seen as following the surge in venture capital investment in China. According to a Hong Kong-based publication Asian Venture Capital Journal, venture capital firms made US\$177 million of Internet-related investments in China in 2003 and 2004. Sequoia Capital's investments include Google Inc. and Yahoo! Inc.

Europe

Mobile/Wireless

- **TAP Air Portugal and bmi, a British carrier, announced that they both agreed to introduce OnAir's voice and text service for mobile phones in separate trial runs.** Under the offering, users of mobile phones and other handheld wireless devices with roaming capability will be able to post calls by way of a base station within the airplane. OnAir is a joint venture of Airbus and SITA Information Networking Computing of Netherlands. It is aiming to sell its services to other airlines.
- **Nokia announced the sale of its one billionth portable phone since it began manufacturing the devices at the beginning of the 1980s.** From Nokia's first mobile phone to the company's newest model, it has produced about 400 different mobile phone models. Currently, Nokia holds the top spot with 30 percent of the global phone market. It remains ahead of other companies like Motorola, Samsung, Sony Ericsson and Siemens.
- **The 3G unit of Hutchison Whampoa in Italy announced its submission of an application to the country's securities regulator for a listing on the Milan exchange.** With net proceeds from the share offering going solely to Hutchison 3G Italia, analysts are saying that the move to list would bring the company a gain of up to 1.9 billion euros (US\$2.2 billion). The advice for the offering is coming from a group of five international finance institutions composed of Goldman Sachs, HSBC, JP Morgan, Merrill Lynch and Morgan Stanley, with Italian banks Banca IMI and Banca Caboto as having been conditionally designated as joint global coordinators. The Hutchison management revealed that

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Hutchison 3G UK, which is the second-largest of the group's nine 3G operations, is slated next for listing.

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Other Economic Data						
Currency Exchange Rates						
Currency	Units	Current Rate (on 9/23/05)	% Change 1 Week Ago	% Change 1/1/2005	% Change 1/1/ 2004	% Change Last 12 Mth.
Japanese yen	¥/US\$	112.5000	1.0%	9.6%	4.9%	1.5%
Hong Kong dollar	HK\$/ US\$	7.7592	0.0%	-0.2%	-0.1%	-0.5%
Chinese renmenbi	RMB/ US\$	8.0910	0.0%	-2.2%	-2.2%	-2.2%
Singapore dollar	S\$/ US\$	1.6848	0.2%	3.3%	-0.9%	-0.6%
South Korean won	KRW/ US\$	1,036.9700	0.7%	0.2%	-13.0%	-9.5%
New Taiwan dollar	NT\$/ US\$	33.1750	0.7%	4.5%	-2.3%	-2.3%
Australian dollar	US\$/A\$	0.7572	-1.3%	-3.0%	0.7%	6.2%
New Zealand dollar	US\$/NZ\$	0.6880	-2.7%	-4.2%	4.9%	3.3%
Philippine peso	PHP/ US\$	56.2500	0.1%	0.0%	1.3%	-0.2%
Euro	US\$/€	1.2039	-1.6%	-11.2%	-4.4%	-1.9%
British pound	US\$/£	1.7755	-1.8%	-7.4%	-0.6%	-1.2%

Fixed Income Prices and Yields							
Note	Currency	Current (on 9/23/05)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	112.8125	4.52%	112.0938	4.57%	115.2813	4.37%
Japan 30-year	¥	98.7850	2.28%	98.1170	2.32%	97.5170	2.36%
Hong Kong 10-year	HK\$	113.6210	3.96%	114.1780	3.84%	113.8330	3.96%
China (10/27)	US\$	121.5860	5.76%	122.2250	5.72%	122.9710	5.67%
Singapore 10-year	S\$	96.0190	2.82%	95.9720	2.83%	96.7860	2.71%
South Korea 10-year	US\$	111.3390	4.14%	111.5450	4.09%	111.2960	4.28%
Australia 15-year	A\$	108.3760	5.16%	108.4050	5.16%	108.9520	5.08%
New Zealand (07/09)	NZ\$	104.2000	5.75%	104.2400	5.74%	104.4120	5.71%
Philippines 20-year	PHP	141.3770	12.56%	142.0780	12.49%	142.6720	12.43%
India 20-year	INR	129.7100	7.35%	130.4100	7.28%	129.4000	7.38%
UK 30-year	£	100.8040	4.20%	100.9430	4.19%	100.2470	4.23%
Germany 30-year	€	132.6440	3.53%	131.4030	3.59%	130.9430	3.61%

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