

IRG WMR



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

Week of 2 October - 8 October 2005

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Equity Market Indicators					
Index	Closing Level (10/7/2005)	% Change 1 Week Ago	% Change 1/1/2005	% Change 1/1/2004	% Change 2004 Low
S&P 500	1,195.90	-2.7%	-1.3%	7.6%	12.5%
Dow Jones Industrial Avg.	10,292.30	-2.6%	-4.6%	-1.5%	5.6%
Dow Jones Tech. Index	350.11	-2.5%	-1.5%	0.7%	21.2%
Dow Jones Telecom. Index	205.93	-1.7%	-5.4%	11.1%	17.5%
NASDAQ Composite	2,090.35	-2.9%	-3.9%	4.3%	19.3%
The Street.com Net	197.86	-2.7%	-5.0%	29.3%	34.4%
Japan Nikkei 225	13,227.74	-2.6%	15.1%	23.9%	27.6%
Japan TOPIX	1,372.52	-2.8%	19.4%	31.5%	34.2%
Korea KOSPI Composite	1,201.01	-1.6%	34.1%	48.1%	66.9%
Korea Kosdaq	590.48	3.2%	55.3%	31.6%	81.8%
Taiwan Stock Exchange	6,081.84	-0.6%	-0.9%	3.2%	14.4%
Singapore Straits Times	2,305.24	0.0%	11.6%	30.6%	35.6%
Hong Kong Hang Seng	14,847.79	-3.8%	4.3%	18.1%	35.4%
Hong Kong GEM	975.23	-3.2%	-1.4%	-17.8%	1.1%
China Shanghai (A-Share)	1,214.01	0.0%	-8.7%	-22.6%	-8.2%
China Shenzhen (A-Share)	291.46	0.0%	-11.3%	-25.9%	-11.2%
China Shanghai (B-Share)	67.65	0.0%	-10.6%	-35.5%	-10.6%
China Shenzhen (B-Share)	223.55	0.0%	1.7%	-17.8%	5.4%

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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
10/3/05	Iomai Corp. [IOMI.US] (NASDAQ)	Biotechnology	86.3	A biopharmaceutical company focused on the discovery, development and commercialization of vaccines and immunostimulants delivered to the skin	SG Cowen/ UBS	First Albany/ Susquehanna
10/5/05	Acorda Therapeutics Inc [ACOR.US] (NASDAQ)	Biotechnology	86.3	A biotechnology company that is developing therapies for spinal cord injury and related neurological conditions	Bank of America	Loop Capital/ Piper Jaffray/ SG Cowen
10/6/05	Ntelos Holdings Corp. [NTLS.US] (NASDAQ)	Telecommunications	175.0	Provides wireless and wireline communications services to consumers and businesses in Virginia and West Virginia	Bear Stearns/ Lehman Brothers	NA
10/7/05	Somaxon Pharmaceuticals, Inc. [633972Z.US] (NASDAQ)	Pharmaceuticals	86.3	A specialty pharmaceutical company which focuses on in-licensing, developing and commercializing proprietary product candidates for the treatment of diseases and disorders in the fields of psychiatry and neurology	JP Morgan/ Morgan Stanley	Piper Jaffray/ Thomas Weisel

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

IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 10/7/05	% Change From Offer
NA						

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Asian Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 10/7/05	% Change From Offer
10/5/05	Silisand Co, Ltd. [067850.KS] (KOSDAQ)	Develops and manufactures semiconductor chips	US\$4.9	KRW 5,040	KRW 5,020	-0.3%
10/5/05	Lot Vacuum Co., Ltd. [083310.KS] (KOSDAQ)	Develops and produces equipment for a semiconductor and display monitor manufacturing industry	US\$9.6	KRW 7,700	KRW 11,000	42.9%
10/5/05	Azia Co., Ltd. [2352.JP] (TSE)	Operates Internet marketing solution business	US\$6.9	¥320,000	¥ 772,000	141.3%

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
10/6/05	Jintex Co., Ltd. [1787.TT]	Manufactures and markets auxiliaries for industrial applications	10/16/10	US\$4.5	448 Shares	10/6/10
10/6/05	Intelligent Telecom Inc. [052300.KS]	Manufactures communication equipments	10/7/08	US\$1.9	16 Shares	9/7/08

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Weekly Highlights

International

Internet

- **A significant growth of about 80 percent annually is expected from Internet protocol television (IPTV) in Asia Pacific, according to a report from In-Stat.** Revenues are expected to reach US\$4.2 billion in 2010. Most of this regional growth will take place in the large markets of China, Japan, India and South Korea, with the big IPTV providers likely to be the major IP-based video service providers. Providers in deregulated markets like Japan and South Korea have a head start, according to In-Stat. Their counterparts in China have to obtain IPTV licenses to be able to compete in the market. Expected to be the major players in this IPTV scenario are Yahoo!BB, Korea Telecom, Chunghwa Telecom, PCCW, China Telecom, China Netcom, SingTel and Atlas Interactive India.
- **Airlines, theme parks, restaurants and others in travel and tourism are now eligible for web sites and e-mail addresses ending in “.travel”.** Analysts are saying that the new domain could assure consumers that they are dealing indeed with legitimate travel business of group. Already, Tralliance, a New York-based unit of Theglobe.com, an Internet communications company, received approval to run “travel” from the Internet Corporation for Assigned Names and Numbers (ICANN), the Internet’s key oversight body. ICANN has been creating new Internet suffixes because the present ones in usage like “.com” are already burdened with overuse and are crowded. To facilitate the search through, web sites that have a “.com” name need not change their addresses; they will just automatically redirect visitors to the newly established “.travel” site.

Media, Gaming and Entertainment

- **The digital music market posted a growth that was more than triple this year, with sales reaching US\$790 million in the first half of this year, according to the International Federation of the Phonographic Industry (IFPI).** The figure represents six percent of industry sales, compared with US\$220 million in the same period last year. Recorded music sales went down 1.9 percent to a retail value of US\$13.2 billion in the first half of this year, compared with US\$13.4 billion in the same period last year. The digital music sales figure in the report of IFPI is an estimate and covers purchases of individual tracks online, music subscription service fees, and sales of full-length tracks as well as clips of master recordings for mobile phones. The increase in digital music sales shows that more consumers are using the Internet for music and wireless music services, research firm IDC said. Sales in the top five markets of the United States, Britain, Japan, Germany and France triggered the digital boom.

Japan

Internet

- **Livedoor Co. posted an estimated 150 percent growth in its group pretax profit for the fiscal year ended Sept. 30 from a year earlier to 12.5 billion yen (US\$109.7 million).** The figure was said to have been boosted by sales of shareholdings and stronger advertising revenue at its portal-related businesses. The sales of the company are said to have gone up 150 percent to about 80 billion yen (US\$702.5 million). Livedoor Securities Co. is seen as contributing hugely to group earnings. The company sold a part of its shareholdings in Turbolinux for a capital gain of 795 million yen (US\$7

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million). It also sold part of its stake in Livedoor Marketing Co. and got some 2 billion yen (US\$17.5 million) in proceeds.

- **Ikyu Corp., a hotel reservation web site operator, said it expects to announce a 69 percent rise in its parent-only operating profit to 570 million yen (US\$5 million) for the half ended Sept. 30.** The number of accommodations booked through the Ikyu site during the half-year was about 560,000, which is an increase of about 60 percent from the year-earlier period. The company said its sales are estimated at about 920 million yen (US\$8 million), a 58 percent increase on the year, while its pretax profit is expected to reach 560 million yen (US\$4.9 million), a 66 percent increase. For the full year ending March, Ikyu expects to register a 65 percent rise in its pretax profit to 1.2 billion yen (US\$10.5 million). It forecasts a 53 percent growth in its sales to 1.9 billion yen (US\$16.6 million).

Media, Gaming and Entertainment

- **Nintendo Co. disclosed that it is posting a higher estimate for its group net profit for its fiscal first half, a decision the company ascribes to the exchange rate favoring the yen.** The company said it now expects a group net profit of 36 billion yen (US\$316.1 million) for the first half ended Sept. 30, an increase from its previous forecast of 19 billion yen (US\$166.8 million). The company, however, expects a lower first-half group sales of 175 billion yen (US\$1.5 billion), compared with 190 billion yen (US\$1.6 billion) in its previous forecast. Nintendo explains the diminishing figure to what it announced as weaker-than expected sales of its Nintendo GameCube game consoles and computer game software for the console in North America. Nintendo said it will use 33 percent of its annual group operating profit to pay dividends for this fiscal year.

Mobile/Wireless

- **NTT DoCoMo Inc. announced the launching of four new FOMA 3G mobile phone handsets.** The new products incorporate a phone with enhanced music functions. Its simplified phone featuring easy operation is expected to attract senior citizens. NTT DoCoMo said its new Music Porter X is able to receive music and voice programming offered by Mobile Broadcasting Corp and has FM radio functions. It also launched the Music Porter II. Both phones are made by Mitsubishi Electric Corp. A handset made primarily for voice communication, and manufactured by Mitsubishi Electric, was also introduced by NTT DoCoMo. Its new prosolid II is made by Panasonic Mobile Communications Co.

Hardware

- **IBM Japan Ltd. revealed its plans to initiate short the giving of technical assistance and information for small/midsize sales and system solution firms.** To be given partly for free, the services are designed to facilitate sales of IBM's personal computer servers. IBM, even in the face of the fast growth in its sales, remains No. 5 in the domestic market. As part of this strategy, IBM will offer PC server users free consultation on technical problems for up to three months after their purchase. It will offer free installation of its high-end server that incorporates four CPUs. In a separate report, IBM Japan said it will start offering call center and web site operation services for financial institutions providing online banking services designed to meet the growing demand for countering "spy ware"-based online crimes.
- **Teikoku Tsushin Kogyo Co. announced the investing of about US\$5 million to open a digital electronic equipment components plant in Vietnam.** The company disclosed its acquisition of some 30,000 sq. m. of land at Hoa Lac High Tech Park, near Hanoi, and said it will set up a wholly owned subsidiary there. The plant will manufacture switches for digital cameras, cell phones and Integrated Control Blocks (ICBs), which are custom-made integrated circuit modules. At present, the

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company assembles ICBs at seven locations in China, Taiwan, Thailand and Indonesia. The output of the plant will be supplied to Japanese manufacturers with operations in China and Thailand.

Ventures/Investments

- **Sojitz Corp. announced its setting up of a joint venture in Malaysia.** With a capital of 600 million yen (US\$5.2 million), the partnership will have Sojitz owning 40 percent stake; it will be working with local importer DBR-Hicom Bhd and auto dealership operator Weststar Motorsports Sdn Bhd that will jointly own a 60 percent interest. Under the venture, Japanese-made car navigation systems will be bought on an OEM basis and maps will be produced through technology partnerships with Japanese manufacturers. The car navigation systems will be produced locally. The two Malaysian partners operate more than 400 domestic automobile dealerships and are importers of luxury vehicles from the U.S. Europe and Japan.

Software

- **NTT Data Corp. announced its partnership with Oracle Corp. Japan, which is aimed at developing credit risk management system for regional banks.** These banks are those banks that calculate risk ahead of future changes in the Bank for International Settlements' capital ratio requirements. Already, 12 financial institutions that include the Bank of Yokohama and Hokuhoku Financial Group Inc. have signified to adopt the system. NTT Data is targeting about 30 regional banks to adopt its system by next fiscal year. NTT Data's system is compatible with the Regional Banks Association of Japan's financial database.
- **The Japanese government through its Ministry of Internal Affairs and Communications disclosed its plan to switch some government computers to the free Linux operating system.** An official said the decision is not meant to exclude particular software or to endorse a particular one. The move simply recognizes the recent development of open-source software as reliable systems. Earlier this year, Japan, China and South Korea agreed to jointly develop a new computer operating system based on Linux as an alternative to Windows of Microsoft.

Korea

Information Technology

- **Pushed by huge shipments of semiconductors and mobile phones, the overall export volume of IT goods from South Korea went up by 11.6 percent from the same period last year to US\$6.9 billion, according to the Ministry of Information and Communication.** With an import of US\$3.9 billion, the country's trade sector posted a surplus of US\$2.9 billion. Amidst this good performance, an official cautioned about falling profit margins of local IT companies brought about by competition that is largely coming from China. Analysts call the attention of manufacturers to the unbalanced performance in the sector that is reflected in the massive exports of chips and mobile phones compared to the faltering digital television sales. In September, South Korea exported IT products valued at US\$2.3 billion to China, a 40 percent increase compared to the same period last year.

Internet

- **Daesung Group, a Korean conglomerate with special interest in the energy industry announced its signing of a preliminary agreement to purchase the Internet portal company Korea.com.** Daesung is expected to reach a formal deal after it finishes conducting a due diligence audit.

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Mobile/Wireless

- **Nokia disclosed that it is diversifying in South Korea by selling Internet security equipment to small and medium-sized businesses.** Nokia Korea, in cooperation with Israel-based software provider Check Point, said it will launch a joint marketing campaign for its IP260 products, equipments designed to protect personal data from hacking attempts. The company said this move is facing several problems. Nokia is known only as a mobile phone maker in South Korea and it is difficult to market security solutions products to customers. Nokia's mobile products are also based mostly on GSM technology while South Korea makes use of the CDMA platform.

China

Information Technology

- **China's Macau Special Administrative Region (MSAR) government and the Ministry of Science and Technology of the central government announced their formation of a joint committee on science and technology cooperation.** Under the deal, the committee is aimed at increasing the cooperation of sectors of Chinese traditional medicine, environment protection, information technology and science publicity.

Mobile/Wireless

- **In its first venture outside the mainland market, China Mobile (Hong Kong) revealed its plans to acquire control of a Hong Kong operator for HK\$2.2 billion (US\$283.7 million).** Under the plan, China Mobile agreed to buy 66.5 percent of China Resources Peoples Telephone Co. from China Resources (Holdings) Co., a state-owned trading group. Taking over Peoples Telephone would bring Beijing-based China Mobile into a competition with five other Hong Kong operators. Analysts are saying China Mobile would follow up the purchase of Peoples Telephone, which currently does not have a license for 3G services, with another acquisition in Hong Kong. Peoples Telephone is Hong Kong's fifth-biggest cellular service provider.
- **E-Mobile Information Technologies Inc. announced the signing of an agreement with Newpalm Information Technology Co. Ltd, the leading SMS provider in China.** Under the agreement, E-Mobile will provide mobile book content and Newpalm a mobile wireless entertainment platform. The platform will enable final cell phone users to access these contents through mobile service providers. Newpalm has offices in Beijing, Tianjing and Nanjing. With a presence in 30 local markets, Newpalm has service agreements with China Mobile and China Unicom. E-Mobile is acknowledged as an emerging leader in the broadband mobile content market through its operating subsidiary CHL Technologies.

Software

- **2ndGate, a start-up based in Shanghai, is seeing the growing popularity of the Microsoft platform as an opportunity for it to focus on area overlooked by other developers.** The major focus of 2ndGate is on the emerging .Net and Longhorn markets although the company said it is considering working on the conversion of .Net applications into Linux applications. According to Forrester Research in its study made last year, 56 percent of respondents planned to use .Net for upcoming development work, compared with 46 percent for the Java 2 Enterprise Edition (J2EE) platform. With rising costs in outsourcing destinations like India, software outsourcing shops are looking to the mainland. It is estimated that the mainland market would post a 50.9 percent growth

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annually through 2009, according to IDC. This growth is expected to reach the value of about US\$4.6 billion.

Hardware

- **China's export volume of computers and their components amounted to US\$63.5 billion for the period of January to August of 2005, according to its Ministry of Commerce.** The figure represents about 49 percent of the total export volume for high-tech products. The report said China has exported as much as US\$71.7 billion of integrated circuits, mobile phones and parts, and computers and components during the first eight months of 2005, a figure which is 55.4 percent of total high-tech product export volume. The average unit price for export of computers and components registered a year-on-year growth of 11.1 percent during the first eight months of 2005. Its export volume for high-tech products was valued at US\$129.5 billion in the first eight months of the year, representing a 32.9 percent year-on-year growth.
- **Mainland China is touted as the strongest competitor against South Korea and Taiwan in terms of shipments of TFT LCD panels, according to research firm DisplayBank.** The report attributes the increasing market share of China to efforts by manufacturers in the region to build more 5G plants to further increase their production. The research firm notes that two or three new 5G and larger TFT LCD lines will be set up in the country by 2006 and 2007. SVA-NEC Liquid Crystal Display Co. Ltd is planning to raise its monthly shipments to 550,000 units from its present 35,000 units. BOE Optoelectronics Technology Co. also disclosed that it will increase its shipments to 1.7 million units, an increase from 76,000 units in the first quarter. Long-Teng Optronics and Tianma Microelectronics Co. Ltd are now constructing 5G and 4.5G plants in mainland China.
- **China has announced plans to develop its own next-generation DVD standard, a move that is aimed at breaking the monopoly of foreign companies and avoiding the payment of heavy licensing fees.** About 80 percent of DVD players are made in China but makers have to shoulder around 40 percent of the cost to each player to license holders. If the standard is achieved, it will be another competitor to the two standards presently competing, the HD DVD and the Blu-ray Disc formats. The HD DVD is being pushed by Toshiba Corp., Universal Studios, Intel Corp and Microsoft Corp. Blu-ray is supported by Sony Corp., Apple Computer Inc., Hewlett-Packard Co. and Dell Inc, together with other companies and studios. The Chinese standard will be based on but incompatible with HD DVD. It promises to provide higher definition, better sound and better anti-piracy measures.

Media, Gaming and Entertainment

- **Viacom announced an agreement that will allow it to buy 70 percent of Magic Media, a Beijing-based company with advertising rights on Beijing's bus system.** Chinese regulations at present permit foreign company to own up to 70 percent of an advertising company. These regulations are expected to be amended after December 2005, to allow foreign companies to own up to 100 percent ownership of advertising firms. With 3 to 4 operators holding similar rights to advertise on Beijing's buses, Magic Media does not really have exclusive operating rights for bus advertising in the Chinese capital. Analysts believe that global outdoor companies will continue to look at other Chinese outdoor opportunities in China.

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Taiwan

Hardware

- **Taiwanese manufacturer Tatung said it is going to sell its PC desktop operations in exchange for a 30 percent share in Elitegroup Computer Systems (ECS).** The deal will make Tatung the major shareholder of ECS, a sign that is seen by analysts as indicating changing times in Taipei. Even as consolidation appears to be a natural move for most companies, in Taiwan the nature of firms that are rooted in family ventures always present a hindrance to acquisition. In a separate report, Asustek announced its taking over of Askey, an ADSL modem firm. This move of Asustek followed its acquisition of an industrial computer maker.
- **Taiwan Semiconductor Manufacturing Co (TSMC) announced sales surging to NT\$25.2 billion (US\$759.1 million) in September, with the company explaining the growth as a result of strong demand.** TSMC said wafer shipments are expected to climb by 14 percent to 16 percent in the third quarter to September from the second. Gross margin, the company said, is expected to grow between 41 percent and 43 percent from 39.7 percent in the second. In a separate report, United Microelectronics posted a 6.1 percent increase in its September sales from August to NT\$8.5 billion (US\$256 million). Its sales in the nine months to September went down NT\$63.3 billion (US\$2 billion) from NT\$89 billion (US\$2.6 billion) previously.

Hong Kong

Mobile/Wireless

- **Peoples Telephone posted a 7.9 percent increase in its first-half sales to HK\$896 million (US\$115.5 million) from a year earlier.** The company, however, said that profit went down 3.5 percent to HK\$115 million (US\$14.8 million) because of the rise in the costs of the handsets it sells. The company is now looking to cheaper voice services and adopting a back-to-basics strategy as its response to the intensified price cuts made by 3G operators.

Telecommunications

- **City Telecom, through its fixed-line business subsidiary Hong Kong Broadband Network, announced the launching of “2b”, a VoIP service based on the personal computer similar to the service provided by Skype.** Under the offering, customers will pay a monthly fee of HK\$48 (US\$6.1) for a local Hong Kong telephone number which can be used through the Internet to send and receive calls to and from Hong Kong for free. The customer just needs to download first a special software. City Telecom has been developing the service with Nortel Networks. The company said it sees free Internet telephone services replacing international direct dialing (IDD) within the next few years. IDD used to be main source of revenue for City Telecom.
- **New World TMT Ltd. announced a loss of HK\$866 million (US\$111.6 million), with revenue dropping 4 percent to HK\$353 million (US\$45.5 million).** The current figures can be compared to a HK\$5.5 billion (US\$709.2 million) loss last year ascribed to a failed investment in a U.S. interactive cable-television operation. New World TMT is still involved in a US\$700 million lawsuit against PrediWave even as it announces that it expects to recover more than HK\$2 billion (US\$258 million) due from a failed mainland project by the end of next month. New World Mobile Holdings, which takes care of the mobile business of New World TMT, disclosed that intense competition resulted to a 43 percent decline in its net profit for the year to June. It posted revenues of HK\$1.7 billion (US\$219.2

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million) although its net profit went down to HK\$93.1 million (US\$12 million). With the company not a holder of a 3G mobile license, it said it would continue to provide mobile data services by way of its 2.5G network. New World Mobile disclosed that its user base went up 8 percent to 1.3 million.

Internet

- **NOW Broadband TV of PCCW announced the launching of its high-resolution service in December, aiming to attract customers to its offering of connection speeds of up to 12 megabits per second.** The company said it has for its first batch of orders about 10,000 units. Together with the introduction of high-definition television (HDTV), NOW said it is re-launching its video-on-demand movies and drama show service, which failed together with “interactive TV”. To boost its movie content, NOW revealed the launching of a free Movie Trailer Channel. It has also entered into a partnership with the UA Cinema Circuit for the provision of a ticketing service that will enable viewers to book their cinema seats through their television remote control.
- **Tradelink Electronic Commerce, Hong Kong’s leader in e-commerce, revealed its plans to target the mainland and overseas markets to sell its digital trade and transport network.** The company is expected to raise about HK\$300 million (US\$38.6 million) through an IPO this month. With 42 percent share in the company, the government is seen as offloading some of its shares in the offering. Shareholders from the local business community like PCCW, Swire Pacific and the Hong Kong General Chamber of Commerce are not expected to sell their shares in the offering. The company said part of the proceeds from the IPO will be used to develop RFID technology and to complete development of the “e-hub” digital trade and transport network.

Hardware

- **A-Max Technology, a manufacturer of digital audio players, announced an initial public offering of up to US\$107.2 million ahead of a NASDAQ listing.** The company is offering 6.5 million American depositary shares, of which 80 percent are new shares and 20 percent secondary. With all its production facilities located in China, A-Max said the majority of the proceeds from the IPO will be used for working capital and with the remainder to be set aside for capital expenditures, which include the buying of a land in Shenzhen to be used for the relocation of its manufacturing facilities. The company posted a net profit for the six months to June of US\$7.3 million, compared with US\$12.7 million for last year. About 86 percent of the revenue of the company came from the sale of flash-based audio players. A-Max had 16.9 percent share last year of the world market in 2004, according to IDC.

Singapore/Malaysia/Philippines/Indonesia

Internet

- **Intel Corp announced that wireless broadband operators in Singapore can deploy the faster WiMax technology when they begin to set up their networks next year.** Intel is leading the push to develop the new technology that promises Internet access a higher bandwidth and affords a wider range of 30km to 50km. The technology will enable users to log on from anywhere and anytime. To use the technology, computers will need special add-on WiMax PC cards. Intel is planning to put WiMax into its Centrino chips. Six companies in Singapore won bids for wireless broadband access (WBA). These firms are: MobileOne, inter-touch Holdings, Pacific Internet, Qala Singapore, SingTel and Starhub. Analysts are saying these vendors are expected to go for WiMax, with wireless broadband deployment in Singapore dovetailing with WiMax.

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Telecommunications

- **Telecom Italia announced the signing of an agreement with Telkom Indonesia, the country's state-controlled fixed phone-line operator for the provision of technical know-how and cooperation on international free numbers, mobile services, Internet Protocol (IP) and pre-paid international telephone cards.** At the center of the deal is Telecom Sparkle, which serves as the Internet arm of Telecom Italia set up for international voice, IP and Internet services. Telkom has a limited mobility fixed wireless (cordless phone) network in most cities in Indonesia and holds a license to provide international services. Telkom provides mobile cellular services through Telkomsel, a firm that is 65 percent owned by Telkom and with the remaining share held by SingTel of Singapore. Telecom Italia and Telkom Indonesia are said to be considering Malaysia, Thailand, China, India, Singapore and Japan for joint future investments.
- **Media Corp of Singapore said it sold a 6 percent stake in Starhub, a Singapore-based info communications firm.** Media Corp had initially planned to sell only a 5 percent stake but it decided to up the deal after seeing a strong demand. The report said investors were said to be price sensitive, a situation that led to generous discount and pricing at 2 percent to 6 percent discount range. Analysts remain bullish about Starhub because of its bundling strategy. About 56 percent of Starhub's revenues come from its mobile operations, with 27 percent from cable and broadband. Analysts are predicting revenues from its cable and broadband division to grow given its recent offering of karaoke TV.

Media, Gaming and Entertainment

- **Nexnation Communication Bhd announced the unveiling of its first mobile game engine, FunLogiX 1.0, in Singapore through its subsidiary Ozura Pte Ltd.** FunLogiX is a full-service mobile game engine for mobile interactive game development, hosting and worldwide deployment. The company said it plans to offer FunLogiX to overseas markets, starting with regional partners in Singapore, Indonesia, Thailand, China and Europe. The market for mobile content will reach the value of US\$42.8 billion by 2010, with mobile gaming projected to be worth US\$11.2 billion by that time, according to Informa Telecoms & Media.

United States/Canada

Internet

- **Google said it is merging its popular online maps with its local search features.** The result of this move is an offering that combines addresses, phone numbers, maps, driving directions and details like user reviews and credit card information. The combination of maps with local search makes Google the most widely used search engine. The company holds a 37.3 percent share of the U.S. market up to August, according to comScore Media Metrix. Yahoo comes in No. 2, with 29.7 percent share. MSN is third at 15.8 percent.
- **Yahoo announced its acquisition of Upcoming.org, an online event planning site.** Yahoo said it plans to keep Upcoming's present web site separate although it intends to put in much of its content into Yahoo's own site in order to boost its local search capabilities. Upcoming serves as a social networking that looks to its users to post free listings about a wide range of upcoming events. Yahoo and Google have been focusing on local search as the search behavior of its users change.
- **America Online announced its acquisition of Weblogs, a move that is expected to bolster the presence of the company in the blog community.** With already 21 million subscribers in the U.S.,

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AOL gets by way of the acquisition 85 blogging sites that contain everything from travel to gadgets and to topics like cinemas and parenting concerns. After buying Wildseed, a software company, and Xdrive, an online storage company, AOL's acquisition of Weblogs is its third. AOL paid US\$25 million in the all-cash deal.

- **A coalition of 18 states signed an agreement that will push for the collection of sales taxes to be imposed on purchases made via the Internet.** The coalition is hoping to convince retailers to not only collecting taxes but also turning them over to the government. In exchange for collecting and sending tax revenue to the state, the group is pushing for a compensation for retailers for the costs entailed in the process of tax collecting. The proposal is also making provisions for protection against liability for accounting mistakes. The deal from the group is designed to set up a uniform system for retailers who sell across state lines. With Nevada expected to become a member in January, the coalition includes Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Nebraska, New Jersey, North Carolina, North Dakota, South Dakota, Oklahoma, West Virginia, Arkansas, Ohio, Tennessee, Utah and Wyoming.
- **OILspace announced that BP Singapore Pte Limited has selected its web-based portal OILwatch for real-time, aggregated energy prices, news and analytics.** OILwatch delivers true real-time NYMEX, IPE Futures and Forex figures as well as news from benchmark sources that include Platts, Dow Jones, Petroleum Argus and C1 Energy. BP Singapore provides a wide range of knowledge-based functions and services to the Group's range of activities in the Asia Pacific region. OILwatch is being distributed to BP clients throughout the Asia Pacific region. OILspace applications include ASPECT Office, a suite of front- and mid-office supply chain management applications, and Teamworks, a collaborative system for buying, selling and shipping oil.
- **Equinix, Inc. (EQIX), the leading provider of network-neutral data centers and Internet exchange services, said it filed a shelf registration statement with the U.S. Securities and Exchange Commission to sell 10.2 million shares.** The company said the shares may be offered by STT Communications Ltd., through one or more of its units, which include i-STT Investments Pte Ltd., as the selling stockholder. The company said the completion of the offering will depend on factors, like general market conditions and other factors deemed relevant by STT. The registration is expected to facilitate the orderly disposition of STT's shares.
- **UTStarcom, a global leader in the manufacture, integration and support of IP-based end-to-end networking and telecommunications solutions, disclosed that its third-quarter earnings may miss expectations.** The company explains the decline to the US\$40 million in sales from a contract with Softbank BB that will be not be recognized yet for its third-quarter earnings. The company now expects sales of US\$620 million to US\$640 million, a decline from previous guidance of US\$660 million to US\$680 million. UTStarcom's shares fell after the company cut its third-quarter guidance and announced that the SEC is looking into certain aspects of its financial statements during prior reporting periods.

Media, Gaming and Entertainment

- **News Corp said it has agreed to sell to Exponent Private Equity News International, the unit behind the publication of the Times Educational Supplement for 235 million pounds (US\$413.7 million).** Under the agreement, News International will continue to print and distribute the Times Educational Supplement and the Times Higher Education Supplement and give financial and other services. Allen & Co was the deal adviser of News International.

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Software

- **With the global launching of its latest database, Adaptive Server Enterprise (ASE) 15 held in Beijing, Sybase, an enterprise software maker, said it is looking to getting an edge over Oracle and IBM by going into markets ignored by its rivals.** According to the company, it ascribes its growth to the fact that many customers are feeling “locked in” with Oracle, IBM and Microsoft. Its strategy is to put itself as part of the information layer of the company, and not “just a database” linking up with technical people.

Europe

Ventures/Investments

- **SAP announced its entry into financing by way of a deal with Siemens Financial Services.** The offering covers everything from hardware to maintenance. SAP said the program is an SME offering and as such will be offered to its partners. Analysts Ovum took note that with the financing options, SAP is also making available an analysis tool that will allow customers to calculate the total cost of ownership (TCO) of SAP implementations over a period of seven years or more, and then use this TCO calculation as the basis of their financing request. The company said the finance offering will be made available first in Australia, India, China, United Kingdom, France, Germany, Italy, Poland, Russia, Spain, Brazil, Mexico, Poland, Russia and the United States.

Telecommunications

- **ntl, UK's largest cable operator and leading provider of broadband and communications services, announced its acquisition of Telewest Communications.** Valued at US\$6 billion, the deal is expected to create Britain's second-largest communications company and bring in big changes for the UK cable industry. The combined companies will have about five million residential subscribers and annual revenues of 3.4 billion pounds (US\$6 billion).

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Other Economic Data						
Currency Exchange Rates						
Currency	Units	Current Rate (on 10/7/05)	% Change 1 Week Ago	% Change 1/1/2005	% Change 1/1/ 2004	% Change Last 12 Mth.
Japanese yen	¥/US\$	113.8200	0.3%	10.9%	6.2%	2.3%
Hong Kong dollar	HK\$/ US\$	7.7544	0.0%	-0.2%	-0.1%	-0.5%
Chinese renmenbi	RMB/ US\$	8.0920	0.0%	-2.2%	-2.2%	-2.2%
Singapore dollar	S\$/ US\$	1.6836	-0.5%	3.2%	-0.9%	-0.4%
South Korean won	KRW/ US\$	1,037.5000	-0.5%	0.2%	-13.0%	-9.8%
New Taiwan dollar	NT\$/ US\$	33.2300	0.1%	4.7%	-2.1%	-2.0%
Australian dollar	US\$/A\$	0.7570	-0.7%	-3.0%	0.7%	4.0%
New Zealand dollar	US\$/NZ\$	0.6956	0.6%	-3.1%	6.1%	20.7%
Philippine peso	PHP/ US\$	55.8000	-0.4%	-0.8%	0.5%	-1.0%
Euro	US\$/€	1.2129	0.9%	-10.5%	-3.7%	-1.3%
British pound	US\$/£	1.7617	-0.1%	-8.2%	-1.3%	-1.1%

Fixed Income Prices and Yields							
Note	Currency	Current (on 10/7/05)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	112.0625	4.57%	112.0313	4.57%	114.8125	4.40%
Japan 30-year	¥	97.9150	2.33%	98.2290	2.31%	98.4010	2.30%
Hong Kong 10-year	HK\$	112.9950	4.09%	113.2870	4.03%	114.0380	3.89%
China (10/27)	US\$	119.6580	5.90%	120.6570	5.82%	122.5250	5.70%
Singapore 10-year	S\$	96.0410	2.82%	96.3850	2.77%	96.4650	2.76%
South Korea 10-year	US\$	110.7130	4.32%	110.9270	4.27%	111.6070	4.10%
Australia 15-year	A\$	107.1380	5.34%	107.1240	5.35%	108.5210	5.14%
New Zealand (07/09)	NZ\$	103.4660	5.95%	103.6080	5.92%	104.4380	5.69%
Philippines 20-year	PHP	141.5670	12.54%	141.5530	12.54%	141.7960	12.52%
India 20-year	INR	128.9000	7.42%	129.3900	7.37%	130.2100	7.30%
UK 30-year	£	99.9498	4.25%	100.0490	4.25%	101.2060	4.17%
Germany 30-year	€	131.1970	3.60%	131.4900	3.58%	132.8470	3.52%

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