

IRG WMR



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

Week of 6 November - 12 November 2005

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Equity Market Indicators					
Index	Closing Level (11/11/2005)	% Change 1 Week Ago	% Change 1/1/2005	% Change 1/1/2004	% Change 2004 Low
S&P 500	1,234.72	1.2%	1.9%	11.0%	16.1%
Dow Jones Industrial Avg.	10,686.00	1.5%	-0.9%	2.2%	9.6%
Dow Jones Tech. Index	363.51	1.6%	2.3%	4.5%	25.8%
Dow Jones Telecom. Index	203.48	-0.2%	-6.6%	9.8%	16.1%
NASDAQ Composite	2,202.47	1.5%	1.2%	9.9%	25.7%
The Street.com Net	210.70	2.2%	1.1%	37.6%	43.2%
Japan Nikkei 225	14,155.06	0.6%	23.2%	32.6%	36.6%
Japan TOPIX	1,494.56	0.0%	30.0%	43.2%	46.2%
Korea KOSPI Composite	1,256.12	2.8%	40.2%	54.9%	74.6%
Korea Kosdaq	640.40	3.7%	68.4%	42.7%	97.2%
Taiwan Stock Exchange	6,075.26	2.8%	-1.0%	3.1%	14.3%
Singapore Straits Times	2,266.03	0.0%	9.7%	28.4%	33.3%
Hong Kong Hang Seng	14,740.60	1.1%	3.6%	17.2%	34.4%
Hong Kong GEM	988.37	2.5%	0.0%	-16.7%	2.4%
China Shanghai (A-Share)	1,145.86	-0.9%	-13.9%	-27.0%	-13.3%
China Shenzhen (A-Share)	275.76	-1.4%	-16.1%	-29.9%	-16.0%
China Shanghai (B-Share)	60.90	1.0%	-19.5%	-42.0%	-19.5%
China Shenzhen (B-Share)	195.94	1.6%	-10.9%	-28.0%	-7.6%

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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
11/9/05	Molecular Insight Pharmaceuticals, Inc. [MIPL.US] (NASDAQ)	Pharmaceutical	US\$57.5	Focused on developing and commercializing innovative molecular imaging pharmaceuticals and targeted radio therapeutics to diagnose and treat disease	Piper/SG Cowen	Oppenheimer/Roth Capital Partners

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

IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 11/11/05	% Change From Offer
11/8/05	Saifun Semiconductors Ltd. [SFUN.US] (NASDAQ)	Provides intellectual property solutions for the non-volatile memory market	US\$117.5	US\$23.50	US\$32.89	40.0%
11/9/05	Combinatiorex, Inc. [CRXX.US] (NASDAQ)	A biopharmaceutical company focused on developing new medicines built from synergistic combinations of approved drugs	US\$42.0	US\$7.00	US\$7.50	7.1%
11/10/05	IHS, Inc. [IHS.US] (NASDAQ)	Provides critical technical information, decision support tools and related services to customers	US\$232.2	US\$16.00	US\$17.10	6.8%

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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 11/11/05	% Change From Offer
11/7/05	GMI Technology, Inc. [3312.TT] (GSM)	Provides and distributes electronic spare components	US\$2.2	NT\$16.00	NT\$15.90	-0.6%
11/7/05	Genetech Technology Berhad [GENE.MK] (KLSE)	Designs and develops both customized and standardized industrial automated equipments for high technology related manufacturing companies	US\$2.4	MYR 0.30	MYR 0.37	21.7%
11/9/05	Memory Devices Ltd. [MEMD.SP] (SGX)	Develops, manufactures, and markets memory storage products	US\$21.5	S\$0.21	S\$0.24	17.1%
11/9/05	Aun Consulting, Inc. [2459.JP] (TSE)	Provides search engine marketing services	US\$10.3	¥400,000	¥1,480,000	270.0%
11/9/05	ATCor Medical Holdings [ACG.AU] (ASE)	Develops and manufactures medical devices	US\$11.7	A\$0.50	A\$0.81	62.0%
11/11/05	Pacific Healthcare Holdings Ltd. [PACH.SP] (SGX)	Offers healthcare services and operates health care facilities	US\$8.5	S\$0.30	S\$0.31	1.7%
11/11/05	IPS Ltd. [051820.KS] (KOSDAQ)	Develops and manufactures various semiconductor related equipments	US\$25.2	KRW 9,000	KRW 17,350	92.8%

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
11/11/05	TBK Electronics Corp. [012400.KS]	Produces mobile phones using code division multiple access technology and wireless local loop terminals	11/15/08	US\$3	13,862 Shares	10/15/08

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Weekly Highlights

International

Mobile/Wireless

- **Worldwide wireless operator service revenue is expected to go beyond US\$698 billion, according to the Yankee Group.** According to the group, total registered cellular lines will reach 2.8 billion in 2009, representing a unique user base of nearly 2.4 billion individuals. Text messaging revenue will top US\$36 billion in 2009; ring tone revenue to carriers and content providers will reach almost US\$28 billion. Among its findings, Yankee Group revealed that global mobile/wireless service penetration of unique users will reach 36% by 2009. This encompasses a wide spectrum, from Europe and North America at the high end with 80% and 77.5%, respectively, and Asia Pacific and Middle East/Africa at the low end, with 30% and 19.9% penetration, respectively.

Telecommunications

- **Fitch Ratings said in a report “Asian Telecoms: A Study In Contrasts” that the impact of future event risk in the Asian telecommunications sector would likely go up in the present environment of stronger competition, constantly evolving technology, high penetration of existing services and regulatory uncertainty attending future industry developments.** The agency notes that operators may need to further strengthen their financial profiles in the light of Asia's markets described as competitive, fragmenting and maturing. Fitch said that many of the ratings were being supported by the healthy financial profiles of operators. The report said, for a couple of years now, several divergent trends have existed across Asia's telecoms market, with Fitch recognizing that the regulatory framework must evolve with markets and with any major development, which will then ensure future efficiency and sustainability. In the report, Hong Kong remains Asia's most challenging market while growths in Australia, South Korea, Singapore and Japan have eased on account of competition and saturation.

Japan

Internet

- **Dataplace Inc., a firm that distributes new user and eco-friendly information and products by using information distribution service over Internet, announced its plan to list on the Nagoya Stock Exchange's Centrex market for start-ups.** The company's mainstay business is to process corporate information issued by Tokyo Shoko Research Ltd. for sale to software developers to calculate a firm's chances of falling into bankruptcy or measure its creditworthiness. It also offers a fee-based corporate information service through its own web site and provides a system solution service through a subsidiary. The company has signed up with OX Information Co., which sells bankruptcy risk calculation software, Hitachi Information Systems Ltd. and others to supply processed data on 1.2 million firms. For the year through December this year, the company forecast a 15 percent year-on-year increase in group pretax profit to 135 million yen (US\$1.1 million), on a 53 percent growth in sales to 1 billion yen (US\$8.4 million). The company plans to use over 500 million yen (US\$4.2 million) in proceeds from the initial public offering to prepare for new businesses. It intends to retain profit as internal reserves for the time being, prioritizing investments for growth.

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- **Internet Initiative Japan Inc. (IIJI), a Japanese network service provider listed on the U.S. NASDAQ National Market, has received approval to list on the Tokyo Stock Exchange's Mothers market.** The company originally planned to list on the Tokyo bourse in June, but canceled that plan due to a lack of investor interest. At that time, Daiwa Securities SMBC was the lead underwriter of the offer. IIJI said it would offer 20,000 shares to the public in the Japan offering. Of those, 12,500 are newly issued shares and 7,500 are shares currently held in private. Nomura Securities, the lead underwriter of the offer, also has a green shoe option, allowing it to offer an additional 3,000 shares in the event of exceptional demand.
- **kabu.com Securities Co., an online brokerage, will offer its customers free investment analysis tools to aid them when buying or selling stocks.** The Internet-based service will be provided only to those who have accounts with the firm. Since stock prices will be updated with delay of just five minutes, the tools will be useful for day traders as well as investors engaging in longer-term deals, the sources said. The recommendations are based on the analysis of the price movements of all listed shares over the past two years using 11 technical indicators, including the "psychological line," which is calculated based on price changes during the latest 12 trading days.

Mobile/Wireless

- **NTT DoCoMo announced that it has agreed to acquire a 40 percent stake in Tower Records Japan Inc., making it the largest shareholder in the top retailer of music software.** The acquisition will put Tower Records under the control of the cellular phone service operator. DoCoMo will purchase part of the stake held by Nikko Principal Investments Japan Ltd., currently the biggest shareholder in the firm. It will also buy shares through a third-party allotment. The acquisition is valued at over 10 billion yen (US\$84.8 million). In their first business tie-up, DoCoMo will try to expand the number of subscribers using its cell phone offering e-money and credit card functions through the 78 music stores operated nationwide by Tower Records. The phones will allow DoCoMo subscribers to buy CDs and receive discount vouchers at the shops without using cash. Tower Records will try to put the shopping data generated from the electronic sales to good use in its own marketing. DoCoMo expects its partnership with the top music retailer to help expand subscriber use of the special functions. For its part, Tower Records has apparently decided to join hands with DoCoMo in hopes of gaining a stable shareholder that can provide it with synergy. Tower has revealed its plans to go public in the future, with DoCoMo intends to maintain an equity interest of 33.4 percent or more in Tower Records. This stake that will give NTT DoCoMo decisive voting power even after Tower becomes a listed company.
- **The Ministry of Communications has allowed Softbank Corp., eAccess Ltd. and IPMobile Inc. to enter the cell phone industry to stimulate competition, government sources said.** The three firms are expected to begin operations in fiscal 2006, becoming the first new entrants into the sector in 12 years. The ministry will permit Softbank and eAccess to use the 1.7GHz bandwidth under conventional telecommunications methods, while letting IPMobile tap the 2.0GHz bandwidth, which uses a transmission technology called TDD. The three new entrants aim to devise new price scales and services that will differentiate them from those offered by existing players in the business, including NTT DoCoMo Inc. Softbank is studying a plan to merge its broadband and cell phone services, and is considering working with its group firm, Yahoo Japan Corp. to transmit videos via cell phones, company officials said. Besides operating their own cell phone services, eAccess and IPMobile aim to lease their cell phone lines to other companies, sources at the two firms said.

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Media, Entertainment and Gaming

- **Konami Corp announced its decision to convert its fitness club operating unit into a wholly owned subsidiary via an equity swap.** The firm will delist Konami Sports from the first section of the Tokyo Stock Exchange. Konami and Konami Sports will hold their respective special shareholders' meetings early next year to obtain approval for the plan. Details of the deal, including the stock swap ratio, have yet to be unveiled. The move will coincide with Konami's planned shift into a holding company, under which it will put the health-related business, as well as a new company into which it plans to spin off its digital entertainment division handling game software development and other tasks. Konami has recently been engaged in a series of group reorganizations, aiming to speed up its corporate decision-making process.
- **Fuji Television Network Inc. said it has finalized plans to absorb Nippon Broadcasting System Inc. in a bid to gain control of the roughly 20 percent of its shares currently held by the radio broadcaster.** Nippon Broadcasting became a wholly owned subsidiary of Fuji TV in September, but the Fujisankei Communications Group is seeking to realign affiliates, positioning the TV broadcaster as its flagship unit. The move is also designed to unwind complicated cross-shareholding arrangements among group firms. Fuji TV plans to split Nippon Broadcasting into two units by the end of March, with one unit overseeing assets such as the Fuji TV shares and the other dedicated to radio broadcasting operations. Under the TV broadcaster's plan, it would absorb the asset management company. Fuji TV will also gain control of many of Nippon Broadcasting's holdings in other group firms. The TV broadcaster is expected to secure a majority stake.

Hardware

- **Aucnet Inc. is leveraging its experience operating used-car auctions to create a membership auction site for used PCs.** The PC auction site is expected to attract some 20-30 companies selling used PCs and some 200-300 companies bidding for products. Auctions will be held weekly, starting on Friday and ending on Monday. Potential bidders will be able to focus in on PCs of interest by specifying such factors as make and memory size. Only auction members with a password and user number will be able to access and view the site. By running this auction site for businesses, Aucnet hopes to become the central player in a new secondary market for computers. Member companies will pay an annual fee of 60,000 yen (US\$500) to join the auction site and also pay Aucnet a handling charge for every PC. The company hopes to handle 72,000 used PCs in 2006 and generate sales of 800 million yen (US\$6.7 million) in fiscal 2007.
- **Sotec announced its entry into corporate-use personal computers by releasing two models later in November.** The company made the decision after seeing that PCs for general consumers alone will not be enough to allow it to remain profitable, especially when revenue from imported PC products is plunging due to the yen's depreciation against the dollar. Corporate-use notebook models will be priced from 95,000 yen (US\$800), about 20 percent less than models of major PC makers. Sotec will aim to sell 20,000 units in the first year, company officials said. The firm outsources PC production to companies in South Korea and elsewhere.
- **Produce Co., a 3D application machinery maker, said it has received approval to list on the JASDAQ Securities Exchange.** The company will offer 5,100 shares to the public in its initial public offering. Of those, 4,000 are newly issued shares and 1,100 are shares currently held in private. Daiwa SMBC Securities, the lead underwriter of the offer, also has a green shoe option, allowing it to offer an additional 500 shares in the event of exceptional demand. The company expects to net 1.7 billion yen (US\$14.4 million) from the IPO, and plans to use the IPO proceeds for the acquisition of a production

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facility, repayment of loans and working capital. For the current fiscal year through June 2006, the company forecasts a parent pretax profit of 547 million yen (US\$4.6 million), net profit of 357 million yen (US\$3 million), and sales of 5.1 billion yen (US\$43.2 million). Last fiscal year, the company posted a parent pretax profit of 212 million yen (US\$1.7 million), net profit of 107 million yen (US\$906,000), and sales of 3.1 billion yen (US\$26.2 million).

- **NEC Corp revealed its plans to boost its LCD panel operations in China, by raising its capacity at its Shanghai joint venture, broadening production to include LCD panels for televisions as well as for computers.** Shanghai SVA NEC Liquid Crystal Display Ltd., a joint venture between NEC and Chinese electronics and components company SVA (Group) Co., began full-scale operations of its fifth-generation production line in January and is now making LCD panels at a rate of 52,000 units a month. The plan involves an investment of approximately 48 billion yen (US\$406.6 million) to double the line's production capacity to 100,000 units over the next 12 months. The existing line has already begun to ship samples of a prototype 26-inch panel. In addition, NEC and SVA (Group) will soon begin construction on a sixth-generation facility and a seventh-generation facility near the joint-venture factory. The sixth-generation line will start up in 2008 with the capacity to make 60,000-90,000 panels, while the seventh-generation line will start up in 2010. The total investment is expected to exceed 300 billion yen (US\$2.5 billion).

Semiconductors

- **SUMCO Corp. announced its plans to go public on the first section of the Tokyo Stock Exchange, a move that will make it this year's biggest listing, as it would raise over 100 billion yen (US\$847.1 million).** The company was founded as a result of Mitsubishi Materials Corp. and Sumitomo Metal Industries Ltd. integrating their silicon wafer divisions. SUMCO, formerly known as Sumitomo Mitsubishi Silicon Corp., has the second-largest share of the global market for silicon wafers after Shin-Etsu Handotai Co. SUMCO expects a 75 percent increase in its profit to 19 billion yen (US\$161 million) for this business year, in view of growing demand for semiconductors used in digital equipment. The company will raise some 60 billion yen (US\$508.2 million) through its initial public offering of new shares and will use the funds for capital spending. Under the tentative public offering terms, SUMCO is expected to raise 126.5 billion yen (US\$1 billion) to 143.9 billion yen. (US\$1.2 billion).

Telecommunications

- **Tokyo Electric Power Co. announced its plan to acquire Fusion Communications Corp., a Tepco group fixed-line phone service provider, from PoweredCom Inc., a move seen as an interim step before eventually selling it off.** Under the deal, Tepco will acquire the controlling 54 percent stake that PoweredCom, a Tepco telecom subsidiary, holds in the firm. Japan's largest electricity company has been negotiating with major ADSL service provider eAccess Ltd. about the possible sale of Fusion Communications, but their talks have apparently bogged down over a buyout price. After purchasing Fusion Communications, Tepco will continue sounding out eAccess and other companies about a possible sell-off. Tepco has been looking for a buyer for Fusion Communications ever since the telecom firm was excluded from a business plan to be pursued by an entity slated to be formed in January through a merger of PoweredCom and KDDI Corp.

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Korea

Internet

- **Powercomm subscribers surpassed the 100,000 market in just two months since starting its retail business on Sep 1st, this despite the fact that they were not allowed to sign new subscribers for 18 days.** Powercomm announced that subscribers hit 101,060 on Nov 3rd, and that they now have 102,000 subscribers as of Nov 6th. It took Thrunet 12 months to reach this level when it first started commercialization in 1998. It took Hanaro Telecom six months in 1999 and KT nine months in 1999 to reach the 100,000 mark. Despite the 18-day ban on adding new subscribers, Powercomm intends to keep its full year subscriber target of 500,000 (including Dacom subscribers), a target of 1 million for 2006 and 1.6 million for 2007.
- **Reigncom, the parent company of iRiver, announced that it would develop a game device supporting WiBro in cooperation with KT, the dominant telecom provider of Korea.** The device is expected in August 2006. Reigncom also plans to create a game portal site and platform to provide better service for WiBro game devices. The portal site will offer game, video streaming, music, messenger and chatting services for the users of WiBro devices. KT's services and portal web sites will be available on the device. In order to stimulate demand for WiBro service and game devices, the two partners will launch a joint marketing utilizing their sales networks.
- **Microsoft is said to have cleared up some of its legal problems in South Korea when local Internet portal operator Daum Communications Corp. agreed to accept a package worth US\$30 million from Microsoft in settlement of its antitrust complaints.** The agreement, however, is not expected to end an investigation into Microsoft by Korea's Fair Trade Commission (KFTC) that began in April 2004. Microsoft's settlement with Daum, a Seoul-based portal operator with 55 million users worldwide, involves a US\$10 million cash payment, an advertising contract valued at US\$10 million and a further package of measures valued at US\$10 million including "marketing and promotional opportunities between the two companies," the two companies said. However, the actual terms of the third part of the package remain unclear. The conflict dates back to 2001 when Daum filed a complaint with the KFTC over Microsoft's bundling of Windows Messenger with the Windows operating system. Daum operates its own instant messenger platform in South Korea that competes with Microsoft's product. Both the suit and the anti-trust complaint are seen as resolved with the deal.
- **KT's Wibro service is set to operate on Linux, an open source OS. Redhat Korea, world's leading provider of Linux and open source technology, announced that it signed up a supply contract with KT to offer RHEL3 as OS for KT's WiBro infrastructure.** Redhat provides RHEL 3 ES and RHEL 3 AS for 73 servers of KT, which will be applied to search, news, cartoon, community, and message services of WiBro. Game, MOD, LBS, DRM, subscriber management, authentication, authorization, and accounting of WiBro service will be based on RHEL 3. KT's WiBro networks consist of four projects including billing system, Authentication, Authorization, Accounting system, service platform and NMS system.
- **Hanaro Telecom announced the launching of the onboard Internet services under business alliance with the country's two flagship carriers – Korean Air and Asiana Airlines.** However, the availability of the in-flight web access services, dubbed Hanafos Air, will be limited to top-line Boeing aircrafts. For now, Internet services are offered in three long-haul Korean Air routes from Incheon International Airport to Los Angeles, Seattle and Chicago in the United States. The country's biggest carrier plans to add two Internet-accessible routes to New York in the U.S. and Frankfurt of Germany

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early next year. Asiana Airlines, the runner-up player, is providing Internet access services on their long-distance routes to Seattle in the U.S. and Ho Chi Minh City in Vietnam.

- **Korean venture firms are reportedly ready to face the major Internet companies by launching their own desktop search programs with more advanced features, with three mid-sized firms – Konan Technology, 3soft, and Korea Wisenut – planning to sell their inside-PC desktop search programs from next month.** While the big companies Google, Microsoft, Yahoo of the U.S. and NHN of South Korea are trying to lure individual users with their products, the minor competitors are mainly targeting enterprises by specializing in search programs in Korean. Desktop search programs help users locate documents or files saved in their PCs, as opposed to web search systems that help people search for information on the Internet. South Korean portal Naver launched a beta version of its product this month, while Daum, Empas and Yahoo Korea are expected to follow Naver's lead before year's end. The small firms remain confident, however, of their technological edge over the major portals.
- **Daum Communications reported a net loss of 11.1 billion won (US\$10.6 million) in the third quarter, falling far behind market rival NHN that announced record-high sales and profit the day before.** Daum's operating profit declined by 21 percent to 8.7 billion won (US\$8.3 million), a result that is due to the increased marketing costs of online trading and expenses on its global units, including U.S.-based searching engine Lycos. The company, however, saw a decrease in its net loss from a year ago, when it posted a 13 billion won (US\$12.4 million) loss. Its sales also went up slightly by 1 billion won (US\$960,000) to 52 billion won (US\$50 million) from the last quarter. When its 10 sister companies are included, Daum would have a net loss of 1.5 billion won (US\$1.4 million) while its revenue slightly increased by 2 percent to 112 billion won (US\$107.5 million), which the company ascribed to gains in subsidiaries such as Daum Onket, Daum Finance and Daum Direct 1 car insurance.
- **NHN, the operator of Korea's largest portal Naver, announced that its quarterly net profit jumped 139 percent to 35.1 billion won (US\$33.6 million), a performance the company attributed to its brisk online searching business and the sale of its stake in a gaming company.** Its sales went up by 12 percent to 92.7 billion won (US\$89 million), while its sales from Internet searching engine services climbed by 50 percent to 46.3 billion won (US\$44.4 million) from with three months ago, while the gaming and advertisement sectors increased by 25 percent and 16 percent, respectively. NHN revealed its aim to become a global dot-com business that connects Korea, China and the United States. NHN also said it seeks to put sales on growth track in China, where it faced strict regulations and fierce competition with local firms in the first half. The company is now tapping into partnerships with domestic game title publishers to introduce game service in the United States in the second quarter of next year. The company posted sales of 92.7 billion won (US\$ 93 million), operating profit of 32.9 billion won (US\$31.5 million), and net profit of 35.1 billion won (US\$33.6 million) in the third quarter.

Media, Entertainment and Gaming

- **Demand for analog TV broadcast receiving cards, according to TV broadcast receiving card makers like Sigmacom, Dvico and Skydigital, went up from 15,000 units a month in early this year to 20,000 units a month at present.** The market for HDTV broadcast receiving cards is also thriving as new models with low prices are rolled out. Demand for HDTV broadcast receiving cards rose from some 1,000 units in January this year to 6,000 units last month. The rise in demand for HDTV broadcast receiving cards came as new cards installed with a 5th-generation tuner is gaining popularity among users and their prices sharply dropped. New cards installed with a 5G tuner enables

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PC users to view around 100 channels of digital cable TV broadcasts without set-top boxes. Prices of these cards dropped from 100,000 won (US\$100) before September to 90,000 won (US\$86 last month, and even to as low as 50,000 won (US\$48) for some products.

- **Gravity Co., Ltd. announced that it has entered into a publishing agreement with NDOORS Co., Ltd., a game developer, to publish the Time N Tales (“TNT”) game worldwide.** TNT is a new DRTRPG (Dramatic Real-time Tactics Role Playing Game) developed by Mr. Tae Gon Kim, who was also responsible for developing other popular online games such as “Imjinrok”, “Geosang” and “Goonzu”. TNT is a multi-character battle game, which allows game users to develop characters in the course of stand-alone omnibus style episodes. Players can also add and develop historical heroes into their teams. TNT departs from the simple battle styles found in other MMORPGs and allows for strategic real-time battles with up to six characters. Also, game users can choose to move from country to country or between different time periods according to their preferences, because each episode allows users to freely change the screen, the setting and the time periods for the game. With this agreement to publish TNT in place, Gravity is now able to present a broader line-up at the 2005 G-STAR, which will include Ragnarok On-line, Ragnarok On-line2, Requiem, Ragnarok mobile, STYLIA, Rose On-line and Paper Man.

Mobile/Wireless

- **LG Electronics Inc. revealed that it has no plans to join partner SK Telecom in investing in the companies’ wireless venture in Vietnam.** The comments were made after SK Telecom disclosed its plan to spend some US\$280 million boosting its stake in SLD Telecom PTE to 85 percent to compete in the Vietnam mobile market. Other shareholders including LG, which owns 44 percent of SLD may come up with decision by next month whether to increase investment. From 7.3 million this year, the number of mobile-phone users in Vietnam is seen as surging to 21.2 million by 2008. In a separate report, LG Telecom said it is supplying emoticon SMS solution and service to Cambodian mobile operator, Casacom (Cambodia Smart Communication). LG collaborates with feelingk, a wireless contents provider, in providing the services. LGT said that it integrated revenue sharing model in the contract with Casacom on Emoticon SMS. Casacom will set up hardware for the service and launch marketing campaign on the solution and service provided by LG Telecom. The service will be commercialized in mid December and Casacom will be the first mobile carrier in Cambodia offering Emoticon SMS.

Hardware

- **Samsung Electronics and TVA Sistema de Televisao S.A., a telecom service provider of Abril Group in Brazil, announced the signing of a partnership that would jointly implement WiMAX platform in Brazil.** The agreement will make TVA the first operator able to offer Mobile WiMAX service in Latin America. In addition to mobility and portability, WiMAX platform also brings low cost data transmission to the users in Brazil. Following the agreement, WiMAX technology trials will begin in Brazil during the second quarter of 2006.

Semiconductors

- **C&S Technology, a semiconductor maker, announced that it supplied around 200,000 units of its multimedia chip used for terrestrial digital multimedia broadcasting (DMB) receivers as of the end of October.** Given that a total of some 220,000 units of terrestrial DMB receiver/phones were sold in the domestic market thus far, this means the multimedia chip of C&S Technology 'Neptune' accounts for some 90% of the domestic market. Presently, Texas Instruments, Analog Devices, Broadcom and Renesas are also supplying multimedia chips in the home market, C&S

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Technology explained that dominant position of its chip in the market is much attributed to its interoperability with baseband chips of leading domestic and overseas semiconductor companies, provision of stabilized application software and customer-oriented total solutions, and simultaneous support of terrestrial and satellite DMB receivers.

Telecommunications

- **Telecom provider Dacom announced the launching of its own T-banking service next year in partnership with Korea Post, Kookmin Bank, Kyongnam Bank, Industrial Bank of Korea, Daegu Bank and Busan Bank.** Dacom follows Skylife, which has provided T-banking services in cooperation with SC First Bank since last May. C&M Communications, one of the multiple system operators (MSOs) in Korea, is also preparing to offer a T-banking service to cable TV subscribers.

China

Internet

- **Internet advertising agencies Opt Inc. and Adways Co. will soon launch a net ad service in China for Japanese companies that sell consumer goods in the country or want to improve their local brand recognition.** Opt will market the service to Japanese businesses, while Adways will procure slots for ads from China's major portal site operators, primarily, Baidu, Google and Yahoo China, three major search engines in China used by an estimated 75 percent of the country's Net users. Opt and Adways aim to win at least one contract per month from a Japanese firm in the near future. The Chinese unit of Adways will produce Chinese-language ads based on instructions from Opt in Japan.
- **Tom Online Inc. announced a 77 percent increase in third-quarter profit from the same period last year, ascribing the growth to the rapid development of its core wireless Internet service.** Tom's net profit for the three months ending Sept. 30 was US\$12.9 million, up from US\$7.3 million in the same period last year. The company's third-quarter revenue was US\$45.9 million, a 46 percent increase from US\$31.4 million in the third quarter last year. Its core wireless Internet business posted 53 percent surge in revenue to US\$43 million and accounted for 94 percent of total revenues. In a separate report Tom Online and Skype announced a joint venture that hopes to tie up with mainland telecommunications operators to provide a voice over Internet protocol (VoIP) service. The Chinese government has not yet issued a statement to clarify the legitimacy of Internet phone link-ups, making the full web-based phone service not yet available on the mainland. Existing use of VoIP services on the mainland is restricted to calls between computer users, and subscribers to the service may not be connected to traditional fixed-line or mobile numbers.
- **The9 Ltd, a leading online game operator and developer in China announced the company's net revenue of US\$22.8 million in the third quarter of 2005, a massive rise of 232 percent from the second quarter.** This increase is attributed mainly to significant growth in revenue from online games. The9 started commercial operations for World of Warcraft in June 2005. The online game contributed US\$22.3 million to the net revenue of the Internet company for the third quarter. The9's net income for the quarter stood at US\$4.7 million, compared with a net loss of US\$2.8 million in the second quarter of 2005.
- **Shanda Interactive Entertainment Ltd posted net revenue of US\$61.7 million, a figure representing a 7.4 percent decline compared to the second quarter of 2005, a result that is due to a decrease in online game revenue.** Shanda's net income in the third quarter amounted to

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US\$32.3 million, an increase of 17.1 percent quarter over quarter. Revenues from Massive Multiplayer Online RPGs (MMORPGs) in the third quarter went 23.3 percent year-over-year but went down 8.4 percent quarter-over-quarter to US\$40.9 million, accounting for 66.3 percent of total revenues. The sequential decrease in revenues from MMORPGs was primarily due to a decline in revenue from Shanda's game Legend of Mir II, which decreased 33.5 percent quarter-over-quarter to US\$19.1 million. Shanda said it is preparing to launch a new console that will allow subscribers to access a wide range of Internet services, from music and movies to gaming, through television sets.

- **Alibaba said will commit all of its considerable resources to compete with Google and Baidu in the China market. Alibaba completed its takeover of Yahoo's China operations two weeks ago in a deal that gave Yahoo a 40 percent stake in Alibaba, valued at US\$1 billion.** Alibaba used US\$750 million to buy out venture capital investors such as Japanese firm Softbank, and other small shareholders. The mainland Internet giant said the other US\$250 million, plus an extra US\$100 million of Alibaba's own capital, would be used to rebuild Yahoo's brand as a search engine in China. According to iResearch, Yahoo China's search engine services had a 32 percent market share in China in the first quarter, as measured by search queries. Baidu had a 37 percent share while Google lagged behind on 19 percent. The deal with Yahoo valued Alibaba at more than US\$4 billion, and an Alibaba top official has said the company expects to raise more than the US\$109 million raised in Baidu's initial public offering if it eventually decides to go public.

Media, Entertainment and Gaming

- **Shanghai Zhangjiang Hi-Tech Park has been transformed into the third base for China's online gaming and animated cartoon industry.** The other two bases are located in Chengdu and Guangzhou. Some of the enterprises in the Shanghai Zhangjiang Software Park include large-scale multimedia enterprises like Shanda Interactive Entertainment Ltd. and Creative Technology Ltd. There are now more than 300 high technological enterprises and over 50 research and development organizations set up in the hi-tech park. It has won more than 600 patents.
- **China and South Korea announced the signing of an agreement to cooperate in making China's Changsha Cartoon Art Festival (CCAF) and the Seoul International Cartoon & Animation Festival (SICAF) the largest animation festivals in China and South Korea.** This agreement was signed at the fourth Changsha Cartoon Art Festival (CCAF) in Hunan province. The Secretary-General of China Television Artists Association stated that the animation industry in South Korea would provide invaluable experience, especially in the areas of digital technology for Chinese animators. Changsha is one of the pioneering bases for China's animation industry approved by the State Administration of Radio, Film and Television (SARFT). The city's yearly production of 15,000 minutes of animation film is valued 1.3 billion yuan (US\$160.7 million) every year.

Mobile/Wireless

- **According to In-Stat, the 3G market in China has great promise but is also facing much uncertainty, which includes what the government will come up in terms of policies to rule high-speed wireless technology.** The report says the number of mobile subscribers in China will reach nearly 610 million in 2009, with the percentage of 3G users ranging from 23 percent to 58 percent, depending on the different competitive scenarios and operator strategies. The research firm assumes that 3G licenses will be issued at the beginning of 2006. The scenario painted for the issuance of 3G licenses has China Unicom and China Netcom merging, with four licenses issued if no merger happens. W-CDMA technology will be the dominating 3G technologies in China while TD-SCDMA

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will show gradual growth over time. Voice will remain the dominating service for 3G in China, while mobile Internet access service is expected to be the fastest growing service.

- **Foreign mobile- phone owners with auto-roaming service can now apply for new mobile phone services in China, according to the China Academy of Telecommunication Research (CATR) of the Ministry of Information Industry (MII).** Before this rule, foreigners could only apply for mobile phone services in their own countries. This new policy also applies to re-applicants. Subscribers who do not already have auto-roaming services can now enjoy the privileges of making calls in China with local mobile phone service providers.
- **The number of mobile phone subscribers in China reached 376 million at the end of September, with 25.7 mobile phones for every 100 Chinese people, exceeding the world's average figure, statistics showed at this year's China Mobile Telecommunications Terminal Development Forum.** The number of mobile phone subscribers in China is predicted to top 380 million by the end of this year and rise to 520 million by 2008 and 600 million by 2010. China has experienced income growth in the mobile telecommunications market, with annual revenue from market operation services reaching 250 billion yuan (US\$31 billion), a year-on-year increase of more than 20 percent. Mobile phone sales reached 100 billion yuan (US\$12.3 billion), an increase of 30 percent over the previous year. According to estimates, the mobile telecommunications market would contribute 500 billion yuan (US\$61.8 billion) to China's gross domestic product for this year, or between 8 percent and 10 percent of the national total. Experts attending the forum said there was still huge potential for the development of China's mobile telecommunications market, especially in small and medium-sized cities and the vast rural areas.

Software

- **IBM announced the completion of the first phase of its software-outsourcing base in China's Optical Valley in Wuhan.** The first phase of the base is the software outsourcing management center for IBM's international purchasing department, which is also IBM's first software outsourcing center in China. At present, local companies such as Wuhan KM Soft and Wistron have received orders for software from the center. The second phase for the base will be a software factory with a budget investment of US\$20 million.

Telecommunications

- **China Netcom said it is discussing with firms that include Spanish telecommunications giant Telefonica to sell a strategic stake in its undersea cable carrier, Asia Netcom.** Sources close to the talks identified Telefonica as having the inside track and said the Spanish firm had also discussed taking a controlling stake in Asia Netcom. Telefonica paid 240 million euros (US\$281.6 million) for a 3 percent stake in China Netcom's Hong Kong and United States-listed arm in July, and has since increased the stake to about 5 percent. Analysts are saying, however that Telefonica's interest in Asia Netcom has been complicated by its 17.7 billion pound (US\$30.8 billion) all-cash bid for British mobile operator O2. China Netcom's talks with Telefonica are therefore expected to drag on, creating potential opportunities for rival bidders. China Netcom has been reported to have also held talks about an Asia Netcom stake sale with an Indian company and Singapore Technologies Telemedia, which owns 61.5 percent of Asia Netcom's former parent, Global Crossing. China Netcom acquired 51 percent of Asia Netcom in 2002, and the remaining 49 percent a year later. Asia Netcom was later transferred to China Netcom's listing vehicle.

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Taiwan

Internet

- **Softbank Corp. of Japan said it is set to form a joint venture with Taiwanese content service providers in the near term to tap onto the booming Internet TV market.** At present, TV stations and broadcasting companies here create good content, which is limited to Taiwanese viewers. With Internet TV, they can offer programs to 1 billion Internet users around the globe, which will help create a superstar industry, the Softbank founder said. Its Internet TV platform, called TV Bank, will enable viewers to search for and watch content such as foreign films over broadband connections. Taiwan Television Enterprise Ltd. is reported to be one of the domestic companies showing a high interest in partnering with Softbank. Softbank said the preliminary investments in Taiwan will be small but is expected to gradually increase over time. Softbank will serve as the hub of Internet TV, and help distribute Taiwanese content to the rest of the world, while bringing overseas content to local viewers.

Hardware

- **The board of Taiwan's No.2 flat panel maker Chi Mei Optoelectronics Corp said it gave the go-ahead to purchase a Chinese liquid-crystal-display (LCD) screen module plant as part of the firm's efforts to further cut costs.** Chi Mei Optoelectronics said it would invest US\$30 million in the Ningbo-based Chi Mei Optoelectronics (Ningbo). Chi Mei Optoelectronics, which has a 20-percent share of the world's LCD-TV panel market, supplies screens mostly to Japanese TV vendors. LCD panel makers are trying every effort including building labor-intensive module assembly plants in China to cut costs and maintain profitability in the face of price decline and strong competition. Chi Mei Optoelectronics is the only firm among the nation's five major slim-screen makers without a plant in China. With the latest Chinese investment, Chi Mei Optoelectronics will get a 50 percent controlling stake in Chi Mei Optoelectronics (Ningbo) after completing recapitalization, with the firm disclosing its plan Chi Mei Optoelectronics to acquire a bigger stake in the company next year. The Chinese LCD module assembly plant will expand its capital to US\$54 million from the current US\$24 million, after selling new shares worth US\$30 million to Chi Mei Optoelectronics, according to the company's statement.
- **Royal Philips Electronics and Taiwan's Toppoly Optoelectronics announced the signing of a letter of intent for the merger of Philips' Mobile Display Systems (MDS) with Toppoly.** The merger would lead to the creation of a mobile display technology firm named "TPO". Under the merger, Philips would hold a 17.5 percent stake in TPO, with the transaction was expected to be completed in the first half of next year, pending regulatory approval. Philips said its teaming up with Toppoly to form the TPO venture for small and medium-size panels will keep intact its relations with LG Philips. Toppoly was formed by the Kinpo group and Uni-President, with TPO's capital standing at NT\$42.3 billion (US\$1.2 billion). Upon completion of the transaction, Compal Electronics will own 25.1 percent of TPO, Philips will take 17.5 percent of the new venture and Uni-President Enterprises 3.5 percent. Compal Electronics is a member of the Kinpo group. Toppoly has production capacity in Taiwan and the mainland for manufacturing low-temperature polysilicon (LTPS) panels and active matrix organic light emitting diodes (AMOLED), and can currently produce five million panels a month and will be able to manufacture 9 million to 10 million panels a month next year following the merger.

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Hong Kong

Media, Entertainment and Gaming

- **The firm M@TV, operated by Mei Ah Entertainment Group, Hong Kong's first legitimate Internet movie downloading service will be launched next month.** With a thousand movies, the firm will allow downloading a film that would enable unlimited viewing for three days. Image quality will range between VCD and DVD. The film industry is said to be skeptical about its feasibility. More movies will be added to the database and the price will be adjusted according to the release date. Newer films will cost more but will be available online only after their cinema release has come to an end. To download a movie, users have to register with the website, and download video-viewing software developed by Mei Ah. The files will be locked, preventing them from being burned on CD or DVD, or forwarded to other computer users. Some websites in the United States had been testing legal movie downloads for the past two years, with more people willing to download movies from these legitimate channels.

Software

- **Considered as the most ambitious initiative launched by the two companies after forming a strategic global alliance, IBM and Kingdee International have unveiled a software and services package, backed by data communications provider CPCNet Hong Kong, to help local and foreign firms comply with cross-border business and financial processes as they expand in the mainland.** It is also expected to pave the way for Hong Kong-listed Kingdee to establish a platform on which it can offer on-demand software. Targeted at small and medium-sized enterprises, the software-and-services bundle includes CPCNet's network connection, server platform from IBM, and a suite of Kingdee's financial management software compliant with the regulatory and statutory reporting standards in the mainland and Hong Kong. CPCNet, a subsidiary of Citic Pacific, will offer its TrueConnect Express networking service at a special price of \$2,500 a month per site. This includes 256-kilobits per second connection bandwidth, a network router, and installation and support services. The creation of a cross-border business solution has come at a time when Hong Kong SMEs are being encouraged to boost their participation in the mainland's economy, thanks to China's accession to the World Trade Organization and the Closer Economic Partnership Arrangement (CEPA) between the mainland and Hong Kong.

Singapore/Malaysia/Philippines/Indonesia

Telecommunications

- **Singapore Telecommunications (Singtel), said its second quarter net profit went up 5.7 percent, crediting the strong contributions from mobile phone associates in India and Indonesia.** Net profit for the three months to September was S\$809 million (US\$475.4 million), well above analyst projections. For the six months to September, net profit was S\$1.6 billion (US\$9.3 billion), a growth of 9.5 percent from the previous year. Operating revenue saw a 5.8 percent increase to S\$3.3 billion (US\$2 billion) for the quarter and 6.1 percent to S\$6.5 billion (US\$3.8 billion) for the half. SingTel said it may not achieve double-digit profit growth for the current financial year ending in March "but this remains an objective in the medium-term". The company's wholly owned Australian subsidiary Optus reported an 8.1 percent decline in second-quarter net profit to A\$150 million

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(US\$109.8 million), which is ascribed to stiff competition in the market. Optus said it expected earnings to decline slightly in the current fiscal year as revenue growth may be slower. The Indian and Indonesian operations were reported posting strong growth, with earnings contribution from SingTel's regional associates going up 16.1 percent year on year, driven by Telkomsel in Indonesia and India's Bharti Televentures. These results compensated for declines at Globe Telecom in the Philippines and Thailand's Advanced Info Service (AIS) due to increasing competition in those markets.

Semiconductors

- **Linear Technology Corp. announced the opening of its second semiconductor test facility in Singapore, a move that is expected to boost the firm's current production capacity.** Located beside its existing facility at Yishun Industrial Park A, the facility is seen as helping the company keep pace growing demand for high-performance analog integrated circuits worldwide. In addition to manufacturing, the new facility will also serve as a major warehouse and distribution center. Linear established its first offshore facility in Singapore in 1989. The company said its Singapore facilities provide test capability for approximately 90 percent of its global demand. The new facility has been designed with two additional phases of expansion, capable of doubling the size of the facility to 210,000 square-feet, Linear said. When completed, Linear will have invested more than S\$100 million (US\$58.7 million) in the Singapore facilities, according to the company.

United States/Canada

Internet

- **Yahoo! Inc. announced that it will pay some US\$500 million to buy minority stakes in its U.K., German, French and South Korean units from Softbank Corp. to gain full control of the overseas businesses.** The cash transaction will make each of the units wholly owned subsidiaries of Yahoo. Softbank is Japan's second-biggest provider of high-speed Internet services. Yahoo is expanding internationally to tap markets that are growing faster than the U.S. International sales at Yahoo rose 62 percent in the third quarter, compared with a 41 percent increase in the U.S. The acquisition is seen as making Yahoo's international operations more efficient and creating tax benefits. Tokyo-based Softbank said in a separate statement filed with the Tokyo Stock Exchange that it will book a fiscal third-quarter gain of 53.3 billion yen (US\$454 million) from the sale. Softbank holds about 30 percent in Yahoo! UK, Yahoo! Germany and Yahoo! France, the statement said. Yahoo also agreed to buy a 33 percent stake in Yahoo! Korea that is jointly owned by Softbank, Softbank Korea Corp. and Yahoo Japan Corp. Yahoo also has a 34 percent stake in a joint venture with Softbank in Japan, according to regulatory filings.
- **America Online (AOL) announced the updating of its privacy policy to outlaw a marketing tactic it has already stopped employing.** The firm said it will permit the targeting of ads and content based on what users do online, with the pledge that it will no longer share names and home addresses with other companies for marketing, formalizing a policy put in place a year ago based on subscriber feedback. The new policy allows AOL to track what visitors do at its sites and tailor news, weather and advertisements based on such tracking. Many of AOL's rivals already serve targeted ads and content, but the company was restricted from doing so under a policy little changed since 1998. As with other firms, AOL also is silent in its policy on how long it retains data. Experts are saying that lengthy retention leaves the data available to law enforcement and hackers

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- **Yahoo has pulled out of discussions over buying a stake in America Online, leaving Microsoft and Google in contention.** Yahoo was said to have "politely passed" on proposed terms and "walked away from any interest in a deal". Sources said a key stumbling block was Time Warner's insistence that it retain majority ownership in the AOL unit. One source said an arrangement under discussion had called for Yahoo to pay Time Warner in stock worth US\$13 billion for an 80 percent stake in AOL's growing content business, which includes its websites and the news, music and other services featured on them. Under that proposal Time Warner would keep all AOL's Internet access business, which is in decline as users abandon dial-up connections for higher-speed cable and DSL lines. The interest in AOL comes as the company transforms itself from a firm focused on providing dial-up access to a provider of free content that is tapping the recent boom in online advertising.
- **Equinix, Inc, the leading provider of network-neutral data centers and Internet exchange services, announced pricing of the underwritten secondary offering to the public by STT Communications of 5.1 million shares of Equinix Common Stock at the public offering price of US\$35.64 per share.** STT Communications has granted to the underwriters an option to purchase up to 739,549 additional shares of Equinix Common Stock to cover over-allotments, if any. The offering is expected to close on November 16, 2005 subject to customary closing conditions. Together with the offering, STT Communications also entered into a pre-paid forward contract with Credit Suisse First Boston Capital to sell up to an additional 4.3 million shares of Equinix Common Stock; an affiliate of Credit Suisse First Boston Capital intends to publicly offer securities exchangeable for the Equinix Common Stock agreed to be purchased pursuant to the pre-paid forward contract. The company said it would not receive any proceeds from the transactions. The secondary offering of Equinix Common Stock is being made through an underwriting syndicate led by Citigroup and Credit Suisse First Boston, as joint bookrunners, and Goldman Sachs as co-manager. The exchangeable offering is being made through an underwriting syndicate led by Credit Suisse First Boston as bookrunner, with Citigroup and Goldman Sachs acting as co-managers.

Media, Entertainment and Gaming

- **Microsoft and The Associated Press announced their entering into a partnership to offer an advertising-supported online video news network in the first quarter of next year.** Under the tandem, Microsoft will supply the technology, video player and advertising support to the network, while AP's broadcast division will provide the video, which would feature about 50 different stories per day. Online video has become a hotly competitive market as more advertising dollars move online and as technology and the use of broadband connections has made it easier for more people to watch video over the Internet. Microsoft and the AP did not provide specific financial details of the agreement. The online video network would initially be targeted at the AP's member news organizations, but the news agency left open the possibility that others could join as well. The network will use a Windows-based media player and sell ads through Microsoft's MSN business. For Microsoft, the deal extends the software company's drive to develop freer, advertising-supported online services.
- **The New York Times reported the signing up of about 135,000 paying subscribers to its new online service that offers access to Opinion-Editorial columns and other premium content.** Called TimesSelect, the new service is free to home delivery subscribers. Non-subscribers can have access to the service for US\$49.9 a year or US\$7.9 every month. The publication said it had signed up more than 270,000 subscribers to the service since it began. TimesSelect shows the latest attempt by United States newspaper companies to bring in new revenue from the Internet, where many people are increasingly going for news. Newspapers are facing long-term declines in their paid circulation, and more and more advertising dollars are moving from traditional print outlets to the Internet.

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Software

- **Intel said it would raise its quarterly dividend 25 percent and buy back up to US\$25 billion in common shares, a move that is seen as aimed at returning cash to shareholders and increasing its stock price.** Intel said it purchased more than 300 million shares for about US\$7.5 billion in the first three quarters of this year, compared with US\$7.5 billion in repurchases for all of last year. As of the end of the third quarter, about 313 million shares of stock remained available for repurchase under previous authorizations, representing about US\$7.8 billion of stock at the current stock price of US\$24.80. The new authorization of US\$25 billion in shares includes that US\$7.8 billion. The company revealed it is set to spend about US\$5.9 billion on capital projects and US\$5.2 billion in research and development. At the end of the third quarter, Intel reported having US\$11.9 billion in cash and short-term investments.

Hardware

- **Cisco Systems posted lower fiscal first-quarter earnings but higher sales after the network equipment maker was required to take into account the expense of employee stock options for the first time.** Cisco found its growth in most areas of the world and across its product lines, particularly in advanced technologies such as storage, wireless and security, with the firm looking to its revenue as growing up to 9 percent over last year's US\$6.1 billion. For the three months to October 29, Cisco earned US\$1.2 billion, compared with US\$1.4 billion in the first quarter of this year. Sales grew 10 percent to US\$6.5 billion from US\$5.9 billion. Cisco said if the stock-option expensing rule had been in effect last year, the company said it would have posted earnings of US\$1.1 billion in that period. Excluding one-time items, Cisco earned US\$1.6 billion, compared with US\$1.5 billion for the first quarter of fiscal this year. Cisco also plans to announce more additional advanced technologies before the end of calendar this year. In the latest results, its profit was dragged down by a US\$228 million charge for employee stock options - just as Cisco and other hi-tech companies predicted would happen when the Financial Accounting Standards Board proposed and adopted the rule.

Europe

Telecommunications

- **Swisscom, with sales last year standing at 10 billion francs (US\$1.7 billion), disclosed that it is negotiating for the acquisition of Ireland's Eircom Group, which has a market value of about 2.4 billion euros (US\$2.8 billion).** This is considered Swisscom's third attempt to buy into a telephone business outside Switzerland. The purchase of Eircom would add two million fixed-line customers in Ireland and give Swisscom access to the country's mobile-phone market. A takeover of Eircom would mark the fourth time that Ireland's largest phone company has changed hands since 1999, when it first sold shares to the public. Eircom, which controls 79 percent of Ireland's fixed-line telephone market, returned to the stock market in March last year. Industry observers note that international acquisitions have returned to Europe's phone industry after operators overcame the debt burdens they amassed on acquisitions and on buying wireless licenses at the start of the decade. Eircom agreed this year to buy Irish mobile operator Meteor, an acquisition that gives it access to a market where consumers spend about 50 percent more on mobile calls than in Britain, Germany and Italy. Eircom plans to double Meteor's share of the Irish mobile market to 20 percent within four years. Meteor had 410,000 subscribers as of June this year, compared with O2's 1.5 million and Vodafone Group's 1.9 million.

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Other Economic Data						
Currency Exchange Rates						
Currency	Units	Current Rate (on 11/11/05)	% Change 1 Week Ago	% Change 1/1/2005	% Change 1/1/ 2004	% Change Last 12 Mth.
Japanese yen	¥/US\$	118.0200	-0.3%	15.0%	10.1%	10.7%
Hong Kong dollar	HK\$/ US\$	7.7557	0.0%	-0.2%	-0.1%	-0.3%
Chinese renmenbi	RMB/ US\$	8.0856	0.0%	-2.3%	-2.3%	-2.3%
Singapore dollar	S\$/ US\$	1.7015	0.0%	4.3%	0.1%	2.7%
South Korean won	KRW/ US\$	1,041.3000	-0.6%	0.6%	-12.6%	-6.3%
New Taiwan dollar	NT\$/ US\$	33.4700	-0.5%	5.5%	-1.4%	1.1%
Australian dollar	US\$/A\$	0.7329	0.0%	-6.1%	-2.5%	-4.2%
New Zealand dollar	US\$/NZ\$	0.6869	0.6%	-4.4%	4.8%	-0.2%
Philippine peso	PHP/ US\$	54.4000	-1.3%	-3.3%	-2.1%	-3.4%
Euro	US\$/€	1.1734	-0.7%	-13.4%	-6.8%	-9.1%
British pound	US\$/£	1.7424	-0.4%	-9.2%	-2.4%	-5.4%

Fixed Income Prices and Yields							
Note	Currency	Current (on 11/11/05)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	109.2500	4.74%	107.4688	4.86%	109.8750	4.70%
Japan 30-year	¥	97.9210	2.33%	98.8050	2.27%	96.2960	2.44%
Hong Kong 10-year	HK\$	111.4240	4.42%	111.1810	4.50%	112.7060	4.15%
China (10/27)	US\$	117.6600	6.04%	116.6600	6.11%	118.6300	5.97%
Singapore 10-year	S\$	94.0050	3.14%	93.8260	3.17%	95.2400	2.95%
South Korea 10-year	US\$	109.8760	4.51%	109.5950	4.66%	110.6430	4.32%
Australia 15-year	A\$	106.4930	5.43%	105.7690	5.55%	106.5290	5.44%
New Zealand (07/09)	NZ\$	102.5000	6.22%	102.5240	6.22%	103.4400	5.96%
Philippines 20-year	PHP	142.6850	12.42%	142.3200	12.46%	141.4760	12.55%
India 20-year	INR	129.0300	7.39%	129.3200	7.37%	129.3000	7.00%
UK 30-year	£	99.3284	4.29%	99.2146	4.30%	99.9498	3.38%
Germany 30-year	€	126.8400	3.84%	126.3090	3.85%	128.7670	3.72%

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