

IRG WMR



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

Week of 10 March - 16 March, 2008

For more information on IRG, please email communications@irg.biz or visit www.irg.biz.

Hong Kong (HQ)

No.1-2A, 17/F, The Centrium,
60 Wyndham Street, Central,
Hong Kong

Tel: (852) 2237 6000
Fax: (852) 2237 6100

Singapore

5 Rhu Cross, #04-16
Olivia Block, Singapore

437434 Singapore
Tel: (65) 6325 1191
Fax: (65) 6348 9583

Japan

JT Building 15Fl, 2-2-1
Toranomon, Minato-ku,

Tokyo, Japan 105-0001
Tel: (813) 5114 8395
Fax: (813) 5114 8396

Korea

37/F, Asem Tower, Samsung-
dong, 158-1, Kangnam-gu,
Seoul, Korea

Tel: (822) 6001 3840 ext. 3841
Fax: (822) 6001 3711

Philippines

2/F, State Condominium Bldg.,
186 Saclcedo St. Legazpi Village,
Makati, Philippines

Tel: (632) 728 5307
Fax: (632) 728 5307

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Week of 24 February- 1 March 2008

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Equity Market Indicators					
Index	Closing Level (3/14/2008)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2008	% Change 1/1/2007
S&P 500	1,288.14	-0.4%	-3.2%	-12.3%	-9.2%
Dow Jones Industrial Avg.	11,951.09	0.5%	-2.6%	-9.9%	-4.1%
Dow Jones Tech. Index	386.72	-0.9%	-2.9%	-15.8%	-6.3%
Dow Jones Telecom. Index	265.39	-1.2%	-4.2%	-15.3%	2.0%
NASDAQ Composite	2,212.49	0.0%	-2.6%	-16.6%	-8.4%
The Street.com Net	242.20	0.0%	-2.2%	-14.0%	-2.1%
Japan Nikkei 225	12,241.60	-4.2%	-10.0%	-20.0%	-28.9%
JASDAQ	61.44	-3.0%	-5.5%	-14.9%	-28.7%
Japan Mothers	581.75	-8.3%	-16.3%	-25.7%	-47.6%
Korea KOSPI Composite	1,600.26	-3.8%	-6.5%	-15.6%	11.6%
Korea Kosdaq	617.71	-4.0%	-5.8%	-12.3%	1.9%
Taiwan Stock Exchange	8,161.39	-4.3%	-3.0%	-4.1%	4.3%
Singapore Straight Times	2,839.01	-1.0%	-6.2%	-18.1%	-4.9%
Hong Kong Hang Seng	22,237.11	-1.2%	-8.6%	-20.0%	11.4%
Hong Kong GEM	936.25	-4.6%	-11.7%	-30.6%	-23.6%
China Shanghai (A-Share)	4,157.52	-7.9%	-8.9%	-24.7%	47.7%
China Shenzhen (A-Share)	1,302.12	-9.7%	-9.9%	-14.4%	128.6%
China Shanghai (B-Share)	288.33	-6.8%	-7.2%	-21.2%	121.6%
China Shenzhen (B-Share)	572.61	-9.5%	-9.8%	-19.3%	32.1%

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Technology, Media, Telecommunications and Life Sciences Market Activity						
NASDAQ/NYSE TMT and Life Sciences IPO Filings						
Filing Date	Issuer	Industry Sector	Size (US\$MM)	Description	Book-Runner	Co-Manager
N/A						

NASDAQ/NYSE Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 2/15/08	% Change From Offer
N/A						

Asian Equity Markets: TMT and Life Sciences IPO Filings						
Filing Date	Issuer	Industry Sector	Size (US\$MM)	Description	Book-Runner	Co-Manager
N/A						

Asian Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 2/15/08	% Change From Offer
N/A						

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
N/A						

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Weekly Highlights

International

Hardware

- **Taiwan-based Acer Inc. effectively beat Dell as the world's No. 2 brand of this kind with a 16 percent share of the global market in the fourth quarter of last year, according to the statistics compiled by DisplaySearch.** DisplaySearch indicated that Acer used to trail Dell by a great margin in market shares in the past. But after purchasing Gateway and a European PC brand Packard Bell, the margin continued narrowing with Acer finally outpacing Dell by a margin of 600,000 notebook PCs in the fourth-quarter shipment last year. At the moment, notebook PCs have been more popular than desktop PCs in the world, with sales volume estimated at 135 million units this year. Via an acquisition of Gateway, Acer has smoothly boosted its shares of some markets, including Europe, the Middle East and Africa, by several percentage points and unseated Dell and ran closer to HP, the No. 1 brand in the line.
- **According to analysis by DisplaySearch, consumers in the Asian market bought less than 24 percent of the world's notebook PCs in the quarter, with 12.1-inch models commanding the largest portion of 37.1 percent.** Consumers in Europe, the Middle East and Africa together absorbed 42 percent of the world's notebook PC shipment, with 15.4-inch models accounting for more than 50 percent of the total.

Semiconductor

- **ABI market research predicts that revenue for memory cards for cell phones is expected to be the highest revenue generating mobile phone accessory category for the next five years.** Micro Technology, Nokia, Samsung, Sony Ericsson, Spansion, STMicroelectronics and Texas Instruments are expected to assist manufacturers of wireless semiconductor components in understanding and entering new markets. Memory cards for handsets are bought by users separately from the handset purchased, whereas an increasing number of handsets are now being supplied in-box with other devices such as bluetooth headsets.

Japan

Hardware

- **Brother Group, a developer and manufacturer of printing, communication and digital imaging products for homes, announced that it has achieved a 60 percent drop in carbon emissions in 2007 compared to its CO2 levels in 1990.** The Group has also shaved off its total energy consumption of electricity and fuel use by an equivalent of 31 tons of CO2 emissions in 2007. The tremendous results of the company's environment-focused initiatives are in line with the launch of a trade-specific voluntary action plan in its global headquarters' location in Japan, which is set to decrease the industry's production of carbon wastes by 28 percent in 2010 against levels in 1991. Among the environmentally-aware representative organizations, which have spearheaded the action plan, are Japan Electronics and Information Technology Industries Association, Japan Electrical Manufacturers' Association, Japan Business Machine and Information System Industries Association and the Communications and Information Network Association of Japan.

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- **Japan is investigating a possible defect in Apple Inc.'s iPod after one gadget allegedly shot out sparks while recharging, a government official said yesterday.** The defect is suspected in the lithium-ion battery in the iPod Nano, model number MA099J/A. The problem surfaced in January in Kanagawa Prefecture southwest of Tokyo, and Apple reported the problem to the ministry in March. The ministry has instructed Apple Japan to find out the cause of what it is categorizing as a fire and report back to the government. The iPod was assembled in China, but it was still unclear who made the lithium-ion battery, the ministry official said.
- **Sony's PS3 games console was put under renewed pressure by price cuts to Microsoft's Xbox 360 console in Europe, according to industry analysts Strategy Analytics.** Microsoft has confirmed that the recommended prices of each of its Xbox 360 console models will be reduced this week. The entry level model, the Arcade, is now the cheapest of the current generation of consoles from Microsoft, Sony or Nintendo. The most expensive, the Elite, is now 40 pounds (US\$60) less expensive than Sony's PS3. Sony is worried that the PS3's recent sales surge may fizzle out now that the premium Xbox 360 undercuts the PS3. Sony will be scrutinizing the daily sales reports, but will probably try to hold out until later in the year before making its next price move.
- **Net Insight has received an order for a contribution network from a large communications company in Japan.** This is a new customer for Net Insight, a Japanese telecommunications company that provides a multitude of services for video contribution and distribution to various operators from terrestrial broadcasters to CATV. Net Insight's Nimbra platform will be deployed and used for a contribution network for video and Ethernet services. The equipment will be delivered during the first quarter 2008. The order has been won in close cooperation with its partner Itochu Cable Systems and with this new customer, the company hopes to continue with its market penetration in Asia.

Mobile/ Wireless

- **Sony Corp. will stop manufacturing cellular phones for NTT Docomo Inc. by the end of this year to focus on overseas customers amid a saturated domestic market.** The 10 or so manufacturers supplying handsets in Japan face an increasingly competitive business environment. Smaller players such as Sanyo Electric Co. and Mitsubishi Electric Co. have already announced plans to withdraw from the domestic handset market. Sony initially considered withdrawing from the Japanese handset market altogether, but has decided for now to continue developing and producing handsets for KDDI Corp. because of their partnership in the music distribution business.

Korea

Internet

- **Daum Communication, Microsoft Korea and Celrun will establish a joint company for IPTV business, named Open IPTV, within this month.** Along with the consortium among KT, Hanaro Telecom and LG, the launch of the Daum-led consortium will make an impact on the IPTV business dominated by major companies. Early this year, the three companies declared the beginning of IPTV business. However, as the enactment of the relevant laws and regulations was delayed due to the government restructuring, many predicted that the consortium would not maintain the burden.

Semiconductors

- **LG Electronics Inc. has decided not to acquire Hynix Semiconductor Inc. as the chipmaker is unlikely to produce synergy with its existing business.** LG Group has made a final decision not to take over Hynix. According to the company, LG Electronics does not need the semiconductor

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business to boost its core competence. The company will not invest further in the plasma display panel (PDP) production lines although the display business will likely turn in a profit in the first quarter. Korea Exchange Bank and other local creditors hold a combined 36.03 percent stake in Hynix. They acquired the stake under a sizable debt-for-equity swap arrangement in 2001.

Hardware

- **Royal Dutch Philips has sold another W1.03 billion (US\$1.1 billion) worth of shares in LG Display, reducing its stake in the Korean manufacturer of thin-film transistor liquid crystal displays (TFT-LCDs) to 13.2%.** This was the second placement of LG Display shares by the Dutch firm in just five months and suggests it is looking to exit the Korean company altogether. It was also the first block trade of size from Korea this year.
- **LG Display Co., Ltd. of Korea announced an intellectual property cross-licensing agreement with Eastman Kodak Company.** The license, which is royalty bearing to Kodak, enables LG Display to use Kodak technology, including yield-improving capabilities for Active Matrix OLED (AMOLED) modules, in a variety of small to medium size display applications such as mobile phones, portable media players, picture frames, and small TVs. The agreement also enables LG Display to purchase Kodak's patented OLED materials for use in manufacturing displays. Financial terms of the agreement were not disclosed.
- **Samsung Electronics announced on that the company will launch a new UI (User Interface) phone called Anycall Haptic phone.** The new phone is a premium touch screen phone based on a variety of haptic functions with innovative UIs applied. It is Anycall's strategic model for the first half of this year.
- **South Korea's LG Electronics said it plans to buy 32-inch and 52-inch liquid crystal display (LCD) panels from Japan's Sharp Corp. in order to satisfy surging demand for flat screen TVs.** The company is said to be buying about 2 million 32-inch panels from Sharp but declined to specify the number of 52-inch panels to be purchased along with the value of the deal.

China

Internet

- **Surging domestic demand is spurring ChinaCache, a content-delivery network (CDN) service provider claiming a 75 percent market share, to double its capacity by year-end.** To meet rising demand, ChinaCache has been doubling capacity every year for the last two years, reaching 500 megabytes. An industry analyst pointed out that the relatively high fees of CDN providers had hindered wider user adoption. But competition is heating up. Besides ChinaCache, a number of telecommunications carriers and data centre operators have started to offer CDN services on the mainland.
- **Movius Interactive Corp., a provider of messaging, collaboration and mobile media services, expects rising mainland sales to boost its Asia-Pacific revenue to about 30 percent of total sales within two years from the current 10 percent.** The company sees great market demand for mobile instant messaging and video messaging services in China. Sales in the Americas accounted for about 55 percent of the company's total sales last year while sales in Europe, the Middle East and Africa represented 35 percent of total sales. Revenue from traditional voice-mail and short-messaging solutions accounted for about 70 percent of the company's sales while new applications accounted for

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the rest. Movius recently launched an interactive mobile advertising service that supports multi-channel video mixing. According to researcher Frost & Sullivan, Movius held about 10 percent of the global market for voicemail and messaging services last year.

- **European internet firm Babelgum, which operates a free-to-view global Web television network, plans to start broadcasting in the mainland next year with programs tailored to domestic requirements.** According to the company, China is a very important market because of its massive internet penetration rate and it's aiming to enter this market next year. The company will consider speaking with companies on possible strategic alliances to facilitate the Babelgum China platform.
- **China's rapidly growing population of Internet users may have surpassed the U.S. last month to become the world's largest Internet user base.** According to official estimates by government research group China Internet Network Information Center(CINIC) that are released every six months, the number of Internet users grew at an average of 6.1 million users per month in 2007. According to CINIC, the country's total internet population grew 53 percent to reach 210 million last year from 137 million in 2006. Internet usage in rural areas grew particularly fast, contributing 40 percent of the 73 million new internet users last year. In its own research, BDA China Ltd., a Beijing-based technology consulting firm, estimates that China has as many as 228.5 million Internet users, compared with 217.1 million in the U.S.
- **BDA estimates that China's online advertising market reached US\$1.3 billion in revenue in 2007, while U.S. Internet ad spending was expected to reach US\$21.4 billion in the same period, according to research company eMarketer Inc.** Though the two numbers aren't directly comparable, analysts agree the disparity of ratios of user numbers to advertising dollars is vast. BDA says the Internet makes up only about 5 percent of advertising spending in China compared with 10 percent in the U.S. But if China's economy continues to grow and China's young Internet users increasingly choose the Internet over traditional forms of entertainment, China is bound to catch up. BDA adds that advertising grows with the growth of the economy and media. In the next five years, BDA estimates that the number of Internet users in China will grow at a compounded annual rate of 18.5 percent, while the U.S. will grow at only 2.2 percent. By 2012, that would give China 590 million Internet users.

Mobile/Wireless

- **In 2007, China mobile phone output reached approximately 594.4 million units, among which, 548 million units were legal products from official mobile phone producers and 46.4 million units were illegal products from official mobile phone producers.** Sales volume reached 180.7 million units, amounting to 16 percent of the world total. In the same year, the global mobile phone output reached 1.1 billion units, of which 52 percent was from China, exceeding 50 percent for the first time.
- **H3C Technologies Co., Ltd. announced that it will introduce in China the first enterprise-level 802.11n wireless products and integrated mobile Internet solutions, such as wireless access points and controllers.** H3C Technologies aims to assist customers establish a more stable, safe and flexible wireless network and further promote the application and popularization of China's enterprise-level wireless network.
- **Nokia Oyj, the world's biggest maker of mobile phones, will sell handsets valued at about US\$2 billion to China Postel Mobile Communications Equipment this year, 20 percent less than in 2007.** The order is part of a partnership with China Postel, Espoo, Finland-based Nokia said

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in a release on its Web site. China Postel, a subsidiary of China P&T Appliances, is the country's biggest distributor of mobile phones. Last year, it agreed to buy US\$2.5 billion worth of Nokia devices.

Telecommunications

- **China Telecom bought the network assets of the Beelink Information Technology Co., Ltd. via its local branch in Jinan.** The acquisition will help change the competition status on Jinan's broadband market. Beelink used to charge the local branch of China Netcom on claimed unfair competition on January 29 this year. China's fixed telecom service operators still have room to lower their fixed phone charges, said Zhang Chunjiang, general manager of China Network Communications Corporation (CNC). Zhang said it is possible for the charges to go down along with technological advancement but the price-cut launched by mobile phone operators casts heavy pressure on fixed phone operators, by attracting fixed telephone users to adopt mobile telecom services. Under the pressure, the fixed telecom service operators, namely China Telecom and China Netcom will have to opt for full-play operation or 3-network convergence.
- **ZTE Corp. announced that it had inked a contract to arrange a buyer's credit program for MobilKom a.s.** This is the first telecom financing program Czech has made in China. It is also the first time for ZTE to deploy a CDMA2000 1xEV-DO Rev.A network in Europe adding which would play a significant role in ZTE's expansion in the European market. China Development Bank will be responsible for financing a total of 19 million euros (US\$9.5 million) for MobilKom a.s., in line with a contract it signed with the Czech mobile phone operator at the end of 2007.

Media, Entertainment and Gaming

- **Indian media company UTV Software Communications is eyeing fresh opportunities in the mainland's gaming and entertainment sectors, months after acquiring Tom Online's former mobile and online games unit.** In December, UTV completed its earlier announced acquisition of the 59 percent controlling stake in Indiagames for an undisclosed sum from Beijing-based Tom Online, the wireless internet unit of Tom Group. UTV had earlier acquired a controlling stake in British gaming company Ignition. The company declined to provide any specific initiatives, but said it wanted to follow the path other Indian IT services firms, such as Tata Consultancy Services and Infosys Technologies, had taken on the mainland.
- **The online gaming sector's strong momentum in China is continuing with most industry leaders posting better than expected profits in the final months of last year.** Of the top five online gaming companies, Netease, Shanda, The9 and Perfect World beat analysts' revenue and profit forecasts for the fourth quarter. The9 reported the best results, after launching Burning Crusade, the highly anticipated upgrade to its hit game World of Warcraft in September. The9 benefited from a complete quarter of the Burning Crusade, said a Citigroup analyst. Sales growth of 34 percent quarter on quarter and 50 percent year on year again made The9 the mainland's third-largest online gaming company. Revenue was US\$61.3 million in the fourth quarter, beating Giant Interactive's US\$59.6 million. The9's profit soared 125 percent to US\$11.8 million from last quarter, though still 18 percent lower than a year earlier. Citigroup added that The9 may struggle to keep up the pace since the launch of Burning Crusade had been delayed since last summer, and that anticipation drove up sales substantially in the fourth quarter.
- **CDC Games announced that it has licensed "Digimon RPG" and "Digimon RPG2," the massively multiplayer online role playing games (MMORPG) based on a Japanese television animated series, for distribution in North America and China from SK Telecom.** Digimon RPG

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and Digimon RPG2 are developed by Digitalic and are also jointly planned by Digitalic and Bandai Korea Co., Ltd. CDC Games intends to launch Digimon RPG in North America later this year. Digimon RPG2 is currently under development and is expected to be launched first to the Korea market later this year. Digimon RPG and Digimon RPG2 are the latest in several new games licensed in North America and China by CDC Games International (CGI). CGI already has launched games outside of China, including Minna de Battle in Japan and Lunia in North America.

- **China Digital TV Holding Co., Ltd., a provider of conditional access (CA) systems to China's rapidly growing digital television market, announced a collaboration with Intel Corp. for the mutual development of advanced digital television products.** Under the terms of the agreement, China Digital TV and Intel Corporation will cooperate to enable China Digital TV's CA solution to use the Intel CE 2110 Media Processor. The relationship is said to fit with the company's strategy of expanding into value-added services that will require more advanced processing capabilities as it prepares for increased digital television penetration in China. China Digital TV will modify its CA software to run optimally on the Intel CE 2110 Media Processor, a complete system-on-a-chip that features an advanced processing unit supporting MPEG-2 and H.264 hardware video decoders, DDR2 memory interface and 2D/3D graphics accelerators. The cooperation will allow China Digital TV to package its CA software with the Intel CE 2110 Media Processor to sell to China's set top box manufacturers. The integrated solution will enhance the system's ability to encrypt and decrypt signals for digital television systems.
- **China Media Group Corp. (CMG) announced that it is in advanced discussions with the board and major shareholders of Guangzhou Waho Culture & Media Co. Ltd. (GWCM) to acquire the majority interest in GWCM.** GWCM is engaged in online advertising, managing information portal websites, print media and valued added services. GWCM holds the operational rights to the print and online edition to Guangdong Tietong Yellow Pages. Guangdong Tietong is the provincial arm for China Tietong Telecommunications, one of the 6 licensed telecom carriers in China. CMG currently owns approximately 18 percent of GWCM and wants to increase this stake to become the controlling equity owner. In China, the online advertising revenue is expected to grow from US\$621 million in 2006 to US\$2.2 billion in 2010, an annualized growth rate of 37 percent.
- **Giant Interactive Group Inc. announced its plans for Giant Online to begin open beta testing on March 28, 2008.** Giant Online is the company's second self-developed game. It is a free- to-play 2.5D massively multiplayer online role playing game ("MMORPG") featuring a modern military theme. Players may choose their characters in one of fourteen different roles, such as engineers or spies. Giant Online will provide players with a wide selection of modern weapons and equipment, such as guns and airplanes, and allow players' characters to engage in friendship and even romance. To further enhance the level of interactivity, Giant Online will utilize the Company's server technology that allows for single-shard play by 1 million concurrent users. Giant Online is said to be doing well during the closed beta testing process with positive feedback from its beta testers.

Software

- **Microsoft China plans to set up an IT training center in Wuxi to turn out skilled professionals to work in the city's emerging IT industry.** Microsoft (China) Co. Ltd. and the Wuxi government signed a deal to establish the training program. Wuxi New District will provide infrastructure for the training center, while Microsoft will bring the technical platform and program. The center is expected to offer professional IT training to 10,000 students a year. Wuxi plans to have 100 companies providing

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international outsourcing services and exporting software by 2010. Each company will employ at least 2,000 staff and will have an export volume of US\$30 million.

- **Kingdee International Software Group has incorporated Kingdee Software (Sichuan) Co., Ltd., with registered capital of 10 million yuan (US\$1.4 million), which will be the company's third independent legal-person company following the first two ones in Beijing and Shanghai.** The company plans to establish a software park in Chengdu, capital of China's Sichuan province, aiming to strengthen local research & development. Moreover, it is building Chengdu into its western management center in the following three years from 2008 to 2010. The company will combine its business in the southwestern and northwestern areas this year, with Chengdu as a tactics-making center and a resources support center to manage business in ten provinces and one city.

Hardware

- **The PC shipment of Personal System Group (PSG) under China Hewlett-Packard Company (CHP) jumped 84.5 percent from the fourth quarter of the previous year.** In the 2007 full year, the company's shipment of commercial PCs surged 84.4 percent, and shipment of consumer PCs grew 153.4 percent. In detail, shipment of commercial desktops gained 29 percent, commercial notebooks 80 percent, consumer desktops 98 percent, and consumer notebooks 273 percent. China's third- to sixth-tier cities contributed 40 percent of PSG's current total operating revenue. The company said it will focus on the youngster and small- and medium-sized company markets in 2008.
- **IBM Corp. has opened its first supply-chain research facility to meet the growing demands of companies that are struggling to manage their globally expanding trading networks.** The facility is located in Beijing because of China's role in the global supply chain. The company believes that China is a key link from being a major procurement center for sourcing activities to a manufacturing center to now even an R&D center. IBM's supply-chain practice includes 7,500 consultants world-wide. Global services, including the supply-chain practice, are a big growth driver for the company and registered a 17 percent revenue increase in the fourth quarter of 2007 from a year earlier, compared with a 9.9 percent companywide revenue increase to US\$28.9 billion.

Semiconductor

- **Renesas Technology (China) Co., Ltd. disclosed that the company generated more than US\$500 million in sales income in 2007 on the markets of China and Hong Kong.** In 2008, the company will expand the semiconductor chip monthly production capacity at its Chinese plant from 60 million units to 100 million units. In the next five years, China will become Renesas Technology's largest semiconductor chip manufacturing base, with the monthly semiconductor chip output up to 200 million units.

Taiwan

Mobile/ Wireless

- **ACT360 Solutions Ltd. (ACT360) launched Mobile TOEIC exclusively on Taiwan Mobile Network.** Mobile TOEIC is the first service of its kind available in Taiwan, and ACT360's vision is to become the top market share leader for mobile education in Asia. TestDEN Mobile TOEIC is the world's most complete training application for business English based on the TOEIC standard.

Telecommunications

- **Far EasTone Telecommunications Co. Ltd. said it posted consolidated pretax profit of NT\$1.1 billion (US\$35.0 million) in February, up from NT\$913 million (US\$29.5 million)**

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achieved in January. Consolidated sales fell to NT\$5.1 billion (US\$165 million) last month from NT\$5.4 billion (US\$174 million) in January, it said. For the first two months of the year, pretax profit amounted to NT\$2.0 billion (US\$65 million) on consolidated sales of NT\$10.6 billion (US\$343 million).

Hardware

- **Darfon Corp., a manufacturer of telecommunication components and precision devices under local Qisda Group released its record-setting 2007 operation results.** Darfon announced its 2007 consolidated revenue of NT\$24.65 billion (US\$770.2 million), up 55 percent from previous year and net earnings of NT\$1.72 billion (US\$53.7 million). All are record highs in the company's history. The company claimed that it expects to maintain a 50 percent-plus growth in 2008 as it has achieved in the past three years. Darfon has won a big-ticket order for illuminated notebook PC keyboards from a major American brand and is scheduled to begin shipment in May. Last year, the Taiwan company delivered 33 million notebook PC keyboards and the volume is expected to further climb this year, helping Darfon win a global share of 40 percent.
- **Acer has come up with its own small version of a notebook computer, the Acer Aspire AS2920Z2A0508Mi and AS29205A1G16Mi.** This marks the first time that Acer released consumer-focused notebook computers in the 12-inch screen, 2-kilogram category, promising to give consumers more mobility and convenience.

Semiconductor

- **ProMOS Technologies Inc. said its parent-level sales fell to NT\$2.5 billion (US\$81.4 million) in February from NT\$5.2 billion (US\$169.4 million) achieved in the same month last year.** The February sales represent a 9.91 percent decline from January attributed to lower spot prices for dynamic random access memory chips and fewer working days during the month due to the Lunar New Year. For the two months to February, parent sales stood at NT\$5.3 billion (US\$172.6 million) against NT\$12.3 billion (US\$400.7 million) a year earlier.
- **ProMOS Technologies Inc. is in talks with South Korea's Hynix Semiconductor Inc. about acquiring the Korean firm's 54-nanometer (nm) process technology.** The two chipmakers could sign a technology transfer agreement as soon as the Korean government gives its approval. ProMOS's existing 90-nm and 70-nm technologies were transferred from the Korean firm.
- **Taiwanese ODM (Original Design Manufacturing)/ EMS (Electronics Manufacturing Services) provider Qisda revealed that the company has landed ODM orders for high-end mobile phone from a first-tier vendor.** The unnamed vendor is believed to be Motorola, though no specific source of information was given. Qisda also revealed that shipment is scheduled to start in the fourth quarter of 2008.

Hong Kong

Internet

- **Globe7 HK Limited, a diversified Web 2.0 development company, and Tencent Holdings Limited have announced a strategic partnership for building and marketing a student-oriented social networking platform for China.** Called Longhaier, the site will offer online forum, campus information and games, and other interactive Web applications, and also will provide extensive information on study abroad, job placement and scholarship opportunities, the companies

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said. Tencent has successfully created a large Internet community with QQ.com, which has wide popularity, particularly among young Internet users.

Telecommunications

- **PCCW Ltd.'s bottom line grew 20 percent in 2007, driven by lower costs and improved results at the company's mobile and broadband-television operations.** Net profit for the year rose to HK\$1.5 billion (US\$192.6 million) from 2006's HK\$1.25 billion (US\$160.6 million). Sales costs fell 19 percent to HK\$10.54 billion, and finance expenses dropped 17 percent to HK\$1.66 billion (US\$213 million). The net profit was slightly above the HK\$1.48 billion (US\$190.2 million) average of forecasts from 11 analysts polled by Thomson Financial. PCCW's mobile business broke even, on an EBITDA basis, in 2007, a year earlier than targeted based on its 2006 loss of HK\$186 million (US\$23.9 million).

Hardware

- **Lenovo Group would put more efforts on PC related business, such as printer, to pursue high growth and profit, medias quoted Lenovo chairman Yang Yuanqing.** Yang added that the company had just launched a new PC brand to strive for individual PC market and would market its product more with innovation and high quality instead of current low price and quality. Yang said the company did not financially benefit too much from the selling of mobile phone sector.
- **Macquarie retained its "outperform" rating and HK\$14.9 target on Foxconn International, but it cut its 2008 earnings forecasts by 20 percent to reflect the macroeconomic slowdown and lower sales contributions from Motorola.** The research house said the Motorola's market share loss, labour costs and snowstorms in China, and power constraints are already in the price. Macquarie said an electronic manufacturing services (EMS) company such as Foxconn that is less involved with the core design of handsets should find it easier to land orders from several top-tier vendors.
- **Delta Networks Inc said its net profit grew 23.1percent to US\$31.4 million for the year ended 31 December 2007.** The turnover is US\$418.6 million, increased by 17.1percent; with a gross profit increased by 26.9percent to US\$72.7 million. The final dividend will be US1.03 cents per share.

Software

- **CDC Software agreed to buy a controlling stake in a Hong Kong-based vendor of ERP systems, as part of its strategic expansion in China.** CDC Software will have a 51-percent stake in Integrated Solutions Limited (ISL) upon the completion of the transaction by the end of March. The company declined to reveal the cost of the transaction, citing CDC Software's ongoing preparation for a public listing in the U.S.

Singapore/Malaysia/Philippines/Indonesia/India

Mobile/ Wireless

- **EKG, a tech-based company that specializes in mobile content and digital applications, together with NMS Communications Platforms, recently launched a service called Video Avatar.** Video Avatar is the first service in the Philippines that allows users to send and receive video messages featuring either live video or a chosen avatar. The service allows mobile phone users to receive a message delivered by a personalized animated avatar lip-synched with the sender's voice. EKG is a leading content and applications provider in the Philippines, one of the largest and most advanced mobile value added services ("MVAS") markets in the world. The Company specializes in

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the development, aggregation, marketing and distribution of mobile content and applications across a broad range of technologies including SMS, MMS, WAP, JAVA, IVRS and 3G. EGG also distributes MVAS internationally in Japan, Singapore, Hong Kong, Malaysia, Dubai, Qatar and the U.S. through its affiliate company EGGstreme. In addition, EGG has successfully diversified its services to provide offshore technical and creative outsourcing services. EGG is a pioneer in “mobilizing” internet portals, having conceived and built mobile platforms for several global internet brands. EGG has helped global internet companies monetize their existing communities beyond traditional web advertising by creating transaction-based content services in a mobile environment.

Telecommunications

- **Sun Cellular launched a more affordable prepaid product with its 10 pesos (US\$0.24) Call and Text Combo.** The service gives the user 10 minutes of Sun-to-Sun calls, 40 Sun-to-Sun texts and 10 inter-network texts at an unbelievably low rate of only 10 pesos (US\$0.24).
- **Smart Communications is aiming to improve its mobile services in the country with the rollout of the popular i-mode service in the country this month.** Smart and Japanese leading wireless carrier NTT DoCoMo has an existing mobile services agreement through their respective mother companies. Smart said i-mode will be available initially to its Smart Gold subscribers. Smart Gold subscribers will have access to i-mail, allowing them to send email via their handset for 1 peso per message under the i-mode service, the wireless carrier said. i-mode is a very popular mobile email and Internet service first launched in Japan by mobile communications leader NTT DoCoMo in 1999. According to Smart, the service is currently used by more than 47.8 million subscribers in Japan, and is also widely used to mobile subscribers in 15 other countries in Asia and Europe.
- **Sri Lanka's Supreme Court allowed Japan's Nippon Telegraph and Telephone Corp. to sell its stake in Sri Lanka Telecom after a lengthy legal battle.** The court order was that the NTT has the freedom to sell whatever the shares, in the open market, to anyone they want to. On June, 14, 2007, the Supreme Court blocked NTT from selling a 25.3 percent Sri Lankan Telecom stake to a foreign company.
- **A landmark court challenge by Vodafone against Indian tax authorities, which want it to pay an estimated US\$2 billion in taxes on its acquisition of Hutchison Essar, has been adjourned for three months.** The Bombay High Court delayed the hearing until June 23. It is a case that has potential implications for mergers and acquisitions of Indian assets by foreign companies. The court said it wanted to allow time for changes to tax laws to come into force. The changes were introduced in the last budget and will come into force in the next few months. Vodafone continues to believe and has been advised that there is no tax payable on the transaction. Vodafone contests the claim that it should have withheld, on behalf of the government, capital gains tax on its acquisition last year of a controlling stake in Hutchison Essar from Hong Kong conglomerate Hutchison.

Media, Entertainment and Gaming

- **ABS-CBN collaborated with IBM Philippines as it embarks on a platform that will digitize all of its content, resulting to an enhanced media content creation and management that is bound to benefit Filipino media consumers worldwide.** The Media Asset Management System (MAMS) is tasked to aid ABS-CBN in its multimedia lifecycle management and workflow productivity enhancements. IBM will provide powerful hardware infrastructure support, including storage capacity that is expected to grow at about 36 percent over the coming years in support of this MAMS project.

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- **Amped, the online gaming arm of broadcast company ABS-CBN, has announced the commercial rollout of Cronous, its latest online game offering for local players.** The company has unveiled the final version of Cronous, which is classified as a massive multiplayer online role playing game (MMORPG). What makes Cronous unique from the other MMORPGs in the online gaming scene is that it does not require much from computer specifications. Cronous can run smoothly in a Celeron 500 processor, 256 MB Ram and 16 MB 3D graphics card.

Internet

- **eBay revamps its Philippines site, introducing a new look and a host of enhanced features and tools to promote a better eBay experience for its Pinoy users.** According to a June 2006 survey conducted by ACNielsen International Research, there are over 3,000 Filipino sellers who use eBay as their primary or secondary source of income and an additional 6,671 Filipinos who sell on eBay to supplement their incomes. Categories that are popular among Filipinos include cellphones, clothing and accessories and automotive parts. New Seller tools are also available to assist sellers in tracking and managing their businesses on eBay.

United States/Canada

Mobile/Wireless

- **MediaG3, Inc., a developer for broadband wireless product and interactive rich-media content delivery applications, announced that it has begun trading as a public company on the Bulletin Board with the ticker symbol MDGC.OB.** Through technology acquisition and development, MediaG3 is offering the product and services to make broadband bi-directional wireless communications possible in vast areas where the lack of fixed or wireless infrastructures has hereto made it prohibitive to do so. With a focus in the Greater China market, MediaG3's technologies are protected by five US patents, one Chinese patent and one European patent. MediaG3 has also obtained three very critical network certifications for operations in China.
- **Virgin Mobile USA Inc.'s pay-as-you-go mobile-phone service cuts its 2008 earnings forecast by as much as 40 percent.** Customer growth is slowing as Virgin Mobile faces mounting competition from pay-as-you-go and contract plans offered by AT&T Inc. and Verizon Wireless, the two largest mobile carriers in the U.S. Virgin Mobile predicted subscriber gains of as little as 5,000 in the first quarter, missing a 130,000 estimate by an analyst with Stanford Group Co. EBITDA will be as low as US\$105 million this year, down from a November prediction of as much as US\$175 million. Analysts in a Bloomberg survey estimated US\$142.5 million on average. Analysts at Merrill Lynch & Co. and Bear Stearns & Co. cut their ratings on the stock after the report, to "sell" and "underperform."
- **Sprint Nextel Corp. is upgrading one of its cellular-phone models so it can connect to a faster data network, doubling its download speeds and boosting upload speeds by about eight times.** Sprint said it was releasing a software update for the Mogul phone, made by HTC Corp. of Taiwan, that will enable it to connect at Rev. A speeds. Sprint and Verizon Wireless operate Evolution-Data Optimized Revision A networks, but have used them only for laptop cards. Their fastest phones have used the older, slower EV-DO Rev. 0 network. The software update will be available from HTC's site.
- **Mallinson, the chief executive of ip.access, a company that makes devices called femto cells, which improve the quality of high-speed 3G mobile reception inside buildings, says a**

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revolution in wireless data is taking place. According to Mallinson, there is a huge amount of mobile data usage now, and a lot of that is happening in the home. Cisco, Motorola and Intel seem to agree as each has bought a stake in ip.access, whose devices promise to extend the mobile Internet into every household. In the past six months, the largest European mobile operators, Vodafone, T-Mobile, Orange and O2, have reported surges in mobile data traffic on their networks, fueled by data-hungry devices like the iPhone from Apple, and by multimedia downloads over their Web portals. The increased demand has been so sudden that operators like Vodafone, Swisscom and Telecom Italia have had to spend millions upgrading the microwave and fiber links from cell base stations to their core networks to unclog data bottlenecks. Some operators, including Vodafone and Orange, a unit of France Télécom, have made deals to share their 3G networks to lower construction costs.

Media, Entertainment and Gaming

- **Liberty Media Corp., the company controlled by billionaire John Malone, and IAC/InterActiveCorp are in talks to settle their dispute over a planned spinoff.** There are settlement discussions that involve a swap of assets but financial details were not disclosed. Malone, whose company owns a 30 percent stake in IAC, is challenging a plan by IAC Chairman Barry Diller to split up the company and halve Liberty's voting power. The dispute centers on an agreement that allows Diller to vote Liberty's stake, giving him control of about 62 percent of IAC's voting rights.
- **Nintendo will not release the Holocaust-themed game called Imagination Is the Only Escape within the U.S. amid protests from certain parties.** The game casts players in the role of a young boy in eastern France during the German occupation who seeks escape from real-life horror through a fantasy world. Darkly illustrated and full of gruesome historical facts, it is a far cry from the normal fare written for the Nintendo DS, which tends toward games featuring cute ponies and the like. The game is being produced by Alten8, a small, private British game company that is licensed to develop games for Nintendo U.K. The company is in the process of putting out another title by Bernard for Nintendo called Eternity's Child that deals with a fantasy world destroyed by global warming.
- **Nielsen will offer a new service that uses cable set-top boxes to shed light on people's TV-viewing habits.** Nielsen has long dominated the U.S. television business with its panel-based ratings. But for the past two years, competitors such as TiVo, TNS and others have begun to chip away at that dominance by packaging second-by-second viewing of TV programs and ads from set-top-box data, something Nielsen has lacked. Nielsen's new service, expected to be announced as early as today, is aimed at addressing that gap. Under the deal with Charter Communications, Nielsen receives information from 320,000 households in Los Angeles and then develops second-by-second data that it can sell to clients like media agencies and advertisers.
- **DirecTV Group Inc. intends to change its inability to offer any sort of video-on-demand service.** It is now testing its own version of an on-demand movies and television service that it plans to launch in the second quarter. If successful, the offering could give DirecTV a weapon to lure customers who want on-demand offerings previously available only on cable or newer phone-company TV services. DirecTV On Demand uses a combination of digital-video-recorder technology and broadband connections to overcome satellite's technological limitations. Unlike cable and phone companies, satellite TV doesn't use a terrestrial network, relying instead on a mostly one-way broadcast technology. DirecTV's satellites will automatically transmit a limited number of popular movie titles to customers' digital video recorders, where they will be stored for viewers to order whenever they want. Viewers will be able to order other titles, including TV programs, by streaming

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them from the Web through a high-speed Internet connection on the DirecTV set-top box. DirecTV says that about half of its customers currently have high-speed Internet connections.

- **CBS Corp. is pursuing acquisitions to spur growth and considers the Weather Channel a good fit for the company.** Weather Channel representatives have approached CBS at a time when CBS is focused on buying companies involved in content, broadcasting and new media. The company gets 75 percent of its revenue from television and radio, which contracted last year. CBS is also expanding the outdoor advertising division with digital signs and created a unit to make feature films.
- **Gray Television Inc., which operates television stations in 30 markets, said fourth-quarter profit fell 83 percent from a year earlier as sales declined.** Net income declined to US\$1.5 million from US\$8.6 million a year earlier. Sales fell 17 percent to US\$84.3 million, beating the average US\$83.3 million estimate among three analysts surveyed by Bloomberg. Gray Television blamed the drop on a decline in political advertising, which fell 90 percent to US\$2.6 million in the quarter, compared with US\$25.6 million during the 2006 elections. Local ad sales increased 6 percent to US\$54.2 million, while national ad revenue added 4 percent to US\$21.2 million. Sales from online ads rose 36 percent to US\$2.7 million.

Telecommunications

- **General Patent Corporation International (GPCI) announced on behalf of its client, Digital Technology Licensing LLC (DTL), that it has settled its patent infringement lawsuits against Cingular Wireless and AT&T Mobility.** GPCI is a patent licensing and enforcement firm. The lawsuit against Cingular Wireless was filed in April 2006 for the infringement of DTL's U.S. Patent by GSM cellular telephone systems and services. A second lawsuit was filed against AT&T Mobility (formerly known as Cingular Wireless) in November of 2007 for the infringement of the '799 Patent by UMTS cellular services. Both lawsuits have been settled, and AT&T Mobility has licensed the '799 Patent. The settlement with AT&T Mobility and Cingular follows licensing deals with Nokia, Ericson and Samsung.
- **Level 3 Communications Inc., said its co-founder Kevin O'Hara is stepping down immediately as president and chief operating officer.** The company, which sells wholesale broadband and dial-up Internet services, said Sunit Patel will stay as chief financial officer, effectively ending Level 3's previously announced hunt for a new finance chief. Neil Hobbs, currently executive vice president of sales and network services, was named to the new position of executive vice president of operations. Level 3 had been having difficulty filling orders for network services it had sold. The company in October cited its inability to properly integrate recently acquired companies as the major reason. Last month, Level 3 posted a fourth-quarter net loss of six cents a share and said it had cleared the bulk of its backlog of signed sales orders.
- **Motorola Inc. said its strategic venture unit had made an investment in Quantum SPA, a developer of portable media players.** Financial terms weren't disclosed.

Internet

- **Amazon is to become the first online retailer to tap into the potential merchandising opportunities presented by Facebook.** Amazon has launched applications aimed at pulling millions of Facebook users into its merchandising efforts, in a further extension of a move by retailers towards online "social shopping". The two new applications, Amazon Giver and Amazon Grapevine, tie Amazon's own system of shopping "wish lists" and product reviews into Facebook's social networking pages. A Facebook user who adds the "Giver" application to his or her online profile can

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then view other users' Amazon wish lists, and link through them to make a purchase at Amazon's site. The system also allows users to view product recommendations generated by Amazon that are based upon what the other person has listed as their likes and interests on their own Facebook profile.

- **AT&T Inc. said it would invest US\$1 billion in 2008 to boost its international network as demand for data capacity increases.** The company said the spending is one-third more than last year and double its 2006 level, with the growth being driven by a proliferation in data, voice and video traffic world-wide specifically demand for Internet Protocol networks and services. AT&T said the plan includes new subsea fiber-optic cable capacity to Japan and Asia, extension of networks and services currently available in current markets and network growth into new markets such as India, Eastern Europe and South America.
- **Hulu.com, the Internet joint venture of NBC Universal and Fox, is to emerge from limited testing Wednesday to make its catalog of TV shows and video clips available on the Web.** The streaming-video site displays free, ad-supported shows and feature films from NBC, Fox and more than 50 media companies, including Sony Pictures and Metro-Goldwyn-Mayer. The material is not available in all countries or regions. Hulu is also planning to announce that the Warner Bros. Television Group and Lionsgate will add content from their libraries. Hulu will also give sports fans highlights from NBA and NHL games, and full-length NCAA men's basketball games from the past 25 years, the company said. Hulu's videos also appear on AOL, MSN, Comcast, MySpace and Yahoo. More than 5,000 Web sites have embedded clips from Hulu. Hulu has so far failed to recruit two major U.S. television networks, ABC, a division of Walt Disney, and CBS.
- **Rupert Murdoch dimmed further the hopes of Yahoo executives seeking to rebuff Microsoft's takeover campaign by playing down News Corp's interest in the internet company.** According to News Corp., it's not going to get into a fight with Microsoft, which has a lot more money than them. News Corp's unwillingness to fight for Yahoo leaves it with one other potential alternative, Time Warner, which has proposed merging its AOL division into Yahoo.
- **Phorm, the internet advertising group, is seeking US\$65 million to fund overseas expansion. The company, which reported no revenues and a US\$16.3 million loss for the first half of last year, also defended its technology in the face of what it called misinformation from bloggers that claim it threatens users' privacy.** The technology uses information about users' browsing and search behavior to target advertisements, but replaces information which could identify individuals with randomly generated numbers. Phorm said it had made significant progress in persuading advertising agencies and publishers to use the technology, which was unveiled last month with backing from sites including FT.com and agencies including Universal McCann. Three internet service providers - BT, Talk Talk and Virgin Media - signed up to use the service in February.
- **AOL claimed it could significantly increase revenues from advertising on social networks after it agreed a US\$850 million offer for Bebo, the closest rival to Facebook and MySpace.** Executives refused to disclose Bebo's revenues or profitability but analysts said AOL's offer implied a similar valuation per user to that in News Corp's US\$580 million acquisition of MySpace in 2005. However, it was far below the US\$15 billion valuation for Facebook implied by Microsoft's investment in the site last year. The company is looking into taking advantage of Bebo's 40 million members by applying Platform A, its online ad-serving network.

Semiconductors

- **TriQuint Semiconductor will buy WJ Communications (WJCI) for US\$1.00 a share, for US\$72 million, at an 18 percent premium.** Separately, WJ Communications won a deal for just over US\$1

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million to sell chips for a type of telecommunications system used in China. Earlier this year, WJ Communications won a US\$500,000 deal to sell time division synchronous code division multiple access module chips to a Chinese global provider of telecommunications equipment and network solutions. The company won a contract to sell a second order to the same customer. It expects to ship the second order in the second quarter.

- **Standard & Poor's said it may downgrade its debt ratings on Micron Technology Inc., citing challenging conditions in some of the memory-chip maker's markets.** S&P said the ratings, which include the junk-status BB-minus corporate-credit rating, weren't likely to be cut by more than one notch. S&P pointed to weakness in all three of Micron's markets, dynamic random access memory (DRAM) chips used in personal computers; NAND flash chips used in portable music players, cellphones and other electronic devices; and CMOS image sensors, used in phones and cameras. S&P said Micron had cash balances of US\$2 billion as of Nov. 30 and debt of US\$2.5 billion.
- **LSI Corp. agreed to acquire Infineon Technologies AG's hard-disk-drive-semiconductor business. Financial terms weren't disclosed.** Under the deal, LSI will purchase the assets and intellectual property of the unit, which includes product design, related software, inventory and test equipment. LSI expects the acquisition to be neutral to slightly accretive to 2008 earnings, excluding items.

Software

- **Wal-Mart stores have stopped selling computers that run the Linux operating system instead of Microsoft Corp.'s Windows because customers weren't interested.** To test demand for systems with the open-source operating system, Wal-Mart stocked the 199 U.S. dollar "Green gPC," made by Everex of Taiwan, in about 600 stores starting late in October. Walmart.com had sold Linux-based computers before and will continue selling the gPC. This was the first time they appeared on retail shelves. Wal-Mart sold out the in-store gPC inventory but decided not to restock. Walmart.com now carries an updated version, the gPC2, also for US\$199.00, without a monitor. The site also sells a tiny Linux-driven laptop, the Everex CloudBook, for US\$399.00.
- **Microsoft would not rush to merge its technology platform with Yahoo's after a takeover of the internet company, even if meant delaying some of the potential benefits to shareholders from any deal, says Microsoft's chief software architect (CSA).** His comments highlight the technological difficulties Microsoft would face if it succeeded with its unsolicited takeover, worth US\$41.4 billion. According to the CSA, Yahoo has a number of different types of technologies plus their own corporate culture. However, he was very optimistic that Microsoft could pull off the main goals of the deal, provided it concentrated on not disrupting the experience of internet users and advertisers, rather than on racing to get all the financial and other benefits from a consolidation of the two companies' operations.
- **Microsoft Corp. founder Bill Gates urged U.S. regulators to speed approval of a plan to let mobile Internet devices operate on vacant television airwaves.** The proposal, also backed by Google Inc., would free up more bandwidth for wireless-fidelity, or Wi-Fi, networks, letting consumers access the Web for free. TV broadcasters oppose the plan. Microsoft and Google are part of a coalition that wants the Federal Communications Commission to open up the unused airwaves, known as white spaces, when broadcasters switch to digital signals next year. To win FCC approval, the group, called the Wireless Innovation Alliance, must show that mobile devices can run on those airwaves without interfering with TV signals. Broadcasters such as CBS Corp. and Walt Disney Co.'s

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ABC are fighting the technology companies' plan, saying the gadgets may freeze the screens of consumers who get digital TV over the air.

Hardware

- **Comtech Group, Inc., a provider of customized module design solutions announced that its Board of Directors has authorized a stock repurchase program under which the company may repurchase up to 5 million shares of its outstanding common stock on the open market or in negotiated transactions.** The company claims that its financial situation is very strong with more than US\$125 million in cash and only US\$1.2 million of bank borrowings as of Dec 31, 2007. Management believes the Company is now undervalued by the investment community because of overstated concerns of a slow down in handset sales in China, given the Company's sustainable growth perspective. As of December 31, 2007, the Company had 38.5 million shares of outstanding common stock, with 33 percent held by insiders.
- **Hewlett-Packard announced the release of graphic arts technologies and products that improve the speed and reduce the cost of digital printing.** The rollout, the company's most extensive graphic arts push to date, supports HP's Print 2.0 strategy to capture more digital pages from the analog print market and enable printing customers to take advantage of new market segments and business opportunities. The new offerings will be featured at drupa, the world's largest printing equipment exhibition, in HP's booth in Düsseldorf, Germany. These solutions and others bolster HP's efforts to target the estimated US\$663 billion print production page value opportunity projected for 2010.
- **A new system that is incompatible with Blu-ray, called HD VMD, for versatile multilayer disc, is trying to find a niche.** New Medium Enterprises, the London company behind HD VMD, says its system's quality is equal to Blu-ray's, but it costs less. By undercutting the competition in production, replication and hardware costs, it thinks it can find a market among consumers with less disposable income, particularly outside the U.S. An HD VMD player costs less than a Blu-ray because it uses the red-laser technologies found in today's standard-definition DVD players. The Blu-ray and HD DVD machines use a more expensive blue-laser system. The industry and consumers may not see it that way, given that the company is promoting its price advantages. While Blu-ray players typically cost more than US\$300, an HD VMD unit is priced at US\$199. Sales through Amazon are scheduled to begin in five weeks, the company said. No talks have been held with the big-box retailers, like Wal-Mart Stores, to carry the product.

Europe

Media, Entertainment and Gaming

- **Beggars Group has signed a digital distribution licensing agreement with QTRAX, the free and legal ad-supported peer-to-peer music network.** The Beggars Group is considered a large and influential independent group of labels in the UK. The flagship label within Beggars Group, Beggars Banquet, is a British independent record label that began as a chain of record shops.

Internet

- **The European Union threatened to lodge a complaint at the World Trade Organization over U.S. laws that bar gambling Web sites, saying the rules might break global rules by discriminating against companies based in the European bloc.** The U.S. authorities have taken aim at European companies for operating gambling sites announcing an investigation into the U.S.

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practice. The U.S. has not taken action against American companies that offer similar services. The U.S. has the right to address legitimate public policy concerns relating to Internet gambling, but discrimination against EU companies cannot be part of the policy mix.

- **Telecity, the data hosting provider, said that demand for data capacity was so voracious that new orders in January and February doubled compared with a year ago.** The company said current prices for clients were about 50 to 60 percent higher than last year. Such has been the demand for Telecity's network-independent data hosting services that the group has brought forward its capital expenditure program to fit out new centers in London and Amsterdam. Occupancy at the end of December was 81.3 percent, up from 75.9 percent at the end of 2006, while revenue per square meter rose from 2.3 million pounds (US\$4.7 million) to 2.5 million pounds (US\$5.1 million). According to an analyst in Citigroup, the market may have expected larger upgrades and Telecity is considering selective strategic acquisitions to respond to this.
- **Yahoo is planning to move its European headquarters from London to Switzerland, with 70 of its top managers in the UK told to relocate or lose their jobs.** The move is said to be for corporate tax reasons. It will come as a blow to the UK's efforts to keep innovative technology companies in the country. Google, which has large commercial operations in London, recently chose to base its European engineering headquarters in Zurich and in 2006 Electronic Arts, the games publisher, moved its European headquarters from outside London to Geneva. Yahoo employs about 700 people in the UK. The group officially confirmed it had begun an 18-month process to relocate staff to Switzerland and had not yet decided how many employees would move.

Telecommunications

- **Vimpel Communications, Russia's second-largest cellular operator by users, said its fourth-quarter net profit jumped 86 percent from the same quarter the year before, as subscribers spent more time talking on mobile phones.** Net profit under U.S. accounting principles totaled US\$368.1 million, up from US\$198.0 million. Costs relating to its management stock-options program rose to US\$118.7 million. Revenue climbed 39 percent to US\$2.0 billion, as more than six million people signed up for mobile services. Customers' average monthly spending rose to US\$11.10 a month from US\$8.90.
- **Vodafone Group PLC's South African joint venture Vodacom has pushed back the date of its 7.5 billion rand black economic empowerment deal to the fourth quarter of 2008 as it continues to negotiate with potential participants.** Vodacom had hoped to conclude the deal last year although this was pushed back to the first quarter of 2008. The company said it now expects a deal to be implemented in the fourth quarter of this year. Vodacom said the transaction, which will be worth 7.5 billion rands (US\$945.6 million), is well on track and it has invited submissions from a short-list of strategic shareholders interested in participating in the deal.
- **Danish telecom company Cirque boosted gross earnings to Dkr13.3 million (US\$2.7million) in fiscal 2006/2007 from Dkr10.8million (US\$2.2million) in 2005/2006.** EBITDA dropped from Dkr4.3 million (US\$0.9 million) to Dkr3.9 million (US\$0.8million), and pre-tax profit dropped from Dkr4.3million (US\$0.9 million) to Dkr4.03 million (US\$0.8million), whereas profit after tax remained almost the same at Dkr3.0million (US\$0.6 million). Cirque, established in 2000, sells a wide selection of telephony services including broadband, IP telephony mobile and fixed line services to more than 3,000 corporate customers in the medium-size market.

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- **Lithuania's Communications Regulatory Authority (RRT) has reported that in 2007, revenues from the telecoms sector increased 10.3 percent year-on-year to 2.7 billion litas (US\$1.1 billion).** Mobile telephony was the biggest driver of revenues, accounting for 1.4 billion litas (US\$600.0 million), a 12.1 percent growth from last year. Mobile subscriber numbers rose by 4.2 percent to 4.9 million, taking penetration to 146 percent. Revenues from internet service providers rose by 18.1 percent to 313.0 million litas (US\$127.5 million), and revenues from cable TV and multi-channel multi-point distributed service (MMDS) rose by 8.7 percent to 71.7 million litas (US\$29.2 million). Revenues from data-transmission services excluding internet rose by 18.8 percent to 55.6 million litas (US\$22.6 million), and leased-line services rose by 5 percent to 26.6 million litas (US\$10.8 million). However, revenues from landline operators dropped 2.8 percent to 412.7 million litas (US\$168.1 million), despite a 0.9 percent increase year-on-year in the number of fixed lines to 799,400.
- **Lithuania's Communications Regulatory Authority (RRT) has reported that total investments from telecoms operators in 2007 rose by 4 percent year-on-year to 546.6 million litas (US\$222.6 million).** RRT states that multiple SIM ownership and the provision of value-added services are driving the continued growth in mobile revenues, and Global Insight expects these trends to continue in 2008. Further revenue growth from internet services is also likely, with national fixed-line incumbent Teo LT taking the lead with its forays into the field of converged services provision. Such moves are being made to offset weak performance in the fixed-line voice sector, and this too will continue in 2008 in the face of such strong mobile uptake.

Semiconductor

- **LSI Corporation announced that it has signed a definitive agreement to acquire the assets of the hard disk drive semiconductor (HDD) business of Infineon Technologies AG.** The company believes that the addition of the Infineon HDD business will help them take another significant step toward becoming a worldwide provider of silicon solutions for hard disk drive makers. The company expects the acquisition to immediately accelerate revenue with a top-tier customer, Hitachi Global Storage Technologies, while enhancing its competitive position in the desktop and enterprise space.
- **Results from Laird, the electronic components maker, topped expectations on strong demand from the cell phone handset market.** The company is now focused on making specialized antennas and products that divert electromagnetic heat from sensitive apparatus, having divested its security systems division last March. The company forecast further growth in 2008, with increasing demand from Asia and the US automotive industry for telematics products. Revenue for 2007 rose from 370.6 million pounds (US\$751.1 million) to 564.3 million pounds (US\$1.1 billion) while pre-tax profit increased from 39.6 million pounds (US\$80.3 million) to 51.5 million pounds (US\$104.4 million).

Information Technology

- **Computacenter, the IT services group, beat analysts' profits expectations for the full year with strong demand for data center services in the U.K. and a good performance at its German division.** Revenues at Digica, the data center management specialist it bought a year ago, rose 11.1 percent in the second half of the year and operating profit beat internal estimates. Buoyant demand lifted revenues for professional services with customers such as Norwich Union upgrading their data center equipment and improving IT management systems. Annual U.K. revenues rose 5.9 percent to 1.4 billion pounds (US\$2.8 billion) with sales in the data center services arena offsetting a 3.5 percent decline in service revenues. Sales of personal systems accounted for only 31 percent of U.K. revenues compared with more than 40 percent three years ago.

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Mobile/ Wireless

- **Swedish provider of content management systems (CMS) Dobase has been acquired by Litium Affärskommunikation.** Through the acquisition, Litium Affärskommunikation expands in the Stockholm region, where its office will be merged with Dobase. The company's number of employees will increase to about 60 from 45.
- **Nokia faces legal action in Germany next month in a battle over 60 million euros (US\$93 million) in investment subsidies it received for a factory it now plans to close.** Nokia's decision in January to cut more than 2,000 jobs by closing its factory in Bochum, Western Germany, and move it to Romania caused a political outcry. North Rhine-Westphalia, the regional state that includes Bochum, this week set Nokia a deadline of March 31 to return the total worth of the investment subsidies, the economics ministry said.

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Other Economic Data

Currency Exchange Rates

Currency	Units	Current Rate (on 3/14/08)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2008	% Change 1/1/2007
Japanese yen	¥/US\$	99.0300	-3.6%	-4.6%	-12.0%	-16.8%
Hong Kong dollar	HK\$/ US\$	7.7799	-0.04%	-0.01%	-0.3%	0.03%
Chinese renmenbi	RMB/ US\$	7.0902	-0.29%	-0.30%	-2.9%	-9.2%
Singapore dollar	S\$/ US\$	1.3765	-0.7%	-1.3%	-4.8%	-10.5%
South Korean won	KRW/ US\$	997.1000	4.2%	6.2%	6.6%	7.2%
New Taiwan dollar	NT\$/ US\$	30.7150	0.03%	-0.6%	-5.5%	-5.8%
Australian dollar	US\$/A\$	0.9375	1.1%	0.9%	7.2%	18.9%
New Zealand dollar	US\$/NZ\$	0.8134	2.4%	2.0%	5.1%	15.6%
Philippine peso	PHP/ US\$	41.3000	1.7%	2.4%	0.2%	-15.7%
Euro	US\$/€	1.5673	2.1%	3.3%	6.5%	18.7%
British pound	US\$/£	2.0195	0.3%	1.6%	1.3%	3.1%

Fixed Income Prices and Yields

Note	Currency	Current (on 3/14/08)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	100.44	4.35%	99.27	4.42%	96.62	4.58%
Japan 30-year	¥	101.42	2.42%	104.49	2.25%	102.85	2.33%
Hong Kong 10-year	HK\$	108.39	2.56%	105.37	2.91%	104.89	2.96%
China (06/16)	US\$	109.50	3.36%	110.71	3.21%	110.71	3.21%
Singapore 10-year	S\$	112.88	2.08%	110.36	2.39%	111.05	2.32%
South Korea 20-year	KRW	9,766.00	5.61%	9,766.00	5.61%	9,766.00	5.61%
Australia 15-year	A\$	93.84	6.03%	92.35	6.22%	91.53	6.33%
New Zealand (12/17)	NZ\$	97.26	6.38%	96.97	6.42%	96.75	6.45%
Philippines 20-year	PHP	100.79	8.60%	100.21	8.56%	101.59	8.53%
India 30-year	INR	102.45	8.11%	94.27	8.88%	106.14	7.79%
UK 30-year	£	106.52	4.36%	97.60	4.40%	95.63	4.53%
Germany 30-year	€	92.77	4.45%	92.59	4.46%	92.1	4.49%

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