



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

Week of 22 December - 28 December 2008

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



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Equity Market Indicators					
Index	Closing Level (12/22/2008)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2008	% Change 1/1/2007
S&P 500	872.80	-1.7%	-2.6%	-40.6%	-38.5%
Dow Jones Industrial Avg.	8,515.55	-0.7%	-3.6%	-35.8%	-31.7%
Dow Jones Tech. Index	245.19	-2.8%	1.0%	-46.6%	-40.6%
Dow Jones Telecom. Index	196.91	-1.2%	3.7%	-37.2%	-24.3%
NASDAQ Composite	1,530.24	-2.2%	-0.3%	-42.3%	-36.6%
The Street.com Net	175.00	-3.2%	0.4%	-37.9%	-29.2%
Japan Nikkei 225	8,739.52	1.8%	2.7%	-42.9%	-49.3%
JASDAQ	46.87	1.5%	5.2%	-35.1%	-45.6%
Japan Mothers	315.73	-2.1%	0.6%	-59.7%	-71.6%
Korea KOSPI Composite	1,117.86	-5.3%	3.9%	-41.1%	-22.1%
Korea Kosdaq	332.26	-3.0%	8.1%	-52.8%	-45.2%
Taiwan Stock Exchange	4,425.08	-5.7%	-0.8%	-48.0%	-43.4%
Singapore Straight Times	1,725.61	-3.9%	-0.4%	-50.2%	-42.2%
Hong Kong Hang Seng	14,184.14	-6.2%	2.1%	-49.0%	-29.0%
Hong Kong GEM	373.38	-0.8%	6.1%	-72.3%	-69.5%
China Shanghai (A-Share)	1,944.21	-8.3%	-1.1%	-64.8%	-30.9%
China Shenzhen (A-Share)	598.78	-8.6%	5.5%	-60.6%	5.1%
China Shanghai (B-Share)	110.21	-6.9%	3.8%	-69.9%	-15.3%
China Shenzhen (B-Share)	269.42	-6.8%	7.4%	-62.0%	-37.8%

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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

- **Notebook computer shipments climbed 40 percent last quarter to outstrip desktop sales for the first time.** Portable personal-computer shipments rose to 38.6 million, compared with a 1.3 percent drop to 38.5 million for desktops, iSuppli said. It also raised its forecast for 2008 shipment growth to 13 percent. Notebooks have fueled sales at Hewlett-Packard Co. and Dell Inc. as prices for portable models declined. Dell and Hewlett-Packard have targeted overseas customers to spur growth as U.S. shoppers curb purchases amid the recession. Hewlett-Packard maintained its lead, with 18.8 percent of the market. Dell was second with 13.9 percent. Acer which ranks third, increased its share of shipments by 45 percent, accounting for 12.2 percent of the market. Smaller, lower-cost machines known as netbooks accounted for much of that growth.

Semiconductor

- **Global semiconductor sales will tumble 16 percent next year as consumers curb spending, according to Gartner Inc.** Total revenue will fall to US\$219.2 billion, from about US\$261.9 billion in 2008. Intel Corp. and National Semiconductor Corp., two bellwether chipmakers, both slashed their revenue forecasts last month. Appleton is trying to acquire more production capacity, a bid to prevent the memory industry from building up too much inventory in the future. The company agreed in October to pay US\$400 million to buy a 35.6 percent stake in Inotera Memories Inc. from Qimonda AG. The company is still interested in consolidating with other chipmakers, even though some governments have shown interest in providing aid to the industry.

Japan

Hardware

- **Fujitsu Ltd. will not sell its hard disk drive business to Western Digital Corp.** The two companies were in talks about such a deal in October, Reuters reported at the time. A company official had said the unit was a money loser for Fujitsu. Fujitsu wanted to sell all its domestic and overseas hard-drive factories together and allow many of the workers to keep their jobs, the report said. It said the two sides could not reach agreement on these conditions. The sharp appreciation of the yen made it more difficult for the parties to agree on a price. Fujitsu was believed to have asked for 50 billion yen (US\$550 million) or more after reporting the price as 70 billion yen (US\$5.2 billion) or higher in October. Fujitsu, with a 20 percent market share in hard drives, competes in a market that is dominated by Seagate Technology, which has a 60 percent share.

Semiconductor

- **Toshiba Corp. said it will spend several tens of billions of yen to build a lithium-ion battery factory in northern Japan to meet anticipated demand.** Construction of the plant in Niigata Prefecture, northern Japan, is scheduled to begin in the fall of next year, with full production starting in 2010. The factory will make an advanced model, Super Charge Ion Battery, for industrial and automotive applications. Revenue in the business will reach 170 billion yen (US\$1.9 billion) in the year ending March 2016, said Hiroko Mochida, a spokeswoman for Toshiba.

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- **Toshiba has announced plans to temporarily shut down NAND flash memory production at its Yokkaichi Operations in Mie Prefecture, Japan.** It also plans to suspend production in its other semiconductor plants in Oita, Kitakyushu, and Ibo-gun. The company said the adjustment will cut production by approximately 30 percent in its four fabs. Recession in the global economy and the slowdown in consumer spending are having a significant impact on demand for semiconductors, particularly in NAND flash memories, where decreased demand for applications such as memory cards and MP3 players has generated excess supply.
- **Renesas Technology Corp., said it plans to cut 1,000 temporary jobs by March 31, eliminating all such workers.** The company has about 26,000 full-time employees. He declined to comment on the extent of personnel cuts prior to the 1,000 jobs that will be eliminated from January. Japanese chipmakers are joining electronics firms and automobile manufacturers in cutting workers to reduce costs and weather slumping demand as the global recession deepens. Japan's economy shrank an annualized 1.8 percent in the third quarter, the country's first recession since 2001. Sony Corp.'s Dec. 9 announcement that it will cut 8,000 temporary workers and 8,000 full-time jobs is the largest culling in Japan since the global credit crunch drove the world into a recession.

Media, Entertainment and Gaming

- **Konami Digital Entertainment Co. will begin distributing games for Apple Inc.'s iPhone mobile phone.** The games will capitalize on the iPhone's touch panel and tilt sensor, and will be distributed in Japan, Europe and the U.S. Three titles will debut. In the zombie action game "Silent Hill: The Escape," users can move their player by tracing their finger on the touch panel, and can aim a gun at enemy characters by tilting the phone. The music game "Dance Dance Revolution S Lite" is played by tapping stationary arrow-shaped icons at the top of the screen when they align with similar-shaped icons that rise from the bottom of the screen. The game currently has one tune and is free of charge, but in the future the company plans to charge customers for a multiple-tune version.

Korea

Telecommunications

- **SK Telecom announced that Man Won Jung, the CEO of SK Networks, will assume the position of CEO of SK Telecom on January 1, 2009.** SK Telecom's current CEO, Shin Bae Kim, will be promoted to become the vice chairman of IT consulting company SK C&C. He will hold the CEO position until the annual shareholders' meeting in March 2009.

Semiconductors

- **Hynix Semiconductor Inc. gained 800 billion won (US\$590 million) of financial support from creditors to stay in business as falling prices threaten a record loss at the company.** Controlling shareholders will provide 500 billion won in fresh loans and extend the maturity of Hynix's debt until the end of 2009. Hynix will also sell 300 billion won of new stock on the market that creditors will buy if unsold. Hynix's creditors have pumped in fresh funds in hopes of recouping the remainder of their US\$4.6 billion bailout of the chipmaker this decade by selling their stake when the industry recovers. Memory-chip makers including Qimonda AG have received aid as the economic recession exacerbated a glut that has driven prices to record lows and forced companies to cut production.
- **With a recovery in chip prices and the financial support plan complete, Hynix Semiconductors expects the process of finding a new owner for the company to accelerate.** Banks are among the nine financial institutions that hold a controlling 36 percent stake in the

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chipmaker. Korea Exchange owns 8.2 percent of Hynix, Woori Bank has 8 percent and Shinhan Bank holds 6.1 percent. Credit Suisse Group AG and a group comprising Woori Investment & Securities Co. and Korea Development Bank were hired last month to jointly arrange the sale of the creditors' stake.

- **Hynix Semiconductor Inc would cut planned spending on a South Korean plant and delay a US\$260 million investment in its Chinese joint venture as it tries to deal with a cash shortage amid a downturn.** The company said in a filing with the Korea Exchange that it had revised down a planned 646 billion won (US\$491 million) in spending to upgrade its domestic production facility to 491 billion won (US\$370 million), citing the business environment. Hynix would also delay a planned US\$260 million investment in its Chinese plant, run jointly with Numonyx, to 2009 from 2008. The announcement comes after Hynix secured US\$600 million in relief funding via fresh loans from shareholders and a new share issue.
- **South Korea has begun full-scale commercial production of micro-electronic mechanical system (MEMS) sensors that can greatly bolster competitiveness in its information technology industry.** The Ministry of Knowledge Economy said the state-run Korea Institute for Electronic Commerce (KIEC) has completed development of a fab manufacturing process that will allow up to 9,000 8-inch wafers to be produced by 2010. MEMS integrates mechanical elements, sensors, actuators and electronics on a common silicon substrate through microfabrication technology, opening new horizons for super-small, light semiconductor structures. The system heralds a whole new generation of "smart" products that can expand commercial applications of machines in people's everyday lives.

Hardware

- **Samsung was fined 50 million yuan (US\$7.3 million) for violating Holley Telecommunication's GSM/CDMA dual-mode handset patent in the Hangzhou Intermediate People's Court.** The lawsuit was brought to court in early 2007, so the fine covers only part of the more than 700,000 GSM/CDMA dual-mode handsets Samsung has sold to date. The ruling also requires Samsung to discontinue production and sales of the handset model.
- **LG Electronics is bullish on the Chinese mobile phone market and will enlarge its investment in the mobile phone business in China next year, disclosed an executive from the company.** LG plans to launch 60 new mobile phone models and spend 1 billion yuan (US\$146 million) on market promotion in 2009, said the executive, adding that the company now is deepening its cooperation with leading telecoms operators. Despite the global financial crisis, LG's mobile phone business grew fast in the third quarter of 2008. As the world's fourth-largest mobile phone maker, it gained cellphone sales revenue of 3.5 trillion won (US\$2.6 billion) in July-September 2008, leaping 40.8 percent year on year.

China

Mobile/Wireless

- **Beijing Tianyu Communication Equipment has teamed up with the U.S. chip maker Qualcomm Inc to produce third generation phones, in a bid to tap into the upcoming 3G market in China, sources reported.** Tianyu was granted a patent license by the U.S. company to develop, produce and sell the 3G handsets based on the CDMA 2000 standard in China. The two companies also expect to join hands to provide mobile products for the global market. The Beijing-based company expects to release more than 20 CDMA handset models next year. With the fast

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development of the 3G market worldwide, Tianyu is able to provide high-quality CDMA and WADMA terminals under Tianyu brand. China Telecom pledged to inject 80 billion yuan (US\$60.2 million) on CDMA network upgrading and handset purchase.

Telecommunications

- **Telecoms minister Li Yizhong predicts China will spend 280 billion yuan (US\$40.9 billion) on 3G networks over next two years.** China's wireless carriers will invest US\$40 billion in advanced third-generation networks over the next two years, a top official said, in what could be a boost for China's domestic telecommunication-equipment industry. China, the world's largest mobile phone market by number of subscribers, is one of the last major telecom markets to adopt third-generation technology, which has higher data-transmission speeds that enable wireless video and other fancy services. The government said it would award 3G licenses to its carriers by the beginning of 2009, ending a years-long wait by equipment makers. The government would provide "strong support" to China's homegrown 3G technology, known as TD-SCDMA, which is being adopted by China's largest carrier, China Mobile Ltd.

Media, Entertainment and Gaming

- **Fosun International Limited has acquired about 13.3 percent stake in Focus Media Holding Limited through open-market trades.** Fosun spent US\$150.11 million on 17,267,078 American depositary shares during the period and may acquire more in the future. Fosun's announcement placed the unaudited book value of Focus Media's total assets, as of September 30, 2008, at about US\$2.37 billion. Fosun International is involved in pharmaceuticals, property development, steel, mining, retail and financial services and investments. Focus Media announced on December 22 that Sina agreed to acquire its LCD display network, poster frame network and in-store network through the issue of 47 million new ordinary shares. Focus Media keeps its Internet and movie theater advertising businesses and some billboards.
- **Nineyou International Limited plans to begin open beta testing of its licensed Q-style 3D pet-themed MMORPG "Concerto Gate II" on January 9.** The company plans to adjust experience points, the game's profession structure and virtual item prices in the game mall; optimize client ends and servers; and add new tasks and virtual items to the game. Systems for marriage, riding animals, social networking and guild fights will also be added to the game during testing. Nineyou will also hold an offline wedding party for in-game couples who plan to become real-life partners, an activity to select a game spokeswoman and prize giveaways for gamers.
- **The State Administration of Radio, Film and Television (SARFT) announced its purchase of 1 million CMMB terminals including handsets, media players, positioning devices, USB keys and other products.** Lenovo, ZTE, Beijing Tianyu Communication Equipment, UTStarcom, Digital China, Samsung and Datang Telecom were among the companies winning government contracts. Around 120 terminal manufacturers entered 400 terminals in the bidding; thirty-three handset makers were awarded contracts.
- **The9 plans to start alpha testing of its in-house developed role-playing webgame "Jiu Zhou Zhan Ji" (9zwar) on December 26.** The9 spent one year developing the game and is currently offering testing accounts on the game's official website.

Alternative Energy

- **Chinese vertically integrated photovoltaic product manufacturer Yingli Green Energy Holding Company Limited announced that its wholly-owned subsidiary, Yingli Energy (China) Co.**

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Ltd., has received an eight-year US\$70 million loan from China Development Bank to build PV cell production lines with annual capacity of 100MW. Yingli said the funds would help the company reach annual production capacity of 600MW in the third quarter of 2009.

- **The government of Lixian, Hebei province has signed a cooperation agreement with an American new energy company that plans to invest 669.7 million yuan (US\$98 million) in a polysilicon project scheduled to begin construction in February 2009, reports Solarbe.com.** The project is expected to manufacture 1,000 tons of polysilicon per year after it begins production in December 2009 and generate annual sales revenue of 950 million yuan (US\$139 million).
- **LDK Solar plans to recruit 10,000 employees in 2009.** The company took on 6,000 employees between May and August and plans to hire 60,000 more in the next three years. LDK Solar is headquartered in Xinyu.
- **Suntech Power Holdings Co. Ltd. is jointly constructing a 66MW on-grid photovoltaic project with Yunnan Provincial Power Investment and other investors.** The 3.58 billion yuan (US\$523 billion) invested project began construction in December in Shilin, Yunnan province and is expected to produce 7703.89 kWh per year when it begins generating electricity in 18 months.

Taiwan

Mobile/ Wireless

- **Sales of handsets in Taiwan collapsed in November as sales volume declined 8.43 percent from a month earlier to 560,200 units, which, in turn, was down 4.04 percent than the corresponding figure of a year earlier.** The November sales value of NT\$1.8 billion (US\$54.5 million) represented a drop of 11.91 percent from the October level, as well as a sharp shrinkage of 26.52 percent from a year earlier. Industry insiders widely remain pessimistic about the 2009 outlook for Taiwan's handset market, expecting annual sales volume to fall under 6 million units and monthly sales value to be under NT\$2 billion (US\$60.6 million) in the year. In November, Nokia continued leading the market with a 29.4 percent share in terms of sales volume, followed by Sony Ericsson with a 20 percent share.

Hardware

- **AU Optronics Corp. and Chi Mei Optoelectronics Corp., on course to post record losses, said they are open to mergers with rival liquid-crystal-display makers to restore profitability.** AU will consider all proposals beneficial to shareholders. Chi Mei is said to be open to mergers and acquisitions. A consolidation of LCD producers would be the second government-backed effort for the island's industries this year, after Taiwan said this month that makers of computer memory chips should combine to cope with continued losses. Prices of 17-inch monitor panels, the most common size, will fall by a low teens percentage this quarter, continuing declines from earlier this year, Hsinchu-based AU forecast in October. The government will support continued development of the panel industry and will do its best to assist companies to overcome difficulties they face now.

Hong Kong

Internet

- **Tencent ran an advertisement on Sohu game portal 17173.com saying that its licensed massively multiplayer first-person shooter "Cross Fire" has recorded 700,000 peak concurrent**

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users (PCU). Tencent announced 650,000 PCU for the game on November 18. Tencent plans to release a new expansion pack, "Cheng Zhu Zhi Zhan," for its in-house developed MMORPG "QQ Sanguo" on December 23, reports 17173.com. The expansion will add new virtual items and an in-game guild fighting contest. Nine in-game activities include double experience points for all gamers for 1.5 hours on February 7 and 8; a virtual item and experience point exchange for gamers above level 20 between January 14 and February 28; and other Christmas, New Year and Spring Festival-themed activities.

Singapore/Malaysia/Philippines/Australia/Indonesia/India

Hardware

- **Samsung India launched a range of notebook personal computers and netbooks priced between 28,477 rupees (US\$608) and 1,15,014 rupees (US\$2374.6) venturing into the portable device category in India.** With its entry into the Indian notebook market, the company which was only in the IT peripherals space, would provide a complete computing solution to its customers. The company had launched high-end laptops for the premium segment but then discontinued shipping it to India. It had maintained its focus in the IT peripherals market, where it is a leading player. At present, IT peripherals business contributes about 15 percent towards Samsung's overall business.

Telecommunications

- **Submarine cable operator PIPE Networks has reached an arrangement with Tyco Telecom and a key customer which will allow the PPC-1 cable project to proceed as planned.** The project was put on hold earlier this month. PIPE had been having difficulty securing funding from its financier, the ANZ bank, in the wake of the global economic crisis. With landings in Sydney and Guam, PPC-1 promises to provide an additional 1.92 Tbps of capacity, with multiplexing providing up to 96x10Gbps wavelengths on each fibre pair of the cable. Most of the terrestrial work has already been completed, but the submarine cable itself has yet to be laid.
- **Tulip Telecom Ltd, which provides telecommunication services to companies in India, has set aside US\$20 million-US\$30 million for acquisitions at home and in the U.S.** Any acquisitions will be funded by the money raised in a US\$150 million convertible bond issue in June 2007. The new network will yield higher margins than the New Delhi-based company's existing virtual private network services, and will allow it to expand into the enterprise data services market - providing connectivity to companies through Internet, satellite, international and domestic leased lines for voice, data and video communications. New Delhi-based Tulip Telecom started selling computer and hardware before entering the wireless and telecom business in 1996.
- **TM International announced that its wholly-owned subsidiary, Celcom (Malaysia) Bhd, is subscribing shares in Tune Talk Sdn Bhd for 2.6 million (US\$6.9 million).** Celcom has entered into a subscription agreement and shareholders' agreement with Tune Ventures Sdn Bhd, Tune Strategic Investment Ltd and Tune Talk in relation to the investment. The subscription of 2,625,000 ordinary shares of RM1 each in Tune Talk by Celcom will be funded through internally generated funds. Tune Talk plans to embark on the business of provision of mobile communications services in Malaysia as a mobile virtual network operator (MVNO).
- **Cisco aims to increase partnerships with Malaysian Internet service providers in the areas of high-speed broadband and Metro Ethernet.** Sanjay Rohatgi, its director of operations for Asia, said despite the current economic slowdown, there were still opportunities, especially for new and

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innovative services. He expects Metro Ethernet, which incorporates voice, video and data in a single network, to continue driving demand in the market next year. Currently, Cisco has a strong market share for Metro Ethernet in Malaysia, with major customers from among the Internet service providers. While service providers may have to face the reality of shrinking revenue due to the current economic conditions, there are still ways to capture new revenue growth with innovative services.

- **Indian telecommunication regulator TRAI chairman Nripendra Misra has warned telecommunication operators that it will be forced to intervene if they did not slash SMS charges and address issues related to call drops, writes the Economic Times.** TRAI had earlier made several appeals to telecommunication operators to reduce SMS tariffs in a phased manner, but operators have so far failed to reduce SMS tariffs. Along with the SMS tariff issue, TRAI will also look into the current billing system, which is done on a per minute basis. This implies if a call is disconnected in 15 seconds, the user will pay on a per second basis only. At present, billing is done on a per minute basis, and even a 15 second call is treated as a one-minute call and billed for the same.

Software

- **Satyam Computer Services Ltd. was barred by the World Bank from doing business with it for eight years.** Satyam is ineligible to receive direct contracts from the World Bank under its corporate procurement program. The decision took effect in September. The software company was barred for providing improper benefits to Bank staff and for failing to maintain documentation to support fees charged for its subcontractors.
- **Wipro Ltd. agreed to buy Citigroup Inc.'s Citi Technology Services Ltd. for about US\$127 million in cash.** Citi Technology Services, based in India, mainly provides software and solutions to the banking industry and has 1,650 employees. As part of the deal, Citigroup will source services worth at least US\$500 million over the next six years from Wipro. Chairman Azim Premji is following smaller rival HCL Technologies Ltd. in seeking acquisitions that will help him get clients looking to cut costs as the global economic recession forces corporations to reduce technology spending. U.S. information-technology spending growth will slow to 1.6 percent in 2009, Forrester Research Inc. said in a report on Dec. 9, revising an August forecast for 6.1 percent growth next year.

United States/Canada

Mobile/Wireless

- **Virgin Mobile USA Inc. has amended its wireless network services agreement with Sprint Nextel to decrease the required payment by US\$2 million in 2008, increase a network usage credit provided by Sprint and lower rates for 2009.** The 2008 required payment will fall to US\$318 million from US\$320 million and Virgin Mobile will get an additional US\$2 network usage credit for each gross additional customer from Oct. 1 through Dec. 31, 2008. That credit will be accretive to the credit of US\$2.50 already included in the deal and won't be subject to a US\$10 million limit contained in the deal.

Telecommunications

- **Nortel Networks has received three bids for its Metro Ethernet business, some three months after it put the unit up for sale.** The troubled Canadian vendor has received offers of close to US\$1 billion, the sum at which analysts have previously valued the business. Nortel is mulling the offers, but has yet to determine whether its best route to profitability would be to sell off more than just the Metro Ethernet business. A further three companies are also said to be interested in buying Nortel as a

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whole, although none has made a concrete offer. Chinese rival Huawei is the most often named as a potential buyer for Nortel, although in addition to price, national security concerns could also put paid to any deal.

Hardware

- **Research in Motion posted revenues of US\$2.78 billion, an 8% quarter-on-quarter increase, but net earnings declined 20% over the previous quarter, falling from US\$495.5 million to US\$396.3 million.** The company missed its subscriber targets, signing up only 2.6 million new customers compared to the earlier projected 2.9 million. The BlackBerry subscriber base has now reached an estimated 21 million. Rival smartphone developers Palm have posted a US\$506.2 million loss. Most of the loss can be attributed to a US\$396 million write-down of deferred tax assets, but the company did post revenues of just US\$171 million this quarter, below the company's lowered expectations. The company had recently revised its forecast downward, but had still been expecting revenues of US \$190 million. Palm shipped 599,000 smartphones for the quarter, 13% fewer than in the year-ago period.

Internet

- **Google Inc. is giving employees mobile phones instead of cash gifts this year as it reins in costs during the recession.** About 85 percent of workers will get a handset powered by Google's Android operating system as a holiday gift, said the person, who asked not to be identified. Google handed out US\$1,000 cash gifts to most employees last year. Google is seeking to control expenses and add fewer jobs as the global slump curbs online advertising growth. T-Mobile USA Inc. began marketing the G1 Android phone in October, offering many of the same features as Apple Inc.'s iPhone, including Web browsing. The holiday gift is separate from the performance bonus handed out by the company.
- **Warner Music Group ordered YouTube to remove all music videos by its artists from the popular online video-sharing site after contract negotiations broke down.** The order could affect hundreds of thousands of video clips, Reuters reports, as it covers Warner Music's recorded artists as well as the rights for songs published by its Warner/Chappell unit, which includes many artists not signed to Warner Music record labels. The Red Hot Chili Peppers and rapper T.I. are two of Warner's biggest names. Reuters says talks fell apart because Warner wants a bigger share of the huge revenue potential of YouTube's massive visitor traffic, although no details are available of Warner's demands. Warner Music was the first major media company to negotiate a deal with YouTube in 2006. Warner executives believe that deal gave the site credibility, which was germane to Google buying YouTube shortly after for US\$1.65 billion.

Semiconductors

- **Micron Technology Inc. posted a wider first-quarter loss than analysts anticipated after falling prices forced it to write down the value of its inventory.** The shares plunged in late trading. The net loss more than doubled to US\$706 million, or 91 cents a share. Sales sank 8.7 percent to US\$1.4 billion in the period, which ended Dec. 4. The report marks Micron's eighth consecutive quarterly loss as chipmakers battle falling prices and shrinking demand in the recession. The company wrote down US\$369 million in inventory that had lost value. Rock-bottom prices for dynamic random access memory, the main memory in personal computers, are failing to entice buyers.

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Europe

Media, Gaming and Entertainment

- **Talks between British Sky Broadcasting Group PLC and Tiscali SpA about a deal that would make satellite broadcaster BSkyB the U.K.'s third-largest broadband provider have stalled over price.** BSkyB has been in exclusive talks with Italy's Tiscali since early November but is understood to have pulled out of negotiations. Tiscali had originally hoped to get about 600 million pounds (US\$875 million) for its U.K. business, but when BSkyB entered into exclusive talks it was over a bid closer to 450 million pounds (US\$656.2 million). News Corp., publisher of this newswire, holds a stake of around 39.1 percent in BSkyB.

Telecommunications

- **Vodafone Group Plc. has appointed Chris Lane its Corporate Strategy Director. The appointment will take effect Jan. 5, 2008.** Chris Lane was formerly with Singapore Telecommunications Ltd., as the group chief strategy officer.
- **Egypt will delay offering a second tranche of state-owned fixed line operator Telecom Egypt shares due to the global financial crisis.** The offering was initially planned for 2009, but would now be delayed due to the global slowdown. Egypt postponed earlier this year the sale of a second fixed line license citing unstable market conditions. Kamel assured that there was still room for growth in Egypt's fixed line market stating that Telecom Egypt had added 450,000 subscribers in November after announcing an offer to cancel all installation fees.
- **France Telecom says normal service will be resumed by the end of the year. Repair work has begun on damage to Mediterranean undersea cables that badly disrupted Internet and telephone communications between Europe, the Middle East and Asia.** A 64-crew maintenance boat arrived on site, off the coast of Sicily, at 1400 GMT on following a two-day journey from southern France, said a spokesman for the telecoms operator. An underwater robot has been sent down to locate the cables, which may have been dragged several kilometers off site in the incident, and lift them to the surface where they will be repaired fiber by fiber. Phone and Internet traffic between Europe, the Middle East and Asia remains badly disrupted by the cable damage, although most business-to-business traffic has been rerouted through the U.S. Three cables linking Sicily to Egypt are affected, as well as a smaller private cable linking Malta and Italy.

Middle East

Telecommunications

- **Emirates Telecommunications (Etisalat) was part of a consortium that had made the highest bid for Iran's third mobile telephone license.** Iran's semi-official Fars news agency had said the license had been won by Emirates Telecommunications, citing an unnamed source at the telecommunications ministry. Etisalat, the Arab world's second largest telecommunications firm by market value, said Iran's Communications Regulatory Authority had placed the UAE-based firm first among others in terms of financial offer. The final announcement of the winner would be made after official approvals. The consortium also includes Iran's Tamin Telecom. Iranian state radio said the non-Iranian firm would have a 49-percent stake in the project.

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Other Economic Data

Currency Exchange Rates

Currency	Units	Current Rate (on 12/22/08)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2008	% Change 1/1/2007
Japanese yen	¥/US\$	90.7300	1.6%	-5.0%	-19.4%	-23.8%
Hong Kong dollar	HK\$/ US\$	7.7500	-0.003%	0.0%	-0.7%	-0.4%
Chinese renmenbi	RMB/ US\$	6.8409	0.0%	0.2%	-6.3%	-12.4%
Singapore dollar	S\$/ US\$	1.4474	-0.8%	-4.3%	0.1%	-5.9%
South Korean won	KRW/ US\$	1,298.9000	1.3%	-11.5%	38.8%	39.7%
New Taiwan dollar	NT\$/ US\$	32.9890	1.5%	-0.9%	1.5%	1.2%
Australian dollar	US\$/A\$	0.6860	0.7%	4.7%	-21.6%	-13.0%
New Zealand dollar	US\$/NZ\$	0.5778	0.4%	5.0%	-25.3%	-17.9%
Philippine peso	PHP/ US\$	47.5000	1.9%	-2.8%	15.3%	-3.1%
Euro	US\$/€	1.4054	1.0%	10.7%	-4.5%	6.5%
British pound	US\$/£	1.4645	-1.9%	-4.7%	-26.5%	-25.2%

Fixed Income Prices and Yields

Note	Currency	Current (on 12/22/08)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	138.71	2.61%	140.14	2.55%	117.83	3.52%
Japan 30-year	¥	111.62	1.80%	106.82	2.03%	103.93	2.18%
Hong Kong 10-year	HK\$	102.43	1.35%	102.12	1.39%	115.32	1.82%
China (06/16)	US\$	108.35	3.41%	108.35	3.41%	111.95	2.92%
Singapore 10-year	S\$	115.70	2.19%	116.97	2.06%	114.84	2.29%
South Korea 20-year	KRW	9,470.89	5.98%	9,470.89	5.98%	9,470.89	5.98%
Australia 15-year	A\$	115.56	4.13%	116.17	4.07%	109.72	4.71%
New Zealand (12/17)	NZ\$	107.52	4.95%	107.16	5.00%	105.67	5.21%
Philippines 20-year	PHP	88.20	10.97%	86.75		68.89	13.10%
India 30-year	INR	118.99	6.79%	121.26	6.64%	105.73	7.82%
UK 30-year	£	118.83	3.70%	116.27	3.83%	110.82	4.12%
Germany 30-year	€	113.16	3.54%	113.45	3.52%	109.65	3.72%

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