



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

***Week of 12 January 2009 - 18 January 2009***

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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 (1/16/2009)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2009	% Change 1/1/2008
S&P 500	850.12	-4.5%	-5.9%	-5.9%	-42.1%
Dow Jones Industrial Avg.	8,281.22	-3.7%	-5.6%	-5.6%	-37.6%
Dow Jones Tech. Index	247.30	-3.7%	-1.6%	-1.6%	-46.1%
Dow Jones Telecom. Index	184.37	-6.1%	-7.7%	-7.7%	-41.2%
NASDAQ Composite	1,529.33	-2.7%	-3.0%	-3.0%	-42.3%
The Street.com Net	179.71*	NA	NA	NA	-36.2%
Japan Nikkei 225	8,230.15	-6.9%	-7.1%	-7.1%	-46.2%
JASDAQ	45.52	-2.8%	-5.6%	-5.6%	-36.9%
Japan Mothers	335.13	0.0%	3.6%	3.6%	-57.2%
Korea KOSPI Composite	1,135.20	-3.9%	1.0%	1.0%	-40.2%
Korea Kosdaq	354.60	-1.1%	6.8%	6.8%	-49.6%
Taiwan Stock Exchange	4,366.10	-2.3%	-4.9%	-4.9%	-48.7%
Singapore Straight Times	1,830.68	1.4%	3.9%	3.9%	-47.2%
Hong Kong Hang Seng	13,255.51	-7.8%	-7.9%	-7.9%	-52.3%
Hong Kong GEM	356.06	-4.8%	-7.6%	-7.6%	-73.6%
China Shanghai (A-Share)	2,051.99	2.6%	7.3%	7.3%	-62.8%
China Shenzhen (A-Share)	631.78	2.6%	8.6%	8.6%	-58.5%
China Shanghai (B-Share)	120.81	1.8%	8.9%	8.9%	-67.0%
China Shenzhen (B-Share)	282.51	-0.9%	4.1%	4.1%	-60.2%

\* No trading on January 1-16, 2009, thus level as of last trading date of 2008 has been shown.

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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

#### *Semiconductor*

- **Global sales of dynamic random access memory (DRAM) chips are expected to fall 4 percent in 2009, extending their decline for the third straight year amid a prolonged industry downturn and chronic oversupply.** Sales of DRAM, used mainly in personal computers and increasingly in mobile devices and game consoles, are forecast at US\$24.2 billion in 2009, down from US\$25.2 billion in 2008. The U.S. Memory chip makers are reeling under snowballing losses as oversupply and rapidly declining electronics demand have pushed chip prices lower than their production costs. Many, including Korea's Hynix Semiconductor and Germany's Qimonda, were forced to seek outside help due to cash shortages. Taiwanese DRAM makers Powerchip Semiconductor and Promos Technologies also applied for government assistance. Makers' undisciplined capacity expansion in past years, aimed at squeezing the competition, was backfiring. The top eight DRAM makers have lost nearly US\$8 billion since 2007 and their total operating losses are expected to reach US\$11 billion by the end of next year. Sector leader Samsung Electronics Co. Ltd. has invested about US\$27 billion in DRAM manufacturing since 2000 but holds the same market share as it did in 2000, at about 30 percent.

### Japan

#### *Hardware*

- **Panasonic Corp. will slash about US\$1.5 billion from its planned investment in two new flat-screen TV plants and shut down unprofitable businesses as demand for high-end electronics falls globally.** The company will cut about 23 percent from its planned US\$580 billion investment through 2012 in two new TV panel factories in Japan. The company scaled back its ambitious plan as a result of market conditions. The company still plans to sell 50 percent more TVs next fiscal year, a total target of 15.5 million units. It will also undertake a major launch of home appliance sales in Europe during that period. Panasonic makes flat-screen TVs based on both plasma and liquid crystal display technology, and is ramping up production to keep up with domestic rivals such as Sharp and Sony.
- **Hitachi Ltd. is expected to post a group net loss of more than 100 billion yen (US\$1.1 billion) for the year ending March 31, 2009 due mainly to a sharp fall in microchip sales.** The company had forecast a net profit of 15 billion yen (US\$165 million). Renesas Technology, a chipmaking joint venture of Hitachi and Mitsubishi Electric, is also expected to report a net loss of about 200 billion yen (US\$2.2 billion). Like many Japanese exporters, both companies are also being hurt by the yen's strength against the dollar and the euro. Hitachi is expected to report a 13 percent fall in group operating profit to just under 300 billion yen (US\$3.3 billion). Orders for automotive equipment are down and sales have been lackluster for flat-panel TVs and other electronics.
- **Toshiba is in talks to buy Fujitsu's hard-disk drive business in a deal reportedly worth 30-40 billion yen (US\$335-US\$447 million).** A deal would create the world's largest maker of small hard drives that are used in electronics products such as laptops and car navigation systems. A deal would be announced at the end of the month if the heads of the two companies come to an agreement at a meeting to be held within the week. Toshiba wants to buy Fujitsu's hard-drive manufacturing and sales

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networks, including Fujitsu's two hard-drive plants, one in Thailand and one in the Philippines. The deal is not expected to include a plant in Nagano prefecture, north of Tokyo, where Fujitsu makes hard-drive parts, or the hard-drive production segment of Fujitsu unit Yamagata Fujitsu. Fujitsu is looking at selling its remaining hard-drive operations to other firms with an eye on withdrawing from the business altogether.

- **Toshiba has expanded its collaboration with Intel and Microsoft to enable it to develop devices including an LCD TV, an LCD TV/DVD, and a standalone network player that all support the Widget Channel applications framework promoted by Intel and Yahoo and include Microsoft's Extender for Windows Media Center technology.** The Widget Channel applications framework allows viewers to access a rich content library over the internet and information services via an interface on a TV screen. The Extender for Windows Media Center technology will enable viewers to access a wide range of digital content from Windows Media Center on the PC through their big screen TV.
- **Sanyo Electric Co., which is being acquired by Panasonic Corp., cut its annual profit forecasts, citing falling demand for semiconductors, electronic components and the stronger yen.** The company now expects to break even in the year ending March 31 compared with net income of 35 billion yen (US\$393 million) forecast on November last year. Sanyo cut its forecast of operating profit, or sales minus the cost of goods sold and administrative expenses, by 40 percent to 30 billion yen (US\$331 million).
- **Sony is expected to post an operating loss of about 100 billion yen (US\$1.1 billion) for 2008/09, far short of the company forecast for a profit of 200 billion yen (US\$2.2 billion).** The operating loss, the first in 14 years, could be double that depending on inventory conditions in the January-March quarter. Analysts on average see an annual profit of 18.5 billion yen (US\$204.2 million). The company is expected to cut 16,000 jobs, curb investment and pull out of some businesses to save US\$1.1 billion a year as the global recession hits demand for its products.

## *Telecommunications*

- **Softbank Mobile Corp. saw the largest net increase in subscriptions among mobile phone carriers in Japan for the first time in 2008, after topping the rankings consecutively for 20 months through December.** The company's free phone service between its subscribers and the release of Apple Inc.'s iPhone 3G in July and that of other new handsets helped it attract customers. Softbank's cumulative total of subscriptions exceeded 20 million on January 1, 2009. Softbank's net subscription increase last year came to 2,386,300, followed by NTT Docomo Inc. at 1,004,600 and KDDI Corp. at 995,400. KDDI dropped to third from first place in 2007, while NTT Docomo, the largest of the three, moved up one notch to second from the third slot.
- **NTT Docomo and Fujitsu have co-developed a mobile phone for the Taiwanese market based on the FOMA F905i model sold in Japan.** The new handset was officially launched under the model name F905i in Taiwan by Far EasTone Telecommunications. This first mobile phone co-developed by NTT Docomo and Fujitsu for a market outside of Japan is said to allow users to view and input the traditional Chinese character set, the standard writing system in Taiwan, enabling access to Far EasTone Telecommunications's i-mode mobile internet service in the local language.

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## *Semiconductor*

- **SanDisk and Sony have announced the joint development of two expanded Memory Stick formats to achieve a maximum storage capacity of 2-terabytes and enable a maximum data-transfer speed of 60 mbps.** The new Memory Stick Format for Extended High Capacity of up to 2TB of data is 60 times higher than the Memory Stick PRO format's current 32GB limit. The new format is scheduled to support the MagicGate copyright protection technology and Access Control Function. Memory Stick HG Micro format has an 8-bit parallel interface and offers an increased interface clock frequency of 60MHz, enabling 60Mbps data transfer speed, which is three times faster than the conventional serial 4-bit parallel interface and 40MHz interface. SanDisk and Sony share a long collaborative history of developing products and technologies.

## *Media, Entertainment and Gaming*

- **Japan Broadcasting Corp., better known as NHK, has compiled a deficit budget for fiscal 2009, its first in 13 years, as the costs of introducing digital terrestrial broadcasting are expected to rise.** NHK is expecting income of 670 billion yen (US\$7.3 billion) in the next fiscal year starting in April, up 1.9 percent from the previous fiscal year, while expenditure is estimated up 4.0 percent. Of the expenditure, 15.8 billion yen (US\$174 million) will be allocated for the introduction of digital terrestrial broadcasting, which will be completed in July 2011.
- **Goldman Sachs Group Inc. plans to make a takeover bid for full control of USJ Co., operator of the Universal Studios Japan theme park in Osaka.** Goldman's Tokyo-based Crane Holdings fund that now holds a 41 percent stake is preparing to acquire the remaining shares in the company by March 31, the person said, declining to be identified. The 59 percent stake to be purchased would be worth about 51 billion yen (US\$568 million). Goldman Sachs invested 20 billion yen in Universal Studios Japan in 2005. The Nikkei newspaper said earlier today that Goldman Sachs may turn USJ into a unit and delist the company from the stock exchange. It didn't say where it obtained the information. Universal Studios Japan opened in 2001, drawing 30,000 customers on its first day. The company reported net income of 4.13 billion yen for the six months ended Sept. 30 with revenue of 34.33 billion yen, after introducing new characters including Sanrio Co.'s cartoon cat Hello Kitty. The park's attendance will be about 8.6 million for the year ending March 31, compared with 9.9 million five years earlier, USJ's Takahashi said.
- **Japan's Square Enix Holdings Co Ltd said it enjoyed robust holiday sales despite a slowing economy, and the videogame maker expects its operating profit to be roughly in line with its forecast for the year to March.** The global downturn has prompted some consumers to give up purchases of big-ticket items such as cars and flat TVs, but the game industry is relatively well-shielded as people stay home and turn to low-budget entertainment. Square Enix, known for such blockbuster titles as "Dragon Quest" and "Final Fantasy", said last November its operating profit was likely to dip 2.4 percent to 21 billion yen (US\$236 million) this business year compared with the previous year. Analysts on average expect Square Enix to post an operating profit of 27.4 billion yen, according to Reuters Estimates. In the longer term, President Yoichi Wada said the company now appears likely to miss its recurring profit target of 50 billion yen for the year ending in March 2011, given the global downturn and a firmer yen, which eats into exporters' revenues when converted into the Japanese currency. Japanese videogame software makers including Square Enix and rivals Konami Corp and Capcom Co Ltd will need to expand their overseas presence as the population in Japan is shrinking as well as ageing rapidly. For the current business year to March, Square Enix forecast a recurring profit of 20 billion yen. Wada said he was in talks with quite a few companies on possible acquisitions,



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repeating his usual reply to M&A questions. Square Enix last year offered to buy smaller Japanese rival Tecmo in a deal worth at least about US\$100 million, but Tecmo rejected the proposal and said it would instead merge with another Japanese game developer, Koei Co Ltd.

## *Mobile/ Wireless*

- **Domestic shipments of mobile phones including those for the personal handy-phone system in November tumbled 29.8 percent from a year earlier to 3.49 million units, a decline for the fifth straight month.** While the cellphone market is already saturated, product offerings lacked enough appealing new functions to stir demand and consumers were also cutting down on spending. Shipments between January and November also plummeted 16.9 percent to 38.83 million units, and shipments in 2008 are expected to fall sharply from the year before. The so-called One-Seg handsets that let users view terrestrial digital television programs accounted for more than 90 percent of the total monthly shipments in November.

## **Korea**

### *Telecommunications*

- **KT Corp. plans to apply later this month for a merger with its mobile service unit, KTF CO.** If the merger is approved, experts say it would create a company worth nearly 20 billion won (US\$14.9 million) in sales by June, as KT controls 90 percent of South Korea's telephony services, while KTF serves more than 40 percent of the country's mobile service users. The application for the merger was expected to be submitted within this month, and the commission will have 90 days for examination. Over 90 percent of South Koreans use mobile phones, while a similar portion of households have broadband access.
- **KT Corp. has named the country's former technology minister as the company's new chief executive.** Lee Suk-chae, who served as the minister of information and communication in 1996, also worked as an economic adviser to the president. Lee's appointment came after his predecessor Nam Joong-soo resigned in early November following allegations that he took kickbacks from suppliers in return for buying their products.

### *Mobile/ Wireless*

- **Samsung set itself a target of capturing a 30 percent share in the Thai mobile handset market on sales revenue of nine billion baht this year.** The company had a 20 percent share in the Thai market at the end of last year, up 63 percent from a year earlier and second to the long-time market leader Nokia. It sold more than two million units with revenue of six billion baht (US\$172.5 million). Manatase Annawat, senior manager of Thai Samsung Electronics Co, said the company expected to sell between 2.5 million and three million handsets in 2009 with a revenue target of up to nine billion baht (US\$258.8 million). Overall handset demand would increase by 10 percent to 10 million units this year, driven by the growing popularity of high-end touch-screen handsets and low-end entry-level phones in the provincial markets.

### *Semiconductors*

- **Hynix Semiconductor believed the fourth quarter of 2008 was the bottom in the ongoing memory chip downturn, and that it was open to further financing.** Hynix, which last month secured US\$600 million in much needed funding and is set to raise US\$249 million in a new share issue under the support package, has no immediate plans to secure further liquidity. The amount



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recently raised would only help Hynix last a few more months, CEO Kim Jong-kap expressed confidence that the company would weather the downturn thanks to more drastic cost-cutting and reduced investments. An unprecedented downturn in the market for dynamic random access memory (DRAM) chips, used mainly in personal computers, has pummeled Hynix and its rivals such as Germany's Qimonda and Taiwan's Powerchip Semiconductor, forcing them to cut back output and seek outside funding help.

- **Creditors of Hynix Semiconductor have agreed to complete the sale of the world's second-largest chip maker by September this year.** Korea Exchange Bank, the main creditor of Hynix Semiconductor, said that co-lead managers for the sale of the chip maker met with each other and agreed on the plan to sell a combined 36-percent stake held by a group of nine creditors by September. Credit Suisse and a consortium led by state-run Korea Development Bank were picked last November as sale arrangers. The list of potential buyers includes some of South Korea's conglomerates, including LG, GS and SK, top shipbuilder Hyundai Heavy Industries and KT Corp.

## *Hardware*

- **LG Display had signed a deal to supply LCD panels to Apple Inc. for five years.** The company did not disclose the total size of the deal but said in a filing to the Korea Exchange that it would receive a US\$500 million advance from Apple this month. LG trails domestic rival Samsung Electronics in the LCD market but ranks ahead of Taiwan's AU Optronics Corp and Chi Mei Optoelectronics Corp.
- **Samsung Electronics is aiming to increase 2009 sales of LCD and plasma TVs by 10 percent and a third, respectively.** Samsung, which ranks No. 1 in liquid crystal display (LCD) TVs and second in plasma TVs, aimed to sell at least 26 million flat-screen TVs in 2009, Park Jong-woo, the president of Samsung's digital media division. The combined target represents 13 percent growth from 2008. By product, Samsung was aiming to sell at least 22 million LCD TVs and 4 million plasma sets. Samsung competes with Japan's Sony Corp., Panasonic Corp. and home rival LG Electronics Inc. in the flat-screen TV market.
- **LG Electronics plans to sell 20 million units in TV sales, 6 million units higher than last year, in order to surpass Sony and become the world's largest TV maker.** Samsung Electronics is also committed to 26 million units in the TV sales, up 10 percent from a year earlier, to maintain its leadership in the market. Due to the economic downturn, the TV market is predicted to record a minus growth for the first time in history. However, both companies are trying to set an aggressive goal to convert a crisis into an opportunity.

## **China**

### *Internet*

- **China's internet population grew 41.9 percent in 2008 to 298 million users.** Of those, 270 million were broadband users, up from 163 million in 2007. The number of those using their mobile phone to go online grew 133 percent to 117.6 million. China's offshore bandwidth grew up to 74 percent, overtaking raw subscriber growth. China deployed 369Gbps in offshore backbone capacity in 2007 and 257Gbps in 2006. China overtook the U.S. in the middle of 2008 to take the crown as the biggest internet market by user numbers. Its internet penetration rate of 22.6 percent compares with 73.3 percent for Japan, the world leader, and 72.5 percent and 70.7 percent respectively for the U.S. and Korea.

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- **Alibaba Group's consumer-focused e-commerce site Taobao.com has added nearly 200,000 new online stores per month since September 2008, up more than 60 percent from the first half of 2008.** The figures indicate that more than 5,000 people open stores on Taobao everyday on average. Taobao booked transaction volume of 99.96 billion yuan (US\$14.6 billion) in 2008, up 131 percent from 2007. The site's 2007 transaction volume rose 156.3 percent year-on-year from 2006 to reach 43.3 billion yuan (US\$6.3 billion).

## *Telecommunications*

- **China Mobile Ltd. plans to launch a third-generation handset using Google Inc.'s Android platform in the first quarter.** The handset, named "OPhone", will be the first phone in China that features Google's Android operating system, and will use China's homegrown 3G mobile network. The company has been in talks with Google on using the open mobile platform, but the companies haven't reached agreement. Taiwan's HTC Corp. launched the world's first Android-powered smartphone for T-Mobile USA in September. The company hasn't heard about China Mobile's requirement for an Android-powered mobile phone.
- **China Mobile plans to invest 58.8 billion yuan (US\$8.6 billion) to establish nearly 60,000 TD-SCDMA base stations in 2009, bringing its total base stations to more than 80,000 as part of third-phase TD-SCDMA network construction.** The 58.8 billion yuan (US\$8.6 billion) investment will exceed total investment for the first two phases and will cover 238, or more than 70 percent, of prefecture-level cities. China Mobile plans to hold third-round TD-SCDMA bidding from January 20 until late March. Second-phase TD-SCDMA network construction will be completed by June 20, 2009.
- **China Unicom (Hong Kong) Ltd. Chairman Chang Xiaobing expects the company's third-generation mobile telecommunication services to become profitable next year.** Chang, who is also the company's chief executive, said China Unicom plans to launch 3G mobile services in 55 cities in China in the first half, and aims to expand the service to 282 cities by the end of this year. The company will spend 30 billion yuan (US\$4.4 billion) in the first half to build its 3G network. Its total expenditure this year for its 3G network will exceed 60 billion yuan (US\$8.8 billion). It will start the tender for the 3G network construction as soon as possible. China Unicom, China's second-largest mobile operator by subscribers after China Mobile Ltd., received its license for 3G services last week. It will use the Wideband Code Division Multiple Access standard for its 3G network. The Chinese government also granted 3G licenses to China Mobile and China Telecom Corp.
- **China Telecom subsidiary Shanghai Mobile has launched a new pay-for-time mobile Internet charging model for CDMA network handset users.** Shanghai Mobile's 5 yuan (US\$0.70) monthly package includes two hours of free mobile Internet and charges 0.1 yuan (US\$0.01) for each additional minute; the 10 yuan (US\$1.50) monthly package includes 6 hours of free mobile Internet. A Shanghai Telecom customer service representative said mobile Internet service packages are available from 5 yuan (US\$0.70) to 30 yuan (US\$4.40) per month with 0.1 yuan (US\$0.01) for each extra minute. The Beijing Telecom subsidiary does not currently offer similar packages.
- **China Unicom announced that China's state assets regulator State-owned Assets Supervision and Administration Commission of the State Council (SASAC) has approved the merger of the listed China Unicom and China Netcom's parent companies, which has become effective.** Upon the formal approval of the merger, all associated rights and obligations under China Netcom's parent were assumed by China Unicom's parent. As the transactions have similar nature, the annual cap to Netcom parent's continuing connected transaction agreements will be aggregated with that to

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Unicom parent' for each of the financial years of 2009 and 2010. The annual caps of materials procurement part were 18.5 million yuan (US\$2.7 million) and 20.1 million yuan (US\$2.9 million) for the financial years of 2009 and 2010, respectively; that of property leasing part, 11.3 million yuan (US\$1.7 million) and 11.7 million yuan (US\$1.7 million); and that of engineering and information technology services part, 51.5 million (US\$7.5 million) and 54 million yuan (US\$7.9 million).

- **Huawei Technologies Co. Ltd. plans to start its Internet business by launching its own social network service (SNS), according to an industry insider.** Yan Wenbo, a former MySpace official responsible for business operations, has joined Huawei to work on its new SNS project. Launching Internet-based services is a trend in the global telecom and IT industries. If Huawei waits too long to enter the Internet industry, it is very likely to lose out to competitors in the future, even in areas where it is traditionally strong. Launching an SNS could help Huawei establish a closer connection with its customers and the means to provide better after-sales service. However, the source told Interfax that Huawei aims to make its SNS a platform for general users, not just its business clients.
- **The Costa Rican Electricity Institute gave China's Huawei Technologies Co. a US\$235 million contract to install a 3G mobile phone network for 935,000 customers in the country.** ICE deputy manager Claudio Bermudez said the 3G network should be operational throughout the Central American nation by the end of 2009. The contract, which Huawei won in a bidding war against Sweden's Ericsson and China rival ZTE Corp., will be submitted for approval to Costa Rica's General Accounting Office. An initial bid in August was won by Huawei with a US\$583 million price tag against no opposition as other companies rejected ICE demands for the contract. President Oscar Arias intervened, asking ICE to withhold adjudication of the contract until another auction could be held. The 3G move will give mobile users access to high-end data applications on their phones, including high-speed interactive gaming and Internet access, video conferencing, video streaming and other multimedia features.

## *Media, Entertainment and Gaming*

- **Overseas revenue for China's online gaming industry reached US\$70.74 million in 2008, US\$30 million of which was generated by Beijing-based online game company Perfect World.** In 2007, Perfect World accounted for US\$10.1 million of the US\$55 million in overseas revenue generated by China's gaming industry. Michael Chi does not plan to resign from his position as CEO in order to clarify comments made by Chi at a recent conference. Chi would consider giving up his post as CEO before next year to give other talented employees space and opportunity. Perfect World expected fourth quarter 2008 overseas revenue to exceed US\$10 million. The overseas revenue of US\$8.4 million in the third quarter, US\$5.1 million in the second quarter and US\$5.5 million in the first quarter of 2008.
- **Shanda plans to license Kingsoft's in-house developed 3D martial arts MMORPG "JX Online 3" for operation on its game platform "Shanda Online," and the companies will announce the agreement.** Kingsoft gave away 4,000 testing accounts from the start of internal alpha testing in November 2008 until its conclusion. JX Online 3 is scheduled to start another round of testing in March and will be formally released in July. The companies' partnership began and they have not excluded the possibility of cooperating over "JX Online 3" in the future. Shanda paid US\$50 million to license NCsoft's 3D fantasy MMORPG "AION," US\$30 million as a signing fee and US\$20 million as a minimum guarantee.

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- **Shanda plans to invest a total of 1 billion yuan (US\$146 million) in the next three years to support original domestic content and has already invested a total of 300 million yuan (US\$44 million) in more than 30 companies.** Shanda established its "18 Fund" to support potential game developers with 1 billion yuan (US\$146 million) in July 2007. The company also operates incentive mechanism "20 Plan," which shares 20 percent of revenue with game operators. Giant Interactive announced the launch of a "Win@Giant" incubation program aimed at attracting talent in game design, project management, programming, art and other areas.
- **China Broadband Inc, a provider of cable broadband services and publisher of digital and analogue program guides, announced that the company's electronic programming guide division, Shandong Radio & Broadcasting Newspaper Group, has acquired two regional magazines, Music Review and Korean Drama.** The operations of both the magazines will be moved into Shandong Group's offices in Jinan City and will be distributed throughout the Shandong province along with Shandong Group's existing titles. The purchase of these magazines further strengthens the company's leadership position in Shandong's publishing industry.
- **Oak Pacific Interactive has signed Originality World Information Technology Co. Ltd. as its first strategic webgame partner by obtaining an exclusive license to Originality webgame "Shen Long Qi Shi II".** Oak Pacific will provide Originality with capital support, while the two will cooperate on staff training and technology. Oak Pacific obtained exclusive global operation rights to all of Originality's future games through the agreement. Oak Pacific will release 8-10 webgames in 2009. The company received hundreds of game product introductions and established contact with nearly 100 webgame developers or teams after announcing its 500 million yuan (US\$73.1 million) plan, "V Plan," to support or acquire webgame developers and license webgames.

## *Software*

- **Kingsoft Corp Ltd. is planning to spend 1 billion yuan (US\$146.2 million) to set up a 96,000-square-meter headquarters and R&D center in Zhuhai, Guangdong province.** The company made the decision because Kingsoft's existing office site can't meet the company's requirements. Kingsoft's revenue is expected to exceed 1 billion yuan (US\$146.2 million) over the following three years and the number of its staff will rise to 5,000 with plans to further add more than 2,000 workers at present. The new software park, focusing on software development, overseas business expansion, training and customer service, is expected to be completed in three to five years.

## *Semiconductor*

- **Semiconductor Manufacturing International Corp. (SMIC) has signed a strategic cooperation agreement with Datang Telecom Technology and Industry Holdings Co., LTD (Datang Holdings).** SMIC will provide its current research and development facilities to help Datang develop advanced communication logic processing technology and IP bank. SMIC will give priority to the production requirements of Datang, and the latter, in return, will give priority to engage or employ the fabrication services of SMIC. The two parties' cooperation will cover the development of international markets and business globalization. They will make joint efforts to apply for China's national and local projects with scientific research and industrialization relating to the integrated circuit sector. Datang Holdings invested US\$172 million in SMIC for 16.6 percent equity in late November 2008, on the condition that they should reach a strategic cooperation agreement upon the completion of new share issuance and allocation.



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## Taiwan

### *Mobile/ Wireless*

- **HTC Corp. expects its revenue, which hit a record high in 2008, to continue rising in 2009 by more than 10 percent.** HTC's revenue in 2008 rose 29 percent. But sales of technology products are facing tighter credits amid a global economic slowdown in the typically slow first quarter. The company still expects a small growth in first-quarter revenue compared with a year earlier. First-quarter revenue in 2008 was NT\$32.7 billion (US\$980 million). HTC plans to introduce new models to the market in the first half of 2009.

### *Hardware*

- **Taiwan's government had asked Promos Technologies to resubmit a reorganization plan jointly filed by the local DRAM maker and its bigger Japanese rival Elpida Memory, apparently seeking assurances of support for the domestic sector.** The economics ministry held a meeting on to discuss the joint proposal presented last week, but the plan fell short of the ministry's expectations to keep key DRAM technologies on the island. Taiwan's economics ministry would support the struggling local DRAM industry by helping it develop more local technology and boosting its global competitiveness. The government would welcome tie-ups between local makers and their rivals in Japan and the U.S but said the companies would have to come up with reorganization proposals based on the government's overall strategy to protect domestic concerns.
- **With Taiwanese cable TV broadcasting service providers actively promoting digital TV broadcasting this year, demand for STB (set-top box) is predicted to exceed 10 million units in the next 5 years on the island.** Currently a large audience of an estimated 4.6 to 4.7 million watch cable TV in Taiwan, 80 percent of which receive services from mainly MSOs (multi system operators). One MSO is Kbro Co., Ltd., who has started offering digital TV broadcast on a trial basis; in the meantime, TFN Media Co., Ltd. is also to start trial promotion of the service in the second quarter of this year. Plus, China Network Systems Co., Ltd. and Taiwan Broadband Communications Co., Ltd. are both planning to launch such services in Taiwan in the near future, all of which are expected to spur demand for STBs.
- **Asustek would incur losses of up to NT\$2 billion (US\$60 million) in the fourth quarter of 2008 due to fluctuations in foreign currency exchange rates.** The loss should be in the range of NT\$1.5 billion (US\$45 million) to NT\$2 billion (US\$60 million). Asustek, which has a large presence in Europe, said the euro's weakness against the U.S. dollar was a factor in the foreign-exchange losses, but the firm was already taking measures to prevent such losses in the current quarter. The company would report a negative operating margin for the October to December quarter of 2008, and that it had fallen short of its previous shipment targets for motherboards, notebooks and low-cost netbooks.
- **Acer Inc. said its revenue fell by 5-10 percent in the fourth quarter of last year, as retailers cut their inventory amid a softer market.** The company expects its operating margin in the last three months to have improved or remain broadly unchanged from the third quarter of 2008. A newly implemented change to accounting rules in Taiwan that regulates inventory control, known locally as accounting standard No. 10, would also not have any influence on the company. Acer, which has not publicly disclosed its operating margin in the past, reported a revenue of NT\$159 billion (US\$4.8 billion) in the third quarter of last year. In contrast to rivals it issued an upbeat outlook in December, saying that its fourth-quarter profit could exceed its own previously undisclosed profit forecast due to effective cost control. Acer is the latest in a string of tech companies to warn of reduced earnings,

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impacted by the global economic slowdown. Its smaller cross-town rival Asustek would not be able to meet its previous shipment forecasts.

## Hong Kong

### *Telecommunications*

- **Hong Kong's telecommunications industry regulator has received bids of up to HK\$489 million (US\$63 million) for licenses to operate broadband wireless access services, known as 4G mobile telephone services.** Five rounds of bidding resulted in bids as high as HK\$489 million (US\$63 million). Bidding will continue, but declined to name the highest bidders or specify the number of companies that offered the highest bid. OFTA received five bids for the 4G mobile licenses, but didn't specify when the licenses would be issued.
- **Regulator Ofta said it had received bids totaling HK\$564.8 million in six rounds over the first two days.** Ofta is selling 12 bands in the 2.3GHz and 2.5GHz bands. Five pre-qualified bidders are bidding for the frequencies, led by local cellcos CSL and Smartone, mainland giant China Mobile HK - who owns mobile firm Peoples - as well as ISP Hong Kong Broadband and Genius, a JV between PCCW and the Hutchison group fixed-line carrier HGC.

## Singapore/Malaysia/Philippines/Indonesia/India/New Zealand

### *Hardware*

- **The Indian federal government ordered an investigation by the Serious Fraud Investigation Office into financial irregularities at Satyam Computer Services Ltd., deepening the probe into a company already under the scrutiny of regulators and the police.** The company came under a cloud after founder B. Ramalinga Raju last week admitted to overstating profits over several years and creating a fictitious cash balance of more than US\$1 billion - a revelation that led to his resignation as chairman. The ministry has received a report by the Registrar of Companies and has ordered an inquiry. The Serious Fraud Investigation Office, or SFIO, will submit its report in three months. The government intervened disbanding the existing board at Satyam and appointed three new board members - Deepak Parekh, chairman of Housing Development Finance Corporation; Kiran Karnik, former president of information-technology industry body Nasscom; and C. Achutan, a former member of the Securities and Exchange Board of India.
- **Western Digital is keen to sell its Sarawak plant in the Samajaya Jaya Free Industrial Zone (SJFIZ) here to recover its losses due to the global economic meltdown.** The company had already invested US\$160 million since starting operations in Malaysia. The company had confirmed that it would stick to its decision to cease the Sarawak operations and lay off all its 1,500 employees, including 500 engineers by March this year. During his meeting, the employees' welfare, including retrenchment benefits and retraining of the retrenched workers. Apart from the affected plant, the U.S.-based company has three other facilities in Johor, Kuala Lumpur and Penang.
- **Single Point Parts (Thailand) Plc (SPPT), an electronic parts and components maker, is closing down one of its four production plants after it cut 200 contract workers at the plant.** The targeted plant is one of three located in Rojana Industrial Park in Ayutthaya and its facilities are moving to another plant in Saraburi. The company had a severe drop in orders due to economic woes. Once the plant closes, the company's output will fall by one-fifth. The company mostly supplies its parts to hard disk drive (HDD) makers and consumer electronics manufacturers.

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## *Telecommunications*

- **Bharti Airtel Ltd. added 2.73 million mobile users in December 2008, raising its total mobile subscribers to 85.65 million.** Unlisted Vodafone Essar added 2.17 million mobile phone users, taking the total number of its subscribers to 60.93 million. State-run Bharat Sanchar Nigam Ltd. added 874,223 mobile phone users, taking its total subscriber base to 41.36 million at the end of December. Another state-run operator, Mahanagar Telephone Nigam Ltd., added 78,584 new mobile phone users in December and has a total subscriber base of 3.89 million. Idea Cellular Ltd. added 1.5 million users during the month to have a total subscriber base of 38.01 million.
- **Tata Communications Ltd. has sought Indian government's permission to raise 10 billion rupees (US\$206 million) through a rights issue and 20 billion rupees (US\$411.1 million) via debt to finance acquisitions and bid for broadband wireless bandwidth.** Tata Communications, in which the government holds a 26 percent stake, also wants to use part of the funds for its new submarine cable project. Tata Communications is looking to buy providers of hardware and software monitoring services and is evaluating a few companies in the U.S. and the U.K. for possible acquisitions. It has asked the government and Tata Sons Ltd., the holding company of the Tata group, for new equity infusion through the rights issue.
- **CAT Telecom president Phisal Jorpocha-udom has resigned, citing his health.** The board of the state telecom enterprise accepted his resignation. But a CAT director, who asked not to be named, said Mr. Phisal had been pressured to step down over a conflict of interest and underperformance. Thanit Mongkolpattanakul, a board director, will serve as acting president pending the selection of a new president. Directors learned that Mr. Phisal held shares in a company that had a joint operation with CAT, which the board used to force him to quit. Mr. Phisal faced criticism over delays to several projects. Public telephones in rural areas under a universal service obligation are behind schedule, incurring 100 million baht (US\$2.9 million) in fines.
- **Advanced Info Service (AIS) failed to reach agreement with Apple Inc. to offer the 3G iPhone in the Thai market.** AIS's smaller rival, True Move PCL, a unit of True Corp plans to launch the 3G iPhone in Thailand from Jan. 16, making it the first operator to sell the new phone in the fast-growing market. AIS was willing to renegotiate with Apple if the U.S. firm offered a new proposal. Apple rolled out the new iPhone, which offers faster Internet access and improved e-mail features, in more than 20 countries.
- **AIS announced plans to issue corporate bonds worth 7.5 billion baht (US\$214.5 million) to expand network capacity and refinance debt.** One tranche of bonds would have a maturity of 3.5 years, with annual interest at 4 percent for the first 2.5 years and 5 percent for the remaining one year. The second tranche of five-year bonds would pay 4 percent annually in the first two years, 5 percent in the third and fourth years and 6 percent in the fifth year. The company will pay interest every three months. The bonds, rated AA by Tris Rating, would be offered to institutional and individual investors through Bangkok Bank, Kasikornbank, Krung Thai Bank, Siam Commercial Bank and TMB Bank. AIS has 10 billion baht (US\$286 million) worth of earlier bonds coming due this year.
- **TM International's (TMI) Indonesian unit plans to shelve a private placement and launch a rights offer.** The unit, PT Excelcomindo Pratama Tbk (XL), intends to increase its free-float on the Jakarta Stock Exchange through the offering. The proceeds from the issue would be used to pay XL's debt and fund its capital expenditure. XL was considering selling new shares in the second quarter to increase its share capital by 15 percent, citing a senior company official.



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- **Bharti Airtel has launched mobile services in Sri Lanka. The Indian operator revealed that it has brought its offering to market under the Airtel brand, through its local unit Bharti Airtel Lanka.** With four established players already operating in Sri Lanka, Bharti will be compelled to compete on price in order to carve out a share of the market. In its launch announcement, the telecom highlighted its simple tariffs and attractive call rates. Bharti is the first operator in Sri Lanka to abandon the concept of peak and off-peak calling, setting standard tariffs for all hours of the day. Users will also be able to make calls on and off-network for the same rates. There were 9.25 million mobile subscribers in Sri Lanka in mid-2008. The population stands at around 21.13 million.
- **Auckland-based Telecom Corp. will close its unprofitable Web-based shopping unit Ferrit because of an economy-wide slump in consumer spending.** Ferrit, described as an online shopping mall, links as many as 80 retailers through a single Web site. Telecom began the unit in 2005 to help develop online retailing and encourage use of the Internet. Telecom is reviewing costs and investing in new networks to arrest a slide in profits amid increased competition and a price regulation imposed by the government. Consumer spending is contracting in New Zealand amid a recession that began in the first quarter last year.

## *Software*

- **Wipro Ltd. and Megasoftware Consultants Ltd. are barred from working for the World Bank, the institution said, less than three weeks after it disclosed Satyam Computer Services Ltd. was banned.** Wipro was banned in 2007 for offering World Bank employees shares in its stock offer in the U.S. in 2000. Wipro's disclosure, more than 18 months after the penalty was imposed, came after the World Bank decided to publish names of all companies that it barred from contracts. Satyam's founder was arrested last weekend after admitting fraud in a scandal that has roiled equity markets and spurred tighter disclosure rules. Wipro is barred from World Bank contracts from June 2007 for four years.

## **United States/Canada**

### *Mobile/Wireless*

- **Motorola will announce a large round of job cuts at its struggling mobile devices division that could amount to 50 percent of its workforce.** The company plans to release just 12 new mobile phones per year going forward, and its only smartphones will use Google's Android platform. The company's co-CEO Greg Brown said that he planned to cut another 3,000 jobs, which would drive savings of around US\$800 million in 2009. Motorola has cut more than 10,000 positions since January 2007. The company had aimed to spin off its mobile division by the third quarter of 2009, but the plan was put on hold by the unit's CEO Sanjay Jha in October.

### *Telecommunications*

- **Verizon Wireless completed its US\$5.9 billion purchase of Little Rock and Alltel Corp. making Verizon the nation's largest mobile phone company.** Verizon will also take on US\$22.2 billion in Alltel debt. Verizon will retain all Alltel employees below the executive level as the company assesses which positions need to be cut or kept under the new arrangement. When Verizon President and Chief Executive Lowell McAdam addressed an audience in Little Rock in August, he said it would take a year after closing the sale to assess employee retention. The buyout is expected to result in the loss of many of the best-paying positions among the nearly 3,000 employees at Alltel's Little Rock headquarters.

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- **Sonus Networks Inc. will eliminate another 40 jobs, or 4 percent of its worldwide work force, on top of the 5 percent cut.** The company, which has been involved in a months-long corporate-governance dispute with shareholder Legatum Capital Ltd. said it expects to book first-quarter pretax severance charges of US\$750,000 to US\$850,000, while saving US\$4.5 million to US\$5 million a year as a result of the moves. The cuts are the latest sign that telecommunications-equipment providers, once thought to be somewhat insulated from the economic environment because of continued demand for wireless and Internet-related products, are feeling the effects of the global downturn.
- **Nortel Networks has filed for bankruptcy protection in the U.S. and Canada, attributing the move directly to the global financial crisis.** The news does not come as a huge surprise, although the industry is left reeling at the likely disappearance of one of its core names. Speculation on Wall Street and from within the industry in recent weeks suggested that, with hefty interest payments looming, amongst other things, the company would file sooner rather than later. Although Nortel still has cash on hand, likely sufficient to run its business for the next couple of years, a filing at this stage was almost inevitable. The company was due to make a US\$107 million bond interest payment, and the deadline for a support agreement from Export Development Canada, one of its major creditors.

## *Internet*

- **Yahoo Inc. hired Carol Bartz, former chief executive of software company Autodesk Inc., as its next CEO.** The company said its current president, Susan Decker, will leave the company. The departure of Ms. Decker, an eight-year Yahoo veteran who had lost the confidence of some shareholders and Yahoo directors in recent months, leaves Ms. Bartz with a freer hand to remake Yahoo. Yahoo Chairman Roy Bostock called Ms. Bartz the exact combination of seasoned technology executive and savvy leader that the board was looking for and said that she was the only executive to whom Yahoo offered the job. The move caps a nearly two-month search for a leader to succeed co-founder Jerry Yang, who last year oversaw the company through a failed acquisition offer from Microsoft Corp. and activist investor Carl Icahn's attempt to replace the Yahoo board.
- **Google was laying off 100 full-time recruiters, the latest sign that the economic recession has not spared one of the technology industry's strongest companies.** The company says that it now needs fewer people focused on hiring. Google had started by terminating contracts with external recruiters, but the worsening economy had necessitated the laying off of full-time workers. The 100 positions represent less than one-quarter of Google's total in-house recruiters, spokesman Matthew Furman said. The job cuts come after a series of other cost-cutting moves by Google.

## *Semiconductors*

- **Advanced Micro Devices will cut 1,100 jobs and reduce employee salaries by as much as 20 percent for top executives due to the weakening economy.** The company said Chairman Hector Ruiz and Chief Executive Dirk Meyer will temporarily take 20 percent salary cuts, while U.S. and Canadian executives at the level of vice president and higher will take 15 percent cuts. North American employees who are not eligible for overtime pay will take 10 percent cuts, while overtime-eligible employees will see their salaries reduced by 5 percent. It is also implementing voluntary pay reduction measures for employees outside North America. AMD is also suspending its practice of matching employee contributions to retirement plans.

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## *Software*

- **Microsoft sold 28 million units worldwide of its Xbox 360 video game console through the end of 2008, expanding the Xbox's lead over rival Sony's PlayStation 3 console in worldwide unit sales.** Xbox 360 product management director Aaron Greenberg said 2008 was the company's biggest year ever in Xbox history despite a sluggish global economy that's battered U.S. retailers this past holiday season. Rising unemployment and tighter credit have dented U.S. consumers' purchasing power and most retailers have posted dismal sales results in recent months. Despite problems by some publishers, the video game industry overall has bucked the trend as market researcher NPD said video games sales rose 10 percent and totaled US\$2.91 billion in November, proving consumers were still spending on video games at the beginning of the holiday season.

## *Hardware*

- **Dell Inc. will slash its Irish work force and shift its European manufacturing operations to Poland in a move certain to undermine Ireland's recession-hit economy.** Dell is Ireland's second-largest corporate employer, its biggest exporter and in recent years has contributed about 5 percent to the national gross domestic product. Economists warn that each Dell job underpins another four to five jobs in Ireland. Managers told its approximately 4,300 Irish employees that 1,900 of them overwhelmingly assembly-line workers would lose their jobs between April 2009 and January 2010. The company plans to have transferred the entire Irish production of laptops and desktop computers to a new Dell plant in Poland's third-largest city, Lodz where labor costs are at least two-thirds lower than Dell's rates in Ireland and to subcontractors chiefly in Asia.

## **Europe**

### *Mobile/ Wireless*

- **T-Mobile U.K. managing director Jim Hyde will leave the company in March.** Hyde has been in his current position for three years, having held a number of roles at the operator, both in the U.S. and the U.K., for a total of 12 years. Hyde will take on the role of president and chief operating officer at U.S.-based nTelos. Hyde is set to take over from current CEO James Quarforth after the latter's eventual retirement. Deutsche Telekom struck a network sharing agreement with rival operator 3 UK which is aimed at driving cost savings of 2 billion euros (US\$2.7 billion) over the next 10 years. T-Mobile became the first U.K. operator to offer a handset running on Google's Android operating system.
- **Sony Ericsson said it swung to a fourth-quarter net loss of 187 million euros (US\$249 million), as contracting consumer demand and the decreased availability of credit hit sales, and warned the market is set to worsen this year.** Sony Ericsson, a joint venture between Sony Corp of Japan and Telefon AB L.M. Ericsson of Sweden, said it expects a continued deterioration in the market place in 2009, particularly in the first half. Sony Ericsson's result for 2009 will probably be negative. Komiyama, President of Sony Ericsson predicted that efficiency improvements and launches of new phones will help it return to profitability towards the second half of the year. Komiyama said his company will pursue the high-end smartphone segment of the market aggressively, and aim for a smaller and more segmented mid-end portfolio. Its current range-topping multimedia device, the Xperia X1, was launched last September.

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## *Telecommunications*

- **The French state's direct holding in France Telecom increased above the 20 percent threshold to 23.16 percent, while state-owned vehicle ERAP's holding fell below the 5 percent threshold to 3.49 percent.** The holding of ERAP and the state combined hasn't passed any thresholds. The French State doesn't plan to buy additional France Telecom shares over the next 12 months, with the exception of transfers between ERAP and the state's direct holding. The reshuffle doesn't affect its representation in France Telecom's governance.
- **Argentina's antimonopoly commission CNDC has asked Spain's Telefonica to provide documents detailing its stake in Telecom Italia as part of an ongoing investigation into whether the cross-ownership threatens competition in Argentina.** Argentina's telecommunications sector is split between Telefonica and Telecom. The two companies' local units dominate fixed and cellular phones as well as Internet service in Argentina. Once the documents are received, the commission will have 45 working days to reach a conclusion, the head of the commission. In December, the commission blocked Telecom Italia's plans to exercise an option to buy out the local investors with which it shares control over Telecom Argentina. Telecom Argentina must abstain from exercising any of said options, assignments, transfers or any kind of legal act related to the said options until a final decision on monopoly implications is reached.
- **France aims to sell a fourth mobile- phone license in three parts, with one reserved for a new entrant in the industry.** The other two parts will be open to all wireless carriers. Bids will be sought and the license awarded by summer. Arcep, the telecommunications regulator, will define the rules for the bidding by the end of February. The existing wireless licenses are held by France Telecom SA, Vivendi SA's SFR unit, and Bouygues SA's Bouygues Telecom. Iliad SA, France's second-largest provider of broadband Internet after France Telecom, has said it's interested in obtaining a license.
- **Orascom Telecom and Kuwait's Mobile Telecommunication Co., or Zain, have won contracts to manage Lebanon's two mobile operations MTC Touch and Alpha, for 2009.** Orascom Telecom will take over operation of Alpha from Lebanon's Ministry of Telecommunications after the government terminated the company's management contract with Fal Dete Telecommunication. Zain, Orascom and France Telecom's subsidiary Sofrecom had all submitted bids for the mobile management contracts. The number of Alfa subscribers was approximately 600,000 with 170,000 postpaid and 430,000 prepaid. The contract is renewable and it hopes to increase the number of subscribers from around 600,000 at the end of 2008 to 1 million by the end of 2009.

## *Semiconductor*

- **Intel Corp. has just cut their 4Q08 sales forecast for the second time since November, down to US\$8.2 billion, a fall of 23.4 percent from the same period of the previous year.** The previous 4Q08 sales forecast was US\$9 billion, made in November, which was also cut from an earlier forecast of US\$10.1-10.9 billion in October. The new sales estimate is less than analyst's forecast. As Intel is the world's largest maker of central processors (CPU) for personal computers, this shows the significant weakening in global demand for personal computers and probably the demand for all consumer electronics, as well. This downward revision has not surprised us much as the electronics industry is expected to be weak for at least a year. However, this news will still give negative sentiment for electronics stocks with the confirmation of sector weakness. Negative view on this sector is reiterated for both short and long terms.

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- **Intel Corp. will add a new series of hard drives that can hold twice as much data as current offerings, part of an effort to tap the emerging market for computers with chip-based storage.** The company, the world's biggest semiconductor maker, will begin selling eight new drives with as much as 320 gigabytes of capacity in the fourth quarter. The chips are built using so-called 32-nanometer production technology, Intel's most advanced manufacturing method. Chief Executive Officer Paul Otellini in 2005 began a venture with Micron Technology Inc. to make chips called Nand flash memory. The company is betting flash will replace hard disks as the main storage in laptop and desktop computers, expanding the market beyond portable devices including Apple Inc.'s iPhone. the Santa Clara, California-based company doesn't comment on communication with its customers or on its future plans until official announcement. Intel rose 45 cents to US\$13.74.
- **Intel, in conjunction with investors DJF Espirit and Eden Ventures, has invested US\$11 million in OSS start-up Tribold.** The UK-based Tribold specializes in developing product data management, integration and lifecycle management systems. Intel believes it is well-placed to compete in the OSS market against Amdocs and Oracle.

## *Media, Gaming and Entertainment*

- **Portugal Telecom SGPS SA (PT) will start broadcasting digital terrestrial television on April 29, 2009.** PT, which has won a tender to operate digital TV in the country, said it plans to cover 80 percent of the Portuguese population by the end of the year. It plans to have full coverage of the Portuguese territory by 2011, which would allow the country to switch to digital from analog TV one year ahead of the European Commission's 2012 deadline.

## **South America/ Middle East**

### *Telecommunications*

- **Tele Norte Leste Participacoes S.A, or Oi, acquired a controlling stake in rival operator Brazil Telecom Participacoes S.A for 5.37 billion Brazilian reais (US\$2.33 billion).** Oi acquired a 61.2 percent stake of the voting capital stock of Brazil Telecom Holding, paying 77.04 reais (US\$32.89) per share. After the acquisition, Oi will register terms of an offer for Brazil Telecom's outstanding shares within 30 days, in accordance with Brazilian Exchange Commission rules. Oi concluded a series of deals in debt markets to finance about 10 billion reais (US\$4.3 billion) of the 13 billion reais (US\$5.5 billion) needed to purchase all the shares in Brazil Telecom and its subsidiaries.



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## Other Economic Data

Currency Exchange Rates						
Currency	Units	Current Rate (on 1/16/09)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2009	% Change 1/1/2008
Japanese yen	¥/US\$	90.7000	0.3%	0.1%	-1.65%	-19.4%
Hong Kong dollar	HK\$/ US\$	7.7577	0.003%	0.1%	0.1%	-0.6%
Chinese renmenbi	RMB/ US\$	6.8369	-0.05%	0.2%	0.2%	-6.4%
Singapore dollar	S\$/ US\$	1.4888	0.3%	4.1%	1.87%	3.0%
South Korean won	KRW/ US\$	1,351.5000	0.4%	7.1%	2.7%	44.4%
New Taiwan dollar	NT\$/ US\$	33.3450	0.3%	1.8%	1.8%	2.6%
Australian dollar	US\$/A\$	0.6724	-4.4%	-4.9%	-5.3%	-23.1%
New Zealand dollar	US\$/NZ\$	0.5468	-7.8%	-6.3%	-6.5%	-29.3%
Philippine peso	PHP/ US\$	47.0500	-0.1%	-0.8%	-0.3%	14.2%
Euro	US\$/€	1.3264	-1.6%	-5.1%	-4.4%	-9.9%
British pound	US\$/£	1.4753	-2.7%	0.9%	1.6%	-26.0%

## Fixed Income Prices and Yields

Note	Currency	Current (on 1/16/09)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	131.11	2.94%	127.24	3.06%	138.71	2.61%
Japan 30-year	¥	109.49	1.99%	109.10	1.93%	111.62	1.80%
Hong Kong 10-year	HK\$	100.57	1.55%	100.995	1.41%	102.43	1.35%
China (06/16)	US\$	112.24	2.90%	108.35	3.41%	108.35	3.41%
Singapore 10-year	S\$	117.70	1.98%	115.78	2.23%	115.70	2.19%
South Korea 20-year	KRW	10,950.32	4.95%	11226.07	4.67%	9,470.89	5.98%
Australia 15-year	A\$	116.69	4.02%	115.18	4.16%	115.56	4.13%
New Zealand (12/17)	NZ\$	111.01	4.54%	109	4.86%	107.52	4.95%
Philippines 20-year	PHP	89.83	11.04%	88.255	10.96%	88.20	10.97%
India 30-year	INR	116.65	7.08%	113.07	7.23%	118.99	6.79%
UK 30-year	£	110.49	4.12%	115.80	3.86%	118.83	3.70%
Germany 30-year	€	107.89	3.77%	109.26	3.73%	113.16	3.54%

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