



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

Week of 31 August 2009 - 6 September 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 (9/4/2009)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 12/31/2008	% Change 12/31/2007
S&P 500	1,016.40	-1.2%	1.4%	12.5%	-30.8%
Dow Jones Industrial Avg.	9,441.27	-1.1%	1.7%	7.6%	-28.8%
Dow Jones Tech. Index	356.14	-0.2%	1.6%	41.7%	-22.4%
Dow Jones Telecom. Index	206.08	-1.4%	-0.5%	3.1%	-34.3%
NASDAQ Composite	2,018.78	-0.5%	0.5%	28.0%	-23.9%
Japan Nikkei 225	10,187.11	-3.3%	-1.6%	15.0%	-34.9%
JASDAQ	49.80	-0.4%	0.04%	3.3%	-31.0%
Japan Mothers	444.72	-1.6%	-4.3%	37.5%	-43.2%
Korea KOSPI Composite	1,608.90	0.1%	2.8%	43.1%	-15.2%
Korea Kosdaq	518.82	-0.3%	1.6%	56.2%	56.2%
Taiwan Stock Exchange	7,153.13	5.0%	1.4%	55.8%	-15.9%
Singapore Straight Times	2,656.28	-0.3%	-2.4%	50.8%	-23.4%
Hong Kong Hang Seng	20,318.62	1.1%	-2.3%	41.2%	-26.9%
Hong Kong GEM	623.61	0.1%	-4.2%	61.8%	-53.8%
China Shanghai (A-Share)	3,003.19	0.04%	-17.4%	57.1%	-45.6%
China Shenzhen (A-Share)	1,016.96	-0.6%	-15.2%	74.9%	-33.1%
China Shanghai (B-Share)	195.86	-1.4%	-11.2%	76.6%	-46.5%
China Shenzhen (B-Share)	500.96	1.4%	-10.7%	84.7%	-29.4%

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

Japan

Hardware

- **NEC Corp., Hitachi Ltd. and Casio Computer Co. plan to merge their mobile handset operations.** This will create the country's second-largest cellphone maker by shipments after Sharp Corp. The Japanese cellphone makers aim to boost profitability by consolidating operations to save money in a domestic market nearing saturation. A consolidation of the three players would help lessen their spending on development costs and ride out the tough local market. This would also trigger an expansion overseas. That prospect encouraged the investors to snap up shares in the three companies.
- **Sony Corp. decided to sell 90 percent of its North American television-manufacturing.** The stake in a liquid-crystal-display TV unit based in Tijuana, Mexico and the unit's manufacturing assets will be bought by Hon Hai Precision Industry Co. Hon Hai will still produce Bravia TVs. 3,300 of its factory workers will still remain. Sony will have the balance of 10 percent of the unit. Sony is cutting 16,000 jobs. Eight factories were also closed down to increase its profit. The sale signals Sony may eventually stop making TVs.
- **Sony Corp. will boost its joint parts purchases with Sony Ericsson Mobile Communications AB to cut costs and help the struggling cellular phone joint venture.** The two already jointly purchase capacitors and will expand the list of products to include components used in both Sony's electronics and Sony Ericsson's cell phones. Sony, which competes with Canon in digital cameras and Samsung Electronics in flat TVs, will notify key parts suppliers of its plan as early as this month and will start joint price negotiations. By increasing their purchasing volumes, the companies plan to bolster their leverage in price negotiations with suppliers.
- **NEC Corp. and Motorola Inc. will provide wireless base stations for KDDI Corp.'s next-generation mobile network.** The LTE (Long Term Evolution) standard paves the way for cellular communications speeds on a par with fiber-optic lines, enabling users to download music CD in less than one minute and a two-hour movie in about five minutes. With an eye toward commercializing the technology in December 2012, KDDI will spend 515 billion yen (US\$5.5 billion) on related capital investments through the end of fiscal 2014. The cellular service carrier solicited proposals from a wide range of equipment providers, including Chinese and European firms. It has already selected Hitachi Ltd. to build the network's core infrastructure.

Telecommunications

- **NTT Data Corp. completed its acquisition of 51 percent of Australian ERP services company Extend Technologies Group Holdings Pty.** The deal is expected to close in late September. NTT Data is making the acquisition via a Singapore-based umbrella company for the Asian region for a price thought to exceed 1 billion yen. Extend has five locations in Australia, including sites in Brisbane and Sydney, and employs around 120 workers. It had some 2.4 billion yen (US\$25.8 million) in sales in the year ended June. Extend will continue to trade with its current branding and staff. The deal is a follow on from NTT Data's 2008 acquisition of Croquet and major SAP global partner, itelligence.
- **NTT Data has completed its acquisition of SAP specialist, Extend Technologies.** The acquisition involved the purchase of 51 percent of Extend shares.

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Semiconductor

- **Elpida Memory Inc. will raise up to 78.48 billion yen (US\$843 million) in a public share offering to secure funds for research and development, capital investment and payment of debts.** Elpida will sell 55 million new shares in Japan and abroad, which will boost the number of its common shares by around 39 percent.
- **Orders for Japanese equipment used to make semiconductors outpaced sales for the fourth straight month in July as the chip sector inches out of its worst-ever downturn.** Back-to-school demand for PCs is helping chip sales scramble up from record low levels, nudging up spending at Intel, the world's largest chipmaker, and helping outlook at memory chip giant Samsung Electronics. Orders for Japanese chip-making equipment rose for the fifth straight month in July to 50.5 billion yen (US\$533 million) outpacing sales of 36.8 billion yen (US\$389 million), calculations based on industry data showed. The orders were still down 46 percent from a year earlier.

Software

- **GMG has established a subsidiary in Japan in order to get closer to its clients and global industry partners by reinforcing its local distribution networks.** GMG Japan, headed by Kazutami Ando, is responsible for organizing the distribution of the GMG's software solutions, logistics and technical support.

Korea

Telecommunications

- **The main engines of growth in South Korea's telecommunication market from 2010 to 2014 will be services built around broadband technologies such as VoIP, IPTV, and mobile data.** South Korea is one of the most advanced communications markets in the world with its 75 percent household fixed broadband penetration rate and 86 percent mobile user penetration rate at year-end 2008. Pyramid Research expects the market to rebound and to grow at a CAGR of 4.9 percent during the next five years, generating US\$ 29.5 billion by 2014. Due to near saturation in the fixed market, operators are turning to value-added services such as VoIP, IPTV, and broadband applications to create additional revenue streams.
- **Sony Ericsson, Alcatel Lucent SA have been shortlisted to acquire Nortel Networks Corp.'s stake in its Korean joint venture LG-Nortel.** The four, which include JP Morgan's One Equity Partners and Korean investment firm SkyLake Incuvest, were shortlisted from eight bidders and will start their due diligence. Nortel owns 50 percent plus one share in the joint venture, which makes wireless telecommunications equipment. South Korea's LG Electronics Inc. owns the remainder of the joint venture.

Mobile/Wireless

- **The number of IPTV subscribers in South Korea exceeded 700,000 in August.** During the month 111,459 new customers took up the services to reach a total of 706,706. The total IPTV customer base stood at 400,000. During July, IPTV providers added 4,000 to 5,000 new customers per day but this had recently increased to about 7,000. The Commission attributes the jump in monthly net adds to the government's push to make the services more popular. The government's IPTV subscriber target for this year is 2 million. Currently, three providers offer the services: KT, SK Broadband, and LG Dacom.

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Semiconductors

- **Pixelplus Co.'s revenue for the second quarter of fiscal 2009 was 4.4 billion won (US\$3.5 million).** Net income in the second quarter of fiscal 2009 was 30 million won (US\$0.02 million). The Company sold roughly 4.7 million image sensors in the second quarter of 2009, which declined 0.2 million from its sale of around 4.9 million units in the first quarter of 2009.

Hardware

- **Samsung Electronics led the market in 3G video cellphone services in China in the first few months of the launch of the service.** Samsung leads in two of the categories, TD-SCDMA and CDMA-2000. Samsung secured a 44.1 percent share of the CDMA-2000 market, which is based on 3G video technology. The company also secured 23.6 percent of the market that is backed by the TD-SCDMA technology China Mobile has chartered.
- **Samsung Electronics had no intention of pursuing an acquisition of SanDisk Corp. in the future, confirming that the US\$5.9 billion deal was dropped definitely.** Flash memory company SanDisk last year spurned an unsolicited buyout offer from Samsung for US\$26 per share. Samsung dropped its bid in October, citing SanDisk's deepening losses and uncertain outlook. If the deal had gone through, Samsung would have secured advanced technology and a tighter grip on the market for NAND flash memory chips, where it competes with Japanese rival Toshiba Corp.

China

Internet

- **E-House Holdings Limited and SINA Corp. had a deal of merging E-House's real estate information and consulting services and SINA's online real estate business.** SINA will inject all of its online real estate business into its majority-owned subsidiary China Online Housing Technology Corp. SINA had total revenues of US\$90.3 million, compared to US\$91.3 million in the same period in 2008 and US\$73.8 million for the first quarter of 2009. Advertising revenues for the second quarter of 2009 was US\$57.8 million. Non-advertising revenues for the second quarter of 2009 was US\$32.5 million. Gross margin for the second quarter of 2009 was 56 percent. Income from operations for the second quarter of 2009 totaled US\$13.6 million. Interest and other income for the second quarter of 2009 was US\$1.7 million.
- **The Alibaba Group and Zhejiang Daily Press Group invested a total of 50 million yuan (US\$7.3 million) for the launching of a weekly fashion magazine, "Taobao Tianxia" which will also be published online.** No other details have yet been disclosed.
- **Taobao.com reported its strategy for its new application programming interface "Taobao Open Platform" (TOP).** TOP will include open.taobao.com, which will target ordinary users and developers. TOP will also consider app.taobao.com, which will target sellers and Taobao community members. Commission fees, revenue sharing from plug-ins, software sales and dynamic advertising are the four revenue sources. Taobao's open platform had nearly 10,000 developers and almost 100 applications since the launch of its beta version.
- **Google's Kai-Fu Lee will step down as president of the company's operations in China to form a venture in Beijing and will be replaced by Boon-Lock Yeo, director of the Shanghai engineering office, and John Liu, who heads the sales team in Greater China.** Lee helped start Google's Chinese-language site, and oversaw the rollout of services including Google Maps, Google

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Music Search and Google Translate. China was home to 338 million Internet users at the end of June, more than the total population of the U.S.

Mobile/Wireless

- **China's mobile search volume increased 120 percent year on year in the second quarter, reaching 272 million requests, with top search providers Baidu and Google securing almost the same amount of market share.** Baidu and Google each handled about 25 percent of the total search requests, and competing search engine firms 3GYY, Yicha and Easou each handled about 10 percent of the total search volume. Page views in China's mobile search market reached 909 million in the reporting period. Baidu, with 33.7 percent of total market share, became the leader in terms of page views in the mobile search market while Google trailed behind with 19.5 percent.

Telecommunications

- **Chunghwa Telecom and China Unicom will work together to tap China's telecommunication-equipment distribution market by setting up a joint venture or inviting Chunghwa to hold stakes in a China Unicom-owned distributor subsidiary.** The companies will focus on setting up a distribution network of equipment components, end-user equipment and service as well as after service of mobile phones. The two companies are still having meetings regarding the deal.
- **China's self-developed 3G mobile communication standard TD-SCDMA (TD) have covered the country's 38 cities, and the base stations and subscribers respectively registered 47,000 and over one million.** China Mobile signed a contract with China's 30 provincial and autonomous regional governments. The deal encompasses application support and development of TD technology in various regions. China Mobile has honored its promises that allow the 2G mobile service subscribers enjoying 3G services without changing their SIM cards, cell phone numbers and registration. The company improved the quality of its TD networks. Mobile phone connection rate was up 96 percent. Success rate of switching TD and 2G networks reached above 95 percent.
- **ZTE Corp. said it will continue its growth in the second half, underpinned by strong demand for third-generation mobile equipment.** First-half revenue was up by 40 percent due to the sales of its 3G telecom equipment in China. ZTE got 34 percent of China Mobile's equipment orders for its homegrown 3G network and 35 percent of China Telecom's orders for its 3G network. ZTE Corp. also said it is not interested in buying a stake in Alcatel-Lucent SA. ZTE and rival Huawei Technologies Co. may bid for a stake in the French-American telecom equipment manufacturer.
- **China Communications Services Corp.'s first-half net profit increased 33 percent from a year earlier due to strong orders in its domestic market.** Revenue was up by 32 percent and revenue from overseas doubled to 595 million yuan (US\$87.1 million) from the same period last year. China Communications Services has benefited from an increase in spending by China's telecommunications companies on infrastructure after the issuance of third-generation licenses in China earlier this year.
- **China's total telecom revenue reached 1.4 trillion yuan (US\$205 billion) in the first seven months of the year, a 12.2 percent rise over last year.** The number of net new mobile phone users for the first seven months was 61.4 million. The number of fixed line users lessened to 12.4 million in the period. The country had additional broadband subscribers of 12.55 million in the first seven months. Broadband subscribers totaled to 95.43 million. As a percentage of total revenue for the sector, mobile phones contributed 59.4 percent, an increase of 4.46 percent from last year, while data services, fixed line and long distance calls made up 40.7 percent. Beijing reshuffled the country's telecoms industry last year to create three full-service carriers, pitting China Telecom and China

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Unicom against China Mobile. The three carriers will release US\$58.5 billion through 2011, building their 3G networks.

- **China Mobile has signed a letter of intent for cooperation with Taiwan-based Industrial Technology Research Institute (ITRI) to jointly develop long term evolution (LTE) technology.** The company had an agreement with MediaTek in developing TD-SCDMA and TD-LTE products and technologies. China Mobile will launch cooperative agreements with Taiwan's telecom industry in the 4G mobile communication field. China Mobile and ITRI will construct trial networks for TD-SCDMA and TD-LTE. This may surge telecom industry cooperation between Chinese mainland and Taiwan.
- **China Telecom closed down its online application store during the first day of online beta testing because of an unanticipated level of industry attention and Web traffic.** The online application store currently has 11 types of applications including games and mobile themes, and those related to recreation, lifestyle, reading, messaging, business, travel, education, finance and others. The app market had completed offline tests and would initiate online beta testing in the beginning of September.
- **Unicom will release an application software platform, like Apple's APP Store, including Google's Android-based open source software.** Unicom has produced its first batch of customized iPhones. This will be launched on September 30 2009. China Unicom had signed a three-year contract with Apple to sell iPhones in China with a first batch launch scheduled for release.

Media, Entertainment and Gaming

- **Online game companies focused on Chengdu, Sichuan Province, southwest China, are hoping for possible projects there.** Shanda acquired Simo Technology at a price of not less than 140 million yuan (US\$20.5 million). Perfect World invested 100 million yuan (US\$14.6 million) for the creation of an online game research and operation center in Chengdu. Chengdu B-ray Media acquired a 100 percent stake in Dreamwork Net Co., Ltd. worth 441 million yuan (US\$64.5 million). Shanda also completed its acquisition of Xingman Technology for 140 million yuan (US\$20.5 million).
- **Active paying accounts for MMOPG grew 19% from the first quarter to 8.6 million as the company converted more free players to paid users and launched new games.** On the other hand, active paying accounts for casual games declined 9.6% sequentially to 1.86 million with revenue slid 4.3% from a year earlier. Shanda has also filed an initial public offering of ADS in its online gaming unit, Shanda Games Ltd. which was founded by its parent in 2001., with proceeds possible for capital expenditures and future investments.
- **After losing authorization of pillaring World of Warcraft (WoW), The9 is actively seeking a WoW equivalent to revive its corporate earnings.** The9 is discussing with American game developer, Electronic Arts about introducing the latter's online games into China. The company's financial results show that its Q1 and Q2 net revenue dipped three percent and 37 percent year on year to 426.2 million and US\$287.9 million.

Hardware

- **China Great Wall Computer Shenzhen Co. Ltd.'s profit surged by 121.79 percent year on year** with sales increased over 30 percent year on year. The returns on net assets were 5.50 percent. The business of the firm's private brand expanded rapidly, and the sales of such products climbed six percent year on year. The business scale and profitability of the manufacturer's power source was

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accelerating with market share exceeded 35 percent. Non-power source business achieved great breakthrough with the sales soaring over eight times from the same period of 2008.

- **China's e-book reader base grew at a speed of 55.7 percent yearly.** Datang Telecom Technology Co., Ltd. launched the first electronic reader named AirPaper50T in the country, which is available for wireless communication and whose first-batch products will be sold in mid September. 3G reader terminals are an important product for the 3G business. China Mobile is cooperating with Foxconn Electronics in terms of e-books and cellphones. China Mobile has joined hands with Vodafone, Softbank, and Verizon to form a laboratory, part of its aim to develop new e-books.

Alternative Energy

- **Evergreen Solar Inc. and Jiawei Solarchina invested US\$450 million for the construction of the 500MW solar project.** The production will start within three years and is expected to reach an annual output value of US\$1 billion. Evergreen Solar signed a contract to produce its "String Ribbon" wafers at Jiawei solar facilities. Jiawei, on the other hand, will act on the wafers into Evergreen-branded panels.
- **LDK Solar agreed with the Chinese city of Suqian to develop up to 300 megawatts (MW) of solar projects by 2015.** LDK Solar's was partnering with Yancheng city to build up to 500 MW of photovoltaic solar power projects over the next five years. Domestic solar power producers, including Suntech Power and ReneSola will build big solar power plants in China. LDK Solar had huge net loss in the second quarter because of taking large inventory writedown.

Taiwan

Hardware

- **Lenovo Group purchased US\$3.255 billion parts in Taiwan.** Wistron Corporation, Guangda Computer, and Compal Electronics are the biggest winners in Lenovo's procurement, receiving orders worth US\$1 billion, US\$700 million, and US\$600 million, respectively. Lenovo's procurement has focused on parts for its IdeaPad Series. VIA Technologies won an order from Lenovo valued at US\$50 million, making it Lenovo's second largest processor supplier, alongside Intel.
- **Acer Inc. registered NT\$1.66 (US\$0.05) in earnings per share (EPS) in the first half of this year.** Acer had NT\$119 billion (US\$3.61 billion) in consolidated sales in the second quarter of this year. Non-consolidated sales include the products shipped to overseas subsidiaries in line with acceptable accounting standards. Sales performance' expectations were met in the second quarter. Acer's operating profit margins increased to 3 percent by 2010 due to the aggressive cost savings measures. Operating profit margins in the third quarter of this year should also climb to about 2.8 percent. The firm will have PC shipments in the third quarter to climb 35-40 percent from the preceding three months. Acer had been performing well compared with some of its peers in keeping its operating profit margins healthy by ensuring its production costs were low. Cheaper prices in its CULV ultra-thin notebook may drag the profit margins lower. Intel launched a consumer ultra-low voltage (CULV) chip that plans to bridge the gap between cheap netbook chips and more powerful and expensive chips used in traditional notebook PCs.
- **Compal Electronics Inc. expects to exceed its quarterly shipment forecast because of demand spurred by Microsoft Corp.'s release of the Windows 7 operating system.** Third-quarter shipments will probably increase more than 20 percent from the preceding three-month period. The company had previously expected shipments to rise 15 percent to 20 percent. Fourth-quarter shipments may climb 10 percent from the third. Contract manufacturers stand to benefit from

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increased orders from customers including Hewlett-Packard Co. and Acer as they prepare for the launch of Windows 7. Compal rival Quanta Computer and Acer said in the past month they're expecting higher shipments this quarter.

- **Hon Hai Precision Industry decided to increase its investment in the e-book reader business and in retail channels for 3C products.** Hon Hai will inject US\$2 million into Guangzhou OED Technologies Co, which conducts research and development, manufacturing and sales of electrophoretic displays. The move came after Hon Hai was selected by China Mobile to help produce e-book readers. The first batch of e-book readers will be shipped in the first half of 2010. Meanwhile, Hon Hai will set up a trading company in Shanghai at a cost of US\$10 million. The new company will help Hon Hai consolidate its layout in the mainland 3C retail market. Hon Hai invested in CyberMart, which enabled the Taiwan-based contract manufacturer to become one of the top three 3C products retailers in mainland China.

Hong Kong

Hardware

- **Foxconn International Holdings Ltd. will sell one of its handset-making factories in China to its Taiwan-listed parent for 223.8 million yuan (US\$32.8 million) to fund general working capital, which will be subject to approval from the authorities in China and Taiwan.** The disposal will simplify Foxconn's operational structure, increase management efficiency at its production facilities and lower general and administrative expenses. The company bought the factory as it needs to expand its current production capacity.

Singapore/Malaysia/Philippines/Indonesia/India

Mobile/Wireless

- **AT&T could be set to re-enter India's mobile market by acquiring a minority stake in BSNL.** BSNL was exploring a possible stake sale to a foreign firm to raise funds to help it compete better against its domestic rivals. AT&T has not been present in India's mobile sector since it sold its 33 percent stake in Idea Cellular following its merger with Cingular Wireless.

Telecommunications

- **Bharat Sanchar Nigam Ltd. will award an extension contract worth US\$500 million to Telefonaktiebolaget LM Ericsson.** Ericsson should supply GSM equipment to maintain 5.25 million subscribers. Ericsson is among the two short-listed vendors for telecommunications company BSNL's 93-million GSM line project worth 300 billion rupees (US\$6.2 billion).
- **Bharti Airtel Ltd. will be able to launch commercial mobile phone services using 3G technology by October 2010 if a government auction of radio bandwidth is completed in the next 90 days.** If the auction happens within 90 days, Bharti Airtel will have the radio bandwidth to be allocated by February-March 2010. India's government set 35 billion rupees (US\$714 million) as the starting price for auctioning of one slot of pan-India radio bandwidth for 3G mobile phone services, and will have to complete the auction process in three months.
- **Reliance Infratel Ltd. had an agreement to lease its telecom infrastructure to S Tel Pvt. Ltd.** The deal may give the Reliance Communications Ltd. unit 10 billion rupees (US\$205 million) in revenue over 10 years. Reliance Communications and Bharti Airtel are considering the possibilities of

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sharing their infrastructure with new players. This will maximize the use of their towers and other assets, and in turn, will increase its revenue in the world's fastest-growing cellphone services market. In sharing the infrastructure, the companies will have huge savings in investment for their launching services. It will help them roll out their services much faster as well. Reliance will provide space, radio transmission and intercity connectivity in six telecom services areas via fiber-optic cables on its telecom towers.

- **Telstra Corp's Russell Higgins and Steve Vamos will join the board, which has been through a significant shakeup in the past six months.** David Thodey was placed on the top role after former boss Solomon Trujillo left the company. Chairman Donald McGauchie was replaced by Chairwoman Catherine Livingstone. Both had been criticized by some shareholders for damaging Telstra's relationship with lawmakers and regulators. The new appointees will experience a number of significant challenges like working with the government on Canberra's planned A\$43 billion national high speed broadband network and potentially tighter regulations.
- **Telstra Corp. is planning to cooperate with the Australian government on an ambitious US\$36 billion plan to create a high-speed nationwide broadband network, including the sale of assets to the state-controlled company running the project.** The new network could transform Australian into one of the world's most wired countries. But it is also expected to have a major impact on Telstra potentially rendering large parts of its fixed-line and cable networks redundant. Telstra has found that historically, consumers won't pay more than about 3 percent of their disposable income on such services.
- **DTAC kicked off a four-month trial period for its third-generation mobile broadband in Bangkok. DTAC is conducting the trial based on high-speed packet access technology over its existing 850-megahertz frequency.** The estimation for the cost of trial will be at 100 million baht (US\$2.9 million). The trial area will initially cover only certain spots in inner Bangkok and will eventually include other areas in the city. Called 'DTAC mobile Internet on 3G', the trial service allows 2,000 selected users to use DTAC aircards to access mobile broadband from notebook computers free of charge throughout the trial period. The trial will focus on connecting to mobile Internet through computers only and excludes voice and other services.
- **PT Telekomunikasi Indonesia is planning to sell its 40 percent in network provider PT Patra Telekomunikasi to focus more on its core business.** Patrakom is also 40 percent owned by PT Elnusa and privately owned company PT Tanjung Mustika.

United States/Canada

Media, Entertainment and Gaming

- **The Walt Disney Company will offer per Marvel share US\$30 cash and 0.745 of its stocks in a deal that values the company at US\$4 billion.** Marvel heaved by 26 percent or US\$10.15 to US\$48.80 on the news of the offer. Disney will have an ownership of Marvel including its library of 5,000 Marvel characters such as Iron Man, Spider-Man and X-Men. Marvel has successfully lined up movie and consumer products deals in the last five years as it licensed its popular characters. Most of its deals have focused on the U.S. and can be extended to international markets in China, Japan and Europe.

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Internet

- **EBay Inc. had signed a US\$2 billion deal to sell its Internet telephony unit, Skype.** The deal values Skype at a total of US\$2.75 billion and will close in fourth quarter of 2009. Silver Lake, Index Ventures, Andreessen Horowitz and the Canada Pension Plan Investment Board will be the buyers. The transaction is offering the firm's US\$11.3 billion leveraged buyout of SunGard Data Systems Inc. in 2005. Private-equity investors aim to have divisions in larger corporations, known as carve-outs. They also plan to focus on smaller companies as they may have disregarded these during the peak of the buyout. They're willing to pay higher value to sellers who are eager to unload businesses, which are already unprofitable or unneeded. The Private-equity firm's estimation of commitments from their investors for future transactions is US\$400 billion. eBay will obtain a cash worth of US\$1.9 billion and a note of US\$125 million. The company will still have a stake of 35 percent in Skype.
- **Google's YouTube is having meetings with major movie studios regarding the streaming movies on a rental basis, a test of whether the online video giant can persuade its millions of users to pay for premium content.** The move could represent a bold attempt to offset its dwindling DVD sales with online revenue. YouTube is negotiating with Lions Gate Entertainment, Sony, Metro-Goldwyn-Mayer and Time Warner's Warner Bros. about charging for new titles on the existing YouTube site. Some studios already make full-length movies available on YouTube free, though they tend to be older, lesser-known films. It is unclear to what extent older movies or television shows will be a part of the new agreements.
- **Google is ready to seize any opportunity to grow its cloud computing business and is searching again for acquisitions mainly on venture-stage firms poised for growth.** It plans to acquire On2 Technologies Inc. Google scans the horizon for firms with key technologies or promising Web services. Google bought Web advertiser DoubleClick Inc. for US\$3.1 billion

Europe

Telecommunications

- **France Telecom bought 100 percent of Unanimis in order to achieve its goal of increasing the revenue by tapping the fast-growing digital and mobile advertising sector.** Advertisers, buyers and media agencies will reach over 71.5 percent of the U.K.'s online population and 66 percent of the online population across the U.K., France, Spain and Poland through the combination of Unanimis' advertising network and Orange's mobile and web assets. Unanimis has exclusive online advertising relationships with key Web site brands such as the AA, Ticketmaster, ASOS, Gumtree and Shopping.com. Online advertising will account for 27 percent of total advertising spend in the U.K. in 2011.
- **Tiscali SpA's first-half net loss widened because of the 345 million euros (US\$493 million) capital loss booked after the sale of its U.K. assets.** The company had net loss of 402.9 million euros (US\$576 million). Revenue in the first half was lessened by 7.8 percent. Core earnings increased by 48 percent. The company plans to have a new business plan by fourth quarter. This plan would identify the company's strategy after its debt reorganization and the disposal of its U.K. assets.
- **Magyar Telekom will invest 2.3 billion forints (US\$11.6 million) for the development of its fiber-to-the-home network by year-end.** The fiber network permits high speed Internet access to households and will allow Hungary's largest telecommunications company to expand market share in the residential broadband segment. The company will increase the number of households with access

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to the fiber network to 165,000 by end-2009. Magyar aims to sell high speed Internet subscriptions to 17,000 households by year-end. The number of satellite TV subscriptions has reached 120,000 since the service was launched in November 2008. The number of Magyar's Internet Protocol-based TV clients number 50,000 currently.

- **Orascom Telecom Holding has deposited its cash and shares dividends for 2008 at Misr for Clearing, Settlement and Central Depository (MCSD).** OT had dividend payment requests from the Egyptian Exchange for a total number of 8.8 million local shares. It also had payment requests from the London Stock Exchange for a total number of 71.5 million GDRs, equivalent to 357,317,525 local shares. OT distributed in cash an amount of 180.1 million Egyptian pounds (US\$32.6 million) for a total number of 180.1 million local shares.
- **Telefonica SA and Portugal Telecom SGPS SA will sell their stakes in Morocco's Medi Telecom SA worth 800 million euros (US\$1.1 billion), as they seek to focus on core markets in Europe, Latin America and sub-Saharan Africa.** Telefonica and Portugal Telecom will sell their respective 32.18 percent stakes to local Meditel shareholders FinanceCom SA, RMA Watanya SA and Fipar Holding, which jointly will pay 400 million euros (US\$571.8 million) to Telefonica and another 400 million euros (US\$571.8 million) to Portugal Telecom. Portugal Telecom will book an after-tax capital gain of 270 million euros (US\$386 million) from the sale of its stake.

Semiconductor

- **There will be 11.8 million femtocell subscribers, which will generate revenues of approximately 401.2 million euros (US\$572.2 million) for femtocell vendors in Europe by 2014.** Trial deployments will still continue for the rest of this year. Commercial launch of standards-based femtocells will be in 2010, with operators encouraged by the cost benefits promised by the technology. Operators will need to segment their femtocell offerings in a different way than they do mobile handsets.

Alternative Energy

- **Siemens AG, Areva SA and Alstom SA are competing for control of Solel Solar Systems Ltd. as demand for renewable energy rises.** The bids for the Beit Shemesh may value Solel at US\$300 million to US\$400 million. Shikun & Binui Ltd. is also weighing a bid, one of the people said. The winner may be picked as early as this month if they can agree on price. Solel develops and builds solar thermal power plants and makes solar receivers, a main component for the facilities that collect sunlight with mirrors to generate steam that powers turbines. Ecofin Ltd., a London-based investment company specialized in utilities and infrastructure, owns 63 percent of Solel's issued share capital directly and through funds it controls.

South Africa/Middle East/Latin America

Telecommunications

- **Zain's shareholders cancelled articles that limited individual ownership to 2 percent of the company's capital and restricted public shareholding companies to holding no more than 5 percent.** This may caused the foreign or local investor to own a majority. Zain is having a meeting with three international telecommunications companies regarding the sale of its African operations. Vivendi SA wants to have a meeting with Zain regarding its desire of buying a majority stake in the Kuwaiti company's African telecommunications assets. Zain values the assets at about US\$10 billion.

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Other Economic Data

Currency Exchange Rates						
Currency	Units	Current Rate (on 9/4/09)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 1/1/2009	% Change 1/1/2008
Japanese yen	¥/US\$	92.9900	-0.7%	-2.4%	0.8%	-17.4%
Hong Kong dollar	HK\$/ US\$	7.7502	-0.01%	0.01%	0.0%	-0.7%
Chinese renmenbi	RMB/ US\$	6.8293	-0.01%	-0.02%	0.1%	-6.5%
Singapore dollar	S\$/ US\$	1.4380	-0.2%	0.4%	-1.6%	-0.5%
South Korean won	KRW/ US\$	1,235.0000	-0.8%	1.7%	-6.2%	32.0%
New Taiwan dollar	NT\$/ US\$	32.8400	-0.1%	0.6%	0.2%	1.1%
Australian dollar	US\$/A\$	0.8505	1.0%	1.1%	19.8%	-2.8%
New Zealand dollar	US\$/NZ\$	0.6869	0.4%	2.8%	17.4%	-11.2%
Philippine peso	PHP/ US\$	48.6500	-0.2%	1.5%	3.1%	18.1%
Euro	US\$/€	1.4290	-0.1%	-0.9%	3.0%	-2.9%
British pound	US\$/£	1.6391	0.8%	-3.2%	12.9%	-17.8%

Fixed Income Prices and Yields

Note	Currency	Current (on 9/4/09)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	103.78	4.32%	105.13	4.24%	97.20	4.42%
Japan 30-year	¥	102.34	2.20%	101.25	2.26%	99.30	2.33%
Hong Kong 10-year	HK\$	101.27	2.51%	100.24	2.63%	101.79	2.36%
China (06/16)	US\$	109.93	3.07%	109.95	3.07%	110.48	3.00%
Singapore 10-year	S\$	100.21	2.49%	100.10	2.50%	100.51	2.44%
South Korea 20-year	KRW	10,288.87	5.56%	10,179.40	5.65%	10,138.03	5.57%
Australia 15-year	A\$	101.93	5.52%	102.34	5.48%	100.18	5.73%
New Zealand (12/17)	NZ\$	102.14	5.74%	101.82	5.80%	101.50	5.76%
Philippines 20-year	PHP	103.31	9.34%	102.94	9.38%	102.99	9.17%
India 30-year	INR	84.50	8.41%	84.30	8.43%	87.55	7.93%
UK 30-year	£	109.39	4.21%	110.65	4.15%	102.51	4.59%
Germany 30-year	€	103.85	4.03%	105.07	3.95%	103.31	4.04%

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