



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

Week of 30 November 2009 - 6 December 2009

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



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| Equity Market Indicators | | | | | |
|---------------------------|------------------------------|------------------------|-------------------------|------------------------|------------------------|
| Index | Closing Level (12/4/2009) | % Change 1 Week Ago | % Change 1 Month Ago | % Change 12/31/2008 | % Change 12/31/2007 |
| S&P 500 | 1,105.98 | 1.33% | 5.8% | 22.4% | -24.7% |
| Dow Jones Industrial Avg. | 10,388.90 | 0.8% | 6.3% | 18.4% | -21.7% |
| Dow Jones Tech. Index | 386.52 | 2.7% | 6.4% | 53.8% | -15.8% |
| Dow Jones Telecom. Index | 223.31 | 2.7% | 7.9% | 11.8% | -28.8% |
| NASDAQ Composite | 2,194.35 | 2.6% | 6.7% | 39.1% | -17.3% |
| Japan Nikkei 225 | 10,022.59 | 10.4% | 2.2% | 13.1% | -36.0% |
| JASDAQ | 46.39 | 3.0% | -4.1% | -3.8% | -35.7% |
| Japan Mothers | 406.21 | 8.0% | -6.7% | 25.6% | -48.1% |
| Korea KOSPI Composite | 1,624.76 | 6.6% | 4.8% | 44.5% | -14.4% |
| Korea Kosdaq | 483.63 | 7.1% | 1.0% | 45.6% | 45.6% |
| Taiwan Stock Exchange | 7,650.91 | 2.1% | 4.5% | 66.6% | -10.1% |
| Singapore Straight Times | 2,792.40 | 1.1% | 5.6% | 58.5% | -19.4% |
| Hong Kong Hang Seng | 22,498.15 | 6.5% | 5.9% | 56.4% | -19.1% |
| Hong Kong GEM | 724.11 | 5.2% | 4.4% | 87.9% | -46.3% |
| China Shanghai (A-Share) | 3,479.31 | 7.1% | 6.5% | 82.0% | -37.0% |
| China Shenzhen (A-Share) | 1,275.40 | 6.8% | 9.9% | 119.3% | -16.1% |
| China Shanghai (B-Share) | 255.61 | 7.3% | 18.4% | 130.5% | -30.1% |
| China Shenzhen (B-Share) | 630.62 | 7.1% | 13.6% | 132.5% | -11.1% |

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Technology, Media, Telecommunications and Life Sciences Market Activity

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

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

| IPO Date | Issuer (Exchange) | Description | Size (US\$MM) | Offer Price | Price on 2/15/08 | % Change From Offer |
|----------|-------------------|-------------|---------------|-------------|------------------|---------------------|
| N/A | | | | | | |

Asian Equity Markets: TMT and Life Sciences IPO Filings

| Filing Date | Issuer | Industry Sector | Size (US\$MM) | Description | Book-Runner | Co-Manager |
|-------------|--------|-----------------|---------------|-------------|-------------|------------|
| N/A | | | | | | |

Asian Equity Markets: TMT and Life Sciences IPO Pricing

| IPO Date | Issuer (Exchange) | Description | Size (US\$MM) | Offer Price | Price on 2/15/08 | % Change From Offer |
|----------|-------------------|-------------|---------------|-------------|------------------|---------------------|
| N/A | | | | | | |

Asian Markets: TMT and Life Sciences Convertibles

| Issuance Date | Issuer [Equity Ticker] | Description of Issuer | Maturity Date | Size (US\$MM) | Per US\$10,000 converts to | Convertible Until |
|---------------|------------------------|-----------------------|---------------|---------------|----------------------------|-------------------|
| N/A | | | | | | |

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Weekly Highlights

International

Telecommunications

- **The total PON equipment revenues from sales of optical line terminals and optical networking terminals were the highest ever in the third quarter, boosted 8 percent sequentially and 6 percent over the year-ago period.** Within the total PON market, GPON revenue growth was strongest, driven by the increasing deployments outside of North America. EPON revenue was also a key contributor to the third quarter's record performance but at a slower pace than GPON, as growing deployments in China was partially offset by slower sales to Japan. Huawei increased its lead in the EPON segment due to its status as top vendor in the China market, and surpassed Alcatel-Lucent to take the lead in the GPON segment in large part due to increased shipments to Asia, Europe and the Middle East.

Japan

Hardware

- **Sony Corp. Chairman Howard Stringer wants to remain the company's chief for at least three years through March 2013 to meet a turnaround plan delayed by the global recession and the yen's surge to a 14-year high against the dollar.** Sony last month pushed back key profitability targets as the maker of Bravia televisions battles to recover from its first back-to-back annual losses since its 1958 listing. Stringer will continue streamlining Sony to compete against South Korean electronics makers such as Samsung Electronics Co. Sony projected in October the yen would average 90 to the dollar in the six-month period beginning Oct. 1. The company's losses reached about 1 billion yen (US\$11 million) in annual operating profit for every yen gain against the dollar.
- **Toshiba Business Solutions Inc. (TBS) announced that industry veteran Jim Hawkins has joined Toshiba as vice president of Operations US.** Most recently, Hawkins was senior vice president of Field Operations for Danka, where he oversaw approximately 250 employees and led an executive team of nine direct reports.

Semiconductor

- **Panasonic Corp. will invest US\$1 billion by 2012 in a plan to make its principal business equipping homes and buildings with solar power and energy-saving technologies.** The move focuses on solar-panel and energy-storage technology that Panasonic will gain from its purchase of Sanyo Electric Co., coupled with systems that Panasonic has invented. Panasonic is shifting focus as growth slows in its main consumer-electronics and appliances businesses, where it competes against Samsung Electronics Co. The change coincides with a worldwide move toward more energy-efficient technologies, a goal that's leading more than 190 countries to meet in Copenhagen to discuss cutting greenhouse-gas emissions. The new technology will let consumers monitor their own electricity use and display the data on television sets. The system will be able to connect and monitor all of the appliances in a house, and the solar panels may produce enough clean power to offset any carbon dioxide created from other power the appliances use.

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- **Tokyo Electron Ltd. expects orders this quarter to exceed the company's forecast, helped by demand from memory chipmakers.** Projected by Credit Suisse Group AG, bookings for chip and flat-panel gear in the three months ending Dec. 31 will be close to the 105 billion yen (US\$1.2 billion), 12 percent higher than the 93.8 billion yen (US\$1.03 billion) predicted by the company in October. Global sales of chip gear will probably rise 53 percent in 2010 after slumping 46 percent this year, Semiconductor Equipment and Materials International forecast on Dec. 1.
- **Orders for Japanese-made semiconductor-manufacturing equipment placed by domestic and overseas chipmakers in October logged the first rise since February 2007, as chipmakers began updating their facilities in view of recovering demand.** The value of the orders climbed 66 percent in the reporting month from a year earlier. Sales of the equipment also increased about 8 percent, marking the first rise in 23 months. After slacking due to oversupply in the chip market and the global financial crisis, demand for semiconductors has recovered due to the spread of digital electronics appliances to emerging economies and increased shipments for new personal computers, which was partly stimulated by the release of Microsoft Corp.'s new Windows 7 operating system.
- **Following its planned purchase of rechargeable-battery maker Sanyo Electric Co., Panasonic Corp. is in talks with about 10 automakers to supply lithium-ion batteries as demand for energy-efficient vehicles grows.** The discussions include companies from the U.S., India, Europe and Japan. The world's largest plasma-television maker offered 403 billion yen (US\$4.6 billion) to buy control of Sanyo. The company estimates the global lithium-ion battery market will increase fivefold by 2018 from this year. Automakers are shifting to develop electric cars and hybrid plug-in models that use lithium-ion cells, which are lighter and more powerful than nickel-metal hydride batteries currently used in most hybrids.

Telecommunications

- **NTT Docomo has bought back 154,065 of its own shares on the Tokyo Stock Exchange for 19.99 billion yen (US\$220 million).** The share re-purchase program was approved early November and allowed the company to buy back up to 160,000 shares for an aggregate price of up to 20 billion yen (US\$221 million) between 10 and 30 November.

Korea

Media, Gaming and Entertainment

- **Neowiz has obtained exclusive operating rights for The9's in-house developed Three Kingdoms-themed side-scrolling fighting casual game World of Fight ("Ming Jiang San Guo") in Korea.** This is the first time that The9 has licensed an in-house developed game to the Korean market. The9 licensed World of Fight to Taiwanese online game company Gamania Digital Entertainment (6180.TW) for operation in Hong Kong, Macao and Taiwan.

Hardware

- **Sales of Samsung Electronics' full touchscreen mobile phones surpassed 50 million units so far this year.** Samsung Electronics said it shipped its 50 millionth full touchscreen mobile phone at the end of November. It has sold 40 million units out of the total from January through November. Samsung has sold its largest share of full touch devices in Europe with 19 million units, followed by the U.S. with 6.3 million, China with 3.4 million and 3.0 million in its home market.

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China

Software

- **China's software industry revenues grew 20.2 percent year-on-year in the first ten months of 2009.** Sales of software products were up 20.6 percent year-on-year, while technology services revenue grew 26 percent year-on-year.
- **CDC Software Corp. has signed an agreement to acquire gomembers, Inc, which provides software as a service (SaaS) and on-site solutions for non-profit and non-governmental organizations.**

Internet

- **China recorded 14.5 billion yuan (US\$2.1 million) in online advertising revenues in the first three quarters of the year.** Advertising revenues for the three months between July and September boosted 17.9 percent year-on-year and 26.2 percent quarter-on-quarter.
- **According to the Digitimes reports citing a survey by China Internet Network Information Center (CNNIC), the number of Chinese internet users connecting through a mobile handset or data card went up to 181 million at the end of August this year, a 53.4 percent increase the end of last year.** Mobile internet users accessed the internet 2.2 times for a total of 97 minutes per day. Users of 3G handsets accessed the internet more often at five times and longer at 105 minutes per day. The most popular activity was browsing for news of 90.8 percent, followed by online chat of 47.9 percent, and search of 46.9 percent.
- **Made-in-China.com is eyeing an initial public offering (IPO) on a mainland stock exchange to raise 1.2 billion yuan (US\$175.8 million).** Company Chairman and General Manager Shen Jinhua will hold about 80 percent equity interest in the company. Made-in-China.com has a market share of 2.9 percent.

Mobile/Wireless

- **According to the Digitimes who cited a study by Analysys International, China Mobile was the largest provider of mobile e-mail services, accounting for 72.26 percent of mobile e-mail users.** China Mobile also accounted for 77.91 percent of the revenues from mobile e-mail services. There were 96.82 million mobile e-mail users in Q3, with total revenues of 386.4 million yuan (US\$56.5 million). Following China Mobile with a market share of 16.09 percent is China Unicom, and in third place is Google China as mobile e-mail service provider with a market share of 2.50 percent.
- **Linktone had third-quarter net revenues boost to US\$13.3 million from US\$16 million in the year-earlier quarter.** Data-related services revenue was US\$7.8 million. Audio-related services revenues accounted for 36 percent or US\$4.9 million of total revenues. Other services accounted for 7 percent of gross revenues, or US\$1.1 million. Net income from continuing operations fell to US\$0.6 million from a net profit of US\$1.5 million. Gross margin fell to 39 percent from 53 percent previously. Cash and cash equivalents amounted to US\$78.86 million at the end of Q3. For the fiscal fourth quarter, the company expects gross revenues to be approximately US\$14-15 million.
- **According to Interfax, Lenovo Mobile Communication Technology Co. Ltd. ranked fifth among handset manufacturers in terms of domestic GSM handset shipments in China in October.** Lenovo Mobile was the only Chinese company among the top five in October, shipping

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423,000 GSM handsets to domestic distributors. Nokia, Sony Ericsson, Samsung and Motorola held the top four positions in October, shipping 4.13 million, 1.95 million, 982,000 and 776,000 units, respectively. LG Electronics, which ranked fifth in September, fell out of the top five. Chinese manufacturers held the top three positions in terms of domestic CDMA handset shipments. ZTE retained its leading position, shipping 312,000 units in October, while Huawei Technologies and Haier Group, ranked second and third with shipments of 267,000 and 196,000 units, respectively during the same time.

- **Lenovo Group will pay US\$200 million to reacquire its mobile phone business that it spun off one and half years ago, from a group of investors led by Hony Capital.** Lenovo spun off its mobile phone unit Lenovo Mobile Communication Technology Ltd in 2008 for US\$100 million. The acquisition will enable it to strengthen its position in the rapidly growing mobile internet market in China.

Telecommunications

- **According to the Ministry of Industry and Information Technology (MIIT), China ended October with 729.537 million mobile telephony subscribers, 16.30 percent increase year-on-year.** User density in October stood at 54.3 percent and mobile users sent 67.26 billion SMS messages in the month. Furthermore, the country had 321.38 million fixed-line subscribers, with a user density of 24.4 percent. The number of broadband subscribers climbed 22.71 percent year-on-year to 100.89 million, while the number of dial-up subscribers stood at 8.94 million.
- **Qualcomm Inc.'s China operations generated US\$2.3 billion in revenue, accounting for 23 percent of Qualcomm's total revenue for the fiscal full year ended September 27, 2009.** The company had full year revenues of US\$10.42 billion. Qualcomm invested in Suzhou-based mobile social networking site Bedo.cn.

Media, Entertainment and Gaming

- **Actoz Soft may invest in small Asian game firms or enter foreign markets jointly with its parent.** Actoz Soft, which developed the popular multiplayer online game "Legend of Mir II," aims for about 50 percent sales growth next year. The firm focuses on overseas markets as online games enjoy sharp growth in China and increasing popularity in Western countries. The online game industry's revenue is expected to grow 21 percent to more than US\$13 billion in 2010, while revenue from video games is seen falling 5 percent. Actoz Soft generates about 90 percent of sales overseas. It benefits from its relationship with Shanda, which services several Actoz games over its strong Chinese network. Foreign companies face increasingly tougher regulation in China, which has the largest number of Internet users in the world. Shanda Games, China's No. 2 online game company, was carved out of media firm Shanda Interactive Entertainment in September to expand overseas.
- **Tencent Holdings Limited said that sales revenue of China's online gaming industry is expected to reach 27.5 billion yuan (US\$4.03 billion) in 2009.** The third quarter financial reports of major Chinese online game companies including Sohu, Tencent, NetEase and Shanda, showed most of them recorded a 60 percent or even higher increase in gross profit. The sales revenue of China's online gaming industry reached 18.38 billion yuan (US\$2.7 billion) in 2008, up 76.6 percent from 2007. An executive from the gaming department of NetEase attributed the continuous growth of the online gaming industry to the development of Internet technologies and preferential policies from the government. Chinese online game companies' expansion overseas also contributed to the growth.

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- **Kingsoft Corp. and Shanda Interactive Entertainment Ltd. is expected to make an official announcement that they will work together to jointly operate online games.** Kingsoft is currently strengthening its game operation capacity and will launch 10 new self-developed games in 2010. Such joint operation partnership is expected to become a trend as China's online game market matures. The outcome of Kingsoft's partnership with Shanda is still unclear, as CGA platform users are different from Kingsoft's target user base for its JX game series, which includes the JW. Kingsoft generated total revenue of 162.8 million yuan (US\$23.83 million) from online game operation in the third quarter of 2009, boosted 9 percent year-on-year.
- **Take-Two anticipates that its results for the fourth quarter and fiscal year 2009 will be below its prior guidance mainly due to the performance of its Major League Baseball® titles in the fourth quarter, which reduced earnings by approximately US\$0.09 per share, along with an impairment of capitalized software based on sales estimates for its MLB titles in fiscal 2010, representing approximately US\$0.05 per share.** The company also incurred inventory write downs in its distribution business primarily related to prior generation software, representing approximately \$0.07 per share, and realized lower than expected initial performance of several of its key holiday releases. Additionally, on a GAAP basis, Take-Two expects to record non-cash impairment charges of up to approximately US\$15 million on its distribution segment (equivalent to US\$0.19 per share in the fourth quarter and US\$0.20 per share for the full fiscal year 2009), in connection with the company's annual assessment of goodwill. These amounts are excluded from the estimated fourth quarter and fiscal year non-GAAP EPS provided in the chart below.

Hardware

- **An auction agency in southern China's Fujian province would arrange sale of integrated assets held by the Amoi Electronics at a reference 146.78 million yuan (US\$21.4 million) price.** The assets include the Amoi brand, patent, 75 percent shares of Amoi Electronics' subsidiary Amoi Mobile, management system, manufacturing and testing equipment, as well as inventories that relate to the handset business. The sale Amoi Electronics' assets were evaluated at about 800 million yuan (US\$117.1 million).
- **SinoHub, Inc.'s total revenues for the 2009 third quarter increased more than 28 percent to US\$36.2 million from US\$28.2 million for the 2008 third quarter.** Revenues from electronic component sales, including procurement-fulfillment and spot component sales, increased more than 27 percent to US\$34.3 million for the 2009 third quarter from US\$26.9 million for the same period last year. Revenues from the company's supply chain management services business climbed more than 50 percent to US\$1.9 million for the 2009 third quarter from US\$1.3 million last year.

Alternative Energy

- **Trina Solar Ltd. will supply an estimated number of 8 megawatts of photovoltaic (PV) modules to the Chinese domestic market.** The Chinese government approved its project of about 2 MW under the Golden Sun program. This project expects to install approximately 20 MW of solar power capacity in every province of the country. The 8 MW sales deal was to supply PV modules at predetermined prices. The company had sales deal with PROINSO for 108 megawatts worth of solar panels to boost its market share in Europe.

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Taiwan

Telecommunications

- **Chunghwa Telecom Co. Ltd. said that it will acquire revenue of NT\$185 billion (US\$5.78 billion) in 2010, boosted from NT\$182.7 billion (US\$5.70 billion).** The company's mobile communications, fixed-line network, and data business groups is expected to generate combined revenue of NT\$20 billion (US\$625 million) from value-added services in 2010, up 11 percent from 2009. Of the three business groups, the firm's mobile communications unit is projected to generate total revenue of NT\$73.5 billion (US\$2.2 billion) in 2009, with value-added service constituting around NT\$8.6 billion (US\$268 million).

Internet

- **Taiwan will invest more than NT\$2 billion (US\$62.2 million) over the next five years to develop its electronic-books industry.** The investment is part of a government program to promote the development of Taiwan's electronic publications industry. The ministry will provide up to 40 percent of the research and development costs for the creation of an online Chinese-language digital publications service similar to the English-language version operated by Amazon.com. Taiwan will launch an open platform that will allow for cooperation in the development and distribution of digital content across countries and companies. The platform will offer digital publications in different languages, including Chinese, that will be readable using any e-book reader, the bureau's director general.

Semiconductor

- **Powerchip Semiconductor Corp boosted profit in November after several quarters of losses, following a rebound in chip prices.** Powerchip's sales reached NT\$5.38 billion (US\$167 million), boosted 27 percent as Powerchip and other DRAM chip rivals struggled with lower chip prices because of lower demand.
- **The TSMC Chairman and CEO said that he expected global semiconductor sales to grow by 9 percent in 2010 and another 5 percent in 2011, after falling an expected 11 percent this year.** He previously expected global semiconductor sales to grow 5 percent next year. He further said TSMC's 2010 capital spending would be much higher than this year's budget of US\$2.7 billion. The capex this year for smaller cross-town rival UMC is US\$500 million.

Hong Kong

Mobile/ Wireless

- **Nokia did not rule out a sale of its handset manufacturing business as the potential sale could be structurally positive on Foxconn.** Nokia retains 70-80 percent of final production in-house, thus a sale of its factories could imply significant outsourcing revenue upside to its suppliers.

Singapore/Malaysia/Philippines/Indonesia/India

Telecommunications

- **Telstra Corp. is offering its 51 percent shareholding to SouFun Holdings Ltd. as part of the company's initial public offer (IPO) next year.** The shareholders of SouFun will commence a

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process to prepare SouFun for an IPO in 2010. Telstra acquired its stake in SouFun for US\$254 million in August 2006.

- **Axiata Group Bhd. will exceed its full-year targets after its third-quarter net profit more than doubled due to a larger subscriber base and foreign exchange gains.** Axiata had earlier said it targeted revenue growth of between 6 percent to 11 percent, and EBITDA growth of between 4 percent to 6 percent and return on equity of 4 percent for the year. The stronger performance for the nine months was primarily led by Malaysia's Celcom and Indonesian PT Excelcomindo Pratama, which recorded on-year revenue growth of 12 percent and 7 percent, respectively, due to increased subscribers.
- **Maxis Bhd. sees non-voice revenue and broadband Internet to drive future earnings growth after posting a 28 percent on-year rise in third-quarter net profit.** Net profit is at 615 million ringgits (US\$181 million) on higher mobile revenue and lower network costs. Revenue climbed to 2.16 billion ringgits (US\$638 million) due to an increase in total mobile subscriptions. The company also gained 312,000 net additions in prepaid and wireless broadband subscriptions from the previous quarter. Non-voice revenue increased 8 percent. Net profit climbed to 1.76 billion ringgits (US\$520 million), while revenue grew to 6.40 billion ringgits (US\$1.9 billion). The company said mobile subscriptions grew 6 percent, while wireless broadband subscribers grew 55 percent on year, bringing the total number of subscribers to 11.7 million at Sept. 30.
- **Telekom Malaysia Bhd. said Friday that it will redeem US\$74.67 million of bonds issued by its unit TM Global Inc. in an effort to limit foreign currency exposure.** The company said in a stock exchange filing that it has accepted the purchase, via a tender exercise, of US\$39.73 million in nominal value of TM Global's US\$300 million 8.00% Notes due 2010 and US\$34.945 million in nominal value of the unit's US\$500 million 5.25% 2014 Notes. Telekom said the group's total debt will fall by 3.7 percent to 6.76 billion ringgits (US\$2 billion) and its foreign currency debt will fall to 52 percent of total borrowings from 54 percent previously.
- **Telstra will restructure into four divisions, a move that will split its fixed and mobile operations, and create an international unit and a customer care unit.** The Australian incumbent's decision also involves a management shuffle that will see the departure of Telstra's group managing director of its Product Management business Holly Kramer. Telstra's fixed and mobile operations will be split into two separate units: The PSTN, Fixed Broadband, BigPond & Media division; and the Wireless, Data, Applications & Services division. The former will be headed by Justin Milne, who is currently group managing director of Telstra Media, while current executive director for Telstra Product Management Philip Jones will be in charge of the latter on an acting basis. Telstra is also creating a new International unit headed by Tarek Robbiati. The International business will centralise the management of its Asian assets for the first time.

United States/Canada

Media, Entertainment and Gaming

- **General Electric Co. and Vivendi SA agreed on a US\$5.8 billion valuation for the French company's 20 percent stake in NBC Universal.** A deal with Vivendi would allow GE, NBC Universal's 80 percent owner, to create an entertainment joint venture controlled by Comcast. The agreement on price was reached after GE Chief Executive Officer Jeffrey Immelt and Vivendi Chief Jean-Bernard Levy met in France last week. The sides had been less than US\$500 million apart and

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were discussing how payments would be structured. Vivendi earned more money than analysts expected and concessions that protect the Paris-based company against the risk regulators will scuttle the deal.

- **Comcast Corp., preparing to take control of General Electric Co.'s NBC Universal unit, doesn't plan to divest any assets to win regulatory approval for the deal.** Comcast would keep television stations, networks and theme parks after the combination. GE and Comcast may announce a joint venture, merging Comcast's cable channels with the NBC Universal entertainment assets. NBC Universal owns 27 local TV stations, as well as the NBC and Telemundo broadcast networks. Advocacy groups including Free Press have argued that regulators should block the deal because it would give Comcast, the biggest U.S. cable operator, too much control over content in some areas. The transaction may attract scrutiny from Obama administration regulators, who have said that consolidation in the U.S. media industry may be hampering competition. Federal Communications Commission Chairman Julius Genachowski has said his agency should focus on excessive consolidation.

Mobile/ Wireless

- **MVS Comunicaciones has reached a preliminary agreement with Clearwire Corp. and Intel Corp. to invest US\$700 million in a wireless broadband network covering 23 cities.** A formal joint-venture deal hinges on the Communications and Transportation Ministry renewing the company's spectrum licenses in the 2.5GHz band in about eight cities, including the key markets of Monterrey and Guadalajara. Clearwire, whose strategic investors include Intel, Comcast Corp., Sprint Nextel Corp., Google Inc. and Time Warner Cable Inc. - provides high-speed Internet in 24 markets in the U.S. If the licenses are renewed, MVS and its partners hope to start deploying a network using WiMax technology during the second half of 2010, with commercial service starting in several cities during the fourth quarter.

Internet

- **Google Inc. will invest directly in one or more renewable energy projects as part of a broader move to expand investment in clean-energy technology.** Google issued a 20-year energy proposal last year that encourages greater use of conservation and renewable energy to combat climate change, and earlier this year the company released online software called Google PowerMeter that helps consumers track their home energy use. Google.org has invested in two next-generation geothermal power startups. But aside from those investments, an internal energy-efficiency initiative and hints it is eyeing the nascent U.S. smart-grid market, Google has generally stayed on the sidelines of the energy markets.
- **Friendster's chief executive officer, Richard Kimber, said that Friendster is to be sold to an Asian buyer by the end of the year for at least US\$100 million.** He added that majority of possible buyers were Asian and they have a shortlist that they are negotiating with. China's Tencent Holdings Ltd. is among those short-listed, according to some insiders. Morgan Stanley has been hired to handle the deal.
- **Online dating site Zoosk Inc. raised US\$30 million in Series D financing led by Bessemer Venture Partners, bringing Zoosk's total funding to US\$40.5 million.** Existing investors also participated, including Canaan Partners, ATA Ventures and Amidzad Partners. The company plans to expand internationally and build a mobile product. Founded in 2007, Zoosk said it has reached a US\$30 million run rate and has 40 million members.

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Semiconductors

- **Advanced Micro Devices (AMD) said that China could become the company's largest single market within the next two years, boosted by the country's booming rural market and increasing demand for notebooks.** According to the CEO, China's PC market has showed signs of recovery during the past few months, as the government's economic stimulus package and efforts to subsidize rural computer buyers took effect. According to figures from research firm Gartner, the PC market in China is estimated to have grown 28.5 per cent in the third quarter of 2009, compared with a worldwide average growth of 0.5 per cent in the same period.
- **Marvell had the appointment of Dr. Ta-lin Hsu to its Board of Directors.** Dr. Hsu is the founder and chairman of H&Q Asia Pacific and was a general partner at Hambrecht & Quist. He currently serves as a member of the Board of Directors of Advanced Semiconductor Engineering, Inc., a semiconductor packaging and testing company, and Fabrinet, a provider of foundry services to optics OEMS. He is also Vice Chairman of the Board of Give2Asia and a member of the Council of Foreign Relations.

Software

- **Taleo Corp. will draw on the funds to eliminate software competitors through acquisitions, Chief Executive Officer Michael Gregoire said.** Taleo makes Internet-based software that lets customers recruit employees, assess compensation costs and determine pay levels. Since its initial public offering in 2005, Taleo has acquired five companies, mainly to add customers. A few deals provided so-called tuck-in technologies that the company incorporated into its software. Taleo competes against about 70 closely held companies that have US\$5 million to US\$40 million in annual sales, Gregoire said. Those rivals are his most likely takeover targets. The secondary offering sold 6.5 million shares at US\$20.25 apiece. Taleo had US\$76.5 million in cash at the end of the third quarter, before the offering. Sales climbed 32 percent in 2007 and again in 2008.

Networking

- **Cisco Systems Inc. said it has about 84 percent of Tandberg ASA's shares, bringing it closer to completing a 19 billion kroner (US\$3.39 billion) purchase of the Norwegian maker of video-conferencing systems.** The world's largest maker of networking equipment needs 90 percent of shares to carry through the deal, it extended the offer period by two days to Dec. 3, the third such move. There will be no more extensions. Cisco got 9.4 percent of the shares on its initial 153.5 kroner-a-share offer, which investors said was too low. Lysaker, had third-quarter operating income of US\$50 million on sales of US\$234.7 million. Polycom had operating income of US\$23.40 million on sales of US\$243 million in the quarter.

Telecommunications

- **Telus Corp. is expected to raise at least C\$1 billion (US\$945 million).** Pricing has yet to be determined, but the targeted spread has narrowed to around 182 basis points, from 185 basis points above the relevant benchmark. Rivals Rogers Communications Inc. and Shaw Communications Inc. have already tapped investor appetite for income-generating securities from companies generating steady streams of cash, with their own recent offerings of 10-year bonds.

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Europe

Mobile/ Wireless

- **Nokia Corp. expects handset industry volumes to rise 10 percent in 2010 from 2009 as market conditions improve and said it would focus on stabilizing the average selling price of its handsets to increase revenue.** Nokia expects to maintain its share of the mobile device market in volume terms in 2010, but will target increased revenue by concentrating on stabilizing its average selling price, or ASP. Nokia's ASP was 62 euros (US\$92), stable from the previous quarter but down from EUR72 in the third quarter of 2008. Nokia had a market share of around 38 percent in volume terms in the third quarter, unchanged from the second quarter of 2009. The mobile phone industry has suffered from several quarters of falling sales as consumers have reined in spending in the wake of the economic downturn. The company expects the handset market to return to year-on-year growth in the fourth quarter 2009 as the recession comes to an end.
- **Nokia Oyj expects its share of the global handset market to remain flat next year, amid mounting competition from Apple Inc.'s iPhone and lower-end Chinese devices.** Volumes in the mobile-phone industry will rise by about 10 percent in 2010, the company forecast at its investor day in Espoo, Finland, where it is based. Nokia's share of the smart-phone market, the industry's fastest-growing piece, slid to 39.3 percent in the third quarter from 42.3 percent a year earlier, while Apple and BlackBerry-maker Research In Motion Ltd. gained. The company is releasing new touch-screen phones and improved applications to compete with Apple's iPhone, which has made the U.S. company the world's most profitable handset vendor. Nokia lags behind Apple in applications, the new battleground for handset makers.

Networking

- **Nokia Siemens Networks will apply its telecoms expertise and seek partners in a bid to capture the rising demand for renewable energy, intelligent power grids and smart metering.** The company had a massive restructuring plan which includes shedding as many as 5,700 jobs in a bid to save €500 million a year between the end of 2009 and the end of 2011. From January 2010 the scheme will also see Nokia Siemens reorganize its five operating units into three: Business Solutions, Network Systems and Global Services. Its planned energy sector operations will form part of its Business Solutions unit. Despite the new direction, NSN's priority is still the telecoms industry. Nokia Siemens has won a deal to provide its Open Element Management System (EMS) software to Ireland-based ServusNet - a software company that helps wind farm operators optimize power generation and delivery.

Telecommunications

- **France Telecom SA appointed its head of French operations, Stephane Richard, as its deputy chief executive.** Richard's appointment was at the request of chief executive officer Didier Lombard. Lombard submitted the proposal to the board of directors as part of the company's plans for his succession. Lombard is due to step down in 2011. Before moving to France Telecom earlier this year, Richard was a senior official in France's finance ministry.
- **Deutsche Telekom AG's business services division T-Systems Ltd. has secured a five-year contract to provide telecommunications services to energy giant BP PLC, with more deals on the drawing board.** The US\$450 million five-year contract is about 25 percent below BP's previous costs for telecom services. T-Systems, which operates information and communication technology systems for large corporations and public sector institutions, said the contract will play a key role in

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supporting BP's ongoing efficiency program by delivering significant cost savings. The new program will give BP access to faster and more efficient voice and data services and sharply reduce the number of suppliers. Siemens Enterprise Communications, which is jointly owned by the Gores Group and Siemens AG, will provide a global managed service that supports BP's voice requirements, including managed telephone and audio visual services.

- **TDC AS is offering to exchange up to 300 million euros (US\$445.7 million) of its 713.4 million euros (US\$1059 million) outstanding 6.5 percent bonds due 2012, for new fixed-rate debt maturing 2015.** The offer is intended to capitalize on current favorable market conditions to manage efficiently the refinancing of the existing notes and lengthen the issuer's debt maturity profile. The new issue spread will be on Dec. 3, and the exchange price calculated Dec. 9. BNP Paribas SA and Credit Suisse Group are acting as dealer-managers.
- **Telecom Italia SpA's single largest private shareholder, Findim, has sent a letter to the chairman of the Italian telecommunications group warning against selling its stake in Argentinean holding Sofora.** Findim holds a 5 percent stake in Telecom Italia. Telecom Italia owns half of Sofora, the company that controls Telecom Argentina SA. The Wertheim group, a privately held Argentine company, owns the other half. Argentina's National Antitrust Commission, the CNDC, ruled that Telecom Italia must sell its stake in Telecom Argentina due to a conflict of interest.

Media, Gaming and Entertainment

- **Thomson SA will issue a statement on its debt restructuring.** The company's shares were suspended from trading on the Euronext Paris exchange at the request of both the company and the French stock market regulator, Autorite des Marches Financier. Thomson will discuss debt restructuring with the majority of its creditors, ending more than six months of negotiations. The deal would narrow the company's gross senior debt by 45 percent. However, not all of the company's creditors signed the agreement, notably Deutsche Bank AG (DB), which is one of Thomson's big private-placement debt holders, representing more than 400 million euros (US\$594 million) of debt. Thomson received support from additional senior creditors for its plan, and that it expects implementation of its debt restructuring to gather pace after last month's auction to settle of credit-default swaps linked to the company's debt.

South Africa/Middle East/Latin America

Telecommunications

- **Vodafone PLC Chief Executive Vittorio Colao expects African and Indian markets to continue growing in 2010.** Colao expects more consolidation within the telecommunication sector as technology continues to improve and develop. The initial 1 billion pounds (US\$1.6 billion) cost-cutting scheme due by 2011 will instead be completed by the end of 2009.
- **Vivendi SA holds 50.9 percent of Brazilian telecommunications operator GVT Holding SA, excluding options to buy more shares.** Including unexercised purchase options, Vivendi's total stake in GVT now stands at 62.85 percent, compared to the 57.5 percent, as the company exceeded a threshold of an additional 5 percent holding in GVT. The 62.85 percent represent 86.3 million of the 137.2 million shares comprising GVT's capital after the exercise of 8.8 million stock options Nov. 20. Vivendi surprised the market as it trumped an offer by Spain's Telefonica SA and secured a majority stake in GVT, which has around 2.6 million clients across Brazil's center-west, southern and northern regions.

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Other Economic Data

| Currency Exchange Rates | | | | | | |
|-------------------------|------------|------------------------------|------------------------|-------------------------|----------------------|----------------------|
| Currency | Units | Current Rate (on 12/4/09) | % Change 1 Week Ago | % Change 1 Month Ago | % Change 1/1/2009 | % Change 1/1/2008 |
| Japanese yen | ¥/US\$ | 90.5100 | 4.7% | 0.2% | -1.9% | -19.6% |
| Hong Kong dollar | HK\$/ US\$ | 7.7495 | -0.01% | -0.001% | -0.01% | -0.7% |
| Chinese renmenbi | RMB/ US\$ | 6.8261 | 0.01% | -0.02% | 0.1% | -6.5% |
| Singapore dollar | S\$/ US\$ | 1.3880 | 0.1% | -0.8% | -5.0% | -4.0% |
| South Korean won | KRW/ US\$ | 1,151.0000 | -1.9% | -3.4% | -12.6% | 23.0% |
| New Taiwan dollar | NT\$/ US\$ | 32.1800 | -0.4% | -1.1% | -1.8% | -1.0% |
| Australian dollar | US\$/A\$ | 0.9156 | 0.9% | 1.4% | 28.9% | 4.7% |
| New Zealand dollar | US\$/NZ\$ | 0.7155 | 0.7% | -0.7% | 22.3% | -7.5% |
| Philippine peso | PHP/ US\$ | 46.2000 | -1.7% | -2.7% | -2.1% | 12.1% |
| Euro | US\$/€ | 1.4856 | -0.9% | 1.0% | 7.1% | 1.0% |
| British pound | US\$/£ | 1.6480 | -0.2% | 0.4% | 13.5% | -17.3% |

| Fixed Income Prices and Yields | | | | | | | |
|--------------------------------|----------|----------------------|-------|------------|-------|-------------|-------|
| Note | Currency | Current (on 12/4/09) | | 1 Week Ago | | 4 Weeks Ago | |
| | | Price | Yield | Price | Yield | Price | Yield |
| US 30-year | US\$ | 99.55 | 4.45% | 102.77 | 4.26% | 102.75 | 4.33% |
| Japan 30-year | ¥ | 100.22 | 2.20% | 100.73 | 2.18% | 99.46 | 2.22% |
| Hong Kong 10-year | HK\$ | 102.18 | 2.27% | 103.30 | 2.27% | 102.03 | 2.30% |
| China (06/16) | US\$ | 107.77 | 3.38% | 107.66 | 3.40% | 106.93 | 3.53% |
| Singapore 10-year | S\$ | 99.81 | 2.54% | 100.40 | 2.47% | 99.95 | 2.51% |
| South Korea 20-year | KRW | 10,166.21 | 5.55% | 10,178.64 | 5.53% | 10,059.09 | 5.52% |
| Australia 15-year | A\$ | 102.35 | 5.47% | 104.06 | 5.27% | 100.22 | 5.72% |
| New Zealand (12/17) | NZ\$ | 100.16 | 6.07% | 100.66 | 6.02% | 101.76 | 5.73% |
| Philippines 20-year | PHP | 103.21 | 9.35% | 104.24 | 9.23% | 104.49 | 9.00% |
| India 30-year | INR | 82.80 | 8.60% | 84.50 | 8.41% | 83.38 | 8.36% |
| UK 30-year | £ | 108.20 | 4.30% | 110.67 | 4.16% | 108.45 | 4.24% |
| Germany 30-year | € | 104.73 | 3.97% | 105.48 | 3.93% | 103.72 | 4.02% |

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