



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

Week of 8 March 2010 - 14 March 2010

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



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Table of Contents

Equity Market Indicators	3
Technology, Media, Telecommunications and Life Sciences Market Activity	4
Weekly Highlights	5
Japan	5
Korea	6
China	6
Taiwan	10
Hong Kong	11
Singapore/Malaysia/Philippines/Indonesia/India	12
United States/Canada	13
Europe	15
Other Economic Data	16
Currency Exchange Rates	16
Fixed Income Prices and Yields	16

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



Week of 8 March 2010 - 14 March 2010

Equity Market Indicators					
Index	Closing Level (3/12/2010)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 12/31/2009	% Change 12/31/2008
S&P 500	1,149.99	1.0%	6.6%	3.1%	27.3%
Dow Jones Industrial Avg.	10,624.69	0.6%	4.7%	1.9%	21.1%
Dow Jones Tech. Index	407.93	2.0%	7.3%	1.3%	62.3%
Dow Jones Telecom. Index	212.58	2.1%	4.6%	-3.2%	6.4%
NASDAQ Composite	2,367.66	1.8%	8.7%	4.3%	50.1%
The Street.com Net	10,751.26	3.7%	7.9%	1.9%	21.4%
Japan Nikkei 225	52.26	1.5%	5.0%	8.1%	8.4%
JASDAQ	423.53	1.5%	8.8%	1.8%	30.9%
Japan Mothers	1,662.74	1.7%	4.1%	-1.2%	47.9%
Korea KOSPI Composite	519.44	1.6%	4.3%	1.1%	56.4%
Korea Kosdaq	7,748.33	1.1%	4.1%	-5.4%	68.8%
Taiwan Stock Exchange	3,133.64	2.7%	6.2%	4.7%	77.9%
Singapore Straight Times	21,209.74	2.0%	4.5%	-3.0%	47.4%
Hong Kong Hang Seng	772.26	2.9%	8.1%	14.1%	100.3%
Hong Kong GEM	3,159.83	-0.6%	0.9%	-8.1%	65.3%
China Shanghai (A-Share)	1,204.14	-1.2%	2.5%	-4.5%	107.1%
China Shenzhen (A-Share)	247.91	-1.8%	0.0%	-1.8%	123.5%
China Shanghai (B-Share)	615.07	0.5%	4.9%	-1.7%	126.7%
China Shenzhen (B-Share)	1,149.99	1.0%	6.6%	3.1%	27.3%

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



Week of 8 March 2010 - 14 March 2010

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						

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



Week of 8 March 2010 - 14 March 2010

Weekly Highlights

Japan

Hardware

- **Canon Inc. expects China's camera market to become the world's largest as early as 2015, overtaking the U.S.** Canon is doubling the number of outlets and boosting its marketing workforce in the Asian nation to tap the company's fastest-growing major market. The maker of the EOS and PowerShot models forecasts sales volume will rise 10 percent in China this year, while growth in developed nations will likely remain small. The company projected in January that Canon's global camera sales will increase 6.6 percent to 25.7 million units in the 12 months ending Dec. 31.
- **Fujitsu admitted that its former president Kuniaki Nozoe left the company last year due to links with a company of unfavourable reputation.** The Japanese company had earlier said he left due to health problems. During February 2009, Nozoe was pursuing a project which involved a third-party company whose representative director was a long acquaintance. Since this third-party company's corporate group was said to have an unfavorable reputation, Fujitsu started an investigation and found that the relationship was not in line with its code of conduct.

Mobile/ Wireless

- **Domestic shipments of mobile and personal handyphone system handsets in Japan boosted 8.7 percent year-on-year to 2.081 million units in January, marking the first increase in three months.** The rise was largely the result of weak shipments a year earlier. The actual shipment total for January was not particularly strong.

Media, Entertainment and Gaming

- **Nintendo Co. surpassed Samsung Electronics Co. in 2009 as the world's top buyer of microelectromechanical systems used in consumer-electronic products and cell phones.** The video-game maker increased its MEMS spending by 12 percent to US\$108 million, topping Samsung, which spent US\$105 million in 2009 and had been the biggest buyer for years. Nintendo, which had been the No. 2 buyer of MEMS in consumer electronics in 2007 and 2008, increased its purchases of sensors used for measuring orientation for its use in Wii Motion Plus expansion devices for the popular game console. Motion Plus helps the video game accurately record complex motions. The market for MEMS used in consumer electronics and cell phones grew 7.6 percent to US\$1.19 billion. ISuppli forecast 18 percent annual growth for the MEMS.
- **Sony Pictures Entertainment Japan will launch a service for watching movies on mobile phones, while Warner Entertainment Japan plans to double the titles available through an existing service by year-end.** Warner On Demand members-only video service currently has a lineup of 150-200 titles. Customers can choose to buy or rent the content, and new titles are made available at the same time that DVDs are released. Warner On Demand offers the same service for PCs and mobile phones. Sony Pictures will provide content through QTV Video, a mobile phone video service operated by Frontmedia. It is to offer new releases such as the Michael Jackson film "This Is It" in addition to old hits like "The Da Vinci Code," "Spider-Man" and "Stand by Me." The broad lineup is to include US television series as well. Users will get two days of unlimited viewing by paying JPY 420 (US\$ 5.2) per title, in addition to call charges.

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



Week of 8 March 2010 - 14 March 2010

Telecommunications

- **Willcom Inc. is seeking financial aid of as much as 137.8 billion yen (US\$1.5 billion) to revive the company.** The funds would allow Willcom to reorganize and invest in networks to continue offering wireless data services in the world's second-largest economy. Willcom's bankruptcy proceedings are poised to wipe out the 220 billion yen (US\$ 2.4 billion) that the Carlyle Group and Kyocera Corp. invested in the company in 2004. Softbank and Advantage Partners will each own a third of the spun-off company, which will handle operations using a faster wireless technology.
- **NTT Data aims to reduce the number of group companies in Japan by the end of fiscal 2012 as part of the company's efforts to improve consolidated operating profit margin.** NTT Data has 81 units in Japan, and 158 units worldwide. The company plans to reduce the number of units in Japan to ten to twenty units. The company's operating profit margin is expected to fall to 6.6 percent due to economic downturn in fiscal 2009, but the firm aims to improve it to 10 percent by fiscal 2012.
- **While NTT and Softbank are expected to report operating profits for fixed-line services for fiscal 2009, KDDI is forecast to report another operating loss.** NTT is forecast to report 48 billion yen (US\$530 million) in operating profit for its fixed-line telecommunications business for the year ending 31 March, up 8 percent year-on-year. Rival Softbank is expected to likely to beat NTT in terms of operating profit from fixed-line services. During the April to December period, the company had operating profit was up 12 percent year-on-year.

Korea

Telecommunications

- **SK Telecom Co., Ltd. has declared an annual cash dividend of 8,400 won (US\$7.4) per share of common stock to shareholders of record on December 31, 2009 for the fiscal year 2009.** The dividend rate of market price is 4.8 percent and the total amount of the cash dividend is KRW 607.7 billion won (US\$538.5 million).

Media, Gaming and Entertainment

- **South Korea warned Google Inc. it would be penalized if its mobile games content wasn't regulated.** South Korea's Games Ratings Board has sent an official letter to Google Korea, urging the web giant to abide by a law that requires all video games to be reviewed and rated by the state agency. The company operates an online software store called Android Market for mobile devices, which allows users to browse, upload and download applications. All games, even if they are fed into mobile devices from overseas servers, should be reviewed and rated by local authorities. Apple Inc., which runs its own application market, App Store, for iPhone users, doesn't provide games to South Korean users in order to avoid frictions with regulators.

China

Internet

- **Alibaba.com launched a wholesale e-commerce site at 1688.com.** The new site shows Alibaba.com's Chinese-language page. Alibaba.com plans to spend 100 million yuan (US\$14.6 million) advertising the new site, through channels including China Central Television (CCTV), and is also holding promotions with giveaways of 1,688 yuan (US\$247) in cash or mobile phone charge cards. 1688.com users may open stores free of charge.

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



Week of 8 March 2010 - 14 March 2010

- **Alibaba.com CEO David Wei has contacted eBay about using eBay's online payment tool PayPal for Ali Express, a B2B platform for international customers.** After reaching a preliminary agreement, eBay has sent employees to Alibaba.com to help with the project, and the PayPal-supported Ali Express service is expected to be released in April. Ali Express has not been recognized by overseas buyers, because Alibaba.com's online payment tool Alipay is not widely used overseas. Alibaba.com has invested nearly 100 million yuan (US\$14.6 million) and more than 100 employees in Ali Express.
- **Alibaba.com's wholesale e-commerce site 1688.com had visitor traffic of over 6.39 million and transaction volume of 3.06 million products on its first day of operation.** The wholesale platform includes more than 500,000 suppliers with China TrustPass, a paid Alibaba.com service, who provide information on more than 150 million products and are linked up with Alibaba.com sister companies Taobao.com and Alipay.
- **360buy.com announced that it has completed the acquisition of SK Telecom's Beijing-based business-to-consumer shopping site Qianxun.com.** 360buy.com did not reveal the price of the acquisition. Qianxun.com will retain all of its management and staff through the acquisition, while its order processing and logistics systems will gradually be merged with 360buy's supply chain. The acquisition will improve 360buy's offerings of fast-moving consumer products, a market that 360buy entered in late 2008 and to which users have responded positively.
- **Google Inc. will soon reach a conclusion to negotiations with the Chinese government regarding the fate of its China business.** The firm would stop censoring its Chinese search engine and may shutter its offices in China following a major cyber-attack traced back to the country. The U.S. search giant has offered few details on the progress of talks between it and Chinese officials. No timetable has been announced, and executives have said little about the discussions, including who is involved. The decision not to censor google.cn has raised concerns about how Google's stance could impact upon other key initiatives beyond its core search-engine business. Google hasn't started offering unfiltered search results, and China officials said they won't limit the use of Google's Android operating system by China's telecommunications operators system.
- **Baidu expects to release the business-to-consumer (B2C) online shopping mall that it is building in cooperation with Japan's Rakuten in mid-2010, if everything goes smoothly.** Baidu had partnered with Rakuten to build the mall and expected to release the mall in late 2010.

Mobile/Wireless

- **Due to notable declines in two major earning channels, Hurray! Holdings' annual losses nearly doubled to US\$22.7 million in 2009 despite Q4 2009 losses shrinking to US\$4.6 million from US\$5.1 million the previous quarter.** Its total Q4 2009 revenue was US\$6.2 million. Its 2009 whole-year revenue was US\$34.6 million. Its wireless value-added services and music CD sales act as pillars for the wireless value-added service provider.
- **As the number of China's mobile payment users is expected to exceed 150 million this year, the issue of system's security has become the key factor determining users' choices.** China Unicom will gradually launch more 3G services such as handset stores and mobile payment features. China Mobile included mobile payment as one of its key businesses to develop this year. Orient Securities held that starting from 2010, China Mobile's investment in mobile payment will help foster a batch of related firms in the industrial chain. China Unicom will forge an open platform offering cell phone applications to users worldwide. It will also roll out an independent mobile phone application store named UniStore.

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



Week of 8 March 2010 - 14 March 2010

Telecommunications

- **China Mobile Ltd. agreed to buy a 20 percent stake in Shanghai Pudong Development Bank Co. for 39.8 billion yuan (US\$5.83 billion), as the mobile operator seeks to expand into mobile financial services.** China Mobile joins telecommunications operators in Japan and South Korea that have agreements with banks to offer payment services via cellphones as a way to generate additional revenue. South Korea's biggest telecom operator by revenue, SK Telecom Co., agreed late last year to buy a 49 percent stake in the credit card unit of Hana Financial Group for US\$343 million to introduce products that bundle banking and telecom services. China Mobile has been offering services on a trial basis in a handful of cities in recent years. The agreement with China Mobile will use the proceeds of the stake sale to meet the stricter capital requirement set by China's banking regulator. China Mobile's planned investment in the lender will be subject to a 36-month lock-up period.
- **China's three largest telecom operators will suffer from falling new users per month, UBS concluded from the telecom operators' latest operating data for January.** China Unicom gained 850,000 WCDMA users in January, sliding 7.3 percent on month from the previous month's 920,000. UBS believed that risks remain that the company may not realize its goals since China Mobile and China Telecom provide superior subsidies and sales commissions. The carrier's latest company structure adjustment opened holes through which users were lost. China Unicom's net additional WCDMA users are likely to drop slightly in February. Although UBS maintained its holding recommendation given China Unicom's growth potential with its WCDMA technical advantages, the bank believes it may take longer for the telecom operator to rebound than previously predicted.
- **China Broadband, Inc. has entered into a non-binding letter of intent relating to the acquisition of Sinotop Group Ltd. to provide integrated value-added service (VAS) solutions for the delivery of pay-per-view (PPV), video-on-demand, and enhanced premium content for cable providers.** The proposed acquisition of Sinotop would serve to provide China Broadband with a nationwide platform to deliver PPV and VOD entertainment programming to a potential audience of more than 160 million subscribers with access to digital cable in the PRC.
- **Huawei Technologies Co expects similar growth from its Middle Eastern operations in 2010 as last year when it achieved US\$3 billion in sales.** China's biggest network equipment maker increased its sales in the region, which includes Gulf Arab countries, Iran and Pakistan, by 25 percent last year from US\$2.4 billion in 2008, despite the financial crisis.

Media, Entertainment and Gaming

- **The9 plans to release a new 2.5D Chinese fantasy MMORPG, Shen Xian Zhuan, developed in-house by newly-acquired online game R&D company.** The9 had made an offer of US\$100 million to buy FireRain but was still waiting for a final answer.

Hardware

- **The Mainland China LCD TV market is expected to grow into the world's biggest LCD TV market in 2010 or 2011.** The final competition between Taiwanese and South Korean panel makers will decide the structure of the global panel market, quoting the Taiwanese press. Chi Mei gained a half share of the mainland LCD panel market last year and will seek a 50 percent growth in supply this year to continue keeping its leading position. The Chinese mainland LCD TV market size arrived at 23 million units in 2009 and will increase to 39 million units in 2010. Chi Mei saw its shipments in the mainland reach 12.12 million units last year and will strive for a goal of 18.6 million units this year.

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



Week of 8 March 2010 - 14 March 2010

Semiconductor

- **A drop in demand and price of semiconductor products has dampened the semiconductor market in China which had a negative growth for the first time in 2009.** Semiconductor market in China dropped 5 percent in market value. Calculator, consumption and networking communication accounted for nearly 90 percent market shares of China's IC market. Among them, the IC market of automobile electronics maintained a high growth of 16.3 percent. The IC card market also maintained stable growth driven by the issuance of the social security card. The calculator market maintained an annual positive growth with varying degrees of drop in other calculator products. The IC market for network communications fell 5.2 percent in 2009 with an apparent decline in chip price. The international financial crisis also tarnished IC consumption which faced an over 10 percent drop in 2009.

Alternative Energy

- **Yingli Green Energy booked total revenues of 2.53 billion yuan (US\$370.8 million) in the fourth quarter of 2009, up 13.7 percent quarter-on-quarter and 43.7 percent year-on-year, with PV module shipments up 15.7 percent sequentially.** Gross margin grew both sequentially and annually to 29.6 percent. The company made a net loss of 44.8 million yuan (US\$6.6 million) in the quarter. The company attributed the loss to a non-cash impairment equivalent to 131.2 million yuan (US\$19.2 million). Total net revenues for the full year 2009 were 7.25 billion yuan (US\$1.06 billion), roughly flat with the previous year, while PV module shipments expanded 86.6 percent year-on-year to 525.3 MW.
- **China Sunergy had a net loss of US\$3.5 million in the fourth quarter of 2009, compared against income of US\$7.8 million in the previous quarter and a net loss of US\$26.8 million in the fourth quarter of 2008.** China Sunergy had revenues of US\$97.6 million, up 125.9 percent year-on-year and 21.8 percent sequentially, from shipments of 74.3MW in the quarter, in line with company guidance. The company booked revenue of US\$284.9 million, declined 18.8 percent from 2008, while shipments increased to 194MW from 107.2MW in the previous year. China Sunergy's full year loss came to US\$9.8 million, compared to net loss of US\$22.9 million in 2008.
- **LDK Solar has narrowed its outlook for fourth quarter revenue to between US\$300 million and US\$310 million, compared to a previous forecast of between US\$280 million and US\$310 million.** The company expects wafer shipments to come in between 330MW and 340MW in the fourth quarter, compared to previous guidance of between 320MW and 340MW, while module shipments will be between 20MW and 25MW, at the low end of previous guidance of between 20MW and 30MW. LDK predicts that its revenue will be in the range of US\$1.35 billion to US\$1.45 billion, with wafer shipments between 1.3GW and 1.4GW and module shipments between 300MW and 400MW. LDK anticipates 2010 gross margin of between 15-20 percent and polysilicon production of between 4,500MT and 5,500MT in 2010.
- **ReneSola Ltd had a fourth quarter net of US\$19.9 million compared to net losses of US\$128.3 million in the fourth quarter of last year and US\$10.2 million in the previous quarter.** ReneSola reduced average wafer processing costs and worked through the remainder of its high-cost raw materials in the fourth quarter, and expects to return to profitability in the first quarter of 2010. Shipments boosted 38.1 percent sequentially to 202.9MW in the fourth quarter, while net revenues increased 13.4 percent year-on-year and 27.7 percent quarter-on-quarter to US\$179.9 million. Gross profit margin fell to 2.7 percent.

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



Week of 8 March 2010 - 14 March 2010

- **Solarfun Power Holdings had net income of 10.6 million yuan (US\$1.6 million) in the fourth quarter of 2009.** Total net revenues for the quarter stood at 1.25 billion yuan (US\$183.5 million) up 11.6 percent on an annual basis and 26.9 percent sequentially. Gross margin fell to 18.8 percent in the period from 20.7 percent in the previous quarter, which Solarfun attributed to a lower average selling price. Solarfun shipped 110.8MW of modules in the fourth quarter of 2009, up from 47.6MW and 102.6MW in the fourth quarter of 2008 and the previous quarter, respectively, with Germany and the Czech Republic accounting for 57 percent and 12 percent of fourth quarter shipments, respectively. Shipments to China grew to account for 11 percent of all module revenues in the fourth quarter, up from 1 percent in the third quarter.
- **Suntech Power Holdings booked net income of US\$49.9 million in the fourth quarter of 2009, up from income of US\$29.8 million in the prior quarter and a loss in the year-ago period.** Gross margin boosted to 23.8 percent in the period from 17.8 percent in the third quarter of 2009 due to a drop in silicon wafer and processing costs. Total net revenues for the period came to US\$583.6 million, an increase of 23.4 percent sequentially and 40.8 percent annually. Net revenue fell to US\$1.69 billion from US\$1.92 billion in the previous year, which Suntech attributed to the decrease in the average selling price of PV products. Full year net income was US\$91.5 million. The company shipped 704MW in the full year, boosted 42 percent from 2008 and above the company's most recent estimate of between 640MW and 660MW.
- **Trina Solar Limited had the formal establishment of its European regional headquarters in Zurich, Switzerland.** The company wanted to bring the company closer to the existing important markets on the strength of the headquarters and enable its strategic partners and customers to enjoy more convenient logistics service. The European markets have been essential for PV companies. The Trina Solar Chairman and CEO Gao Jifan stressed that the establishment of the European headquarters would be one of its important steps toward globalization. The move will help the company gain bigger fame in Europe and unify regional business operation there, giving a leg up to its business growth in Europe.

Taiwan

Telecommunications

- **Chunghwa Telecom Co., Ltd. said it will budge around NT\$3 billion (US\$93.7 million) for routers, severs, and switchers in preparation for its cloud-computing service in 2010.** The company has begun approaching the island's leading server suppliers including Quanta Computer, Delta Electronics, Inventec, and Hon Hai Precision Industry as well as contract manufacturers of international storage-device suppliers over procurement deals. The company plans to buy over 70 percent of the equipment from Taiwanese manufacturers. To prepare for the service, the company plans 20 percent more budget this year than last year. Chunghwa needs to put all gears to cash in on the future market demand. The equipment will be installed at an Internet data center (IDC) building that Chunghwa is planning to construct at a cost of NT\$13 billion (US\$406 million). The building is slated to start operation in 2012.
- **Taiwan's telecommunications regulator granted a WiMAX service license to First International Telecom Inc., which will launch the service in northern Taiwan in six months.** First International has constructed 42 base stations in Hsinchu City that cover more than 70 percent of the population in the area, the minimum level required by the regulator. First International secured the island's sixth and last WiMAX service license.

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



Week of 8 March 2010 - 14 March 2010

Mobile/ Wireless

- **With labor shortage in China's coastal provinces gradually improving and demand for mobile phones staying strong, Taiwanese handset parts suppliers, including Silitech Technology Corp., Merry Electronics Co. and Ichia Technology Inc., are expected to see their sales turn around in March.** Due partly to labor shortage and partly to fewer working days during the Chinese New Year holidays, Silitech and Merry both had about a 6 percent decline in their sales revenue of NT\$860 million (US\$26.875 million) and NT\$512 million (US\$16 million), respectively, in February from January, and Ichia suffered a steeper drop of 18.3 percent, tallying up sales revenue of NT\$438 million (US\$13.5 million) in the month.

Semiconductor

- **TrendChip Technologies Corp. and Ralink Technology Corp's agreement has been approved by the Board of Directors to create a global technology leader in the home networking and broadband access semiconductor markets.** Under the terms of this agreement, the Board of Directors from both companies have agreed that the merged company will be called Ralink Technology Corp., and that each 0.8209 share of TrendChip will be exchanged for 1 share of Ralink. Management of the combined 600-person company will include executives and board members from both organizations.
- **Taiwan Semiconductor Manufacturing Co. (TSMC) and AU Optronics would boost their workforces this year, providing further evidence the technology sector is recovering from last year's slump.** TSMC would hire more than 2,400 regular employees this year, equivalent to about 10 percent of its global workforce, partially to replace some contract workers. The announcement, in a brief statement, came a day after TSMC had strong February sales as demand picked up for personal computers and other high-tech gadgets that require microchips. AU Optronics would hire 2,500 new employees in Taiwan this year as it diversifies into energy-related sectors.

Hong Kong

Mobile/ Wireless

- **Chinese internet and mobile media group Tom Group swung to an operating profit of HK\$24.51 million (US\$3 million).** Revenues was HK\$2.44 billion (US\$314 million) versus HK\$2.73 billion (US\$352 million) a year earlier, but EBITDA boosted 10 percent. Tom narrowed its net loss to HK\$60.51 million (US\$7.8 million). The company's Internet group had revenues of HK\$1.06 billion (US\$137 million) and operating profit of HK\$54 million (US\$6.96 million).

Internet

- **Tencent said its instant messaging (IM) tool "QQ" has had more than 100 million peak concurrent users (PCU).** Tencent has added a casual zone channel to offer small flash games through QQ Groups. The channel has about 40 small flash games at present, and the games do not feature advertising or other monetization methods.

Telecommunications

- **PCCW Ltd.'s net profit boosted 19 percent in 2009 due to revaluation gains from its property and financial investments and stringent cost controls but revenue fell 22 percent.** Stripping out the one-off gains, the company's EBITDA, a key measure of profitability for telecom operators, were little changed from a year earlier, reflecting the limited growth opportunities in Hong Kong's saturated market. The stagnant market likely contributed to earlier plans by PCCW's major shareholders to take the company private. They withdrew the plan after a Hong Kong appellate court rejected the proposed

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



Week of 8 March 2010 - 14 March 2010

deal in April last year on suspicion of vote rigging. The company's major shareholders won't pursue another takeover attempt. Its cost of sales fell 31 percent.

Singapore/Malaysia/Philippines/Indonesia/India

Telecommunications

- **Bharti Airtel Ltd. is looking to raise US\$7 billion via a six-year U.S. dollar loan with an average maturity of 4.75 years to finance its purchase of some of Kuwait's Mobile Telecommunications Co. assets.** The company will likely raise another US\$2 billion to US\$3 billion via a rupee loan. Bharti Airtel is aiming to price the planned US\$7 billion loan at 225 basis points above the London interbank offered rate. Initial discussions for funding began at around 300 basis points above Libor for a seven-year dollar loan.
- **Mahanagar Telephone Nigam Ltd. (MTNL) plans to add two million lines each in New Delhi and Mumbai on its global system for mobile communications technology.** The company will also add 200 telecom towers in New Delhi and another 291 towers in Mumbai during the current fiscal year that ends March 31. MTNL is also installing equipment to set up 500,000 additional broadband lines in New Delhi and Mumbai. It currently has 784,000 broadband users in the two cities.
- **The Indian government has approved 91.75 billion rupees (US\$2.01 billion) in financial assistance for state-run Bharat Sanchar Nigam Ltd. to build an exclusive and dedicated communications network for the country's defense forces.** The package includes INR80.98 billion for a network for the army and navy, while 10.77 billion rupees (US\$237 million) will go to a network for the air force, junior Telecommunications Minister Gurudas Kamat said in response to questions in the lower house of Parliament. The new networks will free up bandwidth for civilian use. Currently India's defense forces hold a majority of the country's radio bandwidth.
- **Bharti Airtel Ltd. expects to invest 3 billion rupees (US\$66 million) to 4 billion rupees (US\$88 million) over the next four to five years in its newly-launched digital media business.** India's largest mobile phone operator by subscribers launched its digital media business, aimed at developing ways for the media and entertainment sector to distribute content to their consumers.
- **Qualcomm Inc. is seeking an Indian partner to offer ultra-high broadband connectivity in the country.** Telecom Regulatory Authority of India has invited initial comments from interested parties on 4G mobile technology that can offer wireless broadband services at a much faster speed than the third generation, or 3G, technology.
- **The rise in regulatory risk over Thailand's telecom sector has clouded the outlook of operators in the country, but dominant players Advanced Info Service and Total Access Communication could be less hit and recent declines may be a good buying opportunity for long-term investors.** Thai telecom stocks have taken a hit in the past week over fears they could face legal charges and massive penalties for illegitimate concession amendments after the Supreme Court ruled to seize THB46.37 billion (US\$1.4 billion) of ousted Prime Minister Thaksin Shinawatra's assets. The court found Thaksin guilty of owning shares in telecommunication holding company Shin Corp. while in office from 2001-2006. He was also found guilty of abusing power and granting benefits to Shin Corp. and its units, Advanced Info and Thaicom, causing massive revenue losses to the state.

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



Week of 8 March 2010 - 14 March 2010

- **PT Indonesia Satellite Corp.'s (Indosat) 2009 net profit fell 20 percent mostly because of lower revenue and the higher cost of operations.** Total revenue fell 1.4 percent. The cost of operations increased by 9 percent. Indosat had an additional 4.4 million new subscribers in the fourth quarter of 2009, which helped contribute a 37 percent increase in revenue from cellular services from the previous quarter, its total subscribers were at 33.1 million. Indosat is 55.79 percent owned by Qatar Telecom Pte Ltd.
- **Telekom Malaysia Bhd. will launch its next generation high-speed broadband services.** The operator will introduce new retail packages for its broadband services that will include voice, video and high-speed Internet. The new service will offer bandwidth at network access speeds of 10 megabits per second and above, it said. Telekom's HSBB project is a public-private-partnership initiative with the government to develop the country's next-generation high speed broadband infrastructure and services. By the end of 2012, approximately 1.3 million premise will have access to the service.

United States/Canada

Media, Entertainment and Gaming

- **Time Warner Cable Inc. is pitching AT&T and Verizon Wireless on a service that uses its underground cables to carry mobile calls and Web downloads, easing the congestion spurred by data-hungry users of smartphones like the iPhone.** The wireless backhaul has become Time Warner Cable's fastest-growing business as revenue boosted thrice. Sales from wireless carriers will be at US\$3.6 billion in 2012. U.S. smartphone use has grown almost 700 percent in four years. Mobile-data volume is more than doubling annually as people use devices like the iPhone, BlackBerry and Google Inc.'s new Nexus One to send photos, watch videos and surf the Web.

Telecommunications

- **Verizon Communications Inc. expects to spend US\$16.8 billion to US\$17.2 billion on capital investment as the telecommunications giant, similar to last year.** The company expects to see continued strong free cash flow this year. Much of its cash flow will come from the company's strong wireless business. Verizon Wireless is expected to contribute much of the cash flow growth.
- **Sprint Nextel Corp. had an uptick in revenue by the end of the year is possible, but the company's CEO expects an upturn by 2011.** The company is close to stabilizing its revenue and held out hope that the wireless carrier is close to hitting a bottom. Sprint has made significant progress in adding contract customers, and the company expects to regain momentum in the pre-paid segment in the second quarter. The company continues to see a customer turnover rate above 2 percent, and the company is focusing on lowering the rate.

Information Technology

- **CCMP Capital Advisors LLC agreed to buy Infogroup Inc., global provider of business information, customer insight and marketing solutions, in a cash deal valuing the database marketing company at about US\$463 million.** Investors in Omaha, Infogroup will receive US\$8 per share, a discount of 2 percent compared with the closing price of US\$8.16 last week. Including a debt refinancing, the transaction is valued at US\$635 million. Private-equity firms have announced 224 transactions worth US\$14.3 billion since the start of the year. CCMP, which focuses on buying companies ranging from US\$500 million to US\$3 billion in size, acquired a controlling stake in Texas-based retailer Francesca's Collections Inc. last week. The transaction is subject to shareholder approval and scheduled to be completed early this summer.

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



Week of 8 March 2010 - 14 March 2010

Semiconductors

- **Texas Instruments Inc. had boosting quarterly profit and sales due to accelerating demand for computers, high-definition TVs and cars.** First-quarter profit will be 48 cents to 52 cents a share on sales of US\$3.07 billion to US\$3.19 billion. Sales will be at US\$2.95 billion as profit will be at 44 cents a share.

Alternative Energy

- **Battery Ventures completed a US\$750 million venture-capital fund, the biggest so far this year, raising money to invest in computing startups and clean-energy deals.** Battery, which previously backed Web content-delivery company Akamai Technologies Inc. and mobile-phone carrier MetroPCS Communications Inc., will split the funds between early-stage startups and more mature companies that plan to do buyouts or need money in lieu of an initial public offering. The new fund bucks a trend in the venture industry, which continues to curb funding in the wake of the financial crisis. Venture fundraising fell 47 percent to US\$15.2 billion last year, hurt by the weakest market for startup IPOs in 30 years. As the slump in IPOs and mergers lingers, it's harder for venture firms to make a return on big investments.

Internet

- **Google Inc. owner of the most popular Internet search engine, opened an online store that helps developers of business software sell their own programs.** More than 50 companies are involved in the store initially, according to vice president of engineering Vic Gundotra. The company will take a 20 percent cut of application sales and charge a one-time fee of US\$100. The company is stepping up competition with Microsoft Corp. by selling business software as an alternative to Office programs. Google says its online word-processing, spreadsheet, e-mail and calendar software has attracted more than 2 million users.
- **MySpace had plans for a phased revamp of its site, and at the same time admitted that morale is low within the company.** The firm will focus more sharply on music and media content as it aims to win back disillusioned users and attract newcomers. MySpace is aiming to grow its base to 200 million-300 million users, although he declined to provide a timeframe for this goal. comScore figures show that MySpace had 119.6 million unique visitors in January, declined 7.4 percent on-year. It is not just end-users that have become disillusioned with the social networking site though. Some MySpace staff have lost the will to back the company as it battles for position in the social networking space.
- **Youtube has started offering advertisers ads on the home, search and browse pages of the American and Japanese YouTube mobile websites.** Ads on the YouTube mobile website will be banner ads sold on a full-day basis, making a mobile buy an addition to any YouTube campaign. Mazda is running a homepage ad on YouTube.com, and extended their campaign to run ads on the Youtube mobile site as well. The YouTube mobile site traffic grew by over 160 percent in 2009 and millions of people all over the world are streaming tens of millions of videos every day on their mobile phones. The first tests of YouTube mobile ads with brands ranging from L'Oreal to Land Rover is said to have shown strong results related to click-throughs, user experience and brand awareness.
- **MySpace began courting videogame developers as it moved to capitalize on the booming popularity of playing games online at social networks.** MySpace has fashioned itself into an Internet community for people who make or love music. It sees its prime demographic as Internet users between the ages of 14 and 36. The social network claims more than 100 million users, about 30 percent of whom rack up a total of around a billion minutes of online game-play each month. By better weaving online games into the fabric of the online community, those figures could be doubled to 60 percent of

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



Week of 8 March 2010 - 14 March 2010

MySpace users logging more than two billion minutes of play monthly.

Europe

Mobile/ Wireless

- **Synchronica PLC has signed its biggest contract to date for its mobile gateway services.** The US\$1.05 million deal is with a distributor for one of Indonesia's largest mobile operators, the company said. Synchronica didn't name the distributor. The distributor will sell mobile gateway bundled with 300,000 mobile phones from the likes of Nokia, Sony Ericsson, Samsung, Motorola and LG. Indonesia has around 160 million mobile phone users. Since only 10 percent of the Indonesian population have Internet access, it believes the mobile phone can become the main tool for accessing the Internet, email and instant messaging.

Telecommunications

- **Sonaecom SGPS S/A had its fourth-quarter net profit plunged 77 percent on the year, on lower service revenue.** The company had fourth-quarter net profit of 3 million euros (US\$4.1 million). Revenue dropped 6.6 percent in the fourth quarter. Service revenue declined 7.4 percent, due to the introduction on new mobile termination rates. Ebitda fell 10 percent. 2009 net profit boosted 15 percent. Sonaecom is a competitor of Portugal Telecom SGPS SA and Zon Multimedia SGPS SA.
- **Magyar Telekom Nyrt. will concentrate in the next two to three years on developing its new businesses while maintaining its current dividend policy.** Some 60 percent of the company's revenue is generated by the core voice services, while information technology, data, system integration, cable television, all new businesses, generate the remainder. Building the new businesses will boost the company's capital expenditure during that period but will lead to lower capex spending eventually. Some of the new businesses yield a lower EBITDA than the company's traditional voice services. But the company plans to temper the lower EBITDA with lowering capex spending.

Media, Gaming and Entertainment

- **Cable & Wireless's U.K. business is stepping up its efforts to achieve growth in emerging markets as it secures a stock market listing.** C&W Worldwide will focus on opportunities in Asia. C&W Worldwide is one of two listed companies resulting from the C&W group demerger that takes place on March 26. Based on the group's old U.K. business, C&W Worldwide provides telecom services to corporate rather than residential consumers. C&W Communications provides fixed-line and mobile services to consumers in small countries across the world that were once part of the British empire.

Africa/ Middle East/ South America

Telecommunications

- **MTN Group Ltd. maintained its position as Africa's largest cellphone network operator last year, adding more than 25 million subscribers, although at a cost as weak local currencies weighed on earnings.** Net profit for 2009 fell 4.3 percent despite revenue growth as the depreciation of the currencies of countries such as Nigeria and Uganda reduced income when converted into rand. More than 80 percent of MTN's earnings come from outside South Africa as it has expanded across the continent and into the Middle East. MTN expects to add a further 20 million subscribers this year, highlighting the strong growth prospects luring operators to Africa.

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



Week of 8 March 2010 - 14 March 2010

Other Economic Data

Currency Exchange Rates						
Currency	Units	Current Rate (on 3/12/10)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 1/1/2010	% Change 1/1/2009
Japanese yen	¥/US\$	90.4600	0.2%	0.8%	-2.6%	-1.9%
Hong Kong dollar	HK\$/ US\$	7.7560	-0.1%	-0.2%	0.04%	0.1%
Chinese renmenbi	RMB/ US\$	6.8254	-0.01%	-0.1%	-0.01%	0.04%
Singapore dollar	S\$/ US\$	1.3925	-0.7%	-1.4%	-0.9%	-4.7%
South Korean won	KRW/ US\$	1,128.3300	-0.7%	-2.1%	-3.0%	-14.3%
New Taiwan dollar	NT\$/ US\$	31.7300	-0.4%	-0.9%	-0.7%	-3.2%
Australian dollar	US\$/A\$	0.9152	0.8%	2.7%	2.0%	28.9%
New Zealand dollar	US\$/NZ\$	0.7011	0.7%	-0.1%	-3.2%	19.9%
Philippine peso	PHP/ US\$	45.6600	-0.5%	-1.1%	-1.7%	-3.3%
Euro	US\$/€	1.3761	1.0%	0.6%	-3.9%	-0.8%
British pound	US\$/£	1.5183	0.3%	-3.2%	-6.0%	4.5%

Fixed Income Prices and Yields							
Note	Currency	Current (on 3/12/10)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	99.88	4.63%	99.66	4.70%	99.49	4.66%
Japan 30-year	¥	100.23	2.29%	97.97	2.31%	97.76	2.33%
Hong Kong 10-year	HK\$	93.73	2.82%	94.26	2.86%	92.35	3.02%
China (06/16)	US\$	108.99	3.09%	109.38	3.05%	108.17	3.25%
Singapore 10-year	S\$	98.35	2.70%	98.50	2.70%	98.90	2.63%
South Korea 20-year	KRW	10,777.60	4.99%	10,511.49	5.26%	10,173.24	5.44%
Australia 15-year	A\$	100.35	5.71%	102.07	5.50%	101.15	5.61
New Zealand (12/17)	NZ\$	100.96	5.86%	101.95	5.84%	100.97	5.86%
Philippines 20-year	PHP	103.19	9.14%	102.86	9.39%	102.15	9.25%
India 30-year	INR	83.59	8.34%	82.40	8.65%	83.30	8.56%
UK 30-year	£	93.58	4.65%	94.79	4.63%	94.99	4.56%
Germany 30-year	€	114.24	3.95%	114.44	3.92%	114.64	3.92%

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