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

Week of 24 May 2010 - 30 May 2010

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Equity Market Indicators					
Index	Closing Level (5/28/2010)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 12/31/2009	% Change 12/31/2008
S&P 500	1,089.41	0.2%	-8.0%	-2.3%	20.6%
Dow Jones Industrial Avg.	10,136.63	-0.6%	-7.8%	-2.8%	15.5%
Dow Jones Tech. Index	383.63	1.1%	-10.0%	-4.7%	52.6%
Dow Jones Telecom. Index	192.79	1.2%	-7.5%	-12.2%	-3.5%
NASDAQ Composite	2,257.04	1.3%	-8.7%	-0.5%	43.1%
Japan Nikkei 225	9,762.98	-0.2%	-12.9%	-7.4%	10.2%
JASDAQ	50.26	0.4%	-11.9%	3.9%	4.3%
Japan Mothers	402.04	1.0%	-20.6%	-3.4%	24.3%
Korea KOSPI Composite	1,622.78	1.4%	-7.2%	-3.6%	44.3%
Korea Kosdaq	479.03	-0.4%	-7.7%	-6.7%	44.3%
Taiwan Stock Exchange	7,295.32	0.8%	-10.4%	-10.9%	58.9%
Singapore Straight Times	3,311.41	3.7%	-2.8%	10.7%	88.0%
Hong Kong Hang Seng	19,766.71	1.1%	-7.0%	-9.6%	37.4%
Hong Kong GEM	768.42	3.5%	-13.8%	13.5%	99.3%
China Shanghai (A-Share)	2,785.16	2.8%	-8.6%	-19.0%	45.7%
China Shenzhen (A-Share)	1,115.56	5.4%	-9.1%	-11.6%	91.8%
China Shanghai (B-Share)	212.30	3.4%	-16.6%	-15.9%	91.4%
China Shenzhen (B-Share)	560.86	5.9%	-8.0%	-10.4%	106.7%

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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

Mobile/ Wireless

- **The number of mobile VoIP users worldwide is set to exceed 100 million by 2012.** According to Juniper Research, it expects mobile VoIP services to roll out significantly faster in developed markets, with half of all users residing in Europe and North America by 2012. The reason for this initial geographic imbalance is due to the earlier rollout and greater uptake of 3G services required for mobile VoIP to be effective in these two regions. Mobile VoIP traffic volumes will eventually be higher in emerging markets due to the calling patterns of migrant workers. Juniper Research warned that a high percentage of mobile VoIP traffic carried over WiFi will bypass operators' networks altogether, amounting to US\$5 billion in lost revenue by 2015.

Media, Gaming and Entertainment

- **According to data from tracking firm Enterbrain Inc., worldwide sales of video game software decreased 6.7 percent to 3.66 trillion yen (US\$40.6 billion) in 2009, dragged down by lower demand in the U.S. and Europe.** Sales slid 6.4 percent to 1.31 trillion yen (US\$14.3 billion) in North America and sank 8.3 percent. The Japanese market stayed healthy with a 6.4 percent sales increase. With sales of software for home consoles flat, demand for online games and games for cellular phones and social networking sites drove growth. China was a bright spot, with the soaring popularity of online games fueling a 39 percent sales increase.

Japan

Internet

- **Japan's Rakuten Inc. is buying Buy.com Inc. for US\$250 million as part of its global expansion.** Rakuten runs an online mall plus auction, bookstore, Internet search, travel and stock trading sites with yearly sales of approximately US\$3.2 billion. Buy.com sells electronics, DVDs, CDs and some 60 million other products. About 35,000 merchants also use the site to sell their products. The company has yearly sales of approximately US\$500 million. The deal marks the second time Buy.com has been acquired all or in part by a Japanese company. In 1999, a group led by Softbank Corp. paid US\$165 million for a stake in Buy.com. Buy.com went public in 2000 and went private again in 2001. The company looked to go public again in 2005 but never did. Orange County native Scott Blum started the company in 1997 with a plan to sell products at a loss and offset that with online advertising revenue.

Semiconductor

- **Elpida Memory Inc. expects group operating profit to top 150 billion yen (US\$1.67 billion) for the year ending in March 2011 if DRAM chip prices and currency rates stay stable.** [you forgot to bold] The memory chipmaker has not disclosed earnings forecasts for the 2010/11 business year. It had a record 37.8 billion yen (US\$414 million) operating profit in the January-March quarter. The company had no plan for now to raise funds from the market.

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Telecommunications

- **Nippon Telegraph & Telephone Corp.'s (NTT) new technology to double the capacity of Internet protocol phone networks has been accepted overseas as a new global standard.** The new technology to condense voice data will enable the IP phone network to accommodate twice as much phone calls compared to its current capacity. NTT has successfully pitched the new technology to Cisco Systems, Texas Instruments and China's Huawei Technologies as well as the International Telecommunication Union, a United Nations organization in charge of information and communication technology issues.
- **Softbank Corp. is planning to acquire an additional 5.49 percent stake in Ustream.tv, Inc., a U.S.-based interactive video broadcast platform to broadcast live video on the internet, for a consideration of US\$10 million.** The transaction is expected to close in June 2010. Following the transaction, Softbank's share holding in Ustream will increase from 13.55 percent to 19.04 percent. Softbank has completed its initial investment of approximately US\$20 million (investment ratio of 13.55 percent) in Ustream this January. Assuming all available options granted to Softbank to acquire additional shares are exercised by July 2011, Softbank's total investment is expected to be approximately US\$75 million and will result in Softbank becoming Ustream's top shareholder.

Mobile/Wireless

- **According to Hitoshi Hayakawa, a Tokyo-based analyst at Credit Suisse, Softbank Corp. may overtake larger rival NTT DoCoMo Inc. in operating profit in three years, helped by demand for the devices.** The company may also replace KDDI Corp. as the country's second biggest wireless carrier in the period. Hayakawa recommends buying Softbank and KDDI shares and advises holding DoCoMo's stock. Softbank plans record investment upgrading its network this year to handle growing data traffic as users flock to handsets that can surf the Internet and download music, movies and applications. DoCoMo and KDDI are introducing models running Google's Android software to counter demand for the iPhone, Japan's most popular smartphone.

Korea

Media, Gaming and Entertainment

- **SK Telecom Co. and The Walt Disney Co. announced the intent to set up a joint broadcasting venture to launch Korean-language Disney-branded channels in South Korea..** SK Telecom said it will own a 51 percent stake in the new venture, to be formed before July, with Disney Channel International holding the remaining stake. SK Telecom will bring to the partnership its expertise in mobile, IPTV and digital media platforms. The Walt Disney Company will provide its globally reputed portfolio of kids and family's targeted content, marketing expertise and local-content production and acquisition support. The broadcast service will start in early 2011. This will mark Disney's first joint venture to broadcast content overseas. Disney operates its channels around the world but has never set up a local venture to do so. Foreign companies are not allowed to directly own a broadcasting channel in South Korea. Disney will be able to offer locally produced content or programs dubbed in the Korean language once they launch Disney-branded channels here.

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Telecommunications

- **SK Telecom Co. will acquire a 25.77 percent stake in Malaysia's Packet One Networks, a unit of Green Packet Bhd., for US\$100 million.** Packet One offers wireless broadband services in Malaysia. SK Telecom said in a statement that the Malaysian firm has strong growth potential and that the investment will give SK Telecom experience in wireless broadband operations in an emerging market.

Semiconductors

- **Hynix Semiconductor Inc. sold 5-year bonds worth US\$500 million abroad that could be converted into its shares at 34,580 won (US\$28.93) apiece.** Hynix would sell the bonds to refinance US\$583 million in convertible bonds issued in 2007, for which early redemption calls are expected in June. Holders of the new bonds, which carry a coupon rate of 2.65 percent per annum, can exercise an option to request early repayment from three years after the issue, Hynix said in a filing with the Korea Exchange.

Hardware

- **Samsung Electronics Co. Chairman Lee Kun Hee and Sony Corp. Chief Executive Howard Stringer agreed to continue developing mutual business ties and also discussed business cooperation in the area of liquid crystal displays used in televisions and handsets.** Industry sources said that the two sides exchanged opinions about their current business tie-up and agreed to continue their relationship. The two executives mainly discussed their partnership in LCDs used in televisions and handsets. The closed-door meeting between the two companies came just two months after Lee returned as chairman of Samsung Electronics in late March.

China

Internet

- **NetEase generated net income of 452.26 million yuan (US\$66.2 million) and revenues of 1.19 billion yuan (US\$174 million) for the first quarter of 2010.** NetEase had. The company's online games business generated 1.09 billion yuan (US\$158 million) in the quarter, while advertising revenues halved to 91.55 million yuan (US\$13.4 million) but having doubled compared against 41.03 million yuan (US\$6 million) in the first three months of 2009. The company had a foreign exchange loss of 39.5 million yuan (US\$5.8 million) in the quarter. NetEase plans to launch an expansion of its 2.5D martial arts MMORPG Heroes of Tang Dynasty in the fourth quarter of 2010, as well as expansions for Westward Journey II and III in the third quarter.
- **eLong generated net income of 5.94 million yuan (US\$869573) from January to March this year.** eLong total revenues grew 30 percent year-on-year, with hotel revenues increasing 23 percent year-on-year, and air ticketing revenues up 38 percent year-on-year. The company attributed the growth in hotel revenues to a 32 percent year-on-year jump in room nights booked, partially offset by lower commission per room night as the company's hotel mix shifted towards budget hotels and as a result of its coupon program. Air ticketing revenue growth was driven by 29 percent year-on-year growth in booking volume and an 8 percent year-on-year increase in average ticket price.

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Mobile/Wireless

- **The annual sales of smartphones in China will more than quadruple over the next five years, achieving a CAGR of more than 29 percent by the end of 2015.** Coda Research Consultancy forecasts that sales in 2015 will total 97.6 million units. The 3G roll-out together with corresponding faster mobile internet access will be core drivers to China experiencing the largest growth in smartphone sales worldwide. Coda forecasts that 3G sales will grow at more than 72 percent CAGR, to reach 109 million in 2014. This is on the back of a combined investment of US\$23 billion in 3G networks in 2009. In the first quarter of this year, China spent another US\$880 million on these. Just under one third was spent on China Mobile's home-grown TD-SCDMA network. The shortage of affordable handsets compatible with the TD-SCDMA standard has been a significant hindrance to growth in advanced handset subscriber numbers.
- **KongZhong saw its revenues and net income rise in the first quarter.** Revenues were US\$40.64 million, up from US\$29.59 million in the year-ago quarter, beating the company's revised revenue guidance. Mobile VAS revenues stood at US\$25.9 million, up 9 percent year-over-year. Although the bulk of the company's mobile VAS services, both 2G and 2.5G, were negatively impacted by various new mobile operator policies implemented during the quarter, its IVR services saw a strong seasonal increase due to the Chinese New Year holiday period. Total mobile game revenues were US\$9.48 million, a 92 percent increase, while revenues from downloadable mobile games were US\$8.95 million representing a 112 percent increase from the same period last year. Revenues from mobile multi-player online games were US\$0.53 million, a decrease of 27 percent. KongZhong expects to stabilize its online mobile game revenues in the future.
- **China Techfaith Wireless Communication Technology's first-quarter revenues grew 25.1 percent to US\$60.9 million.** The results benefited from the acquisition of QIGI, which had revenues of US\$5.2 million and a gross margin of 39.5 percent in Q1, led by higher margin brand name mobile phone products. Revenue from the ODP segment increased to US\$54.43 million, brand name phone sales segment revenue was US\$5.21 million and game segment revenue was US\$1.25 million. Gross margin improved to 22 percent from 18.1 percent. Net profit attributable to Techfaith rose to US\$6.9 million. Cash and cash equivalents amounted to US\$162.42 million at the end of the quarter.

Telecommunications

- **China's 3G service subscribers reached 18.08 million by March, and related applications such as 3G video call, mobile-phone video, residential gateway and video supervision have been spreading at fast speed, said Li Yizhong, Minister of the Industry and Information Technology (MIIT).** To promote the development of 3G technology, China Mobile would allocate 15 billion yuan of subsidies to develop 3G applications in 2010. There were more than 1.09 billion phone users in China, including 780 million mobile phone users and 310 million fixed-phone users. 3G and TD-SCDMA achieved great progress, and the number of 3G users in China has touched 18.08 million.
- **China Mobile had 5.33 million new subscribers in April to bring its total number of customers to 544.21 million.** Its 3G network users reached 8.4 million by April 30. China Unicom added a net of 681,000 3G users and 733,000 2G users in April, to bring its respective 3G and 2G user totals to 5.51 million and 148 million subscribers. The company gained 596,000 broadband users in the month to reach 42.1 million, while fixed-line users fell by 201,000 to 101.64 million. China Telecom had a total of 183.03 million fixed-line subscribers by the end of April, after losing 1.2 million during the month, while the carrier's broadband subscriber base grew by 810,000 to 56.65 million by the end of

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April. The company's mobile user base increased by 3.03 million in April to reach a total of 68.48 million, including CDMA and PHS subscribers.

- **ZTE expects its revenues to grow by 30 percent over the next few years, boosted by the mobile handset business.** ZTE expects mobile handset revenues to rise by 35 percent this year and account for half of the group's revenues in five years, the Shenzhen Daily reports citing He Shiyong, head of mobile terminals at ZTE. The mobile handset business is ZTE's fastest growing unit and it posted a 40 percent rise in sales in the first quarter. In five years, ZTE expects mobile handset revenues to make up 50 percent of group revenues.
- **China Mobile Ltd saw the number of its 3G service subscribers increase by 700,000 to 8.4 million in April.** The company's total mobile subscribers hit 544.2 million, added 5.3 million new users in April. China Mobile last week announced that it sees more than double the number of its 3G base stations to 200,000 this year in a push to expand its TD-SCDMA coverage nationwide. China Mobile's net profit in the first quarter of the year was 1.1 percent more than a year earlier. Revenue for the first three months grew 7.7 percent from a year earlier.
- **Shenzhen Wireless and Mobile Streams have signed a content deal.** The deal will see mobile handsets in China, Thailand, Malaysia, Vietnam and the Philippines embedded with content from Mobile Streams' catalogue. The newly manufactured handsets will be preinstalled with a range of content such as games, music, wallpapers, video and applications. The first batch of handsets will be available to customers in South East Asia before being rolled-out to other regions including Latin America, Middle-East and North Africa.

Media, Entertainment and Gaming

- **Focus Media generated revenues of US\$124.88 million for the first quarter of 2010 but with net loss of US\$954,000.** LCD advertising had revenues of US\$55.43 million. The company's poster frame network brought in US\$27.41 million, while internet advertising made US\$29.44 million. The company expects second quarter net revenues from its LCD display, in-store and poster frame networks to be at US\$99 million to US\$101.5 million and net revenues from its internet advertising and its movie theater and traditional outdoor billboard network of US\$43 million to US\$45 million.
- **Digital pay-TV technology provider NDS plans to triple its investment in local people and infrastructure in China this year.** The company will further increase the staff numbers, with local hires as well as the relocation of a percentage of existing NDS R&D resource from India and Israel. With this new investment, NDS will increase employee numbers at the R&D facility in Shenzhen as well as increasing its presence in locations that are close to customers, including in Beijing and Shanghai. NDS will partner with Chinese companies in the consumer electronics space, semiconductors, systems integration, and digital-TV applications markets. NDS has already partnered with Changhong to develop a range of applications for the Chinese market, targeted at convergence and the NGB initiative. NDS will market these applications to other regions. The company is also partnering with value-added TV service provider DOXTV, to bring DVR and push VoD functionality in China.
- **Ku6.com merged with Hai Run Movies & TV Production to become the sole domestic online provider of Hai Run films and TV dramas.** The site will launch a specific channel to house Hai Run's popular dramas and upcoming products, while Hai Run's performing artists will open official sites at Ku6.com. The partners will also jointly produce an internet-based drama Tianya Ghost Talk ("Tianya Guihua"). Tudou.com has launched "Orange Box," its TV drama production project, and a

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talent management project, "No. 6 Warehouse". Tudou.com avoids accelerating costs of licensing video content, while also differentiating itself from other domestic video providers by becoming a producer. The company will release more than 500,000 yuan (US\$73, 188) on each episode of its in-house produced dramas. The company received fifth-round funding of US\$57 million in April.

- **China Digital TV Holding Co., Ltd., a provider of conditional access systems to China's digital television market, announced that it has made a joint investment in OpenV China Holdings Co., a Chinese online video company, alongside one of OpenV's existing shareholders.** China Digital TV's investment will be up to US\$14.5 million, consisting of consideration for an initial equity investment, a convertible loan to OpenV and consideration payable upon the potential exercise of a warrant to purchase additional shares of OpenV. the full conversion of the convertible loan into OpenV's shares and the full exercise of the warrant, China Digital TV's equity interest in OpenV would be approximately 25% to 31%. The aggregate amount of the investment from both investors will be up to US\$17 million in cash. OpenV currently has entered into cooperation agreements with more than 40 of China's TV stations, including six strategic content partners, namely, CCTV, Beijing TV, Shanghai Media Group, Phoenix TV, Hunan TV and China Entertainment TV. OpenV offers 578 online TV channels and owns millions of hours of licensed video content. As of the end of 2009, OpenV's daily average traffic reached more than 55 million page views, 40 million video views and 8 million unique visitors. Only three state-run companies have obtained government IPTV licenses, namely China Central Television's (CCTV) nationwide Internet TV station CNTV, as well as Shanghai Media Group and WASU Digital TV Media Group.
- **Kingsoft announced plan to start limited alpha testing of its in-house developed 2.5D martial arts MMORPG Moon Online.** The MMORPG is adapted from Kingsoft's game for PC with the same name and features family systems, pets and dungeons. Kingsoft announced plans to start second-round alpha testing of its licensed 3D Chinese fantasy MMORPG Feitian Fengyun in May.
- **Kingsoft had net income of 89.74 million yuan (US\$13.1 million) in the first quarter of 2009, down 26 percent quarter-on-quarter and 11 percent year-on-year.** Revenues for the quarter decreased 18 percent sequentially and increased 4 percent annually, of which entertainment software business revenues declined 19 percent sequentially and 1 percent annually. The quarter-on-quarter decrease was primarily due to seasonality and the company's termination of its license for Shui Hu Q Zhuan.
- **Amico Games Corp., an interactive entertainment media company specializing in developing multi-player networked mobile phone games that are played over the mobile internet in China, will be implementing a payment channel called YeePay.** This new payment channel will enable the company's cell phone game subscribers to pay through Internet, Fixed Line Telephone, and Mobile phone conveniently, as well as decrease the company's payment channel costs from 5 percent to 1 percent. The company's cell phone game subscribers pay for cell phone games by Q-coin, short message, and mobile phone rechargeable card. Once YeePay is fully integrated into the company's payment system, subscribers will be able to pay for Amico's games through the Internet, their mobile phone, fixed-line telephone, and electric banking system. In the past, the company's subscribers mainly paid for games through message and mobile phone rechargeable cards, which charged 5 percent of payment channel costs to Amico, whereas the electric banking system only charges 1 percent as payment channel costs.

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- **Zynga, a U.S. social network game developer is scheduled to launch in Asia on May 20 through its acquisition of XPD Media.** Facebook and Zynga entered a five-year strategic partnership for social gaming on Facebook. XPD Media currently has 40 employees and has received investment from True Ventures and Pilot Group. XPD Media CEO Robin Chan will become Zynga's general manager of Asian business development, and XPD Media Co-Founder Andy Tian will lead Zynga's Beijing studio. Zynga sold US\$180 million of its securities to Digital Sky Technologies, the Russian global internet investment group that received investment from Tencent last month. Tencent announced that it would invest approximately US\$300 million for a 10.26 percent stake in DST.
- **A group of publishers in China are looking to jump into the red-hot digital publishing market, with an aim to profit from the opportunities in the 3G era.** China Publishing Group will deepen its cooperation with Oracle Corp. for an expansion in digital publishing market. The partnership will enable the Chinese publisher to set up a digital publishing resource management platform with the general content management solution provided by Oracle. The China Publishing-Oracle alliance comes at a time when publishers across the country are gearing up for a footing in the e-reading market. Phoenix Publishing & Media Group has entered into a letter of intent with Taiwan-based Prime View International Co., Ltd. for the launch of products catering for the education market. Chongqing Publishing Group has joined forces with Hanwang Technology Co., Ltd. to create the biggest e-book production base in southwest China.
- **Shanda Online Holdings (SDO) agreed with Aurora Interactive to co-operate Aurora's in-house developed 3D fantasy MMORPG Aurora World from June.** SDO will partially cover online operations and marketing expenses of the game. The game is currently in the alpha testing stage and is expected to enter closed beta testing. SDO previously has only co-operated games already in commercial play. Shanda Online shall start alpha testing of Ge Zi Ke.

Hardware

- **Qualcomm has opened a new, multi-million dollar R&D Centre in Shanghai.** The R&D centre is part of Qualcomm's ongoing efforts to both utilize the growing pool of telecommunications engineering talent and enhance local R&D capabilities for the wireless communications market in China. The R&D centre will focus on advancing chipset products to address China's need for high quality and affordable 3G handsets with customized features and time-to-market advantages. The Shanghai centre is the second research and development facility of Qualcomm in China. Qualcomm already has an established CDMA R&D centre in Beijing, in addition to branch offices in Shanghai and Shenzhen.
- **Acorn International, Inc. announced its unaudited financial results for the quarter ended March 31, 2010.** Net revenues were US\$70.3 million, a decrease of 19.2 percent. Gross profit was US\$30.9 million, a decrease of 27.2 percent. Gross margin was 44.0 percent, compared to 48.8 percent in the same period of 2009. Operating loss was US\$0.5 million, compared to an operating income of US\$8.1 million in the first quarter of 2009. Other income was US\$1.8 million. Income from continuing operations was US\$0.8 million. Net income from continuing operations attributable to Acorn was US\$0.9 million. Share-based compensation expenses were US\$0.1 million for the first quarter of 2010, compared to US\$0.8 million for the same period last year.

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Alternative Energy

- **Baoding Tianwei Baobian Electric subsidiary Tianwei Silicon plans to put its 2.7 billion yuan (US\$395 million) polysilicon project into production in June 2010.** The project has an annual production capacity of 3,000 metric tons (MT) and is expected to reach a capacity of 6,000MT by 2011. The company plans to add another 5,000MT of polysilicon capacity in the next five years. Baoding Tianwei Group agreed to invest 4 billion yuan (US\$585 million) in a solar module project in Yangzhou, Jiangsu province.
- **Solarfun Power Holdings had net income of US\$20.36 million in the first quarter of 2010.** Net revenues for the quarter stood at US\$216.21 million, an increase of 17.8 percent from the previous quarter and an increase of 115.7 percent annually. The company attributes the increase in revenues for the quarter to higher shipment volumes. Despite a 9.7 percent decline in average selling price to US\$1.76 per watt during the quarter, the company's gross margin remained flat quarter-on-quarter at 18.5 percent.
- **China's Photovoltaics (PV) equipment manufacturers saw an increase in orders recently with inventories down and Germany's recent announcement to reduce PV subsidies.** European PV producers are facing huge pressures and are moving production lines to China, for production cost is low here. China's silicon wafers are in tight supply. Producers are in a hurry to increase production. It is very hard to even buy wafer production equipment. It usually takes only three months for manufacturers to deliver crystal growth and slicing equipment. But this year, it is taking four or five months. The company saw no reduction of orders from Europe. Demand from new emerging markets including the Middle East, India, South Africa and Japan increased sharply, which is expected to offset possible losses in Europe.

Taiwan

Mobile/ Wireless

- **HTC Corp. had its board approved the injection of US\$64.5 million in two handset component design and manufacturing units in China to meet their working capital and capacity expansion needs.** HTC will inject US\$45 million into HTC Electronics (Shanghai) Co. and another US\$19.5 million into HTC Communications Co.
- **Madhouse Inc. had a strategic partnership with Far EasTone Telecommunications to help develop and enable Far EasTone's cross-carrier mobile internet advertising network in Taiwan.** As part of the partnership, Madhouse has licensed its MadPlatform mobile internet ad serving system to Far EasTone, which will enable targeting by carrier, handset brand, model, and pricing, among other criteria, and supports more advanced options such as targeting by geography, user demographics, payment plans, and other user data. Far EasTone will be able to create a mobile advertising network that will allow advertisers to more precisely target users, help publishers and developers monetize their ad inventory more effectively, and help users see more relevant mobile ads.

Hardware

- **Asustek Computer Inc. will challenge shipments of four million LCD devices with annual growth of between 20 percent and 30 percent this year, surpassing the industry average of less than 5 percent.** The company attributes its substantial growth to the introduction of various innovative LCD devices this year. The company pledges to challenge the world's ninth-largest manufacturer of LCD devices in market share by beating ViewSonic this year. Asustek currently has

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four items among the world's top-10 brands, including notebook PC, desktop PC, motherboard and LCD device.

- **Acer Inc. dominated the PC market in Western Europe in the first quarter of the year with a market share of 23.4 percent.** Acer's gain in the consumption electronic products market was attributed to the popularity of its all-in-one desktop products that has triggered sales of its cell phones and mini notebook computers. PC shipments to Western Europe in the first quarter were 18.1 million units, recording an annual growth of 19.4 percent. Heavy trade in the consumer PC market continued to drive growth of the general PC market, the report said. Although the economic problems in Greece are showing signs of worsening, this has not stopped consumers from purchasing mobile PCs.

Semiconductor

- **TSMC approved on May 11 a total spending of around US\$1.65 billion on capacity expansion and the establishment of a new fab.** Approximately US\$1.05 billion will be spent on production capacity expansion at TSMC's fab 12 and fab 14, both 12-inch wafer plants. Around US\$385 million will be used to upgrade and expand the company's 8-inch wafer capacity. At the same time, an investment of US\$210 million has been approved for the construction of a new 12-inch wafer plant, Fab 15, in central Taiwan. Fab 15 is expected to become an important production base of 40nm and 28nm wafers for TSMC.

Telecommunications

- **Taiwan's telecommunication equipment industry generated output up 34.5 percent from a year earlier.** Overall value of the industry is estimated to further rise by 16.8 percent quarterly, or 14 percent yearly. The sector of communication devices is expected to drive the growth, due partly to strong demand in the downstream retail sector, and partly to constantly increasing market demand for smartphones. Production value of the handset sector was up 18.4 percent from the fourth quarter of 2009 or 43.4 percent from a year earlier due to shining sales performance posted by HTC and domestic contract suppliers.
- **Taiwan's telecom-equipment industry turned out revenue totaling NT\$161 billion (US\$5 billion) in the first quarter of the year, surging 34.5 percent year on year, partly thanks to growing procurements of network-communications equipment at enterprises and telecom carriers.** The Industrial Economic and Knowledge Center of the government-backed Industrial Technology Research Institute pointed out that the rising procurements had inspired retailers to build up inventories to the levels set in past years. The Taiwan equipment industry is mainly composed of mobile phone, global positioning system, wireless local area network equipment, digital subscriber line consumer-premise equipment, and WiMAX equipment. For mobile phone sector, the revenue was NT\$68.1 billion (US\$2.1 billion) in the first quarter alone, increasing 18.4 percent from a quarter earlier and 43.4 percent year on year.

Hong Kong

Telecommunications

- **Hutchison Whampoa Ltd. received approval from a Cayman Islands court to take its Cayman-registered Hutchison Telecommunications International Ltd. unit private in a deal worth US\$545 million, clearing one of the last hurdles to the conglomerate's plan to take full control of the company.** Hutchison Whampoa, which is controlled by billionaire Li Ka-shing, said the Grand Court of the Cayman Islands gave its approval to the plan. The deal would give Hutchison Whampoa

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control over the restructuring of the telecom unit's unprofitable operations in Sri Lanka, Indonesia and Vietnam.

- **PCCW Ltd. held a shareholder meeting, at which some minority shareholders suggested a listing on the International Board of Mainland China.** The board of directors will study the suggestion. PCCW currently has no plan to sell its assets, when being asked whether the company will launch a restructuring after the failure in carrying out its privatization. PCCW completed its latest financing of US\$3 billion. Richard Lee reveals that the company's working capitals are enough for its use till 2013. PCCW is able to distribute more attractive dividends to shareholders.

Singapore/Malaysia/Philippines/Indonesia/India

Telecommunications

- **Maxis Berhad is expanding its 3G coverage by 20 percent as part of its planned network upgrades for this year.** The mobile communications service provider will focus on 1.4 billion ringgit (US\$425.3 million) worth in capital expenditure on its network this year including boosting its 3G coverage to reach 80 percent of the population by the end of the year. Maxis is also conducting trials of LTE, which is considered the fourth generation of mobile technology after 3G, over the next two months. The company is also looking at offering IPTV services and high speed broadband over a fixed line network. Maxis has some 10,000 km of fiber optic cables already in place and also struck a deal with TNB to use their utility poles for rolling out more fiber optic cables.
- **Telekom Malaysia Bhd. said that first-quarter net profit rose more than eight times from a year earlier, mainly due to an unrealized foreign exchange gain.** The operator had net profit for the three months ended March rose to 242.9 million ringgit (US\$73.8 million). Telekom had an unrealized foreign exchange gain on the translation of foreign currency borrowings of 166.6 million ringgit (US\$50.6 million). The company had its operating profit before finance costs fell 12.8 percent due to higher operating costs, mainly comprising international outpayment, content cost, and supplies and materials.
- **Axiata Group Bhd. had first-quarter net profit surged due to improved earnings contribution from its key operating units and one-off gains.** The Malaysian mobile phone operator said in an exchange filing that its net profit for the three months ended March rose to 921.5 million ringgit (US\$279 million). Revenue grew 31 percent, driven by subscriber growth at Indonesian unit XL, Axiata Bangladesh and Malaysia's Celcom. XL's revenue growth was in tandem with the increase in subscriber base, with average revenue per minute and average revenue per user rising 17 percent and 21 percent, respectively. Axiata Bangladesh's revenue grew 25.4 percent for the period, mainly due to higher prepaid usage, while Celcom's revenue rose 15.1 percent.
- **Tata Teleservices Maharashtra Ltd. has raised more than 45 billion rupees (US\$971 million) to pay for 3G spectrum.** Tata Teleservices has raised 10 billion rupees (US\$216 million) in commercial paper, while Life Insurance Corp. has subscribed to 10 billion rupees (US\$216 million) of 10-year bonds in the company. The company has also raised money directly through banks, including a 15 billion rupee (US\$324 million), five-year loan and a 11.4 billion rupee (US\$246 million) one-year loan.
- **Companies vying for airwave to offer broadband wireless Internet services in India have raised their bid amount by about 34 percent from the starting price to 23.53 billion rupees (\$501.76 million) for one slot at the end of the first day's auction.** The government is auctioning two bandwidth slots for broadband services in each of the country's 22 service areas. The auction

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comes a few days after India completed auctioning of bandwidth for third-generation mobile-phone operations. The government will get US\$14.6 billion from that auction, almost double of what it had expected together from allotting bandwidth for 3G service and broadband Internet. The government is expecting about 150 billion rupees (US\$3.2 billion) from bandwidth for broadband services, news agency Press Trust of India reported earlier. Eleven companies, including U.S.-based Qualcomm Inc. and top local mobile-telephony providers such as Bharti Airtel Ltd. and Vodafone Essar Ltd., are participating in the auction.

- **BSNL has invited bids for 5.5 million GSM line equipment from Ericsson, Nokia Siemens Networks and Alcatel-Lucent , and excluded Chinese vendors.** The tender was worth 20 billion rupees (US\$427 million) and the equipment would be deployed in the northern and eastern part of India. India is restricting telecom gear imports from Chinese firms including Huawei Technologies and ZTE due to security concerns. The government had last year directed Bharat Sanchar Nigam Ltd (BSNL) to not procure equipment from Chinese firms in 15 border provinces, citing national security.
- **Singapore Telecommunications had a net profit of S\$3.91 billion for the year to March 31 2010 against S\$3.45 billion (US\$2.5 million) in the prior year.** Revenue was S\$16.87 billion (US\$12 billion) versus S\$14.93 billion (US\$10.6 billion). Revenue from Singapore had an increase of 13 percent, with strong performance in mobile and IT & engineering. Revenue rose 6 percent, reflecting strong results in mobile. The group is focused on deepening customer relationships, enhancing customer experience and extending its services into the media and ICT arena. In a highly competitive market, Optus delivered a strong set of results for the fourth quarter with operating revenue rising 6 percent to US\$2.23 billion. Operational EBITDA grew 5 percent to US\$610 million while net profit for the quarter grew 14 percent to US\$220 million.
- **New entrant on the Philippine telecommunications market, Schutzengel Telecom, has allocated 4.37 billion pesos (US\$94.7 million) over five years for the roll out of a Wimax network.** Funding will be sourced from a combination of internally generated funds, supplier's credit, loans, and other forms of financing, the Business Mirror reports citing a filing with the National Telecommunications Commission (NTC). The company is seeking permission from the regulator to undertake a nationwide broadband project and is also applying for a 3G license and a mobile telephony license.
- **ISM Communications Corp. is looking to unload its entire stake in Eastern Telecommunications Philippines Inc.** Despite the planned sale, Eric Recto said ISM still aims to tap on opportunities in the country's still expanding telecommunications industry. Several groups have expressed interest in acquiring ISM's stake in Eastern Telecom, the Philippines' oldest telephone company, but didn't identify who those groups are.
- **Digital Telecommunications (Digitel), which offers fixed line services and mobile services under the banner Sun Cellular, has net income of 334 million pesos (US\$7.4 million) for the three months to March 2010.** Consolidated service and non-service revenues was up by 21.5 percent year-on-year, driven by strong growth at the wireless division. The mobile arm booked operating revenues was up 35.7 percent year-o-year. Meanwhile, Digitel's wireline data operation also had healthy growth, expanding 15.1 percent year-o-year.
- **Philippine Long Distance Telephone Company (PLDT) had its mobile arm Smart Communications will no longer offer its myTV mobile service to customers.** Until now, the service was being offered for free on a trial basis. Smart Communications and partners, Nation Broadcasting Corp, GV Broadcasting System and 360Media Inc said: The myTV demo/trial service

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has been suspended. PLDT is understood to be awaiting new government rules on the provision of mobile TV services before rushing headlong into a full-blown commercial service. PLDT's decision comes in the wake of a complaint by the Philippine Cable Television Association (PCTA), which represents a group of around 300 cable TV operators in the country, that PLDT was breaking rules in the way it was using frequencies by different PLDT-owned subsidiaries.

- **PT Telekomunikasi Indonesia Tbk (Telkom) is setting up a 100 billion rupiahs (US\$10.8 million) venture company with SK Telecom Co. of South Korea to provide digital contents to customers of the Indonesian telecommunications operator.** The two companies signed a cooperation agreement to that effect in South Korea. The venture company would engage in the field of digital content exchange hub (DCEH) in Indonesia. The newly-formed venture company was 51 percent owned by Telkom's subsidiary, Metra, and 47 percent by SK Telecom, South Korea's biggest mobile-phone operator. DCEH is a new type of hub to distribute digital contents, such as music files, games and video clips which can be accessed online by subscribers, music shops, and wireless and fixed-line operators. SK Telecom would provide not only digital contents but also solid managerial expertise in building DCEH business platform.

Software

- **Advent Software has opened an office in Singapore the company's third office in Asia, which includes offices in Hong Kong and Beijing.** Advent's Singapore office will help support the clients in Asia who already depend on Geneva, its global portfolio management and fund accounting solution, which integrates all phases of the investment management process - portfolio management, accounting and reporting, client investor management, and light trade capture and risk capabilities. The new office will also service users of Tamale RMS, Advent's research management solution, which helps standardize the research process, streamline workflow, and improve the investment decision making process.

Investments/ Ventures

- **A one-time gain from the sale of its stake in Manila Electric Co. (Meralco) boosted profits of Lopez-led First Philippine Holdings Corp. in the first quarter to P24.6 billion (US\$532 million).** First Holdings said the profit was driven by the 23.6 billion pesos (US\$511.3 million) combined gain on the sale of Meralco shares equivalent to a 6.6 percent stake to Beacon Electric Asset Holdings, Inc., and the mark-to-market restatement of its Meralco shares. Beacon Electric is a holding firm established by Pilipino Telephone Corp., a unit of Philippine Long Distance Telephone (PLDT) Co., and Metro Pacific Investments Corp., the Philippine unit of Hong Kong's First Pacific Co., Ltd. to hold Meralco shares. The PLDT-Metro Pacific bloc now owns more than 41 percent of the power utility after acquiring the 6.6 percent stake early this year.

Hardware

- **Western Digital (WD) Corporation is to further expand its research and development and manufacturing activities in Malaysia which involves US\$1.2 billion investment over the next five years.** WD President and Chief Executive Officer Datuk John F. Coyne informed Datuk Seri Najib Tun Razak of the company's decision in a meeting with the prime minister at the Prime Minister's Office. Western Digital's decision to have the project in Malaysia was made following discussions with Najib during the prime minister's working visit to Washington last month. WD chose Malaysia for this latest expansion following the success of its operations here over the last 38 years. The new investment will involve the construction of a new 1.5 million square foot multi-storey

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building for research and development and manufacture of magnetic head and media components and hard disk drives.

United States/Canada

Mobile/Wireless

- **Nokia's merging with Yahoo is aimed at sparking a revival of its ailing U.S. fortunes.** Tying up with a globally-established Internet brand like Yahoo will help Nokia drive the awareness and uptake of its Ovi services. Nokia reported as part of its first quarter 2010 results that North America shipments fell to 2.7 million, down 21 percent from the 3.4 million shipped in the year ago quarter. Nokia's first quarter U.S. shipments were good enough for sixth place. An analyst firm said Samsung led the way in the three months ended March 2010, followed by LG, RIM, Motorola, Apple and then Nokia. The phone maker also announced towards the end of 2009 the closure of its flagship stores in New York and Chicago. The partnership with Nokia will enable Yahoo to grow its presence in emerging markets.

Media, Entertainment and Gaming

- **The Weinstein brothers and Ron Burkle are working toward an agreement to purchase and operate Walt Disney Co.'s Miramax film studio.** Burkle, the Los Angeles billionaire, along with Bob and Harvey Weinstein, made the announcement in an e-mail from Frank Quintero, a spokesman for Burkle's Yucaipa Cos. Yucaipa plans to purchase Miramax for US\$625 million last month, two people with knowledge of the discussions said at the time. The Weinsteins are seeking to regain control of the independent film company they founded and named after their parents. Talks with Disney had broken down. The Weinsteins had failed to complete the deal. The filmmaking brothers, their Weinstein Co. and Burkle are involved in the discussions.
- **U.S. newspaper publishers in the first quarter reported their first gain in online advertising sales since the same period in 2008, helping offset a continued decline in more lucrative print ads.** Industry wide online ad sales rose 4.9 percent in the quarter to US\$730.4 million, compared with US \$804.1 million in 2008. Print advertising fell 11 percent to US \$5.25 billion. Sales of Web ads had been a bright spot for newspaper publishers, regularly rising 30 percent or more since 2004, while print advertising tumbled. Publishers including New York Times Co. and Gannett Co. sold assets, trimmed sections and pared staff to counter the revenue declines.
- **Dish Network Corp. is holding off on its plan to stop carrying NBC Universal's Weather Channel as the two companies negotiate a new contract.** Dish is broadcasting the channel as the company would drop it in favor of Dish's own network, dubbed "The Weather Cast," featuring interactive forecasts. The Weather Channel encouraged Dish's 14 million subscribers to switch to other pay-TV providers if a fee agreement couldn't be reached. Pay-TV providers like Dish are trying to keep costs low, while content providers are raising fees to boost sales, leading to disputes. The Food Network, Walt Disney Co.'s ABC and News Corp.'s Fox all threatened to go dark or be dropped from TV viewing lineups if cable or satellite providers didn't pay up.

Telecommunications

- **Sprint Nextel Corp. signed a new US\$2.1 billion credit agreement, which along with its cash and short-term investments will replace a larger facility ending in December.** The company is hoping it has entered a period of more stable operations, with the worst of its revenue declines behind it. Despite continued subscriber losses, it has managed to narrow those declines while prepaid-

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customer growth continues. Sprint ended the first quarter with cash, cash equivalent and short-term investments of US\$4.37 billion, which reduced its need for a larger credit facility and its attendant costs. The prior-year cash level was US\$4.52 billion. It amended a US\$750 million credit agreement with Export Development Canada from March 2007 to match the covenants under the new credit line, which expires in October 2013. It replaces a US\$4.5 billion revolver that would have been closed in December.

- **Harris Corp. agreed to buy CapRock Communications, a global provider of satellite equipment, for US\$525 million in cash to spur sales outside the U.S. The purchase will add to earnings next year and contribute more in 2012.** The purchase of closely held CapRock will allow Harris to expand into 120 countries, offering services including satellite-backed voice, data, fax and video conferencing. The acquisition is Harris Chief Executive Officer Howard Lance's second this week, following the takeover of SignaCert Inc. CapRock, based in Houston, had US\$359 million in sales and operating income of US\$28 million last year. Harris had net income of US\$37.9 million on US\$5 billion in sales in 2009.

Internet

- **Google Inc. revealed for the first time how it splits advertising revenue with search and content publishers, a move made in response to calls from publishers and regulators for greater transparency.** The company said in a blog post that it pays publishers 68 percent of the revenue Google collects from advertisers for content ads that appear on their sites. Google also said it pays publishers a 51 percent revenue share for search ads. Google had long resisted calls to reveal its revenue split, but it recently proposed to do so in Italy in response to an antitrust probe sparked by Italian newspaper publishers' complaints that Google was abusing its dominant position in the country. Google has been talking about the possibility of revealing its revenue split for some time and the Italian situation made it the right time to do so. The company's growing clout has made it a frequent target of regulators in a number of other European countries, as well as in the U.S.
- **Yahoo Inc. Chief Financial Officer Tim Morse expects to generate annual revenue growth of 7 percent to 10 percent from 2011 to 2013, with operating margins during that period ranging between 18 percent and 24 percent.** A key revenue driver would be the Sunnyvale, Calif.-based company's core display advertising business, which is expected to grow 13 percent to 16 percent annually over the three-year period. Search revenue was seen rising 3 percent to 6 percent during the timeframe. Costs over the same period were expected to increase 2 percent to 3 percent a year from 2011 to 2013, helped in part by savings from the company's search pact with Microsoft Corp., savings derived from consolidating data centers and technology platforms, and lower capital expenditures.

Software

- **Microsoft Corp. has no plans to increase its mobile phone development capabilities but will launch new tablet PC designs that use the Windows operating system.** A mobile version of Microsoft's Windows operating system is used in a range of mobile devices, including the Kin handset, which is manufactured by Sharp Corp. But Microsoft has faced intense competition in the handset market from rival Apple Corp.'s iPhone. CEO Ballmer was in Singapore to launch the business version of Microsoft's new Office 2010 suite of applications and to celebrate the corporation's 20-year history in the island-state. Microsoft plans to release new tablet PC designs using the Windows system. The group has struggled in the past to gain much traction with the range of tablet PCs it has unveiled or launched and is now facing firm competition from Apple's iPad, which was released in April.

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- **Oracle has agreed to acquire Secerno, a provider of database firewall solutions for Oracle and non-Oracle databases.** Secerno's products are expected to augment Oracle's industry-leading portfolio of database security solutions, including Oracle Advanced Security, Oracle Database Vault and Oracle Audit Vault to further ensure data privacy, protect against threats, and enable regulatory compliance. The combination of Oracle and Secerno underscores Oracle's commitment to provide customers with the most comprehensive and advanced security offering that helps reduce the costs and complexity of securing their information throughout the enterprise.
- **Symantec announced that the company will acquire VeriSign's security business for US\$1.28 billion in an all cash deal.** Symantec, the maker of the popular consumer and business security anti-virus software Norton, will acquire VeriSign's identity and authentication technologies, including the firm's secure sockets layer (SSL), and public key infrastructure (PKI) technologies, in addition to the VeriSign Trust Services which includes the checkmark trademark that is used by websites to indicate their website is safe.

Hardware

- **Hewlett-Packard (HP) recall more laptop cells with potential safety hazard from the world, and the recall will cover Chinese mainland market.** This round of recall is an extension of its recall plan more models of battery packs and laptops, in which the battery core may get on fire or scald users for overheating, have been added. Consumers could learn about the laptop battery packs recall and replace plan by visiting the PC producers' website or call its free service call. Once it has been made sure an HP user's laptop is on the recall list, the user will receive a substitutive battery in seven to 10 working days, and in the meantime, the user should return the problem battery back to HP.

Europe

Telecommunications

- **Megafon, the third largest mobile phone operators in Russia, had first-quarter revenue increased 10 percent on the year, as new subscribers compensated for a fall in the average spend per user.** The company, which is part-owned by Nordic operator TelisSonera AB, said that revenue totaled 46.74 billion rubles (US\$1.51 billion) between January and March. Net profit over the same period in fell 7.6 percent, but the decline didn't reflect changes in Megafon's operating performance. The company has a large cash reserve, held in dollars, the book value of which fell as the greenback depreciated against the ruble, Megafon's reporting currency.
- **France Telecom and TDC A/S have filed an appeal with the Swiss Administrative Court against the Swiss Competition Commission's decision to block the merger of the Swiss units of France Telecom and TDC.** The Swiss Competition Commission in April blocked the planned merger of the Swiss units of France Telecom and TDC, saying a merger would undermine market dynamics in the country's mobile phone market and hurt consumer interests.
- **VimpelCom Ltd. had faster than expected growth in profit as consumer spending picked up and it kept a lid on operating costs.** VimpelCom, which last month took control of Ukraine's largest mobile operator, said net profit without the new unit totaled US\$392 million. Ukraine's Kyivstar made a US\$28 million net profit for the first quarter, but year-earlier figures weren't available for the unit. The combined profit of US\$412 million was more than the US\$401 million forecast by analysts, as they had underestimated growth in spending per user. Revenue, excluding Kyivstar, rose

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13 percent to US\$2.23 billion, as consumer spending in Russia recovered from the nadir of early 2009, and the ruble, in which VimpelCom prices many of its services, strengthened against the dollar. Kyivstar now accounts for almost 13 percent of VimpelCom's total revenue. It also improved profitability at VimpelCom since it operates at a higher margin than the other units.

- **Kcom Group PLC swung to a fiscal 2010 pretax profit, flattered by hefty restructuring charges last year, but would continue cost controls this year as it looks to return to stable growth.** Revenue fell to 412.8 million pounds (US\$597 million), reflecting Kcom's decision to exit low margin services and focus on ones which deliver higher margin recurring revenue. The company's managed communication services arm, Kcom, which supplies small and medium sized businesses, or SMEs, will be the main driver of growth over the next three to five years. In that time Kcom is aiming to expand its market share from 5 percent to around 25 percent of the SME market. The contract is part of a significant pipeline of new business.

Media, Gaming and Entertainment

- **Versatel AG could put its retail cable business up for sale, a move that would mark further consolidation in the sector.** The three major cable network companies in Europe's largest economy, Kabel Deutschland Holding AG, Unitymedia, a unit of Liberty Global Inc. and Kabel Baden-Wuerttemberg, are looking to strengthen their direct customer base by acquiring level four network providers, which have a direct billing relationship with customers. Versatel currently serves 160,000 households with cable TV. The major players intend to upgrade their direct customer base to upgrade subscribers to new services like broadband Internet and fixed line to boost revenue. Kabel Baden-Wuerttemberg, a regionally focused cable company in the south west of the country, earlier this month asked the German cartel authorities if it could buy parts of financially distressed peer Tele Columbus.

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Other Economic Data

Currency Exchange Rates

Currency	Units	Current Rate (on 5/28/10)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 1/1/2010	% Change 1/1/2009
Japanese yen	¥/US\$	91.1100	1.2%	-2.2%	-1.9%	-1.2%
Hong Kong dollar	HK\$/ US\$	7.7878	-0.2%	0.3%	0.4%	0.5%
Chinese renmenbi	RMB/ US\$	6.8305	0.1%	0.1%	0.1%	0.1%
Singapore dollar	S\$/ US\$	1.4074	0.1%	2.5%	0.1%	-3.7%
South Korean won	KRW/ US\$	1,194.5000	0.1%	7.6%	2.7%	-9.3%
New Taiwan dollar	NT\$/ US\$	32.0000	-0.5%	2.1%	0.2%	-2.3%
Australian dollar	US\$/A\$	0.8473	1.8%	-7.4%	-5.6%	19.3%
New Zealand dollar	US\$/NZ\$	0.6792	0.1%	-4.4%	-6.2%	16.1%
Philippine peso	PHP/ US\$	46.0900	-1.0%	4.1%	-0.8%	-2.4%
Euro	US\$/€	1.2274	-2.4%	-6.8%	-14.3%	-11.5%
British pound	US\$/£	1.4468	0.0%	-5.1%	-10.4%	-0.4%

Fixed Income Prices and Yields

Note	Currency	Current (on 5/28/10)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	102.69	4.26%	104.66	4.10%	100.80	4.58%
Japan 30-year	¥	104.22	2.12%	103.19	2.13%	102.41	2.17%
Hong Kong 10-year	HK\$	95.34	2.74%	96.10	2.68%	92.26	3.04%
China (06/16)	US\$	109.38	3.05%	109.38	3.03%	109.38	3.03%
Singapore 10-year	S\$	103.60	2.86%	99.60	2.55%	98.20	2.73%
South Korea 20-year	KRW	10,637.21	5.26%	10,539.60	5.26%	10,688.37	5.11%
Australia 15-year	A\$	102.42	5.45%	102.69	5.42%	100.10	5.74%
New Zealand (12/17)	NZ\$	103.32	5.66%	102.83	5.62%	100.20	5.94%
Philippines 20-year	PHP	98.50	9.11%	103.00	9.16%	102.70	9.19%
India 30-year	INR	82.30	8.66%	82.33	8.48%	81.50	8.57%
UK 30-year	£	99.51	4.33%	100.90	4.19%	95.79	4.54%
Germany 30-year	€	125.45	3.38%	125.46	3.40%	118.91	3.67%

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