



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

Week of 26 July 2010 - 1 August 2010

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



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Equity Market Indicators					
Index	Closing Level (7/30/2010)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 12/31/2009	% Change 12/31/2008
S&P 500	1,101.60	-0.1%	5.8%	-1.2%	22.0%
Dow Jones Industrial Avg.	10,465.94	0.4%	6.0%	0.4%	19.3%
Dow Jones Tech. Index	388.32	-0.8%	5.6%	-3.5%	54.5%
Dow Jones Telecom. Index	212.06	1.6%	8.5%	-3.4%	6.1%
NASDAQ Composite	2,254.70	-0.7%	5.6%	-0.6%	43.0%
Japan Nikkei 225	9,537.30	1.1%	-0.3%	-9.6%	7.6%
JASDAQ	50.96	1.9%	-0.1%	5.4%	5.7%
Japan Mothers	398.48	2.3%	3.9%	-4.3%	23.2%
Korea KOSPI Composite	1,759.33	0.1%	3.0%	4.5%	56.5%
Korea Kosdaq	481.45	-0.5%	-1.2%	-6.3%	45.0%
Taiwan Stock Exchange	7,760.63	0.0%	4.5%	-5.2%	69.0%
Singapore Strait Times	3,504.59	0.4%	1.2%	17.1%	98.9%
Hong Kong Hang Seng	21,029.81	1.0%	3.9%	-3.9%	46.2%
Hong Kong GEM	785.16	0.0%	1.3%	16.0%	103.7%
China Shanghai (A-Share)	2,764.36	2.5%	8.6%	-19.6%	44.6%
China Shenzhen (A-Share)	1,126.45	3.5%	12.2%	-10.7%	93.7%
China Shanghai (B-Share)	237.59	2.8%	13.5%	-5.9%	114.2%
China Shenzhen (B-Share)	656.14	4.2%	16.6%	4.8%	141.9%

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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

- **According to Frost and Sullivan, data services will drive earnings growth in Southeast Asia's telecommunications sector as cellphone subscriptions hit saturation levels.** Data use via services such as mobile broadband is expected to account for 40.4 percent, or slightly over US\$12.4 billion, of mobile revenues earned by the region's telecom operators by the end of 2015. This is up substantially from last year, when data services accounted for 27.8 percent of operators' mobile revenues. In 2009, there were 489 million mobile phone subscribers in seven Southeast Asian markets namely Singapore, Malaysia, Vietnam, Cambodia, Indonesia, Thailand and the Philippines.

Japan

Hardware

- **Konica Minolta Holdings Inc. will consolidate its digital printer operations now spread across two subsidiaries.** The company will transfer medical equipment subsidiary Konica Minolta Medical & Graphic Inc.'s printing business to office machinery unit Konica Minolta Business Technologies Inc. in order to integrate development, production and sales operations.
- **An industry association for facilitating cooperation among those in the e-book business was established headed by Dai Nippon Printing and Toppan Printing.** The Association for E-publishing Business Solution (AEBS), started up with 89 members, consisting of electrical machinery, telecommunications and printing companies, as well as bookstores and various organizations. Its inaugural meeting was attended by Toshiba, Panasonic, NTT DoCoMo and others. More than twenty other companies are showing interest in joining the association. But Sony and Sharp, which plan to enter into the e-book market in Japan by year's end, are still on the fence. The AEBS is seen to draw up business rules and technical specifications for e-book distribution. For starters, it is considering creating the e-book version of the International Standard Book Number, which is used for identifying books.
- **Sony Corp. lifted its annual outlook and returned to profitability in the first quarter on booming demand for its Bravia flat TVs and PlayStation 3 game consoles.** Sony had April-June operating profit of 67 billion yen (US\$766 million) versus the consensus for a 13 billion yen (US\$1.9 billion) loss in a poll of four analysts and a loss of 25.7 billion yen (US\$3.8 billion) a year ago.
- **Panasonic Corp. would buy out subsidiaries Sanyo Electric and Panasonic Electric Works for up to US\$9.4 billion in cash and shares to accelerate its push into greener businesses.** The company said it would raise up to 500 billion yen (US\$5.7 billion) in a new share issue to bolster its finances after completing the buyouts. Panasonic has been shifting away from low-margin home electronics products and investing more aggressively in solar cells, batteries and other energy-related areas which offer promising growth prospects. Panasonic owns 51 percent of Panasonic Electric Works, a maker of housing materials and lighting equipment, and took a 50 percent stake in Sanyo last year to gain control of the world's top maker of rechargeable batteries used in electronics and cars.

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Telecommunications

- **Softbank Corp had its revenue for the first fiscal quarter ending 30 June grew by 5.2 percent year-on-year to 700.84 billion yen (US\$8.02 billion), with sales of the iPhone continuing to boost data traffic revenue.** The company's operating profit for the quarter boosted by 45 percent year on year, while net profit declined 29 percent year on year in the April-June quarter on a tax burden that included a payment by subsidiary Yahoo! Japan. The operator registered a net of 700,000 new subscriptions during the quarter. Demand of the iPhone devices exclusively sold by Softbank Mobile, the group's mobile unit, has enabled the operator to increase its market share in the mobile segment to 19.9 percent. Softbank also said the average revenue per user (ARPU) will have a boost after the number of data-heavy iPhone users boosted while the data transaction continued to grow with other mobile phone users.

Semiconductor

- **Renesas Electronics Corp will cut nearly 10 percent of its 50,000 workforce by the end of the year and outsource system chip production.** The company will book 70 billion yen (US\$810 million) in restructuring costs in the current year through March. These measures are part of the company's "100-day project" blueprint, due to be made public, that aim to fire employees, reorganize production, consolidate overlapping businesses and cut fixed costs. The company will outsource system chips production to Taiwan Semiconductor Manufacturing Co. and Global Foundries Inc. and specialize its operations on products for automobiles and cellular phones.
- **Sanyo had net sales of 387.4 billion yen (US\$4.5 billion) for the fiscal first quarter to June, up 9.1 percent from a year earlier.** Domestic sales were down 4.9 percent, while sales outside Japan boosted 19.9 percent. Excluding sales of its semiconductors business, which it recently will sell to ON Semiconductor, the electronic devices division grew revenues 48.2 percent on growing demand for optical pick-ups and capacitors. The digital system business had sales down 0.4 percent, as demand for TVs in North America was offset by slower camera sales. The consumer electronics business was up 19.4 percent due to robust demand for car electronics and home appliances. The company saw a mild recovery in the rest of the world.
- **NEC Corp. had a loss in the latest quarter amid a slump in its network systems business and after hiving off its semiconductor unit.** The electronics maker had net loss of 43.1 billion yen (US\$490 million) in the April-June quarter, sinking deeper into the red compared with a loss of 33.8 billion yen (US\$391 million) a year earlier. Quarterly sales of 667.5 billion yen (\$7.6 billion) were down 14.1 percent. With the absence of NEC Electronics Corp., as part of its group company contributed to the quarterly loss. Renesas Technology Corp. and NEC Electronics last year combined operations after their parent companies will inject 200 billion yen (US\$2.2 billion) into a new company, Renesas Electronics Corp. that would rank as the world's No. 3 chipmaker. NEC has a 33.4 percent stake in Renesas Electronics.
- **Toshiba's earnings beat expectations due to booming chip demand but the strong yen, the uncertain outlook in Europe and the prospect of a new chip glut remain a worry for Toshiba and its peers.** The company had a fourth consecutive quarterly profit on robust sales of memory chips and kept its full-year outlook for a doubling of operating profit. A strong semiconductor business also pushed up Fujitsu's April-June profits, prompting it to hike its first-half operating profit guidance by 40 percent to 29.5 billion yen (US\$337.2 million). Toshiba stuck to its operating profit forecast of 250 billion yen (US\$2.9 billion) for the year to March, slightly below a consensus figure of 256 billion yen (US\$2.9 billion) profit by 17 analysts. The world's No. 3 IT services vendor, however,

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kept its annual outlook unchanged on European woes. Toshiba, its bigger rival Samsung Electronics, and other NAND-type flash memory makers are benefiting from soaring demand for chips used in mobile phones and digital cameras. They are also gaining from tight supply and stable prices since last year's severe sector downturn forced many chipmakers to slash output or go under and NAND-clad gadgets like Apple's iPhone and iPad surge in popularity.

Media, Entertainment and Gaming

- **Social gaming website Zynga and Japanese operator Softbank have formed a joint venture Zynga Japan that will develop and distribute social games across Japan.** The new joint venture Zynga Japan, brings together companies in social games and consumer technology to offer new users the ability to play social games anytime and anywhere. In conjunction with this JV, Softbank has completed a US\$150 million investment in Zynga. The joint venture extends Zynga's reach to a wider global audience and marks the company's first foray into the internet and mobile market in Japan. Zynga Japan will use Softbank's mobile and web technology to offer social games.
- **Jupiter Telecommunications grew its revenues and profits in the first half ended 30 June. Revenues boosted 9.3 percent.** Operating income boosted 8.2 percent. J:Com had a net profit of 20.22 billion yen (US\$234.3 million), up 41.3 percent from 14.31 billion yen (US\$165.8 million) a year earlier. The company sees revenues bolstered 9 percent year-on-year, operating income boosted 7.2 percent, as a net income boosted 19.9 percent.

Telecommunications

- **NTT DoCoMo Inc. will offer high-speed mobile communications technology to MediaTek Inc. DoCoMo will be licensing the mobile terminal platform to another company.** DoCoMo plans to expand its high-speed mobile phone service into Asia. The platform is compatible with Long Term Evolution, the next-generation mobile phone standard that will increase data transmission speeds about fivefold over the current format. DoCoMo will start LTE service in December, ahead of other Japanese mobile carriers. MediaTek will sell chipsets that incorporate the platform to phone manufacturers in exchange for fees paid to DoCoMo.
- **NTT Docomo Inc. booked a group net profit of 142.15 billion yen (US\$20.9 billion) in the April-June period, down 3.5 percent from a year earlier.** The company attributed the profit fall in the first quarter of fiscal 2010 to an increase in operating expenses to pave the way for future earnings growth and improve customer satisfaction, which pulled down operating profit by 4.5 percent. Sales boosted slightly by 0.4 percent to 1.09 trillion yen due in part to an increase in revenues from packet communication services. For the whole business year to March 31, 2011, NTT Docomo is expecting its net and operating profits to rise 0.4 percent and 0.7 percent, respectively, despite a 1.5 percent drop in sales.
- **Softbank saw its first quarter net sales grow over 5 percent while income dropped almost 30 percent.** Net sales in the three months boosted 5.2 percent. Operating income went up 44.6 percent, and ordinary income boosted 61 percent, due to earnings growth in the mobile communications segment due to an increase in the number of mobile subscribers and an increase in ARPU. Softbank recorded a net income of declined 29 percent because of increasing in total income taxes. Softbank sees operating income boosted 7.3 percent year-on-year.

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Mobile/ Wireless

- **Fujitsu and Toshiba are aiming to sell around 7.5 million handsets and grab 25 percent of the domestic mobile phone market in fiscal 2011 after they merge their mobile phone businesses.** The two companies now have a combined share of less than 19 percent. Toshiba will spin off its eighth-ranked Japanese mobile phone business to create a new company as early as October. Fujitsu, the third-placed mobile player, will take an 80 percent stake in this company, with the rest to be held by Toshiba. The joint venture is likely to employ about 300 workers, mostly development personnel from Toshiba. Fujitsu's and Toshiba's businesses now have payrolls of around 1,600 and 360. Production and purchasing operations from both companies will be integrated.

Internet

- **Yahoo Japan Corp. will team up with Google Inc. to use the company's search engine technology, sidestepping part-owner Yahoo! Inc.'s far-reaching online partnership with Microsoft Corp.** Though potentially upsetting ties with Yahoo! Inc., the deal gives Yahoo Japan and Google a massive, near-monopoly share of the Internet search market in the world's second-biggest economy. The company will switch to Google's search engine from one previously developed by Yahoo! Inc. and that it will use also use Google's online advertising platform. Yahoo Japan is aiming to switch over to the Google search engine by year-end and then switch advertising systems sometime after that. Yahoo Japan had been considering a move for almost a year after the announcement of Microsoft's deal to provide search engine technology to Yahoo Inc. in all the countries where it directly operates. This meant that Yahoo's search engine technology and advertising systems that Yahoo Japan had been using would no longer be supported after the switch to Microsoft's Bing service.

Korea

Telecommunications

- **KT Corp. had its second-quarter earnings sank 25 percent from a year earlier due to currency-related loss.** Net profit reached 344 billion won (US\$289 million) in the April-June period. Sales soared 40 percent over the cited period, and operating profit jumped 66 percent.
- **KT still appears to be falling a step behind mobile market leader SK Telecoms in its network upgrade plan and efforts to bringing more attractive smartphones.** KT Corp would invest 5.1 trillion won (US\$4.3 billion) until 2014 to expand its networks to meet soaring demand for high-speed data services, sparked by the sales boom in smart phones and other digital gadgets. KT considers that 3G and LTE alone can't be an answer to meet the explosive increase in data traffic. The network investment plan reinforces KT's strategic priority to enhance its mobile data offering by increasing network speeds and enriching smartphone line-up. The company anticipated its W-CDMA, WiFi, and mobile WiMAX networks would have sufficient capacity to support explosive data usage growth from smartphones for the time being. The company is preparing to upgrade its network to the more advanced LTE technology, although the timing for a launch is still undecided. The company said it could start investing in LTE next year. Samsung Electronics and LG-Ericsson were among gear makers it would work with. KT's move appears a bit falling behind the plan by rival SK Telecom, which will provide commercial LTE services in Seoul in 2011 and aims to provide a nationwide coverage by 2013.

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- **KT Corp has signed a multi-million dollar deal for multiple C-band and Ku-band capacity aboard ABS' satellites.** The agreement includes the new ABS-2 satellite scheduled to be operational by Q1 2013. This will mark the third successful transaction between the two organizations in just over 12 months with the earlier agreements for the sale and purchase of two Koreasat satellites. The ABS-2 satellite will be one of the most powerful commercial satellite to be launched in the Asia Pacific region with nearly 12 kilowatts of payload power and up to a total of 74 active C-band, Ku-band and Ka-band transponders across 8 different beams and will be launched in early 2013. ABS-2 is specifically designed for a wide range of services including DTH, Cable TV distribution, VSAT services, Data networks and Telecommunications services. ABS-2 will provide expansion capacity to existing ABS-1 customers, and will also act as in-orbit spare and provide backup for the ABS-1 transponders.
- **SK Telecom Co. had its second-quarter earnings boosted 16.8 percent from a year ago on reduced promotional spending to retain subscribers.** Net profit reached 364 billion won (US\$307 million) in the April-June period. Sales inched up 0.7 percent, while operating profit climbed 5.2 percent. Its second-quarter marketing costs, including handset subsidies, declined 6.5 percent, after the country's regulator introduced a marketing fee guideline in May. The non-binding guideline suggests mobile operators spend less than 22 percent of wireless revenues on marketing, as the competition to steal subscribers in the saturated telecom market intensifies. SK Telecom secured 1.7 million smartphone users and eyes a revised 3 million smartphone sales target this year, up from its earlier 2.5 million.

Semiconductors

- **Samsung SDI Co. had its second-quarter earnings boosted 33 percent from a year earlier as higher demand for smartphones and PCs drove up battery demand.** Net profit reached 68.4 billion won (US\$58 million) in the April-June period. Sales boosted 12 percent, while operating profit surged 45 percent.

Hardware

- **LG Display Co. will invest 1 trillion won (US\$844 million) by 2012 to expand LCD module production at its domestic plant.** The investment in the plant in Gumi, 261 kilometers southeast of Seoul, is designed to better meet demand for LCD panels used in computers and mobile devices. LG Display, which competes with industry leader Samsung Electronics Co., is an LCD supplier for the iPad, Apple Inc.'s popular tablet PC. LG Display is not meeting demand for the flat-screen panels used in the iPad. Apple sold more than 3.27 million units of the 9.7-inch model.
- **Samsung Electronics Co. had its second-quarter earnings surged 83.2 percent from a year ago, as revived global demand drove up memory chip prices.** Consolidated net profit amounted to 4.28 trillion won (US\$3.61 billion) in the April-June period. Sales boosted 16.6 percent. Consolidated operating profit soared 87.5 percent on-year which was in line with the median 5 trillion won of earnings guidance Samsung provided earlier this month. The record profit was fueled by the revival in global demand for PCs and smartphones, which hiked prices of key electronics components like memory chips and liquid-crystal display (LCD) panels. Samsung competes with its local rival Hynix Semiconductor Inc. and Japan's Toshiba Corp. in the memory chip market and South Korea's LG Display Co. in LCD panels. The company earned 630 billion won (US\$533 million) from mobile handsets and network business. Its profit margin, which shows how profitable the business was, came in at a lower-than-expected 7.2 percent on slumping prices of regular cell phones and marketing fees to promote new smartphone models.

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- **LG Electronics missed forecasts with a 90 percent slump in quarterly profit, putting more pressure on it to turn around its mobile business and tackle its underperforming shares.** As Apple and Samsung Electronics launch new models in the lucrative smartphone sector, LG's handset unit is falling behind rivals as profit margins tumble at its TV business due to a weak euro and rising competition. A fragile global economy and lingering uncertainty due to weak European economies could also hit demand for flat-screen TVs and other home appliances. In the second quarter, LG had an operating profit of 126 billion won (US\$106.6 million).

China

Internet

- **Sohu.com Inc.'s second-quarter net profit declined 0.2 percent to US\$33.45 million or 82 cents a share, from US\$33.54 million a year earlier as rising costs balanced the effects of boosting revenue.** Revenue boosted 15 percent to US\$146.1 million from US\$127.1 million a year earlier. Competition in online advertising and low near-term returns in online video could pressure Sohu's future revenue, but it could benefit from an upbeat online gaming sector. Competition has grown for China's maturing Internet portal industry, prompting Sohu to invest in online video to help drive future growth. Rising websites such as social-networking services have added to the competition in brand advertising for China's portals. Sohu sees third-quarter revenue of US\$153 million and US\$158 million.
- **Google Inc. has cut commercial ties with two of its Chinese advertising agents, Universal Internet Media Co. and Xi'an Weihua Network Co.** The two companies are among Google's 25 authorized advertising agents in the country. Since Google would stop providing filtered results on its China search engine and redirect all mainland traffic to its Hong Kong site, some advertisers expressed concerns and reduced their advertising spending on the U.S. search engine.

Mobile/Wireless

- **According to China Minzu Securities, the sales volume in China's mobile terminal product market boosted by 7.5 percent from the previous quarter.** Sales of 3G mobile phones boosted to 33.7 percent from the second quarter to 8.17 million units. China Mobile, China Unicom, and China Telecom tried their best to promote sales of mobile phones during the second quarter of this year. China Mobile quickly rolled out new TD-SCDMA mobile phone models valued at about 1,000 yuan (US\$147) per unit into the market. China Unicom lessened the minimum price of its 3G service package again; and China Telecom put scores of CDMA mobile phone models ranging from high-end to low-end into market.
- **According to Analysis International, the volume of China's wireless search market was at 401.3 million times a day in the second quarter of this year, boosted 9.6 percent from the last quarter.** The wireless search market experienced a stable growth over the past three quarters with no fluctuation. The traffic of page refresh of the wireless search from the final quarter of 2009 to the second quarter of 2010 maintained stable at about 200 million times. The continuous growth of wireless search is mainly boosted by two factors: various parts of the search engine chain led by providers and operators including Baidu have established long-term cooperation, which facilitated consistent market development. Wireless search engine companies' persistent research and development of new products and user experience also reinforced the accelerating market.

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- **According to Interfax, sales of smartphones in China reached 13.48 million units in the second quarter of 2010, up 46 percent from the first quarter.** Nokia led the market with 3.6 million units, or 26.7 percent of total smartphones sold in the period, while Samsung sold 2.41 million units in the second quarter representing 17.9 percent of the market. Motorola came in third with 13.6 percent market share or 1.83 million units sold in the same period. Each of the top three smartphone manufacturers lost market share compared to the first quarter. Nokia saw its market share drop by 2.6 percent, Samsung's share declined by 0.8 percent and Motorola faced a 2.8 percent slide quarter-on-quarter. The fourth largest seller, Sony Ericsson, boosted its market share by 1.5 percent from the first quarter to account for 9.3 percent of smartphones sold, or 1.25 million units in the second quarter.

Telecommunications

- **Bain Capital, LLC is planning to acquire a 60 percent stake in China Network Systems Co., Ltd.** The first round bids for the stake in the cable television company are due in early August 2010 and MBK is expecting to sell for US\$2.2 billion. MBK acquired the stake for US\$1.5 billion in 2007. The two stage auction process is seen to result in final bids being made by September 2010. Blackstone Group L.P., CVC Capital Partners Group SICAV-FIS S.A. (CVC Capital Partners) and Kohlberg Kravis Roberts & Co. L.P., as well as Taiwanese companies Far Eastone Telecommunications Co., Ltd. and Ruentex Industries Limited.
- **Chunghwa Telecom Co. will set up a wholly owned unit in China with an initial capital of US\$6 million to tap into the world's largest mobile market by subscribers.** The move marks Chunghwa Telecom's latest effort to expand its reach overseas, especially China, amid warming cross-strait relations. Chunghwa Telecom said the China unit will focus on information and communication technology services such as energy conservation and third-generation value-added services, aims to start operations in the first quarter of 2011. The company has two representative offices in Beijing and Shanghai. It also has a joint venture, Sertec Ltd., which was formed with the Xiamen government through the Chungwa's investment arm, Chunghwa Investment Co.

Media, Entertainment and Gaming

- **According to Sun Shoushan, deputy director of the General Administration of Press and Publication, sales revenue of the online game industry in China is seen to increase 30 percent year on year.** Sales revenue from home-grown online game businesses may see faster growth, increasing 50 percent this year. The industry's exports may hit US\$200 million in 2011. In 2009, the online game industry realized 25.6 billion yuan (US\$3.8 billion) in sales revenue, of which 16.52 yuan (US\$2.4) was contributed by home-grown online game businesses. The country's top three game companies, Tencent Holdings Ltd, Shanda Games and NetEase.com, saw their combined market share rise to 58.3 percent in the second quarter. Tencent had a market share of 27.2 percent, followed by Shanda's 15.9 percent and NetEase's 15.2 percent.
- **According to Interfax, the high cost of mobile broadband access paralyzes the improvement of China's mobile games market.** Domestic mobile games companies like game portal D.CN and game developer Ocean Blue Mobile Technology Inc. called for China's three telecom providers to lower the price of data packages. A package of at least 1 GB per month is required to allow three hours of mobile gaming everyday in addition to instant messaging (IM) and other Web surfing. Less than 20 percent of mobile game players subscribe to packages over 500 MB, and only 8 percent subscribe to packages of over 2GB. This substantially limits their gaming time. Currently data packages offered by the three telecom providers are priced at around RMB 100 (US\$14.75) per month for 2GB and 50 yuan (US\$7.38) for 500Mb per month on average.

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- **Perfect World Co. Ltd. sees total revenue from its overseas operations and exports to more than triple year-on-year to reach US\$100 million in 2010.** Perfect World's president and chief executive officer (CEO), the projected high growth rate is based on the company's active acquisition of overseas businesses this year, including setting up a subsidiary in Europe earlier in the year. So far the company has exported games to 60 countries and regions. Perfect World spent US\$21 million to fully acquire Japanese online game developer CC Media Co. Ltd. In May, the company invested US\$8.4 million to acquire a majority stake in Runic Games, a Seattle-based U.S. computer game developer. The company's overseas operations and exports contributed 10 percent of the year's total revenue at 215 million yuan (US\$31.7 million), up 15.7 percent year-on-year.
- **LineKong's co-funder and chief operating officer (COO) Liao Mingxiang expects about US\$10 million in fees to be collected from selling operating rights to the games Journey to the West, Happy Fairy and Warrior King to operators based outside mainland China.** The company garnered US\$4 million from exporting rights to Journey to the West. The game is LineKong's first independently developed MMORPG. LineKong started exporting Journey to the West in the first half of this year. So far, rights to the game have been sold to companies in 12 countries and regions including Hong Kong, Taiwan, Malaysia and Vietnam. Fees from license renewals for Happy Fairy, a turn-based Web game, and Warrior King, a 3D fantasy MMORPG, will make up the rest of the projected income. Operating rights to Happy Fairy have been sold to companies in Hong Kong, Taiwan and a number of South East Asian countries. Warrior King's rights have been bought by operators in Hong Kong, Taiwan and European countries such as Russia, Germany and Finland. LineKong specialized in online game development and publishing. The company received over US\$30 million joint investment from various VC including IDG, Northern Light and NEA.

Software

- **CDC Software Corp. had a net income of US\$7.8 million in the quarter ended June 30, 2010.** Operating revenue was US\$54 million and earnings per share were US\$0.27. The figures it achieved a year ago stood at US\$8.4 million, US\$50.6 million and US\$0.34, each. The dropped earnings per share attributed to its shift to hybrid software mode, boosted prior sales and marketing cost and high tax rate. It captured huge unpaid-up operating revenue via SaaS (software as a service) business, with the cost being accounted into financial results for this quarter.

Hardware

- **The Lenovo Group is expected to have revenue increase 15 percent quarter on quarter in the first quarter of fiscal year 2011.** BOC International also predicts Lenovo Group's net profit will reach US\$62.6 million in the first quarter, and its PC sales will grow over 30 percent year on year during this period. BOC International's rosy view on Lenovo Group's performance is mainly based on that the company will enjoy considerable subsidy from China Unicom from selling LePhone. LePhone is positioned as a substitute for iPhone with lower price. Apple's slow development in building distribution channels in China will provide Lenovo Group an excellent opportunity to expand its smart phone market. BOC International gives a "hold" rating on Lenovo Group, and boosted target price of its shares to 5.1 Hong Kong dollars from 4.3 Hong Kong dollars. The Lenovo Group turned into profit from loss in the FY2010 ended at March 31, with sales increasing 11.43 percent year on year and net profit hitting US\$129.4 million.

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- **Noah Education sees revenue in its fiscal fourth quarter ended June 30, 2010 to decrease 53 percent year-on-year to US\$8.2 million, with its electronic learning product (ELP) business and education services business expected to generate US\$6.7 million and US\$1.5 million, respectively.** The figure represents a decline from previous guidance of 129 million yuan (US\$18.9 million) to 135 million yuan (US\$19.8 million) for the quarter. The company attributed the decrease in ELP revenue to disruptions in its efforts to introduce new distributors as it shifts its ELP focus towards devices more targeted to specific market segments, the report said. ELP sales have recently stabilized but the company sees impact from the transition to last for the next two quarters.

Taiwan

Telecommunications

- **Chunghwa Telecom Co. sees a third-quarter net profit to boost to 8.6 percent from a year earlier but declined 8.7 percent from the second quarter.** The company posted a net profit of NT\$10.92 billion (US\$342 million) in the third quarter of 2009 and NT\$12.98 billion (US\$406 million) in the second quarter of this year. Revenue in the three months ending Sept. 30 will likely rise 0.3 percent to NT\$46.42 billion (US\$1.5 billion) and by 0.4 percent. Revenue growth and a lower corporate tax rate will help boost the company's net profit growth in the current quarter from a year earlier. Chunghwa Telecom projects third-quarter earnings per share of NT\$1.22 (US\$.038).
- **Taiwan Mobile saw its profits fall in the second quarter but revenues and profits exceeded the company's expectations.** Revenues boosted 1 percent due to better-than-expected mobile voice and data revenues as well as higher handset sales revenue. The company's operating income declined 5 percent year-on-year. Net income declined by 6 percent, but profits beat the company's guidance of 3.12 billion. EBITDA was down 2 percent but exceeding guidance by 11 percent due to lower-than-expected mobile subscriber acquisition expenses and expense controls. EBITDA margin slumped to 41.36 percent.

Mobile/ Wireless

- **HTC Corp. expects its sales for the third quarter to boost 15.64 percent to NT\$70 billion (US\$2.18 billion) due to boosting global demand with shipments to be at 6.5 million units.** The company's net profit boosted 19.84 percent from a year earlier on sales of NT\$98.37 billion (US\$3.07 billion). Its earnings per share stood at NT\$16.68 (US\$.521). HTC expects its gross margin for the third quarter to be at 29.5 percent and 30 percent as it garnered 29.82 percent in the second quarter. The company shall boost production capacity at its plants in Taiwan's Taoyuan and China's Shanghai by the end of this year.

Hardware

- **Export orders received by Taiwan's manufacturers and traders reached US\$34.221 billion in June for a sharp year-to-year rise of 22.48 percent and the second highest monthly record, next only to US\$34.387 billion.** Huang Chi-shih, director of the Statistics Department, attributes the rise mainly to the growing orders from Japan and ASEAN (Association of Southeast Asian Nations) plus the booming sales of electronic products, particularly the popular iPhone and iPad devices. In June Japan placed orders valued at US\$4.27 billion with Taiwan manufacturers, up 9.51 percent from a month earlier and 33.79 percent from a year earlier. With such order being a new monthly high, Japan accounted for 12.5 percent of Taiwan's exports during the month, contrasting the corresponding average 11.8 percent in the first six months. Japan bought mostly notebook PCs, electric home

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appliances, LCD panels, and other electronic devices. In the same month the orders from ASEAN totaled US\$3.32 billion for a year-to-year rise of 24.6 percent and month-to-month rise of 6.16 percent.

- **Acer sees India revenue rising 25 percent this year to 25 billion rupees (US\$539 million), driven by demand from small businesses and academic institutions.** The company will invest about 500 million rupees (US\$10.7 million) to build its retail coverage in the country, mostly targeting smaller cities and towns. Acer India head Mukund sees the company's growth in 2010 to be twice that of the market, which he sees growing at 10-12 percent. Acer has said it sees revenue to rise nearly 20 percent to US\$21 billion in 2010 helped by new products including electronic books. The company might see a similar pace this year as well, with the focus on launching more smartphones in a market that is set to see a rapid pace of growth. Sales of personal computers boosted 33 percent during January-March from a year ago, spurred by consumer confidence and a revival in IT spends.
- **Inventec has acquired a 10 percent stake in Arima Communications through a private placement.** Inventec paid NT\$410 million (US\$12.8 million) for the stake. The investment is a strategic move by Inventec to form an alliance with Arima, which has a complementary portfolio, to access more business opportunities. Both companies manufacture handsets as well as other electronic products.

Semiconductors

- **ASE's second quarter net profit more than doubled from a year ago amid growing demand for electronics products.** ASE earned a net profit of NT\$4.6 billion (US\$143 million) in April-June 2010, compared with NT\$1.7 billion a year ago, the company said in a statement. The profit was roughly in line with a consensus forecast of NT\$4.11 billion (US\$129.3 million) from Thomson Reuters.
- **Mediatek's second quarter net profit declined slightly from a year ago amid growing demand for electronics products.** Mediatek booked a net profit of NT\$9.03 billion (US\$282 million) in April-June, a decline of 1.4 percent from a year ago. Before the results, analysts had expected Mediatek to earn NT\$10.25 billion (US\$322.5 million), according to a consensus forecast from Thomson Reuters. The company gave a conservative outlook for the third quarter, saying sales would decline by 8 to 15 percent from the second due to weaker demands from emerging markets.
- **TSMC had higher capex for its foundry business this year.** Chairman Morris Chang told investors at the company's second-quarter earnings presentation that foundry capex would be some US\$5.8 billion this year. Adding in capex in new businesses, total capex was forecast to rise to US\$5.9 billion from a previous estimate of US\$4.8 billion. The company wrapped up the second quarter with record sales for a third month in June on stronger demand for PCs and electronic devices, with the company on track to book a record profit this year. Second-quarter sales of NT\$35.11 billion (US\$1.1 billion) versus NT\$25.78 billion (US\$811.2 million) the previous year beat its own forecast and were also higher than analysts' expectations. The company's early adoption of more advanced technology is said to have helped boost capacity and gain new orders from overseas clients that are increasingly outsourcing manufacturing to major chip foundries in Asia.
- **AU Optronics Corp faces weaker demand after returning to profit in the second quarter.** AU Optronics had a net profit of NT\$11.246 billion (US\$350 million) in April-June, compared with a net loss of NT\$6.6 billion (US\$206 million) in the same period a year earlier and a net profit of NT\$7.3 billion (US\$228 million) in the previous three months. AU was seen to report a second-quarter net profit of NT\$7.025 billion (US\$219 million). The company said it needs to prove that it can sell more

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new displays with fatter margins to sail through a down-cycle in the second half. Its utilization rate would slow after running at almost full capacity in the second quarter, a move following China's tightening policy which hurt sales of PCs and TVs that use liquid crystal displays (LCDs) and also due to the weaker euro. The company aims to churn out more energy-saving LED (light emitting diode) panels for slimmer monitors and televisions, as the new-generation panels have a 30 percent price premium over conventional LCD TV panels. In a move to beef up its presence in the energy-related market and to diversify into the solar sector. The company would build two solar plants in Taiwan as part of its commitment to invest NT\$400 billion (US\$12.5 billion) in Taiwan in 2011-2022.

Media, Gaming and Entertainment

- **The Tsai family is negotiating with the Carlyle Group LP to acquire its TV unit Kbro Co. in a private deal, pending easing of restrictions on state ownership of media companies.** Daniel and Richard Tsai, the brothers who control Taiwan Mobile and Fubon Financial Holdings, have originally agreed in September 2009 to purchase the Taiwanese cable company for NT\$65 billion (US\$2 billion) but fall apart when the Taipei City Government's minority ownership of Taiwan Mobile was deemed to contravene laws preventing state ownership of media companies. Under the terms of last year's original deal, Carlyle was due to receive a 15.5 percent stake in Taiwan Mobile and NT\$440 million (US\$13.8 million) in cash, with Taiwan Mobile also assuming NT\$24 billion (US\$755.3 million) worth of debt. Carlyle bought control of Kbro for US\$1.5 billion in 2006.

Hong Kong

Telecommunications

- **The Hong Kong fixed-line market was steady at 3.685 million subscribers in May.** The number of business users boosted to 1.774 million while the number of residential users declined to 1.911 million in May from 1.912 million in the previous month. The number of IP telephony users grew to 520,692 from 514,124 in April. The total comprises 61,440 business users and 459,252 residential users. The number of local leased lines declined to 148,676 from 149,620 in the previous month.

Singapore/Malaysia/Philippines/Indonesia/India

Telecommunications

- **Tech Mahindra Ltd.'s first-quarter net profit boosted 9.1 percent from a year earlier because of lower interest expenses, but the software exporter's results missed market expectations due to slow order growth from Europe and volatile currency movements.** Consolidated net profit at Pune boosted to 1.44 billion rupees (US\$33 million) in the April-June period, while revenue garnered 1.9 percent. The market was expecting the joint venture of India's Mahindra & Mahindra Ltd. and U.K.-based BT Group PLC to gain net profit of 1.96 billion rupees (US\$22.6 million) on revenue of 12.61 billion rupees (US\$146 million). While top Indian software exporters such as Tata Consultancy Services Ltd. and Infosys Technologies Ltd. are reporting strong order growth as they shrug off the effects of the economic slowdown, smaller companies are still finding their customers cautious in awarding contracts.
- **Indian telecommunications companies offering services on the GSM platform owed the federal government 4.52 billion rupees (US\$97 million) for bandwidth and license fees as at the end of the fiscal year on March 31.** Bharti Airtel Ltd. needs to pay 1.35 billion rupees (US\$29 million) in bandwidth fees and another 176.6 million rupees (US\$3.8 million) in license fees. Reliance

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Communications Ltd. owes 485.4 million rupees (US\$10.5 million) and 40.3 million rupees (US\$869 million) for license and bandwidth fees. Vodafone-Essar Ltd. has outstanding bandwidth fees of 717.7 million rupees (US\$15.5 million), while Idea Cellular Ltd. needs to pay 70.7 million rupees (US\$165,948) in bandwidth fees. Mahanagar Telephone Nigam Ltd. and Bharat Sanchar Nigam Ltd. have outstanding license fees totaling 7.3 million rupees (US\$157,328) and 944.4 million rupees (US\$20.3 million).

- **OnMobile Global Ltd. will use up most of its excess cash by the end of this calendar year on its foreign investment plans and will have to take on more debt, thereby pushing up interest costs.** Most of the surplus funds that we have will get deployed on our investment plan. The company will invest in markets such as Latin America, Western Europe and Egypt, mostly on equipment to allow it to offer its value added services. OnMobile, which listed on India's bourses in early 2008, provides value-added services such as caller tunes and music downloads to telecommunications operators. The company had its first quarter consolidated net profit jumped to 185.8 million rupees (US\$105.9 million). Interest costs in the three months through June nearly tripled to 1.3 million rupees (US\$741 million), due largely to the debt taken to establish businesses abroad.
- **Pacnet Co. and New Zealand's Pacific Fibre Ltd will jointly build a high-speed, submarine, fiber cable linking New Zealand, Australia and the U.S. and said it is expected to come onstream in 2013.** The total project cost of the new cable is estimated at US\$400 million and the 13,600 kilometer cable will land in Sydney, Auckland and Los Angeles. The two companies will begin the process of selecting a vendor to build the new cable shortly and will announce the award of the contract in the coming months.
- **Telstra Corp. has been fined A\$18.6 million (US\$16.8 million) for denying competitors access to infrastructure for their broadband internet services.** The Federal Court in Melbourne issued the fine after finding Telstra contravened the law by refusing access to other telcos to seven key metropolitan exchanges for the connection of broadband equipment. Telstra had told its competitors the exchanges were 'capped' when there had actually been capacity that could have been made available.

Media, Gaming and Entertainment

- **Malaysian billionaire Ananda Krishnan will buy out satellite operator Measat Global Bhd. and is considering making a similar proposal for power and gaming company Tanjong PLC in what could be Malaysia's largest corporate deal this year.** Both deals to buy out minority shareholders could cost him close to 6.0 billion ringgits (US\$1.88 billion). Krishnan currently holds a 30.9 percent stake in Tanjong via his private vehicle, Usaha Tegas. Krishnan will make Measat, Malaysia's sole satellite operator, into a global company.

United States/Canada

Mobile/Wireless

- **Strong sales of its latest Android-powered smartphones are expected to boost second-quarter results for Motorola Inc. this week, showcasing the company's effort to revive its mobile-device business.** Motorola is slated to report its second-quarter results before the opening bell. Wall Street sees Motorola to report earnings of 8 cents a share on revenue of US\$5.2 billion. The company earned a penny a share from continuing operations on revenue of US\$5.5 billion in the same period last year. Motorola has been revamping its handset business to focus on a smaller range of smartphone

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devices that command better pricing than feature phones. Analysts expect total handset shipments of around 8 million units, declined from 14.8 million units in the same period a year earlier. But average selling price per unit is expected to jump, from US\$129 last year to more than US\$200 this year.

- **Pandora has topped 60 million users and most new members are joining the service using mobile devices.** Pandora, which creates personalized radio stations for users based upon their favorite artists or songs, was seeing booming growth on mobile devices. Pandora is available for Apple's iPhone, RIM's Blackberry, the Palm Pre, and devices running Google's Android and Microsoft's Windows Mobile operating systems but does not currently provide service outside the United States. The next step for Pandora would be getting into cars and into electronic devices at home. Ford Motor Co. is already integrating Pandora into selected models.

Media, Entertainment and Gaming

- **Comcast Corp. second-quarter profit and sales beat analysts' estimates as more customers elected premium services such as digital video recorders and high-speed Internet.** Profit, excluding costs related to the company's pending takeover of NBC Universal Inc., was 33 cents a share, on sales of US\$9.53 billion. Analysts predicted the cable operator's sales would be US\$9.28 billion. Through promotions and system upgrades, Chief Executive Officer Brian Roberts has signed up bandwidth-hungry customers willing to pay more for the most advanced products available, such as high-speed Internet and digital video recorders. The company added 118,000 new broadband subscribers in the quarter and boosted its average monthly revenue per customer by 8 percent to US\$127.78.
- **Activision Blizzard, Inc. said that marketing and advertising industry veteran Eric Hirshberg has been named Chief Executive Officer of Activision Publishing.** Hirshberg will oversee Activision Publishing's operational management including its studio, product development functions and consumer marketing activities. He will assume the position from Mike Griffith who was promoted to Vice Chairman of Activision Blizzard and Hirshberg will report to Thomas Tipler, Chief Operating Officer of Activision Blizzard.

Telecommunications

- **Sprint Nextel Corp. boosted in the second quarter from the launch of the nation's fastest wireless network.** Sprint began to sell the HTC Evo. The 4G technology can transmit data and Internet traffic at much faster speeds than earlier technology. Although 4G service is only available in a few cities, sales of the Evo have been quite brisk, analysts say. As the service expands to more areas, Sprint will launch additional 4G phones. The introduction of 4G and the Evo is a major cog in Sprint's plan to halt a long-term erosion in its customer base and punch back at larger rivals AT&T Inc. and Verizon Wireless. Yet despite strong Evo sales, Sprint is likely to report a net loss of 50,000 to 150,000 wireless customers in the second quarter. While Sprint probably added wholesale and prepaid subscribers, the company is still struggling in the more lucrative postpaid category. The company will have boosting revenue and profits than other subscribers.
- **Level 3 Communications Inc.'s second-quarter loss widened, though the adjusted loss improved and beat analysts' estimates, as the network-services company booked US\$54 million in charges related to debt extinguishment.** It's the sixth-straight quarterly loss for Level 3, which has been hurt as businesses put on hold their plans to spend on Internet-networking services. Level 3 had a loss of US\$169 million, or 10 cents a share, from a loss of US\$134 million. Excluding items such as debt extinguishment impacts, the loss would have narrowed to 7 cents from 9 cents.

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Revenue fell to US\$908 million from US\$942 million. Analysts polled by Thomson Reuters had most recently forecast a loss of 11 cents on US\$910 million in revenue. Communications gross margin boosted to 59.9 percent from 59.1 percent. Revenue in the core network segment, the company's biggest by revenue, fell 1 percent.

- **Rogers Communications Inc.'s customers continued to show an increasing interest in smartphones, helping the company increase adjusted earnings 13 percent in the second quarter, handily beating analyst estimates on revenue growth and cost-efficiency gains across its operations.** The company earned C\$451 million (US\$438 million) in the second quarter. Revenue boosted to C\$3.03 billion (US\$2.9 billion). Wireless revenue was up 5 percent, cable revenue boosted 3 percent and media revenue boosted 8 percent. Wireless data revenue was up 39 percent in the quarter.

Internet

- **Yahoo Inc. said it will still roll out its global search alliance with Microsoft Corp. and would not be affected by affiliate Yahoo Japan Corp.'s decision to team up with rival Google.** But Microsoft blasted Google's win as anticompetitive. The deal between Google and Yahoo Japan will eliminate competition in the Japanese paid and unpaid search markets, said Microsoft deputy general counsel Dave Heiner. Yahoo Japan will switch to Google's search engine from one developed by Yahoo and that it will use Google's online advertising platform. Yahoo Japan aims to switch over to the Google search engine by year-end and then switch advertising systems sometime after that.

Semiconductors

- **Nvidia Corp slashed its second-quarter sales outlook, as it boosted costs for memory and economic weakness in Europe and China.** The company sees revenue of US\$800 million to US\$820 million in the quarter ending Aug. 1, down from its May 13 estimate of US\$950 million to US\$970 million. Analysts were expecting revenue of US\$951 million. Nvidia's problems are the graphics chip business and its product lines. Demand has been weak for Nvidia's new Fermi product. Nvidia's revenue shortfall came mainly in its consumer graphics chip business. The company dominates the higher-end graphics chip market along with rival ATI, which is owned by Advanced Micro Devices Inc. Cost increases led to a greater-than-expected shift to lower-priced graphics chips, and personal computers running lower-end integrated graphics.

Europe

Information Technology

- **Atos Origin SA had first-half profit more than tripled as it cut costs, beating analysts' estimates. Net income climbed to 60 million euros (US\$78 million).** Analysts predicted profit of 46.8 million euros. Computer-services providers are looking to increase sales as clients complete upgrades they delayed during the global recession. Worldwide revenue from selling software as a service to businesses will rise about 14 percent this year to more than US\$8.5 billion as companies shift to so-called cloud computing, with their software hosted remotely by third parties and accessed online. The company is working with European governments, including in the U.K., to minimize the impact of budget cuts. Operating margin in the first six months boosted to 6 percent from 4.6 percent, led by gains in the managed services unit. In France, operating margin fell to 3.1 percent from 3.9 percent, compared with an increase to 9.3 percent from 6.7 percent in the Benelux countries.

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Telecommunications

- **Virgin Media Inc. will start a share buyback program after operating profit advanced and it completed its refinancing program.** Virgin, which is preparing to roll out 100 megabits-per-second broadband at the end of the year, will buy back up to 375 million pounds (US\$584 million) in stock over the next 12 months. Virgin Media completed a three-year refinancing program in April to extend debt maturities and cut borrowing costs. Virgin Media reduced borrowings due before 2013. Second-quarter operating profit advanced after Virgin Media added high-speed broadband and high-definition TV subscribers. The company will start an accelerated buyback program and will also enter into debt and convertible debt transactions.
- **Royal KPN NV had 26 percent increase in second-quarter net profit, mainly due to cost cutting, kept its full-year targets and sees the decline in sales to slow further in the second half of the year.** The company posted a net profit of 465 million euros (US\$606.7 million) for the quarter ended June 30. EBITDA came in at 1.4 billion euros (US\$1.8 billion). Group profitability improved as operating costs fell 5.8 percent on job cuts, lower salaries and procurement costs, and on more efficient network operations. The company also had a 31 million euros (US\$ 40.4 million) increase in EBITDA attributable to Getronics, its information communications technology unit, and benefited from the absence of reorganization costs it incurred a year ago. Revenue, however, fell 1.7 percent due to fixed-line losses, boosted competition and pricing pressure. Some business customers also continued to hold back on orders. Revenue fell less sharply than in the first quarter.
- **Telefonica SA will buy Portugal Telecom SGPS SA's stake in Vivo Participacoes SA, after raising its bid for a third time to 7.5 billion euros (US\$9.8 billion).** Portugal Telecom will pay 8.44 billion reais (US\$4.8 billion) for a 22.4 percent stake in Oi. The Vivo accord ends almost three months of wrangling during which the Portuguese company's board sought more money and the country's government blocked the deal, calling the stake strategic. Telefonica Chairman Cesar Alierta raised his initial offer by 32 percent to gain control of Vivo, which he wants to merge with Telecommunicacoes de Sao Paulo SA, or Telesp, to ride the growth in the Latin American country as business slows at home. Both companies have sought growth in Brazil as markets at home have cooled. Vivo ended the second quarter with 56 million clients. The carrier controls 30 percent of the Brazilian mobile-phone market. Brazil's economy is growing at the fastest pace in more than two decades.

Semiconductor

- **Intel Corp. and Samsung Electronics Co. may compete to acquire Infineon Technologies AG's mobile-phone business.** An acquisition or partnership with Samsung would be a better fit for the German chipmaker's business and thus more likely, said Glen Yeung, a San Francisco-based Citigroup analyst. Samsung would use Infineon's technology to help broaden its chip business beyond memory. Intel chips run more than 80 percent of the world's personal computers. It is trying to parlay its dominance of PCs into a slice of the handset market. The chipmaker hired JPMorgan Chase & Co. and opened a data room for potential buyers to review its books. Infineon's wireless-solutions business makes baseband processors, the chips that control the radio functions in phones. It will have sales of 1.26 billion euros (US\$1.63 billion) this year, a gain of 29 percent.
- **Infineon Technologies AG raised its fiscal 2010 forecast for a third time on semiconductor demand from makers of cars and consumer electronics.** Revenue growth this year will be at the mid-to-high 40s-percentage level. Sales fell 22 percent last year to 3 billion euros (US\$3.9 billion) as companies put spending on hold and consumer demand dropped. Infineon and competitors including

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Intel are riding a revival in demand for semiconductors that power everything from electronic toys to cars and industrial systems. Intel had record second- quarter sales and topped analysts' estimates with its forecast, showing a rebound in technology spending. Infineon's full-year operating profit margin will be low in percentage of revenue. Revenue would grow by a high 30s percentage year-on-year, and the operating margin would be higher than 10 percent.

- **The rising popularity of smartphones and mobile computers helped U.K. microchip designer ARM Holdings PLC deliver a sharp rise in second-quarter earnings and sales, with the strong momentum expected to continue for the remainder of the year.** The company starts the second half of the year with order backlog, a robust opportunity pipeline and strong momentum as ARM continues to increase penetration across its target markets.

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Other Economic Data

Currency Exchange Rates						
Currency	Units	Current Rate (on 7/30/10)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 1/1/2010	% Change 1/1/2009
Japanese yen	¥/US\$	86.4500	-1.2%	-2.4%	-6.9%	-6.3%
Hong Kong dollar	HK\$/ US\$	7.7662	-0.004%	-0.2%	0.2%	0.2%
Chinese renmenbi	RMB/ US\$	6.7735	-0.1%	-0.4%	-0.8%	-0.7%
Singapore dollar	S\$/ US\$	1.3597	-0.8%	-3.0%	-3.2%	-7.0%
South Korean won	KRW/ US\$	1,182.0000	-1.4%	-2.9%	1.6%	-10.2%
New Taiwan dollar	NT\$/ US\$	31.9500	-0.5%	-0.8%	0.0%	-2.5%
Australian dollar	US\$/A\$	0.9040	0.9%	6.8%	0.8%	27.3%
New Zealand dollar	US\$/NZ\$	0.7255	-0.2%	4.9%	0.2%	24.0%
Philippine peso	PHP/ US\$	45.4200	-1.8%	-2.2%	-2.2%	-3.8%
Euro	US\$/€	1.3045	1.0%	7.1%	-8.9%	-6.0%
British pound	US\$/£	1.5686	1.6%	4.2%	-2.9%	8.0%

Fixed Income Prices and Yields

Note	Currency	Current (on 7/30/10)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	106.70	4.03%	106.13	4.06%	107.70	3.93%
Japan 30-year	¥	110.02	1.87%	108.99	1.91%	106.85	1.94%
Hong Kong 10-year	HK\$	100.99	2.43%	101.05	2.43%	100.17	2.40%
China (06/16)	US\$	109.38	3.05%	109.38	3.05%	109.38	3.05%
Singapore 10-year	S\$	111.75	1.97%	108.80	2.28%	108.18	2.34%
South Korea 20-year	KRW	10,629.96	5.11%	10,594.48	5.14%	10,443.62	5.16%
Australia 15-year	A\$	103.79	5.32%	103.82	5.31%	104.78	5.21%
New Zealand (12/17)	NZ\$	105.26	5.42%	104.69	5.50%	104.84	5.38%
Philippines 20-year	PHP	136.83	8.79%	101.37	8.79%	98.73	8.89%
India 30-year	INR	82.80	8.61%	83.44	8.54%	82.72	8.44%
UK 30-year	£	99.46	4.33%	99.16	4.34%	100.19	4.24%
Germany 30-year	€	125.69	3.37%	125.46	3.39%	127.44	3.29%

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