



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

Week of 8 November 2010 - 14 November 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 (11/12/2010)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 12/31/2009	% Change 12/31/2008
S&P 500	1,199.21	-2.2%	2.5%	7.5%	32.8%
Dow Jones Industrial Avg.	11,192.58	-2.2%	1.6%	7.3%	27.5%
Dow Jones Tech. Index	426.55	-2.8%	3.6%	5.9%	69.7%
Dow Jones Telecom. Index	235.32	-2.2%	1.7%	7.2%	17.8%
NASDAQ Composite	2,518.21	-2.4%	4.1%	11.0%	59.7%
Japan Nikkei 225	9,724.81	1.0%	3.6%	-7.8%	9.8%
JASDAQ	47.58	1.9%	-0.5%	-1.6%	-1.3%
Japan Mothers	368.96	3.8%	2.5%	-11.4%	14.1%
Korea KOSPI Composite	1,913.12	-1.3%	2.4%	13.7%	70.1%
Korea Kosdaq	509.35	-3.7%	3.1%	-0.8%	53.4%
Taiwan Stock Exchange	8,316.05	-1.6%	2.8%	1.6%	81.1%
Singapore Straight Times	3,824.98	3.4%	5.3%	27.9%	117.1%
Hong Kong Hang Seng	24,222.58	-2.6%	4.8%	10.7%	68.4%
Hong Kong GEM	834.39	-0.4%	2.6%	23.2%	116.5%
China Shanghai (A-Share)	3,127.32	-4.6%	5.0%	-9.0%	63.6%
China Shenzhen (A-Share)	1,357.40	-4.1%	6.3%	7.6%	133.4%
China Shanghai (B-Share)	298.71	-3.4%	9.6%	18.3%	169.3%
China Shenzhen (B-Share)	833.22	-4.4%	4.6%	33.1%	207.1%

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

NASDAQ/NYSE Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 2/15/08	% Change From Offer
N/A						

Asian Equity Markets: TMT and Life Sciences IPO Filings						
Filing Date	Issuer	Industry Sector	Size (US\$MM)	Description	Book-Runner	Co-Manager
N/A						

Asian Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 2/15/08	% Change From Offer
N/A						

Asian Markets: TMT and Life Sciences Convertibles						
Issuance Date	Issuer [Equity Ticker]	Description of Issuer	Maturity Date	Size (US\$MM)	Per US\$10,000 converts to	Convertible Until
N/A						

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Weekly Highlights

International

Telecommunications

- **According to Informa Telecoms & Media, the number of active mobile subscriptions in Africa was at 506 million by the end of September which means that the continent accounts for 10 percent of the global total.** Nigeria had 16 percent of mobile subscriptions, with Egypt and South Africa making the top three. Nigeria and Egypt, together with Morocco, Tanzania and Zimbabwe together accounted for 48 percent of the 54 million net subscriber additions during the first nine months of the year, highlighting that even Africa's more established mobile markets are still showing accelerating growth. The research company expects countries in east and central Africa to have the strongest growth rates, with Ethiopia, the Democratic Republic of Congo, Eritrea and Madagascar all predicted to see subscriber numbers surge by at least 100 percent by 2015.

Japan

Telecommunications

- **Nippon Telegraph & Telephone Corp.'s net profit increased by 12 percent to 159.30 billion yen (US\$1.9 billion) in the July-September quarter from a year earlier, driven mainly its mobile phone operations.** The holding company of NTT group telecom companies logged an operating profit of 387.30 billion yen (US\$4.7 billion) as its mobile phone business chalked up about three-quarters of its overall operating profit through its NTT DoCoMo Inc. subsidiary. Japan's largest mobile phone service provider by subscriber had a 22.0 percent boost in net profit and a 25 percent surge in operating profit for the quarter ended September thanks to cost-cutting and nascent growth in smartphones sales. NTT's sales surged 0.2 percent to 2.5 trillion yen (US\$30.3 billion) in the July-September quarter.
- **Nippon Telegraph and Telephone Corp. will retire half of its treasury stock, or about 600 billion yen (US\$7.33 billion) worth.** The total comes to around 125.46 million shares, or a roughly 7.97 percent interest, making it one of the biggest treasury stock retirements in Japan ever. The company will retire the shares because it is flush with cash. The move will not affect the company's capital ratio because the shares have already been deducted from its capital. The government must maintain an at least one-third interest in NTT.
- **eAccess has completed a share buyback.** The company acquired 8,777 shares on the Tokyo stock exchange between 1 July and 31 October. eAccess paid an aggregate price of 499.95 million yen (US\$6.06 million) for the shares.

Korea

Telecommunications

- **KT Corp.'s third-quarter net profit slipped 0.2 percent to KRW350.6 billion (US\$313.6 million) because of a one-off refund on cancellation of fixed-line services.** Brisk sales of iPhones and lower labor costs after last year's restructuring boosted operating profit. Operating profit jumped 44 percent to KRW594.5 billion (US\$527 million) on robust sales of Apple's iPhone. Revenue increased 8.6 percent to KRW5.23 trillion (US\$4.6 billion). KT's wireless sales boosted 17 percent to KRW2.93

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trillion (US\$2.6 billion). The number of its smartphone subscribers exceeded 2 million as of the end of last month, KT will roll out the iPad tablet computer in South Korea sometime this month.

- **SK Telecom Co. signed an agreement with Lenovo Group Ltd. to provide its mobile application store to the Chinese vendor's smartphones from this year.** The Korean mobile operator will pre-load the T Store, the company's app store, on Lenovo-made smartphones, which will allow South Korean mobile application developers to sell their products to Chinese phone buyers. SK Telecom and Lenovo will split profit 8-2. Part of SK Telecom's share will go to application developers. The mobile carrier plans to expand such a partnership to other smartphone makers around the world, it said, in a bid to push its mobile software presence.
- **LG Uplus Corp.'s third-quarter earnings tumbled 94.9 percent from a year ago to 7.2 billion won (US\$6.52 million) on boost marketing expenses.** Sales boosted 6.2 percent from a year ago to 2.06 trillion won (US\$1.8 billion) in the same period, as operating profit reached 23.8 billion won (US\$21.1 million) due to the depreciated value of its assets and higher spending on marketing as competition heated up in the local wireless market with the introduction of smartphones. The mobile operator accounts for 17.9 percent of South Korea's wireless market.

Mobile/Wireless

- **South Korea now has the world's third-largest number of wireless-fidelity (WiFi) hotspots with citizens finding wireless Internet access even on the streets, mountains, rivers and subways across the country.** South Korea has some 55,000 WiFi hotspots, a site that offers wireless access to the Internet, most of which are found in buildings, coffee shops and restaurants. The figures fall just behind the U.S. with 94,000 hotspots and China, which has 81,000 such zones. KT sharply expanded the number of WiFi hotspots to 40,235 locations this month, from 13,000 in January, as it braces for higher wireless data demand from subscribers of smartphones and tablet PCs. The telecom company will boost the number of its WiFi service zones to 100,000 by end of 2011, expecting to see even higher demand for wireless data. KT has at least 2 million smartphone users and is expected to launch Apple's iPad this month.

Semiconductors

- **According to iSuppli Corp, South Korean computer memory chip makers saw their global market share surpass 60 percent for the first time in the third quarter, due to higher demand.** Samsung Electronics Co. and Hynix Semiconductor Inc. had a combined 61.6 percent share of the global market for dynamic random access memory (DRAM) chips in the July-September period. The South Korean companies' dominance was the result of surged demand for their computer memory chips. DRAM chips help PCs run multiple programs simultaneously. Samsung had net profit in the third period, due to its semiconductor division, which had US\$4.36 billion in sales. The company expanded its global market share, while rivals had declines in sales and market shares amid falling demand for personal computers.

Hardware

- **Samsung Electronics Co. took over Taiwan's HTC Corp. to become the world's fourth-largest maker of smartphones in the July-September quarter due to solid sales of its Galaxy S.** According to International Data Corp. (IDC), Samsung, had 8.9 percent of smartphones shipped globally during the third quarter. Samsung had the biggest shipment growth among the top five smartphone vendors in the quarter, as its shipments grew about five-fold from a year ago. Samsung is the world's second-largest mobile phone supplier after Finland's Nokia. The researcher attributed

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Samsung's ascent in its once-struggling smartphone market to the smooth sailing of the Galaxy S, which was launched globally in June. Apple unseated RIM rose as one notch to the No. 2 in the smartphone market. Its market share stood at 17.4 percent in the third quarter.

- **Samsung had 31.4 percent of North America's mobile phone market in the third quarter, which includes the U.S. and Canada, up 5.9 percentage points from one year ago.** The company shipped 16.1 million handsets in the July-September period. Samsung had its market share broke the 30 percent level for the first time. The company launched in June its flagship Galaxy S smartphone through all major U.S. carriers, which bolstered its presence in the market.
- **Samsung Electronics Co. will sell at least 40 million smartphones worldwide in 2011, double the projection for the current year.** The firm expects to sell at least 20 million smartphones this year, raising the forecast from the 18 million units eyed at the beginning of the year. It will lean primarily on the Galaxy S smartphone, which it offers in Japan through mobile carrier NTT DoCoMo Inc. Samsung aims to sell 1 million units of its Galaxy Tab tablet device this year. The product runs on Google's Android operating system and features a 7-inch screen.

China

Internet

- **Sina Corp. and a Microsoft joint venture that operates the U.S. company's Internet services in China will allow users of Sina's microblog service and Microsoft's instant-messaging program to link their accounts on both services.** Users will be able to have their messages on Sina's microblog service posted automatically on their Windows Live Messenger account, and log into Sina's microblog service with their Microsoft instant-messaging account name, Sina and Shanghai MSN Network Communications Technology Co., also called MSN China. Users of Microsoft's Windows Live Spaces blogging service in mainland China will also be able to transfer all content from there to Sina's blogging service.
- **Alibaba Group has been approached by private equity investors to measure its interest in participating in a joint bid for Yahoo Inc., which owns a 40 percent stake in Alibaba.** KKR & Co. is among a list of private equity firms interested in taking Yahoo private or assisting in financing such a transaction. Masayoshi Son, founder and chief executive of Softbank, said it has "enough" of a stake in Alibaba. Small changes in the size of its stake may take place but ruled out any drastic realignment. Yahoo in mid-October hired Goldman Sachs to deal with takeover approaches. AOL has hired financial advisers to explore strategic alternatives for the firm, including some kind of deal with Yahoo.
- **Tencent Holdings Ltd.'s third-quarter net profit rose 52 percent from a year earlier because of growth in its Internet and mobile online games businesses, despite growing competition.** The growth was in line with analyst expectations, but Tencent sees its year-on-year growth to slow as its revenue base grows, Tencent President Martin Lau said.
- **Alibaba.com Ltd.'s third-quarter net profit surge 55 percent because of growth in subscribers and their use of value-added services.** Alibaba.com Chief Executive David Wei sees the company to still have net profit growth in the next few quarters. The company might have an investment in China soon. He added small Chinese firms, which make up a large part of Alibaba.com's membership base, face growing pressure from an appreciating yuan and higher raw material and staffing costs. Such pressures could potentially eat into Alibaba's customer base. The company expects China's export

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growth rate to slow in the coming quarters and to remain below recent levels in the next few years. The listed unit of Alibaba Group's net profit for the three months ended Sept. 30 was 366.1 million yuan (US\$55.1 million). Revenue boosted 40 percent to 1.45 billion yuan (US\$218 million).

- **Tencent Holdings Ltd., China's biggest Internet company by market value, said third-quarter profit rose 52 percent as sales of online games and advertising revenue surged.** Net profit for the three months ended Sept. 30 was 2.15 billion yuan (US\$324 million). Revenue surged 55 percent to 5.23 billion yuan (US\$788 million). Revenue in Tencent's core Internet value-added services division surged 57 percent to 4.13 billion yuan (US\$622 million), on an improved ability to pull revenue from major games including Cross Fire. Revenue from mobile and telecommunications value-added services surged 56 percent to 695 million yuan (US\$104.7 million), and online advertising revenue rose 30 percent to 383 million yuan (US\$57.7 million). The company had 636.6 million active user accounts for its QQ instant-messaging service at the end of September, compared with 612.5 million three months earlier, it said. The online- chat program had 18 times more subscribers than Microsoft Corp.'s MSN service in China at the end of last year, according to research company Analysys International.
- **The number of Twitter users in China, where the U.S.-based social networking service is banned, is estimated to have reached 200,000.** The Chinese government has blocked access to Twitter since June 2009 in an apparent bid to prevent Chinese internet users from sharing information on sensitive issues in the country.

Telecommunications

- **The "Cloud" computing technology will be used for serving the 42 million small- and medium-sized enterprises (SMEs) in China, helping them to apply IT technologies to finance, technology and human resource sectors, said He Baohong, director of the Internet Research Center of the China Academy of Telecommunication Research.** China's Cloud computing research is now in the "private Cloud" stage, and will transit to "public Cloud" stage. the mid- and long-term target of the development of Cloud computing is to offer "public Cloud" service to the 42 million SMEs, "infrastructure provided by Cloud computing ensures SMEs enjoy information services without hardware equipment and professional technicians, which will effectively solve the major problems faced by SMEs in wide application of IT technologies. Cloud computing subscribers have to ensure the security of the information they store in the Cloud computing terminals, their privacy being protected, and the rights for them to deal with the information, said Steven Schultz, vice director of IT Policy Center of Princeton University.
- **China Unicom's total revenue and net profit topped 125.11 billion yuan (US\$18.8 billion) and 3.27 billion yuan (US\$492 million) respectively.** The telecom operator's revenue gained from communications service was 120.65 billion yuan (US\$18.2 million) in January-September. Excluding the effects of deferred fixed-line upfront connection fees, China Unicom's total revenue and communications service revenue respectively progressed 9.1 percent and 7.7 percent year on year. China Unicom had mobile service revenue of 63.59 billion yuan (US\$9.6 billion) in the first three quarters of 2010, rising 20.0 percent from the same period of 2009, including communications revenue of 60.52 billion yuan (US\$9.1 billion), up 16.8 percent year on year. The average revenue per user (ARPU) of the mobile service in January-September was 43.5 yuan (US\$6.5).
- **The Chinese mobile telecommunications industry earned revenues of 465.1 billion yuan (US\$70 billion) during the first nine months of the year, up 12 percent year-on-year.** Total business volume of China's telecom industry was 2.27 trillion yuan (US\$342 million) as revenue of

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major telecom businesses was 667.51 billion yuan (US\$100.5 billion) up 6.8 percent. Mobile revenues made up 69.68 percent of the revenues of the major operators, increasing from 66.42 percent in the same period last year. Fixed revenues totalled 202.41 billion yuan (US\$30.5 billion), and accounted for 30.32 percent of major operators' revenues, down from 33.58 percent last year. Talk time on local fixed lines declined by 19.3 percent while total talk time on mobile networks went up by 19.2 percent.

Taiwan

Telecommunications

- **Far EasTone Telecommunications (FET) saw its revenues grow in the third quarter.** Revenues were NT\$16.39 billion (US\$541 million) versus NT\$15.36 billion (US\$507 million) in the year-ago period, with service revenues growing to NT\$14.79 billion (US\$488 million). Mobile service revenues contributed NT\$13.84 billion (US\$457 million), with non-voice making up 16.5 percent, and fixed-line revenues contributed NT\$2.54 billion (US\$83.8 million). FET ended the third quarter with 6.32 million mobile customers but the company saw ARPU drop to NT\$843 (US\$27.8).

Hong Kong

Telecommunications

- **City Telecom's turnover rose 6.5 percent to HK\$1.57 billion (US\$202 million) due to accelerating growth in fixed telecommunications network services of 10.2 percent year-on-year to HK\$1.36 billion (US\$175 million).** The growth in fixed network services at least offset the 11.6 percent decline to HK\$218.6 million (US\$28.2 million) for the international telecommunications service business. EBITDA was stable at HK\$479.1 million (US\$61.8 million), despite record broadband subscription growth and associated acquisition costs. The company added 135,000 broadband customers during the year to bring its total to 526,000. City Telecom had a net profit of HK\$216.9 million (US\$27.9 million). City Telecom also ended the year with 431,000 local telephony subscriptions after adding 49,000 new customers, and 153,000 IPTV subscribers after gaining 17,000 net additions in the year.

Singapore/Malaysia/Philippines/Indonesia/India/Australia

Mobile/ Wireless

- **Research In Motion Ltd. opens its first office in Indonesia as the company is optimistic about the future of its business in the South East Asia's largest economy.** The President Director of PT RIM Indonesia Andrew Cobham said that the producer of the BlackBerry smartphones will open 36 authorized customer care centers in Indonesia by the end of the year. RIM's managing director for Southeast Asia Gregory Wade said that RIM will continue to "invest" in Indonesia to capture the country's large market. BlackBerry shipments to Indonesia surge 79 percent on-year in the second quarter of year. The smartphone shipments to Indonesia will grow by 56.6 percent for the entire year.
- **Sharp Business Systems (India) Ltd. will sell its mobile handsets in India and target India's youth market with four models like Alice, Blink, Tango and Cyborg.** India's mobile handset market is currently dominated by Nokia, Motorola and Samsung Electronics as well as local companies such as Micromax Informatics Ltd.

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Telecommunications

- **Pacnet priced its US\$300 million five-year non-call three Global on October 30 following a strong response from investors, which saw the deal being five times covered.** The coupon on the Reg S/144a deal (B1/BB+, Moody's/Fitch) was set at 9.25%. The bonds had a strong start in secondary moving up 101.5/102 on November 1.
- **StarHub Ltd.'s third-quarter net profit fell 3.7 percent from a year earlier because of increasing expenses on a subsidiary and new customer relationship management and billing systems.** Net profit for the quarter ended Sept. 30 was S\$82 million (US\$63.2 million). Revenue for the period surged 2.8 percent to S\$552.3 million (US\$425.7 million).
- **SingTel's wholly-owned subsidiary SingTel Interactive subscribed for 1.5 million shares in the capital of OpenNet Net at a subscription price of SG\$1.00 (US\$1.30) per share.** The price was arrived at taking into account the working capital requirements of OpenNet. The remaining shares in the capital of OpenNet are held by Axia NGNetworks Asia, SPH Net, SPT Net. Following the subscription, the stake held by SingTel Interactive remains at 30 percent.
- **Singapore Telecommunications Ltd.'s mobile customer base surged 35 percent year on year and reached 368 million as of the end of September.** The surge is due to SingTel's associates such as India's Bharti Airtel Ltd., Globe Telecom of Philippines and its Australian unit Optus Ltd. adding more customers. During the quarter ended Sept. 30, SingTel added 54,000 mobile customers in Singapore because of accelerating demand for smartphones. It added 39,000 new postpaid customers in Singapore in the quarter and another 15,000 prepaid customers.
- **Singapore Telecommunications Ltd. had an unexpected 6.8 percent drop in its fiscal second-quarter net profit mainly due to lower contributions from its associates in India and Indonesia, but increased its dividend payout ratio in a bid to return some excess cash to its shareholders.** Net profit for the quarter ended Sept. 30 was S\$891.2 million (US\$686.8 million). Operating revenue surged 8.3 percent from a year earlier to S\$4.44 billion (US\$3.4 billion) from its Singapore and Australia operations. Net profit was at S\$969 million (US\$746.7 million). The company raised its dividend policy payout ratio to between 55 percent-70 percent of its underlying profit from a previous payout ratio of 45 percent to 60 percent.
- **Vodafone Essar boosted its fiscal first-half service revenues by 14.7 percent from a year earlier on an organic basis, including a 2.3 percentage point benefit from Indus Towers, its network-sharing joint venture.** Growth was driven by a 42.7 percent increase in the average mobile customer base and accelerating usage per customer, partially offset by a fall in the effective rate per minute due to an increase in the penetration of lower priced tariffs into the customer base. Organic EBITDA for the six months to 30 September surged by 23.5 percent, driven by the increase in the customer base, efficiencies in the mobile business, which absorbed pricing and cost pressures, and an increased contribution from Indus Towers. Vodafone Essar added 6.492 million new customers in fiscal Q2 to finish September with a total base of 115.553 million. ARPU continued lower, to INR 177 (US\$4) versus INR 191 (US\$4.3) in Q1 and INR 222 (US\$5) in Q2 2009.
- **Bharti Airtel Ltd. missed market expectations by posting a 27 percent drop in its second-quarter consolidated net profit, hurt mainly by higher costs and taxes related to its recent acquisition in Africa.** Net profit for the July-September quarter fell to INR16.61 billion (US\$372 million). Revenue surged about 47 percent to INR152.15 billion (US\$3.4 billion) due to the acquisition of Kuwait-based Mobile Telecommunications Co.'s operations in 15 African countries in June. The

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company was expected to report a net profit of INR18.80 billion (US\$422 million) on revenue of INR147.17 billion (US\$3.3 billion). The company affected by stiff competition in its home market. India adds more mobile telecom users every month than anywhere else, but price wars among its many service providers have pushed down phone call charges and hurt the profit margin of companies such as Bharti, Reliance Communications Ltd. and the local unit of the U.K.'s Vodafone Group PLC.

- **ITI Ltd.'s second quarter consolidated net loss declined deeply in interest costs and expenses offset lower sales.** ITI had net loss of INR599.8 million (US\$13.4 million) for the July-September period. Interest costs declined to INR157.3 million (US\$3.5 million), as total expenditure fell to INR6.18 billion (US\$139 million). Consolidated net sales fell 32 percent to INR5.41 billion (US\$121 million). ITI has previously warned that revenue could be hurt this fiscal year by a slowdown in orders from its biggest customer, Bharat Sanchar Nigam Ltd. ITI depends on orders from BSNL and Mahanagar Telephone Nigam Ltd. to sustain operations. The two state-run companies account for about 70 percent of ITI's revenue.
- **Tulip Telecom Ltd.'s net profit for the second quarter surge 21 percent from a year earlier due to accelerating growth from its fiber-optic services.** Consolidated net profit in the July-September period surged to INR779.96 million (US\$17.4 million). Consolidated sales surged about 19 percent to INR5.85 billion (US\$131 million). The company's enterprise data services business uses a fiber optic network to provide networking, communication and related services to the government and companies in India. The profit was boosted by a 2 percent expansion in the operating margin due to higher contribution from its high-margin fiber business and increased subscribers on existing infrastructure, Sanjay Jain, chief executive at Tulip Telecom said.
- **PT Telkom has revised down its income target this year on slower performance in cell phone unit.** Telkom cut its revenue growth target to 6 percent this year from the previously set target of 9 percent, Sudiro Asno, chief financial officer of the state company. The company also cut its capital expenditure this year to US\$1.5 billion from US\$2 billion. Telkom had 6.4 percent increase to Rp 64.6 trillion (US\$7.3 billion) in income in the previous year. This year revenue is around Rp 68.5 trillion (US\$7.9 billion). Telkom's cell phone subsidiary Telkomsel had lower growth in income lately on stiffer market competition.
- **Advanced Info Service (AIS) ended the third quarter with 30.5 million subscribers, as the operator added 467,000 prepaid customers and 27,000 postpaid customers in the quarter.** Service revenues (excluding interconnection) surged 8.9 percent to THB 21.64 billion (US\$725 million). Non-voice revenue represented 17 percent of service revenues up by 3 percentage points from Q3 2009. EBITDA was at THB 12.64 billion (US\$424 million), and AIS had a net income of THB 4.89 billion (US\$164 million). For the full year, AIS sees free cash flow to grow 18 percent, supported by higher service revenue growth, excluding IC, which has been raised to 5 percent. Data growth has been revised to 25-30 percent and the expected EBITDA margin has been revised to 45 percent, in line with revenue revision and expected lower marketing spending.
- **Thaicom PCL said it is not confident of posting a net profit this year after recording a net loss of THB621.3 million (US\$20.9 million) in the January-September period.** The company aims to have a net profit this year following a loss of THB471.2 million (US\$15.8 million) last year, but delays in striking deals with offshore clients prevented it from swinging back into the black. The company expects an improvement in the October-December period from the third quarter, when it had a loss of THB313.3 million (US\$ 10.5 million) due to greater income from its iPSTAR broadband satellite. An official contract with the Indian client is seen to be signed within the next few weeks. Thaicom is

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might not achieve its 30 percent revenue growth target this year, due partly to the effects of the stronger baht and delays in reaching deals to provide satellite bandwidth with clients in India and China. Most of the company's revenues are in foreign currencies. The company is in negotiations with potential iPSTAR clients in Malaysia, Indonesia, and Australia, Tanadit said but declined to elaborate. In the third quarter, revenue from telephone services operated by its units in Laos and Cambodia plunged 37.7 percent on year to THB321 million (US\$10.8 million), due to strong competition in the Cambodian mobile industry.

- **True Corp. PCL's net profit in the third quarter surged more than 12-fold from the same period last year due mainly to a decline in finance costs and lower services and sales expenses.** During the July to September quarter, the company had a net profit of THB1.24 billion (US\$41.6 million). Total revenue declined to THB15.04 billion (US\$505 million) as the cost of providing services and cost of sales eased to THB10.39 billion (US\$349 million). Finance costs declined in the period to THB39.8 million (US\$1.3 million). The company's broadband internet services and cable television operations all had growth, with service revenue for the internet climbing 4.3 percent on year to THB6.7 billion (US\$224 million). Service revenue from cable television surged 2.8 percent on year to THB2.4 billion (US\$80.6 million), with subscribers surging 5.1 percent to 1.7 million. Its mobile telephone services added 181,000 subscribers, raising its total to 16.5 million. Service revenue from this sector, excluding interconnection revenue, eased 3.3 percent to THB5.7 billion (US\$191 million) due to weaker prepaid voice revenue on rising competition.
- **China Unicom has officially started operations of its representative office in Vietnam.** This is the second such office established by China Unicom, following an office in Singapore opened on 17 September. The new office is located in Hanoi and is responsible for providing network and business services for clients in Southeast Asia.
- **Telstra Corporation Ltd said it has completed a long-term debt issue in the domestic bond market to lengthen the average maturity of the telco's debt portfolio.** Telstra said it had made a \$200 million addition to its existing 7.75 per cent coupon bond maturing on July 15, 2020. The original \$150 million bond was issued in June. The new bond was placed with Australian and international institutional investors and priced at 10-year mid-swaps plus 175 basis points following a bookbuild conducted by the joint lead managers, Commonwealth Bank, National Australia Bank, UBS and Westpac. Issue proceeds would be used mainly for refinancing maturing debt and general working capital purposes, Telstra said.

Hardware

- **Sales of personal computers in India in the July-September quarter surged 27 percent from a year earlier to 2.8 million units, IDC India said.** Desktop PC sales accounted for about 60 percent of total sales at 1.7 million units, surged 15 percent year-on-year, as sales of notebook computers boosted 52 percent to cross 1.1 million units in the quarter. Sales growth in the July-September quarter is due to the consumer and commercial segments. Dell is still in the top-spot in the overall PC market, which includes desktops and notebooks, with a 16.7 percent market share. Hewlett-Packard and Acer retained the second and third spots, with 13.7 percent and 10.6 percent, respectively. As Dell improved its lead in the market, both HP and Acer lost market share.

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United States/Canada

Media, Entertainment and Gaming

- **James Murdoch, News Corp.'s chairman for Europe and Asia, sees newspapers to be like cable channels as they move online and develop a wholesale marketplace for advertising.** News Corp.'s U.K. titles the Times and Sunday Times erected paywalls in July, which reduced the number of readers and advertisers on the sites. These newspapers have at least 105,000 paying online customers, and characterized paying readers as more engaged. Newspapers are charging for online access to make up for lost revenue from print ads. Newspapers with paid- for access say niche audiences that advertisers can target are more valuable than visitors who don't subscribe and who find articles from search engines such as Google.
- **EMI Group Ltd.'s Chief Executive Officer Roger Faxon said the company would be split and sold off to competitors to raise funds so owner Guy Hands can meet debt payments to Citigroup Inc.** Faxon said EMI is slowly repaying its debt as it's far from bankruptcy. EMI was being circled by rivals since Hands lost a court battle to Citigroup this month after alleging he was tricked into overbidding for EMI in 2007. Warner Music Group Corp. and BMG Rights are among companies that have expressed an interest in buying EMI's publishing and recorded assets. Faxon was named CEO of the company in June. Faxon was abandoned because the best way to build value is for EMI to remain as one company. Selling off catalog assets was ruled out as utterly idiotic.

Telecommunications

- **Global Crossing Ltd. said that it has priced a private placement of US\$150 million of senior debt at par, or 100 percent.** The company said the 9 percent senior unsecured notes due 2019 will be sold to institutional buyers. The offering is expected to settle on Nov. 16. Global Crossing said it expects to use the proceeds to refinance its 5 percent convertible senior notes due 2011 and pay related fees and expenses.
- **Novatel Wireless Inc. will purchase Enfora Inc. for US\$64.5 million, expanding the company's presence in wireless data into new markets.** Enfora makes smart machine-to-machine technology that links businesses with remote assets and equipment. The wireless machine-to-machine market will surge at least 22 percent a year through the next four years. Novatel will pay off Enfora's debt and could pay current owners up to an additional US\$6 million if certain performance targets are met. Novatel has been unprofitable this year, though revenue has been strengthening sequentially.

Internet

- **Google is giving its more than 23,000 employees a 10 percent raise starting January of next year as it is having a issues regarding talents.** Facebook and other hot Silicon Valley startups are getting Google executives and engineers in recent months. But the across the board raise comes at a time of renewed optimism among investors, as Google last month had accelerating third-quarter results.
- **InfoSpace Inc.'s President and Chief Executive Officer William J. Lansing resigned.** William J. Ruckelshaus is now the president and acting CEO as it searches for a replacement. Ruckelshaus will still be part of the board. Lansing remained to be the president and CEO since February 2009. InfoSpace had third-quarter results below analyst expectations and gave a pessimistic outlook for the current quarter's revenue.

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- **Yahoo Inc. will have job cuts of up to 20 percent in some units.** The company's chief products officer, Blake Irving, has asked unit heads to prepare operational plans that factor in workforce cuts of up to 20 percent. The number of units that would be affected by the cuts is still uncertain. Sunnyvale plans to cut 20 percent of its staff and managers have been asked to start making decisions about which of the company's 14,000 or so workers should stay or go. News regarding Yahoo was brought up as Google Inc. had a 10 percent pay boost and US\$1,000 spot bonus for all employees.
- **Yahoo appointed Time Warner Inc.'s Wayne Powers to head North American advertising sales.** Powers will fill the role previously occupied by Joanne Bradford, who left Yahoo in March to join online-media group Demand Media Inc.
- **Yuri Milner, the Russian financier famous for buying stakes in social media sites such as Facebook Inc. and Zynga Game Network Inc., said his investments often give companies an alternative to selling shares to the public.** Milner's Digital Sky Technologies acquired 2 percent of Facebook for US\$200 million in 2009 and has surged the stake to less than 10 percent since then. He spent US\$180 million for a stake in online games maker Zynga, and in April took the majority of a US\$135 million financing round for Groupon Inc. The former physicist wants to invest US\$100 million in companies active in the social space, focusing on China, Russian, South Korea and Japan. His other company, Mail.ru Group Ltd. raised US\$1 billion in what he said was Europe's largest public offering of an Internet business.

Semiconductor

- **Intel Corp. will surge its quarterly dividend about 14 percent to boost personal-computer demand earnings.** The payout will increase to 18 cents a share, Santa Clara said. Intel is gaining more due to companies and consumers buyouts of computers in less developed markets. The company ended the third quarter with at least US\$20 billion in cash and short-term investments. The surge in dividend is more last year, as it surge its payout by 13 percent. To boost sales growth beyond personal computers, Chief Executive Officer Paul Otellini plans to expand into tablet computers and mobile phones. Sales this quarter will surge to US\$11 billion to US\$11.8 billion.

Software

- **IBM will have a four-year deal worth about US\$120 million to provide information technology and services to Norway's hospitals.** IBM will deliver enterprise resource-planning, or ERP, software from Germany's SAP AG to run the hospitals' finance and logistics systems. The software will replace a hodgepodge of ERP systems among the hospitals. The contract will contribute to both IBM's software and services divisions, two of its largest. Overall, health-care and life-sciences sectors contribute about US\$4 billion annually to IBM. The new ERP system will make it easier for Norway to create and deploy a national electronic medical-record, or EMR, system, IBM said. The tech giant hopes to bid on that project sometime next year, once Norway puts the EMR system out to bid.

Hardware

- **Apple's iPad and other tablets may not sell as well as analysts had estimated as customers cut back spending on new technology or opt for new smartphones and laptops instead, according to Rodman & Renshaw LLC.** Tablet computers are still a "tweener" niche with limited capabilities that might prevent consumers from adopting the technology as quickly as some industry analysts had forecast, Kumar said. Samsung Electronics Co. will lessen its planned production by about 50 percent for the Galaxy after decline in sales. Apple has allowed other retailers, including Verizon Wireless, AT&T Inc. and Wal-Mart Stores Inc., to sell the device in the U.S. as it looks for ways to increase

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sales. The company had 95 percent of the global tablet market in the third quarter, according to Strategy Analytics.

Europe

Internet

- **Blinkx PLC achieved positive pretax profit in the first-half for the first time as its video search engine technology attracted more users and advertisers increased spending on video search.** Revenue was at 31.6 million in the period, as the average deal size for video advertising bookings surged 40 percent. The market is changing from being experimental into a more real one, where people are committed to spending on video advertising. Blinkx will surely have its revenue and profit for the full year and beyond boosting. Market expectations are for pretax profit of US\$6.4 million on revenue of US\$59.2 million for fiscal 2011. Blinkx made a pretax profit of US\$2.02 million. Revenue was US\$27.4 million. The company had US\$16.9 million net cash at the end of the period and has since raised a further US\$31.2 million in a share placing. The cash position gives the company flexibility to increase the size of its video search audience either through acquisitions or investment in organic growth.

Media, Gaming and Entertainment

- **BT Group PLC had accelerated earnings that beat market expectations and raised its guidance, as a mix of faster Internet speeds and the recent addition of Sky Sports attracted more customers.** At Global Services, earnings boosted as cost reductions continued. BT had surging profitability and cash flow, to invest in building the foundations for revenue growth in 2012/13. BT added 114,000 new broadband customers in the second fiscal quarter after a fierce marketing battle with rival British Sky Broadcasting Group PLC as it started broadcasting Sky Sports in August. News Corp., owner of Dow Jones & Co. has roughly a 39.1 percent stake in BSkyB.
- **British Sky Broadcasting Corp has hit its long-standing target of 10 million TV customers, underpinned by its developing offering of content, broadband and phone services.** BSkyB would hit the 10 million mark by the end of 2010 after adding 96,000 new customers in the first quarter ended Sept. 30. BSkyB has reached its target after U.K. Business Secretary Vince Cable intervened in News Corp.'s proposed GBP7.8 billion (US\$12.6 billion) takeover of BSkyB amid concerns about the media giant's control over the local media. News Corp. wants the 700 pence a share to acquire the 60.9 percent stake in BSkyB for about GBP7.8 billion (US\$12.6 billion). BSkyB's independent directors rebuffed the News Corp. proposal, but would back an offer of at least 800 pence a share. The companies will venture on securing regulatory clearance for the deal. Ofcom will investigate the public interest consideration of media plurality that arises from News Corp.'s bid. Ofcom has to submit a report by Dec. 31.

Telecommunications

- **Inmarsat PLC had a boosting 19 percent in third-quarter revenue on accelerating growth in aeronautical services and an improvement in the key maritime sector.** Chairman and Chief Executive Andrew Sukawaty stated that the boosting revenue of 2.8 percent was due to the demand for Inmarsat's newest generation of broadband terminals because of the continuing decline of voice and increasing importance of data services. The company will soon adopt new technology but upgrades to the new terminals are now accelerating. Inmarsat have not stated full quarterly results, as subsidiary Inmarsat Holdings Ltd., had a pretax profit for the three months to Sept. 30 of US\$105.4

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million, boosted 38 percent. Overall group revenue was US\$308.8 million. Aeronautical revenue surged 38 percent, as land services declined 7.2 percent. Inmarsat had first revenue from its venture with LightSquared, and will generate good result for the year. Harbinger Capital sold half its 28 percent stake in Inmarsat and ruled out making a bid for the company. Sukawaty is clueless on the plan of Harbinger with its remaining stake in the company. Inmarsat's deal with Lightsquared will generate revenue for the company.

- **Vodafone Plc had a 56 percent jump in net profit for the first half of 2010-11 to 7.50 billion pounds (US\$12.3 million) on the back of higher revenue growth.** The telco had a profit of 4.795 billion pounds (US\$7.7 million) in the same period last year. Revenue surged by 3.9 percent to 22.60 billion pounds (US\$36.5 million) in the six-month period ending September 2010. The company has now raised its earning outlook for 2011 to between 11.8 billion pounds (US\$19 billion) and 12.2 billion pounds (US\$19.7 billion). Vodafone has a new strategy that positions the company to realize further value from non-controlled assets and take full advantage of future growth opportunities. Under the strategy, Vodafone has been offloading its minority interests and concentrating on data services. Vodafone will now sell a 3.1 billion pounds (US\$5 billion) stake in SoftBank Corp. The deal comes close on the heels of Vodafone's sale of a stake worth 4.3 billion pounds in China Mobile in September.
- **Telecom Egypt's net profit in the third quarter declined 7.3 percent to 766 million Egyptian pounds (US\$133 million) due to the company's retail business.** The third-quarter result still exceeded analysts' estimates at regional investment bank EFG-Hermes, which had an EGP614 million (US\$107 million) effort for the period. Earnings per share for the three months ended Sept. 30 was at EGP0.45 (US\$.078). The average revenue per user for the third quarter declined 12.5 percent to EGP53 (US\$9.2). Third-quarter retail revenues suffered from Ramadan high promotional activities, and were down 5 percent quarter on quarter and 11.2 percent year on year due to the intense competition with cellular operators and challenge from mobile substitutions, said Ahmed Adel.
- **Telekom Austria AG is on track to meet its full-year targets after net profit jumped in the first nine months of the year because of cost cutting, an economic pickup and stronger currencies in key Eastern European markets.** Telekom Austria repeated it sees full-year EBITDA to come in at between 1.6 billion euros (US\$2.2 million) and 1.65 billion euros (US\$2.3 million) and sales to be about 4.7 billion euros (US\$6.4 million), or 100 million euros (US\$137 million) less than in 2009. Net profit in the nine-month period boosted to 257 million euros (US\$352 million) when profits were hit by 352 million euros (US\$482 million) of write-downs on Eastern European subsidiaries. The bottom line came in slightly below the average 263 million euros (US\$360 million) estimate of 10 analysts polled by Dow Jones Newswires.
- **Redstone PLC acquired Fujin Systems Ltd. for GBP2.9 million (US\$4.7 million).** The initial consideration for the acquisition is GBP0.4 million (US\$.6 million) cash. A further GBP2.5 million (US\$4.03 million), GBP0.5 million (US\$.8 million) cash and GBP2.0 million (US\$3.2 million) in Redstone shares will follow if Fujin makes a GBP560,000 (US\$904, 257) pretax profit for the year to Oct. 31, 2011. Fujin had a pretax loss of GBP57,000 (US\$92, 042) on revenue of GBP1.4 million (US\$2.3 million) in the nine months to Sept. 30.
- **Orascom Telecom Holding had a 40 percent fall in third-quarter net profit due to challenges in markets.** Orascom Telecom's third-quarter net profit was US\$112 million. OT's third-quarter net profit was less than US\$293 million as predicted by analysts at Cairo-based CI Capital. OT will have a net profit of US\$278 million. Net profit for the period ended Sept. 30 surged 150 percent to US\$934

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million. OT will boost to a significant US\$822 million recognized on a transaction with the Egyptian Company for Mobile Services, or Mobinil. Orascom Telecom had its subscriber base increased 16 percent over the same period last year, reaching at least 103 million customers.

- **Telefonica SA's third-quarter net profit more than doubled as accounting adjustments and revenue growth in Latin America offset weak Spanish operations, and it reiterated its main targets.** Telefonica had third-quarter net profit grew to 5.06 billion euros (US\$6.9 billion) due to declining revenue in Spain and higher-than-expected corporate taxes. Telefonica acquired Portugal Telecom SGPS SA's stake in Vivo Participacoes SA in order to take full control of the Brazilian cellular company and merge it with fixed-line telecommunications firm Telesp, bulking up its operations in the coveted, high-growth Brazilian market. Telefonica was forced to raise its offer several times, to 7.5 billion euros (US\$10.3 billion). The acquisition boosted profits due to accounting changes that increased the value of assets in Brazil by close to 3.48 billion euros (US\$4.8 billion).
- **Swisscom AG's third-quarter profit boosted 4.7 percent with net income surged to 536 million Swiss francs (US\$554 million).** Net revenue advanced 0.7 percent to 3.03 billion francs (US\$3.09 billion). Analysts had estimated net income of 510.9 million francs (US\$520 million) on sales of 2.98 billion francs (US\$3.0 billion). Swisscom sees net revenue, excluding FastWeb SpA, for the full year of about 9.35 billion francs (US\$9.5 billion) and earnings before interest, tax, depreciation and amortization at about 4 billion francs (US\$4.09 billion). The company had previously predicted the measures at about 9.15 billion francs (US\$9.4 billion) and 3.75 billion francs (US\$3.8 billion) respectively.

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Other Economic Data

Currency Exchange Rates						
Currency	Units	Current Rate (on 11/12/10)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 1/1/2010	% Change 1/1/2009
Japanese yen	¥/US\$	81.9300	-1.5%	-2.2%	-11.8%	-11.2%
Hong Kong dollar	HK\$/ US\$	7.7577	-0.01%	-0.1%	0.1%	0.1%
Chinese renmenbi	RMB/ US\$	6.6710	-0.3%	-1.8%	-2.3%	-2.2%
Singapore dollar	S\$/ US\$	1.3055	-0.5%	-3.3%	-7.1%	-10.7%
South Korean won	KRW/ US\$	1,120.5000	-0.8%	-4.8%	-3.7%	-14.9%
New Taiwan dollar	NT\$/ US\$	30.8400	-1.4%	-3.5%	-3.5%	-5.9%
Australian dollar	US\$/A\$	0.9848	1.4%	8.2%	9.8%	38.7%
New Zealand dollar	US\$/NZ\$	0.7554	1.5%	5.2%	4.3%	29.2%
Philippine peso	PHP/ US\$	43.2200	-0.9%	-2.6%	-7.0%	-8.4%
Euro	US\$/€	1.3943	1.1%	9.9%	-2.6%	0.5%
British pound	US\$/£	1.5966	1.0%	3.9%	-1.2%	9.9%

Fixed Income Prices and Yields

Note	Currency	Current (on 11/12/10)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	99.31	4.34%	95.77	4.17%	100.94	3.82%
Japan 30-year	¥	99.33	2.04%	100.13	2.00%	102.16	1.89%
Hong Kong 10-year	HK\$	101.08	2.42%	102.00	2.31%	102.66	2.12%
China (06/16)	US\$	104.92	3.74%	107.22	3.29%	110.26	1.94%
Singapore 10-year	S\$	110.10	2.11%	111.90	1.92%	111.72	2.72%
South Korea 20-year	KRW	11,170.56	4.81%	11,200.23	4.78%	11,756.43	4.29%
Australia 15-year	A\$	102.91	5.41%	103.81	5.31%	106.00	5.70%
New Zealand (12/17)	NZ\$	104.39	5.53%	105.34	5.40%	107.46	5.05%
Philippines 20-year	PHP	145.06	8.09%	144.93	8.11%	144.20	8.01%
India 30-year	INR	97.95	8.67%	98.75	8.59%	98.71	8.41%
UK 30-year	£	99.71	4.30%	102.22	4.15%	105.04	3.95%
Germany 30-year	€	132.91	3.06%	135.04	2.95%	137.28	2.88%

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