



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

Week of 20 December 2010 - 26 December 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 (12/24/2010)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 12/31/2009	% Change 12/31/2008
S&P 500	1,256.77	1.0%	6.4%	12.7%	39.1%
Dow Jones Industrial Avg.	11,573.49	0.7%	4.9%	11.0%	31.9%
Dow Jones Tech. Index	448.50	0.6%	5.6%	11.4%	78.4%
Dow Jones Telecom. Index	233.49	1.3%	2.3%	6.4%	16.9%
NASDAQ Composite	2,665.60	0.9%	6.8%	17.5%	69.0%
Japan Nikkei 225	10,279.19	-0.2%	1.6%	-2.5%	16.0%
JASDAQ	52.40	0.1%	7.8%	8.4%	8.7%
Japan Mothers	433.96	1.9%	13.4%	4.3%	34.2%
Korea KOSPI Composite	2,029.60	0.2%	5.2%	20.6%	80.5%
Korea Kosdaq	499.63	-2.2%	-2.3%	-2.7%	50.5%
Taiwan Stock Exchange	8,861.10	0.5%	6.4%	8.2%	93.0%
Singapore Straight Times	3,817.90	1.5%	4.3%	27.6%	116.7%
Hong Kong Hang Seng	22,833.80	0.5%	-0.3%	4.4%	58.7%
Hong Kong GEM	798.37	-3.5%	-2.2%	17.9%	107.1%
China Shanghai (A-Share)	2,968.88	-2.0%	0.2%	-13.6%	55.3%
China Shenzhen (A-Share)	1,352.06	-4.2%	-0.7%	7.2%	132.5%
China Shanghai (B-Share)	302.17	-1.6%	3.4%	19.7%	172.4%
China Shenzhen (B-Share)	837.89	-1.9%	0.9%	33.9%	208.9%

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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

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

- **iSuppli sees explosive growth in near-field communications technology, the kind used to send data wirelessly in a range of only a few inches, to begin next year, an encouraging sign for the mobile-payments business.** It predicts world-wide shipments of cellphones with built-in capability for near-field communications will surge to 220.1 million units in 2014. 13 percent of cellphones shipped will integrate the technology, up from 4.1 percent in 2010. The seen surge, which the researcher attributes to support from key wireless players like Nokia Corp. and Google Inc., could open the door to a boom in the mobile-payments business.

Japan

Hardware

- **JVC Kenwood Holdings Inc. will eliminate 500 jobs at its Victor Japan unit by March 31 amid declining sales.** The cuts are needed because the strong yen and competition with Asian manufacturers have reduced revenue. The company said the move won't affect this fiscal year's earnings forecasts. JVC was targeting by fiscal 2013 annual sales of 450 billion yen (US\$5.4 billion), operating profit of 14.5 billion yen (US\$176 million), and net income of 4.5 billion yen (US\$54 million), as part of its mid-term plan. JVC on Oct. 28 narrowed its full-year net forecast to an 8 billion yen (US\$97 million) loss. Panasonic is JVC's biggest shareholder.
- **Japan's electronic parts suppliers are rushing to boost production of components for smartphones in an effort to tap the fast-growing market.** Alps Electric Co. will expand lines at a Chinese subsidiary, doubling touch panel output on the year to nearly 100 million units in fiscal 2011. The plan is to boost sales by 50 percent to almost 30 billion yen (US\$358 million). Alps began mass production of high-precision capacitive touch panels in the second half of this year. The capacity upgrades will target this type of panel. Leading touch panel manufacturer Nissha Printing Co. will launch full-fledged operations next July at a Hyogo Prefecture factory leased from Toshiba Corp. , raising touch panel output capacity by 30 percent to 210 million units a year, mainly for the high-precision types.

Internet

- **Japan's leading Internet firms are dipping into their bulging war chests to broaden their investment activities, the Nikkei reported.** CyberAgent Inc. is working to bolster its stake in startups that develop applications for social networking services (SNS). DeNA Co. and Gree Inc. have been actively acquiring companies and setting up investment funds in a bid to nurture firms that can be future partners for their own business growth. CyberAgent upgraded its office in Beijing into a wholly-owned investment firm capitalized at 50 million yen (US\$597,000). The company has an office in Shanghai and will also set up an office in Shenzhen. CyberAgent currently manages roughly 3.5 billion yen (US\$42 million) in investments in China but will expand that to 10 billion yen (US\$121 million) in 2011. The company also set up a US\$15 million fund with Japan Asia Investment Co. in October to invest in unlisted businesses in China. Through such investments CyberAgent aims to prepare a foundation for entrance into China's growing Internet market.

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Telecommunications

- **The Japanese government will sell part of its share in Nippon Telegraph and Telephone Corp. sometime in the next fiscal year for approximately 300 billion yen (US\$3.6 billion) to help finance overseas infrastructure projects undertaken by Japanese firms.** The government is planning to channel roughly 200 billion yen (US\$2.4 billion) of the seen proceeds into the overseas investment and loan programs of the Japan Bank for International Cooperation, a government-affiliated lender. NTT is seen to acquire stocks from the government in off-hours trading, but he declined to say when the transactions will take place. The move underscores Japanese efforts to take better advantage of overseas demand to boost the country's moribund economy, where consumption is seen to remain largely sluggish for years to come because of a shrinking population. Helping Japanese firms to build and manage social infrastructure abroad is a key pillar of the government's long-term growth strategy adopted in June.
- **KDDI Corp. will begin an electronic book distribution service offering about 20,000 titles for its biblio Leaf SP02 e-book reader.** KDDI will surge the number of titles available under the "LISMO Book Store" service to about 100,000 by the end of March 2012. The release comes after Sony and Sharp launched e-book readers and related services, and KDDI's move is seen to contribute to an expansion in Japan's budding e-book market. KDDI will begin e-book distribution service for its multifunction smartphones from fiscal 2011 starting April. The biblio Leaf SP02, to be released also, has a monochrome screen and can store 3,000 e-books.
- **MM Research Institute said shipments of smartphones in Japan will jump 190 percent on the year to 6.75 million units in fiscal 2010.** The research firm had earlier estimated domestic smartphone shipments at 4.4 million units for that year, which ends March 2011. It has upgraded the figure by roughly 50 percent because smartphone sales remain strong, with mobile phone carriers planning to release a total of nearly twenty models between year-end and next spring. Smartphone offerings will likely continue expanding in fiscal 2011. At KDDI, such phones are seen to constitute half of its new products. Domestic shipments in fiscal 2011 are forecast at 15.45 million units, 6.6 times the fiscal 2009 figure.

Semiconductors

- **Toshiba Corp. will sell a semiconductor factory to Sony Corp. and outsource some output to bigger rival Samsung Electronics Co. as it tries to improve profitability at the chip business.** Sony will acquire Toshiba's plant in Nagasaki, western Japan, which makes the Cell graphics chips used in PlayStation 3 video game consoles. Toshiba hopes to shift more production of its non-memory products to other chip manufacturers, including Samsung, cited Hiroki Yamazaki.
- **Nitto Denko Corp. will boost spending for the first time in five years as companies such as Sharp Corp. and Apple Inc. sell new tablet PCs and smartphones.** Nitto Denko spent about 75 billion yen (US\$903 million) on equipment and facilities in 2006, and will invest 36 billion yen (US\$44 million) this fiscal year. iSuppli Corp. estimated shipments of e-readers will surge at least five-fold from last year to 26.5 million units by 2014. Apple between April and September this year sold 7.46 million units of its iPad, which also has e-reader functions.
- **Smartphones will be the driving force in the Japanese cellular phone market through fiscal 2015 according to Nomura Research Institute Ltd.** Shipments will climb to 45.7 million phones in fiscal 2015, up 43 percent from the forecasted result for the current fiscal year, with smartphones making up at least 70 percent of the total. Demand for mobile phones is growing worldwide, mainly in

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emerging markets. Market growth will average 5.3 percent a year from fiscal 2010 to fiscal 2015, with global shipments reaching 1.61 billion phones in the final year. Some 14 million Apple Inc. iPads and other tablet devices will ship in 2015, the institute forecasts. The digital book content market is seen to roughly triple in size to 240 billion yen from 2010 to 2015.

Korea

Telecommunications

- **SK Telecom Co. has appointed a new chief executive officer as South Korea's largest mobile carrier struggles to keep its subscribers away from its iPhone-wielding rival.** Ha Sung-min, president of SK Telecom's network division, was appointed as the company's new CEO. He will start working in the position next year, taking over from Chung Man-won, who will become vice chairman at SK Holdings Co. The company will also appoint Seo Jin-woo as a co-chief executive if he gets shareholder approval in March. Bae Joon-dong will take over from Ha as head of SK Telecom's network business, overseeing the company's largest division. The changes came amid the top wireless operator losing ground to its archrival KT Corp.

Media, Gaming and Entertainment

- **Interpark Corp.'s ticket sales for concerts and other performances this past year shot up by 29 percent to 215.5 billion won (US\$186 million), making a notable turnaround after new flu fears and financial glooms.** The company said the market shrunk last two years due to fears of new flu and local repercussions from the U.S. economic downturn. Interpark accounts for 70 percent of South Korea's online ticket market. A strong recovery was seen in pop music concerts, whose sales jumped to 83.2 billion won (US\$72 million). The joint "One Touch" show by Kim Jang-hoon and Psy topped ticket sales, followed by concerts of idol boy group JYJ, veteran singer Lee Mun-se, rhythm and blues band Brown Eyed Soul and ballad legend Lee Seung-chul.
- **Ourgame management acquired the company's equity from shareholders Searainbow Holdings and NHN Corp for US\$50 million.** The company span off its MMORPGs as part of a restructure in which it shifted focus to card games and casual games. Searainbow had its intent to sell its stake in the company in early August.

Mobile/ Wireless

- **A subscriber tally from three local IPTV service operators including KT Corp., SK Broadband Co. shown that Internet protocol television (IPTV) has lured at least 3 million subscribers within two years of its local debut.** The service, which is similar to that of smart TVs manufactured by TV makers, including Samsung Electronics Co. and Sony Corp., gained early footing in the local market since its launch in January 2009. Service operators, which utilize their broadband service that already penetrated at least 90 percent of domestic households, offer TV channels and other content from third-party developers. They are aiming to cash in their network investment as the growth of IPTV service drives expansion of ads markets, surged subscription fees and other paid content.
- **Samsung Electronics Co. said that global sales of its Galaxy S smartphone will soon reach 10 million units, making it the world's second most popular smartphone.** Samsung has sold at least 2 million units in South Korea alone, surpassing sales of Apple's iPhone at 1.8 million. The company said that the Galaxy S is already the world's most popular smartphone using the Android operating system, and expect it to overtake the iPhone, which uses Apple's own operating system.

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Hardware

- **LG Group will spend around 70 percent of its planned KRW21 trillion (US\$18 billion) investment next year, its biggest ever in beefing up its key electronics businesses, including smart phones, tablet computers and advanced flat panels.** The move is an attempt by LG Group to engineer a quick turnaround in the underperforming cell phone business of LG Electronics, the conglomerate's flagship unit, and penetrate new growth areas in consumer electronics such as tablet computers and active-matrix organic light-emitting-diodes displays. The planned investment for 2011 is around 11.7 percent. The group will invest a KRW4.7 trillion (US\$ million) on research & development, to help boost its electronics operations. LG has lagged global peers like Apple and Samsung Electronics in offering premium smartphones.

China

Internet

- **Facebook Inc. Chief Executive Mark Zuckerberg toured the offices of China's top search engine, Baidu.com, the Associated Press cited, noting that the visit prompted speculation that the social-networking magnate was scouting business opportunities in the country.** Facebook's namesake website is blocked on the mainland, but Zuckerberg has expressed a business interest in China and has studied Mandarin. Zuckerberg had lunch with Baidu CEO Robin Li. Zuckerberg, who co-founded Facebook, was traveling with his girlfriend, Priscilla Chan, and no apparent entourage.
- **China will encourage major industries to conduct more procurement and trading via e-commerce as one of the country's strategic new industries under the 12th Five-Year Plan from 2011 to 2015.** The country will promote the development of mobile-based e-commerce, standardized electronic payment systems and encourage innovation by grassroots enterprises. The government will release a detailed plan for the sector in February next year. E-commerce turnover is expected to quadruple by 2015.
- **Baidu.com Inc. is gaining a biggest 30.1 percent share in China's online advertisement market in the third quarter, according to a report by Analysys International.** The Chinese internet consultancy firm said the second was Alibaba.com Corp. whose share rose to 9.3 percent from a 7.8 percent in the 2nd quarter of 2010. Google's share on China's online ad market, however, declined after it shut the mainland Chinese-language portal, from 10.8 percent to 8.9 percent in last quarter. Daniel Alegre, Vice President for Google Asia however said that the company's online ad sales were 679.8 million yuan (US\$ 02 million) higher.
- **Founder and CEO of VANCL.com, expected that the Chinese e-commerce industry will have a 100% revenue growth in 2011, adding that the firm will see a year-on-year revenue growth of 300% to 2 billion yuan (US\$302 million) this year.** Its sales revenue in 2009 soared 150% from 2008. VANCL.com, which principally based in Beijing in the past years, intends to expand markets out of the city in 2011. In the same year, the firm's warehouse in Shanghai will be expanded from 30,000 square meters to 100,000 sq m, said the company. According to China Knowledge's earlier report, VANCL.com, last month, completed its fifth round of fundraising for around US\$100 million, bringing its total capital value to more than US\$1 billion, to improve logistics and after-sale services and for market expansion.

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- **Chinese online business-to-consumer retailer 360buy.com said it has secured 500 million yuan (US\$75.3 million) in venture capital from six investors including Wal-Mart Stores, the world's largest retailer.** The company had previously raised US\$181 million from Tiger Global and Capital Today. Earlier this month, B2C website Dangdang.com completed its initial public offering on the New York Stock Exchange and raised US\$272 million. The company said it will use the funds to upgrade its IT infrastructure and logistics facilities as well as finance three to five acquisitions in 2011. China's online retail transaction volume in the third quarter more than doubled from a year ago to 134.2 billion yuan (US\$20.3 billion), research firm Analysys International said. Alibaba Group's B2C unit Taobao.com had over 80 percent of China's online retail market while 360buy had 14.1 percent as of the end of the third quarter according to ShanghaiDaily.com

Telecommunications

- **Huawei Technologies Co. expects its revenue from sales of mobile phones and other terminals to grow 22 percent to US\$4.5 billion this year from US\$3.7 billion last year.** Huawei also projects annual terminal revenue to grow to US\$10 billion-US\$15 billion in three to five years. Terminals include mobile phones and plug-in devices that allow a computer to go online.
- **China Mobile gained 4.62 million new subscribers in November as it reached 579.64 million.** The company's 3G users were at 18.84 million by the end of November. China Unicom added 1.12 million 3G users and 604,000 2G users in November, so its total 3G and 2G reached 12.78 million and 152.75 million, respectively. The company garnered 300,000 broadband users at 46.93 million in the month, while fixed-line users declined by 734,000 to 98.55 million. China Telecom reached 176.27 million fixed-line subscribers by the end of November, as the carrier's broadband subscriber base surged 780,000 to reach 62.69 million by the end of November. The company's mobile user base surged by 2.51 million in November to reach a total of 88.02 million, including CDMA and PHS subscribers.
- **China will continue to boost the rapid development of its telecommunications industry and construct key network infrastructure in its 12th Five-Year Program period, said an official of the department of communications development of the Ministry of Industry and Information Technology (MIIT).** China's telecommunications industry initiated 3G network construction and 3G business operations, promoted the industrialization and commercialization of TD technology, its own 3G standard, and moved further towards complete market competition. Main operating revenues of telecom business in China topped 860 billion yuan (US\$129.7 billion) in 2009, the number of phone users reached 1.061 billion, and Internet user numbers hit 384 million, accomplishing the development goals for 2006-2010. Besides this, by 2009, China had an 8.27 million km optical cable communications network, including 840,000 km of toll cables. The Chinese government issued the licenses for 3G mobile telecom business operation in January 2009, and 3G networks now cover the whole country.
- **China will likely start the commercial use of its 4G telecommunication technology in 2012, as a growing number of Chinese people use the Internet on mobile phones.** China Mobile said full-scale commercial tests of its own Time Division-Long Term Evolution (TD-LTE) will first be conducted in metropolitan areas around the Pearl and Yangtze River Deltas in 2011, aiming to be introduced across the country in 2012. Global mobile operators are tapping the 4G mobile service. Rapid development of the mobile Internet prompted worldwide telecom operators to quicken the pace of building 4G networks. China's mobile data market reached US\$20.3 billion in 2009, behind the

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U.S. with US\$44.5 billion and Japan with US\$32.5 billion. The total number of mobile subscribers in China stood at an estimated 750 million as of the end of last year.

- **Bharti Airtel Ltd. has launched an ultra-high-capacity fiber optic underground terrestrial cable system with China Telecom Corp. to connect users in India or China to other global destinations.** Bharti said this latest network will be its third international gateway for customers in India. Bharti has signed a pact with China Telecom to develop a communication network to connect users on both the companies' networks across the world.

Media, Entertainment and Gaming

- **The9 Ltd. has entered into an agreement with three investment firms to establish a US\$100 million fund to invest in mobile Internet applications.** The9 reached a non-binding memorandum of understanding to form the fund with Chengwei Ventures LLC, ChinaRock Capital Management Ltd., and China Renaissance K2 Ventures. The9 has also begun to focus on business opportunities in mobile internet, by introducing and localizing OpenFeint. The company officially launched the Chinese version of OpenFeint, which will continue to be open-source and free to developers and players, cited Chris Shen. OpenFeint allows game publishers to introduce services which enable mobile social gaming, and provide smartphone users with a space to share gaming experiences. The 18-month-old platform boasts at least 50 million registered users on both iOS and Android systems, provides access to about 3,800 mobile games and also has at least 13,000 registered developers, California-based Aurora Feint Inc, the company behind OpenFeint, reached an agreement with The9, which issued a five-year license for the Chinese company to use OpenFeint's mobile social gaming network software in China.
- **Beijing-based online game company Linekong has year-to-date revenues of nearly 200 million yuan (US\$30 million) in 2010, up 300 percent from the company's full year 2009 revenues.** Linekong's in-house developed 2D MMORPG Journey to the West contributed at least half this year's revenues, as the company's overseas game licensing segment contributed at least US\$10 million. The company has licensed its unreleased in-house developed 3D MMORPG Warrior King, to operators in Europe, North America, Thailand, Indonesia and Singapore. Linekong has also licensed its in-house developed 2D kung fu-themed MMORPG Ashes of Time to a Taiwanese operator. The company is working on new webgames.

Taiwan

Hardware

- **Hon Hai Precision Industry Co. has earmarked at least NT\$50 billion (US\$2 billion) for research and development for next year.** Hon Hai, which assembles Apple's iPhone and iPad, is the world's largest contract maker of electronic products by revenue.

Hong Kong

Media, Gaming and Entertainment

- **James Packer's Consolidated Media Holdings Ltd. (ConsMedia) has returned to online jobs website Seek Ltd after participating in the purchase of Hong Kong Jobs DB Inc.** Seek would acquire 60 percent of the online employment company with operations throughout South East Asia, for HK\$1.59 billion (US\$206.9 million). The purchase would be made through the creation of a new

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subsidiary Seek Asia, with ConsMedia, Macquarie Capital and Tiger Global coming on board as partners in the deal. ConsMedia would invest HK\$192.1 million (US\$24.6 million) for a 12.1 percent stake in Seek Asia, signaling a return to the Seek registry after offloading its 27 percent interest in August 2009 for US\$440.6 million. The purchase would be funded from existing cash reserves and result in the end of ConsMedia's share buy-back program. ConsMedia owns half of Premier Media Group, which produces the Fox Sports channels, and a quarter of pay-tv company Foxtel.

Singapore/Malaysia/Philippines/Indonesia/India

Information Technology

- **IP E-Game Ventures Inc. is acquiring 75 percent of Digital Paradise Inc., which operates a network of internet cafes nationwide, from ePLDT Inc.** The purchase of Digital Paradise will give IP E-Game Ventures access to a large network of internet cafes where it can launch, market and promote its games.

Internet

- **The behavior of Thai internet users this year has been dominated by smartphones and high-speed broadband internet access, according to a study by National Science and Technology Development Agency (NSTDA).** About 54.3 percent of the respondents accessed the internet from home and 39.8 percent from their offices. Of the total, 69.8 percent used high-speed broadband. Nearly one-third of respondents said they were unable to use broadband because it was too expensive or the broadband infrastructure did not cover their location. Four activities were popular among internet users which include 27.2 percent accessing e-mail, 26.1 percent for information and knowledge, 14.1 percent for news and 8.2 percent use internet for e-learning. Around 40.2 percent of internet users were concerned about viruses, 36.4 percent about delays in communication networks and 24.2 percent about spam mail.

Mobile/ Wireless

- **Increasing mobile broadband penetration in India can have significant benefits for the national economy, each percentage-point surge could contribute an estimated INR 162 billion (US\$3.5 billion) to India's GDP by 2015.** Delivering widespread broadband access across rural and urban areas of India will be crucial if the government is to reach its connectivity target of 100 million connections by 2014. Mobile broadband is the most scalable and cost-effective means to achieve this goal. The study was commissioned by the GSMA to understand the benefits that mobile broadband could deliver to India.

Telecommunications

- **A controversial plan to invest close to A\$41 billion (US\$40.5 billion) building a high-speed Internet network across the Pacific country will be profitable, said the government.** NBN Co. said the network could be seen to generate annual returns in the region of 7 percent balancing the capital cost of the project. The decision to move ahead with the broadband plan has proved controversial in Australia with the government's opposition arguing the plan offers poor value for customers and the capital cost required to build it across such a vast country. NBN Chief executive Mike Quigley said funding for the project will come initially from the government, which will contribute equity of A\$27.5 billion (US\$27.7 billion). A further A\$13.4 billion (US\$13.5 billion) debt will be raised from project finance or financial markets starting from the fiscal year beginning July 1, 2014, as other funds will be coming from operational earnings.

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- **India will try to allocate more radio bandwidth to telecom operators for mobile phone services, the federal telecom minister said, underlining the fact that the fast-growing sector's problems stem from a limited availability of the resource.** India's defense forces which act as a guardian of natural resources, such as radio bandwidth, in the country have been reluctant to allocate bandwidth for sale to private telecom operators. Differences between the ministries over the control of bandwidth resulted in several delays to the auction of radio bandwidth to private mobile phone operators for 3G, or 3G, mobile services. The minister's comments also come as India's federal investigating agency probes a controversial 2008 allotment of mobile phone licenses and spectrum. Investigators are scrutinizing the government's 2008 sale of mobile phone frequencies to several companies, a process that critics say favored some firms and which a government auditor says cost India up to US\$40 billion in lost revenue by pricing spectrum far below its market value.
- **Samart will join a consortium with Loxley, Nokia Siemens Networks and Huawei to bid for the TOT project for the nationwide 3G mobile broadband network on the 2.1 gigahertz spectrum.** Samart's CEO Vilailuck was also approaching Ericsson to join the consortium, which will be led by Loxley. The consortium's competitors are expected to be ZTE and Alcatel Lucent. Vilailuck said the consortium had clinched commitment for a bank loan to help it bid for the project. TOT is set to spend THB 17.44 billion (US\$576 million) on the nationwide 3G network rollout. The bid documents, which are already on sale will be available and the e-auction will be launched on 28 January 2011. The companies that have purchased the documents include Loxley, ZTE, Samart and Jasmine International.
- **CAT Telecom approved Total Access Communication PCL and TrueMove establishing new cell sites to facilitate the trial of 3G mobile services, President Jirayut Rungsrithong said.** Total Access and TrueMove provide their services under concessions granted by CAT Telecom. TrueMove could establish 1,400 additional cell sites and Total Access could set up 1,220 additional sites. CAT will in January propose to a state-backed panel responsible for reviewing telecom concession contracts that Total Access be allowed to offer 3G services commercially. The decision comes after Total Access in late November petitioned the Thai government to intervene in what it described as unfair treatment by CAT Telecom in approving the expansion of its non-commercial 3G trial service. Total Access has offered partial 3G services on a trial basis in Bangkok and key provinces for around two years, using high-speed packet access, or HSPA, technology on 850 megahertz frequency.
- **Philippine Long Distance Telephone Co. is eyeing the next-wave cities in the country to expand its business process outsourcing (BPO) business.** PLDT has accelerated expansion into the next-wave cities which the BPO industry has identified, enabling them to tap and cultivate a lower-cost operating environment and reliable communication infrastructure. PLDT senior vice president Eric R. Alberto said the next wave cities are located in Central and Western Visayas and Bicol region, which were identified by the Business Processing Association of the Philippines (BPA/P), Commission on Information and Communications Technology (CICT), and the Department of Trade and Industry as the next growth areas in outsourcing. PLDT is confident to meet the growing demands of the BPO industry after recently completing a PHP2.8-billion (US\$64 million) expansion project of its Domestic Fiber Optic Network (DFON).
- **Idea Cellular Ltd. said Nokia Siemens Networks will build and maintain its high-speed data access networks in four telecom service areas as the operator prepares to roll out its 3G mobile telephony services in India.** Idea Cellular will soon provide its subscribers with 3G services, such as faster access to Internet and better voice quality. Nokia Siemens Networks will supply equipment and

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build and manage Idea's high-speed data access networks in four circles namely Uttar Pradesh (East), Uttar Pradesh (West), Kerala and Haryana.

- **XL Axiata is expected to have revenue growth of 9-10 percent in 2011, reports the Reuters.** This year's revenue growth is estimated to be above 20 percent. The firm sees the number of subscribers to grow by 10 percent next year from at least 40 million at the end of this year and capital expenditure at US\$500 million in 2011.

Hardware

- **Carlyle Group bid on its own to acquire control of Patni Computer Systems Ltd. and didn't make an offer with Advent International Corp.** Carlyle had previously been working with Advent to acquire the 45.9 percent stake held by Patni's founding family as well as a stake held by General Atlantic LLC. Advent wanted to offer a lower price for the Indian software company. Carlyle went alone with its bid. A controlling stake in Patni would allow the winning bidder tap the recovering market for outsourced technology services, an industry that Forrester Research Inc. estimates will surge 7.6 percent to US\$253 billion next year as it rose 2.7 percent in 2010.

Media, Gaming and Entertainment

- **Cinemax India Ltd will invest INR100 crore (US\$22.1 million) and double its screens to 200 by 2013.** The company is investing INR45-50 crore (US\$10.0-11.1 million) in the next six months period to add 30 screens. The company is in the process of phased expansion via new setups and strategic acquisitions. Cinemax is one of the largest exhibition theatre chains in India, operating 33 properties with 105 screens in 18 cities. The company is targeting turnover of INR240 crore (US\$53 million) in FY11 and INR380 crore (US\$84 million) in FY12. The company has registered a turnover of INR180 crore (US\$39 million) in FY10. The company is focusing more into markets where traditionally cinema consumption has been fairly high. One of the largest owners of multiplex properties in India, Cinemax also has a strong relationship base with both Indian and foreign film distributors. The company is also looking into entering into gaming zone, which has huge potential.

Alternative Energy

- **China Mobile will invest in projects to develop Pakistan's solar-powered cell sites to overcome the nation's energy crisis, following a recent visit by Chinese Premier Wen Jiabao.** The company is focusing on developing solar-powered cell sites as part of its role in energy conservation. The telecom giant currently has the largest solar-powered telecommunication network in Pakistan under the ZONG brand. At least 150 cell sites are installed at different locations making ZONG the leading company in terms of solar cell sites. At least 150 Chinese businessmen accompanied Mr. Jiabao during his recent visit to Pakistan. Their main objective was to explore opportunities and enhance existing bilateral trade and commerce relations between the two countries. Sino-Pakistan friendship and strategic relations have earned great reverence and allegiance for Pakistan by China. After becoming the fastest growing network of Pakistan, ZONG had 500 percent growth in terms of number of cell sites during the last three years.

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United States/Canada

Media, Entertainment and Gaming

- **Viacom Inc. sold Harmonix Music Systems, maker of the “Rock Band” video game, to investment company Columbus Nova LLC a month after announcing its plan to sell the money-losing unit.** The division is being purchased by Harmonix-SBE Holdings, an affiliate of closely held Columbus Nova, Viacom said today in a statement. Founded in 2000, Columbus Nova manages at least US\$10 billion of assets through its own funds and affiliated portfolio companies. Viacom was seeking a buyer for Harmonix. It’s currently in arbitration with former owners of the “Rock Band” studio over the terms of Viacom’s 2006 purchase of the business.

Telecommunications

- **AT&T Inc.'s board authorized the telecommunications giant to repurchase up to 300 million shares of stock, about 5 percent of the number outstanding, as it raised its quarterly dividend 2.4 percent.** Many companies have sought ways to return value to shareholders recently, often in the form of dividends and share buybacks, as the need to hoard cash has waned in the improving economy. The two moves reflect the board's confidence in AT&T's cash-flow generation. The board raised the quarterly dividend a penny to 43 cents a share, which will cost the company an extra US\$59 million every time it is paid. The new share-repurchase authorization for has no expiration date. AT&T has outpaced its rival Verizon Wireless in gaining subscribers on the success of the Apple iPhone.
- **AT&T Inc. will pay US\$1.93 billion for a swath of spectrum licenses from Qualcomm Inc. as the company looks to bolster its 4G network.** 4G is expected to allow significantly faster data transmission, something high in demand as more users seek to access Internet content through their phones. AT&T lagged competitors Verizon Wireless, Sprint Nextel and MetroPCS Communications in deploying 4G, but the company sees the spectrum purchase as a way to support its expansion in 4G. Qualcomm will be shuttering FLO TV, its struggling mobile broadcast video service that used the spectrum. While the wireless-chip maker has been benefiting from its exposure to smartphones, the FLO TV business has been disappointing and has weighed on results.
- **Rovi Corp. will acquire Sonic Solutions Inc. for about US\$775 million to expand in digital entertainment services.** Sonic directors and senior management owning about 11.2 percent of the company’s equity have accepted the offer. The combined company might better help customers such as Best Buy or Blockbuster sell movies and TV shows online and compete with Netflix Inc. and Amazon.com Inc., Sonic Chief Executive Officer David Habiger said. Rovi licenses its TV guides to partners including pay-TV services, while Sonic has deals with Hollywood studios and provides streaming services so people can get movies and shows on demand.
- **EarthLink Inc. agreed to acquire privately held One Communications Corp. in a deal valued at US\$370 million, building on its efforts to move away from offering Internet services and toward a heavier focus on businesses.** The deal included payment of US\$285 million of One Communications debt. The pending acquisition follows Earthlink's US\$524 million purchase of communications company ITC DeltaCom Inc., which included about US\$325 million in debt. EarthLink also announced plans to slash its quarterly dividend by 69% to 5 cents a share. EarthLink Chairman and Chief Executive Rolla P. Huff said the deal recognizes the declining trend of One Communications' results, as the company has struggled to deal with uncertainty related to its debt covenants and pending litigation. The purchase expands EarthLink's presence in the Northeast,

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Midwest and mid-Atlantic regions. One Communications serves about 113,000 small and midsize businesses in 17 states and major markets that include Boston, New York, Philadelphia and the District of Columbia. EarthLink and AOL were among the initial Internet firms with a focus on access to the World Wide Web. But, as with AOL, EarthLink's fortunes have taken a downturn in recent years as subscribers moved elsewhere. The company remains partly in the slower dial-up business, which makes up some 10% of revenue.

Internet

- **Groupon's board has authorized the company to raise up to US\$950 million in what would be the biggest round of equity financing since Pixar sought some \$500 million in 1995, the venture capital data firm VC Experts said.** The online discount coupon company, which specializes in local advertising, is seeking the funding after reports last month that it was in talks to sell itself to Google for up to US\$6 billion, in what would have been the web advertising giant's biggest ever acquisition. Groupon made its intentions known in an restated certificate of incorporation that it filed with the State of Delaware on Dec. 17, according to Justin Byers, head of business intelligence for VC Experts. Officials with Groupon could not immediately be reached for comment. LivingSocial, with a US\$1 billion valuation, is the second-largest coupon site. BuyWithMe, the third- or fourth-biggest player in the space with US\$20 million in revenue, may also be on Google's short list.

Hardware

- **Apple expects sales of the newest version of its Apple TV device to top 1 million.** Apple cited that users were now renting and buying at least 400,000 TV episodes and at least 150,000 movies a day. Apple announced the revamped version of Apple TV in September, discounting the product to US\$99 from the first iteration of the box, which cost US\$229. The device allows users to watch rented content online through a television. It also can stream content from YouTube and Netflix Inc. A hoard of consumers have shifted their viewing habits more toward watching television and movies online as more television shows and movies become available to watch in that format and cable prices remain high amid a downtrodden economy.

Europe

Mobile/ Wireless

- **Providence Equity Partners has ended an auction process to sell Phones4U, the U.K. high street mobile phone retailer.** The U.S.-based buyout firm had concluded that the best value was to be realized through its continued ownership of the chain. Providence, which acquired the business in 2006 from founder John Caudwell, hired Deutsche Bank to launch an auction in September. As part of that earlier transaction, Caudwell sold the distribution and logistics arm of the business to Doughty Hanson in a deal worth GBP1.46 billion (US\$2.2 billion). Early bidders for Phones4U included Blackstone Group and Advent International.

Telecommunications

- **Vodacom Group Ltd. will explore options for its Congo operation, where it is caught up in a dispute with the minority shareholder.** Vodacom and Congolese Wireless Network SPRL will appoint NM Rothschild & Sons to look at options for the business. Vodacom Congo, which began operations in 2002, is 51 percent owned by Vodacom and the remainder by CWN. Vodacom in January said it couldn't justify further investment in the business while its relationship with CWN

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remained dysfunctional, and that it would defend a threatened legal action by CWN to force Vodacom to invest further in the Congo operation.

- **Vodafone Group Plc replaced the chief executive officer of its Spanish unit as the company tries to turn around the business in one of its worst-performing European markets..** First-half service revenue at the Spanish unit, excluding currency swings and acquisitions, declined 7.1 percent while declining 1.3 percent in Europe as a whole. European service revenue accounted for about two-thirds of total sales last year. Faced with unemployment at almost 20 percent in Spain and the deepest government budget cuts in three decades, Vodafone's local unit has struggled to attract customers to higher-priced smartphones.

Media, Gaming and Entertainment

- **The European Commission approved News Corp.'s GBP7.8 billion (US\$12 billion) bid to acquire the remaining 60.9 percent of pay-television broadcaster British Sky Broadcasting Group Plc.** A final decision will be made by the U.K. government after the review. The commission in a surprise move decided not to ask News Corp. to sell assets. It had extended a deadline to clear the deal earlier this month as it had an asset-sale plan from News Corp. to ease potential competition concerns that the commission might have.

South Africa/Middle East/Latin America

Mobile/ Wireless

- **Brazil mobile phone subscriptions surged to 197.53 million in November, up 1.59 percent from October, according to figures released by Anatel.** New subscriptions totaled 3.09 million in November, compared with 2.96 million additions in October. Vivo Participacoes SA maintained market leadership in November, with a 29.8 percent share of subscriptions, compared with 30.03 percent in October. Spain's Telefonica SA recently will acquire Portugal Telecom SGPS SA's controlling share in Vivo. Claro was in the No. 2 position in November with a 25.55 percent market share, down slightly from 25.58 percent in the previous month. TIM Participacoes SA was in third place with 24.91 percent. TIM is the local unit of Telecom Italia SpA. In fourth-place, mobile-phone operator Oi registered a share of 19.38 percent in November, from 19.35 percent the previous month.

Telecommunications

- **Etisalat Egypt generated a 7.2 billion Egyptian-pound (US\$1.2 billion) syndicated loan to finance infrastructure expansion.** The banks will provide 76 percent of the long-term financing in Egyptian pounds and the rest in dollars. Emirates Telecommunications planned to invest 8 billion pounds (US\$ million) to expand the network of its Egyptian unit over the next three years. Egypt's mobile-phone market will surge to 74.9 million subscribers by year-end.

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Other Economic Data

Currency Exchange Rates

Currency	Units	Current Rate (on 12/24/10)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 1/1/2010	% Change 1/1/2009
Japanese yen	¥/US\$	82.8600	-1.3%	-0.4%	-10.8%	-10.1%
Hong Kong dollar	HK\$/ US\$	7.7814	0.1%	0.3%	0.4%	0.4%
Chinese renmenbi	RMB/ US\$	6.6270	-0.4%	-0.2%	-2.9%	-2.9%
Singapore dollar	S\$/ US\$	1.2990	-1.1%	-1.1%	-7.6%	-11.1%
South Korean won	KRW/ US\$	1,150.7000	-0.4%	-1.0%	-1.1%	-12.6%
New Taiwan dollar	NT\$/ US\$	29.6000	-1.0%	-3.0%	-7.4%	-9.7%
Australian dollar	US\$/A\$	1.0034	1.6%	3.2%	11.8%	41.3%
New Zealand dollar	US\$/NZ\$	0.7483	1.7%	-1.4%	3.3%	27.9%
Philippine peso	PHP/ US\$	44.0250	-0.5%	-0.5%	-5.2%	-6.7%
Euro	US\$/€	1.3115	-0.5%	-1.9%	-8.4%	-5.5%
British pound	US\$/£	1.5441	-0.6%	-2.1%	-4.4%	6.3%

Fixed Income Prices and Yields

Note	Currency	Current (on 12/24/10)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	96.38	4.47%	96.86	4.49%	100.95	4.19%
Japan 30-year	¥	98.93	2.06%	97.83	2.11%	98.36	2.09%
Hong Kong 10-year	HK\$	94.53	2.98%	94.27	3.14%	99.85	2.43%
China (06/16)	US\$	105.32	3.60%	105.35	3.64%	104.94	3.69%
Singapore 10-year	S\$	105.05	2.66%	105.00	2.68%	109.78	2.14%
South Korea 20-year	KRW	11,061.54	4.67%	10,985.37	4.78%	11,236.57	4.71%
Australia 15-year	A\$	100.28	5.72%	100.81	5.65%	101.56	5.56%
New Zealand (12/17)	NZ\$	100.84	5.87%	100.65	5.99%	101.91	5.73%
Philippines 20-year	PHP	141.90	8.17%	141.38	8.38%	146.40	7.84%
India 30-year	INR	98.42	8.45%	98.54	8.61%	98.35	8.45%
UK 30-year	£	99.54	4.28%	98.05	4.42%	100.22	4.23%
Germany 30-year	€	123.44	3.46%	122.03	3.49%	131.73	3.12%

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