



IRG Technology, Media and Telecommunications Weekly Market Review

Week of 7 February 2011 - 13 February 2011

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Equity Market Indicators					
Index	Closing Level (2/11/2011)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 12/31/2010	% Change 12/31/2009
S&P 500	1,329.15	1.4%	4.7%	5.7%	19.2%
Dow Jones Industrial Avg.	12,273.26	1.5%	5.5%	6.0%	17.7%
Dow Jones Tech. Index	476.19	-0.4%	3.9%	5.7%	18.3%
Dow Jones Telecom. Index	240.70	-0.1%	3.6%	2.6%	9.7%
NASDAQ Composite	2,809.44	1.4%	3.8%	5.9%	23.8%
Japan Nikkei 225	10,605.65	0.6%	0.6%	3.7%	0.6%
JASDAQ	54.92	1.4%	4.5%	5.0%	13.6%
Japan Mothers	485.10	2.7%	7.9%	11.9%	16.5%
Korea KOSPI Composite	1,977.19	-4.6%	-5.0%	-3.6%	17.5%
Korea Kosdaq	517.73	-1.3%	-3.0%	1.4%	0.8%
Taiwan Stock Exchange	8,609.86	-5.9%	-2.4%	-4.0%	5.2%
Singapore Strait Times	3,687.52	-2.8%	-7.9%	-5.6%	23.3%
Hong Kong Hang Seng	22,828.92	-4.5%	-3.0%	-0.9%	4.4%
Hong Kong GEM	742.45	-3.6%	-8.3%	-8.4%	9.7%
China Shanghai (A-Share)	2,960.31	1.0%	1.3%	0.7%	-13.9%
China Shenzhen (A-Share)	1,290.96	3.1%	-2.0%	-4.5%	2.4%
China Shanghai (B-Share)	308.11	0.5%	0.6%	1.2%	22.1%
China Shenzhen (B-Share)	824.99	-0.6%	0.7%	0.0%	31.8%

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Technology, Media, and Telecommunications Market Activity						
NASDAQ/NYSE TMT IPO Filings						
Filing Date	Issuer	Industry Sector	Size (US\$MM)	Description	Book-Runner	Co-Manager
2/8/11	Gevo [NASDAQ: GEVO]	Petroleum	108.0	Makes biobased alternatives to petroleum-based chemicals and fuels.	UBS Investment Bank / Piper Jaffray / Citi	NA
2/10/11	Kips Bay Medical [NASDAQ: KIPS]	Health	16.8	Offers vein support technology used in coronary artery bypass surgery	Rodman & Renshaw / Newbridge Securities	Caris & Company
2/10/11	Pandora Media Inc.	Internet	100.0	Internet radio	Morgan Stanley / JPMorgan Chase / William Blair / Stifel Nicolaus Weisel	NA

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 IPO Filings						
Filing Date	Issuer	Industry Sector	Size (US\$MM)	Description	Book-Runner	Co-Manager
N/A						

Asian Equity Markets: TMT 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 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

- **Demand for global mobile data bandwidth soared 73 percent in the back half of 2010 fueling a near 200 percent surge in usage over the course of the year, Allot Communications cited.** The network optimization firm's latest report into the state of the market shows that overall demand grew 190 percent in 2010, with the bulk of the growth fueled by use of video streaming services, which grew 94 percent in the July to December period alone. That growth left video at the top of the pile of mobile broadband applications with a 37 percent share of the total market during 2H10, ahead of file sharing on 30 percent, web browsing (26 percent), and VoIP and instant messaging (4 percent).

Hardware

- **According to iSuppli, global shipments of tablet computers are expected to surge to 242.3 million units in 2015, a twelve-fold improvement from the researcher's finalized 2010 figure, as demand skyrockets for a once sleepy niche of the mobile personal computer market.** Media tablet shipments are forecast to surge to at least 202 million units in 2015. Shipments of PC-type tablets, or tablets that have full PC functionality through a PC operating system, will jump to 39.3 million units from 2.3 million over the same period. The tablet market's expansion would be driven over three waves of growth. Alexander said the first wave was created by the arrival of Apple Inc.'s iPad and the ensuing tsunami of demand for the device. Apple sold 7.3 million iPads in its fiscal first quarter, a figure that impressed analysts. The second wave will be propelled by a number of iPad competitors, particularly Google Inc.'s Android-based models. The third wave will consist of a flood of models based on Microsoft Corp.'s Windows operating system, which will expand the reach of tablets into traditional computer markets, Alexander said. The iPad will lead annual tablet shipments through 2012, it believes the company will lose some market share to rivals.

Semiconductor

- **The memory-chip industry will keep a lid on capital expenditures this year, helping avoid a repeat of the production glut that plagued the industry until 2010, Micron Technology Inc. Chief Executive Officer Steve Appleton said.** Spending on new machinery used to make dynamic random access memory chips will fall in 2011, Appleton predicted. That will reduce the risk of excess supply. Demand remains strong for flash memory, which goes into phones and tablets such as Apple Inc.'s iPad. Micron, the only remaining U.S. producer of computer memory, is trying to stave off the imbalance suffered between 2007 and 2009. Chip prices declined below the cost of production, leading to billions of dollars in red ink at Micron. Similar losses at Taiwanese rivals have left them unwilling or unable to surge production again.

Japan

Mobile/ Wireless

- **Domestic shipments of cellular phones and PHS (personal handyphone system) handsets in Japan grew 6.3 percent to 33.27 million units in 2010, the first uptick in three years.** Shipments are still off 36 percent from the 2003 peak, according to Japan Electronics and Information

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Technology Industries Association data released. But the downward trend in cell phone shipments, ongoing since 2008, has come to a halt. A key factor behind this is surging demand for smartphones. Yet shipments of conventional cell phones are sagging amid the popularity of smartphones. Japan's smartphone market is dominated by popular overseas models, such as Apple Inc.'s iPhone and Samsung Electronics Co.'s Galaxy S. Sharp Corp. and Fujitsu Toshiba Mobile Communications Ltd. aim to claw back lost ground with smartphones featuring e-money and other functions.

- **Japan ended January with a total of 117.58 million mobile users, after the operators jointly added 523,100 new customers in the month.** Softbank again led in subscriber additions as it gained 240,600 new customers, bringing its total customer base to 24.64 million, figures from the Telecommunications Carrier Association (TCA) show. NTT Docomo added 134,000 new customers in January to reach a total of 57.34 million and Emobile gained 81,500 new subscribers in the month to bring its total to 3 million subscribers. KDDI attracted 67,000 new customers and ended January with 32.59 million subscribers in total. Furthermore, UQ Communications gained 75,900 new customers in the month to bring its total to 600,300. Willcom shed 400 customers, which brings the company's total to 3.647 million.

Telecommunications

- **Softbank has recently raised its profit forecast by 20 percent on the back of iPhone demand.** The company had surged ARPU to 4,310 yen (US\$52) in the 9 months ending in December, due to increased data traffic from iPhone users. Softbank had added 925,700 mobile subscribers in the December quarter, a large surge over rival Docomo which gained 315,400 customers over the same period. Similarly, Korea Telecom had US\$94.3 million in profit for Q4 last year, on the back of brisk iPhone sales. Softbank and Korea Telecom could be viewed as classic examples of how the iPhone has helped surge an operator's bottom line.
- **eAccess grew its consolidated nine-month revenues 109 percent to 131.87 billion yen (US\$1.6 billion) driven by its mobile unit Emobile.** The mobile business generated revenues of 105.32 billion yen (US\$1.3 billion), the network business had revenues of 30.50 billion yen (US\$365 million), and the device business generated revenues of 4.32 billion yen (US\$52 million). The company had a net income of 4.77 billion yen (US\$57 million) with EBITDA of 40.32 billion yen (US\$483 million). Emobile had a net income of 640 million yen (US\$7.7 million) versus a loss of 13.47 billion yen (US\$161 million). The company ended the period with 4.95 million customers, comprising 2.02 million ADSL subscribers and 2.92 million mobile subscribers.
- **NTT had flat operating revenues for the nine months ended 31 December 2010 while net income surged almost 10 percent.** Operating revenues were 7.54 trillion yen (US\$90 billion), up 0.2 percent. Operating income surged 12.4 percent to 1.07 trillion yen (US\$13 billion) as operating expenses declined 1.5 percent in the period. NTT had a net income of JPY 458.3 billion yen (US\$6 billion). For the full year, NTT generated revenues of 10.14 trillion yen (US\$122 billion), an operating income of 1.18 trillion yen (US\$14 billion), and a net income of 500 billion yen (US\$6 billion). NTT added 484,000 customers for its fiber optic service called Flets Hikari in the three month-period, to bring its total to 14.72 million. The company also had 11.64 million Hikari Denwa customers, after it added 537,000 new customers in the quarter to the optical IP telephone service.

Internet

- **Internet Initiative Japan (IIJ) saw its net income surge as revenues grew 18 percent in the nine months ended 31 December 2010.** Revenues went up 18 percent to 56.80 billion yen (US\$681

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million), while operating income was 2.43 billion yen (US\$29 million). Net income attributable to IJ was 2 billion yen (US\$24 million). Revenues are forecast to come in at 84.50 billion yen (US\$1.01 Billion), operating income at 4.80 billion yen (US\$58 million), and net income at 3 billion yen (US\$36 million).

Korea

Telecommunications

- **KT Corp. reached a deal to acquire 20 percent of BC Card from Woori Bank as part of efforts to surge its telecom-finance convergence business.** The deal includes an option allowing Woori Bank, a unit of Woori Finance Holdings Co., to buy back part of the 20 percent stake if KT ventures into the credit card business on its own in the future. KT is also in talks to acquire additional stakes in BC Card held by private equity fund Vogo Fund, Shinhan Card and Busan Bank. A Woori Bank spokesman also said the deal with KT is virtually done and the deal will likely be approved at its board meeting.
- **South Korea has been named the top country by government planning on broadband development in a new comparison of 16 nations' approaches.** The Economist Intelligence Unit (EIU) has published its first-ever Government Broadband Index, which aims rank 16 countries based on government approaches to broadband, not penetration or speed. Each country was ranked based on their respective plans' target speeds, rollout timeframes and associated cost and regulatory initiatives. South Korea achieved the highest score with 4.4 percent, followed closely behind by Japan and Singapore. Australia, despite having the most high-profile broadband plan in its NBN project, ranks only 9th on the list, just above neighboring New Zealand. The report says Australia was given this ranking because its plan will see the government spend 7.6 percent of annual government budgets on the rollout. South Korea will spend less than 1 percent of its budgets on its own plan, and intends to fill the gap by encouraging private sector investments.

Internet

- **According to the Bank of Korea, the use of Internet banking in South Korea surged 27 percent last year from a year earlier as more people conducted financial transactions online for convenience.** Online banking transactions reached 33.7 million per day on average in 2010. The data is based on users checking financial records, transferring funds or taking out loans via the Internet. The total value of Internet banking transactions came to 29.7 trillion won (US\$26.9 billion) per day, up 16.6 percent from the previous year, it added. The number of Internet banking subscribers registered with 19 local financial firms climbed 12.6 percent on-year to 66.7 million as of the end of last year. The majority of transactions were conducted via computers, but the weight of mobile banking, or banking services accessed via wireless handsets, has been on the surge. Transactions based on mobile banking accounted for 8.4 percent out of the use of Internet banking, up from 6.5 percent in 2009.
- **Enswers Inc. will acquire a Silicon Valley-based online company, Soompi Media LLC, to create a U.S.-based Web portal for Korean pop culture and news.** Enswers will introduce this month a revamped service of Soompi.com powered by its own video search technology in a bid to bring Korean dramas, music, movies and news to audiences outside the country. Soompi is among the largest online Korean pop culture communities in English that gained ground on the back of "Hallyu," or the Korean Wave, drawing about 5 million monthly visitors from some 150 countries around the world. The Korean Wave was fueled by the huge popularity of Korean soap operas, pop music and

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movies in Asian countries, but local online companies' efforts to deliver content to global audiences were hamstrung by South Korea's Internet regulations that required visitors to identify their real name and residential numbers.

China

Mobile/Wireless

- **China's mobile phone user base grew to 859 million in 2010, adding by 111.79 million since 2009, while its fixed-line users decreased 19.35 million annually to 294.38 million, the Ministry of Industry and Information Technology (MIIT) said.** The country's broadband users hit 126.34 million by the end of 2010, up by 22.36 million since last year. The country's telecommunications revenues reached 958.05 billion yuan (US\$145.3 billion) in 2010, up 7.65 percent year-on-year.

Telecommunications

- **ZTE Corp. will surge its investment in hedging products such as forwards this year to counter pressures from a rising yuan and fluctuations in other currencies' exchange rates, ZTE Chief Financial Officer Wei Zaisheng said.** The remarks come as Chinese exporters face increasing margin pressures from a rising yuan and as economists see the Chinese currency to continue appreciating. China's focus on tamping down inflation could lead to a faster yuan surge, which will place pressure on ZTE's prices overseas. ZTE's hedging last year totaled 40 percent of its non-yuan revenue and this year it will expand that proportion slightly. Revenue in foreign currencies accounted for roughly half of ZTE's total revenue last year, and that proportion is likely to stay about the same or surge this year. ZTE estimates its 2010 operating revenue surged 17 percent to CNY70.33 billion (US\$10.7 billion). The company will issue audited figures in March.

Media, Entertainment and Gaming

- **A former Tencent Interactive Entertainment top executive has joined The9, the latter company's Vice President Shen Guoding said.** Qian Geng will serve as The9's Vice GM of mobile internet application planning and development. Prior to the appointment, The9 recruited several senior executives with mobile internet-related experience from companies including Tencent and NetEase, Shen said. The9 said that it is developing a new MMORPG using 3D game engine provider Trinigy's Vision Game engine.

Hardware

- **Lenovo has seen its mobile app store clock up 3.3 million downloads since the store opened in September last year.** The app store averages 25,000 download a day. The downloads have been surged by Lenovo's smartphone, LePhone. Lenovo currently offers 1,852 apps for download.

Taiwan

Telecommunications

- **Taiwan ended the second quarter of last year with 27.17 million mobile communications subscribers, representing a penetration rate of 117.4 percent.** Of the total, 17.31 million are 3G subscribers, 1.01 million are PHS subscribers, and 8.85 million are 2G mobile subscribers. The number of 3G subscribers accounts for 63 percent of the total mobile customer base and is up 4.4 percent.

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- **Chunghwa Telecom is targeting revenues for this year of NT\$200 billion (US\$6.8 billion).** Furthermore, long-term revenues from non-voice services are targeted at 50 percent, Chunghwa's chairman Lu said.

Media, Entertainment and Gaming

- **HTC Corp. will acquire Saffron Digital and will invest a stake in U.S.-based on-demand games company Onlive Inc. in the latest push by the Taiwanese company to expand through acquisitions to grow in the lucrative but competitive smartphone market.** HTC has been ramping up its investments in mobile technology and beefing up its content and applications business to expand its presence in the fast-growing smartphone segment in its bid to keep up with rival Apple Inc. The ability to deliver optimized content in the future will be a key asset as content becomes more and more complex and localized, HTC Chief Executive Peter Chou said. The company's US\$40 million stake investment in Onlive will strengthen its gaming capabilities and help HTC tap into increasing demand for games on smartphones. HTC will acquire 5.3 million Onlive shares at US\$7.50 each. The company acquired Saffron Digital for 30.15 million pounds (US\$48.3 million). HTC said Saffron Digital will continue to provide media and content services to device manufacturers, network operators and content providers in 26 countries. Saffron Digital's clients include Nokia Corp., Sony Ericsson, LG Electronics Inc. and Samsung Electronics Co.

Hong Kong

Telecommunications

- **CSL's net income in first half ended 31 December grow by 24.3 percent, including 7 percent growth in service revenues and 110 percent growth in hardware revenues.** Total income was HK\$3.12 billion (US\$400 million) versus HK\$2.51 billion (US\$322 million) in the year-ago period. Operating expenses excluding depreciation and amortization grew by 45.7 percent as a result of higher handset related costs associated with surged smartphone penetration and the expansion of the customer base, as well as a one off adjustment due to a favorable dispute settlement included in the prior corresponding half that resulted in a lower expense base. EBITDA declined 26 percent to HK\$556 million (US\$71 million) due to the one off adjustment mentioned above but is expected to return to growth in the second half of this financial year. Capital expenditure decreased by 42.2 percent to HK\$155 million (US\$20 million) as a result of the completion of the network improvement project.

Singapore/Malaysia/Philippines/Indonesia/India

Mobile/ Wireless

- **Younger and less affluent users have pushed mobile phone penetration in Indonesia to almost triple what it was five years ago, according to a Nielsen survey.** Out of 15,000 respondents from nine large cities, 54 percent said they owned a mobile phone, a 34 percent surge from a similar survey in 2005. In contrast, only 11 percent of respondents said they owned a landline phone, down from 25 percent in 2005. Viraj Juthani, director of the telecom practice group at Nielsen, said landline phones never took off before being overtaken by mobile phones. Telecommunications generally develops from not being connected at all to having landline connections, then to cellular phones. In Indonesia, unconnected consumers went directly to mobile phones. Respondents came from Jakarta and the surrounding area, Bandung, Surabaya, Semarang, Yogyakarta, Medan, Palembang, Makassar and

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Denpasar. The revenue that operators make is going down, pointing to surged competition among 11 telecommunications operators in Indonesia

Telecommunications

- **PT XL Axiata will prepay debts totaling Rp2 trillion (US\$224 million) this year to reduce interest payment burden.** Prepayments will be made with internal cash. Debts maturing this year are owed to Export Credit Agency (ECA) and state lender Bank Mandiri. XL had a 69 percent surge in net profit to Rp2.9 trillion (US\$64 billion) year-in-year with income surging 27.35 percent to Rp17.64 trillion (US\$387 billion). The number of its subscribers surged from 31.4 million to 40.4 million in 2020.
- **PT Mobile-8 Telecom will procure up to 2,000 new units of base transceiver station this year to cost at least Rp2 trillion (US\$222 million).** Mobile-8 will use the remaining fund it raised through recent rights issue to finance the procurement of the new BTS, company's president Merza Fachys said. With the additional units, the company, which raised Rp3.7 trillion (US\$81 billion) from the rights issue, will have around 3,500 units of BTS this year. After the acquisition recently by the Sinar Mas Group, the company is more aggressive in expanding operations. The company will expand networks to Sumatra, Kalimantan and Sulawesi to double income.
- **Indian regulator Trai has recommended the Department of Telecom (DoT) fix the price for 6.2 MHz of pan-India start-up 2G spectrum at INR 109.72 billion (US\$2.4 billion), which is six times more than the current cost of INR 16.58 billion (US\$363 million).** Trai also recommended that every MHz of additional spectrum beyond the contracted limit of 6.2 MHz cost INR 45.71 billion (US\$1 billion). A majority of the mobile operators, including Vodafone Essar, Idea, Bharti Airtel and state-owned firms MTNL and BSNL, hold spectrum beyond 6.2 MHz. Trai Chairman J S Sarma told PTI news agency that the regulator has submitted its recommendations to the DoT on the revised norms for 2G spectrum pricing. As per the recommendations, the spectrum prices for up to 6.2 MHz and beyond differ from circle to circle.
- **Mahanagar Telephone Nigam Ltd. had its net loss for the third quarter narrowed to INR6.71 billion (US\$147 million).** Total sales for the October-December quarter surged 3 percent to INR10.68 billion (US\$235 million). The company, which provides telephony services in Mumbai and New Delhi, said total costs declined about 30 percent to INR12.46 billion (US\$273 million). MTNL amortized INR15.77 billion (US\$346 million) for the fee it paid for the bandwidth to offer 3G telephony and wireless broadband services. It had paid a total of INR110.98 billion (US\$2.4 billion) as 3G and wireless broadband bandwidth charges to the government last year.
- **India's telecom regulator said about 1.71 million cell phone users opted to change their service provider through the newly launched mobile number portability service, with analysts fearing it could further intensify competition and drag prices even lower.** Mobile number portability, or MNP, lets cell phone users change their service provider while retaining their number. The service was introduced in the northern Indian state of Haryana on Nov. 25 and was extended across the country from Jan. 20. The launch of MNP might prompt operators to further reduce call tariffs already among the lowest in the world to gain users from rivals or retain existing ones. This might spur consolidation in the industry as new players--already reeling under the effects of low prices may struggle to survive after MNP. Vodafone-Essar, Unitech Wireless Ltd. and Idea Cellular Ltd., don't see the new service to be a game-changer in an already competitive market, where between 12-14 operators provide cell phone services in most of the 22 service areas.

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- **Reliance Communications Ltd. will have a sixth consecutive drop in profit as user revenue drops.** Net income may fall 66 percent to 3.7 billion rupees (US\$81 million) in the third quarter. India's most indebted telecom company announces earnings Feb. 14. Reviving profit growth is important to convince investors that the flagship company of billionaire Anil Ambani's business group will be able to pare down debt after will sell equity and a mobile-phone transmission tower unit last year didn't go through, analysts said. Ambani's companies lost a combined US\$2.6 billion in market value on Feb. 9 after the group said vicious and illegal rumors sparked a sell off. The operator will cut investment in capacity expansion as it aims to become debt free in three years, Ambani said.
- **ITI Ltd. expects to receive INR1.80 billion (US\$24 million) in aid from the government by March to finance projects as the company seeks to turn around its weak financial health and stem losses.** ITI, once India's sole telecom equipment maker, has been posting losses over the past seven years after global players such as China's Huawei Technologies Co. and France's Alcatel-Lucent captured the market with the latest technology and low-cost products. ITI's weak financial health had prompted the government to take several measures to revive the company. ITI received INR28.20 billion (US\$619 million) from the government to wipe off its debt. Beyond the INR1.80 billion (US\$39 million) in aid, the company also sees the Indian government to make a final decision on a INR3.50 billion (US\$77 million) aid package to upgrade its plant infrastructure by March, K.L. Dhingra said.
- **Total Access Communication PCL's 2010 net profit jumped 65 percent to a record high, driven by sales of smartphones and effective cost controls.** Net profit for the full year was THB10.89 billion (US\$354 million). A Dow Jones Newswires poll of seven analysts forecast net profit at THB10.55 billion (US\$342 million). Revenue surged 10 percent to THB72.4 billion (US\$2.3 billion) due to growth in non-voice revenue and sales of smartphones, while operating costs surged 5.6 percent to THB37.2 billion (US\$1.2 billion). The company set a capital expenditure budget for this year at THB6.0 billion (US\$194 million) to THB7.0 billion (US\$227 million), which it will use to expand and upgrade its network. It also set an operating free cash flow target of approximately THB17.0 billion (US\$551 million). In 2010, the company generated THB21.5 billion (US\$698 million) of operating free cash flow, substantially higher than the original target of THB17.0 billion (US\$552 million). The company had its earnings this year will be pressured by having to pay the normal corporate income tax rate of 30 percent rather than the 25 percent it has been paying as a tax privilege for listing on the local bourse.
- **Smartphone sales and data usage, along with Thailand's ongoing economic recovery, helped Advanced Info Service had a 20.5 percent surge in 2010 net profit.** The company had net profit of THB20.55 billion (US\$66.7 million) for the year to Dec. 31. Full year sales and services revenue climbed to THB111.28 billion (US\$3.6 billion) while the cost of sales and services edged up to THB68.70 billion (US\$2.2 billion). Voice revenue is seen to be flat amid benign competition while mobile penetration has already reached 100 percent of the population. Net subscriber additions this year are seen at two to three million subscribers for the whole industry.
- **DTAC ended the fourth quarter with 21.62 million subscribers, after adding 700,000 new customers in the quarter.** Blended ARPU (including interconnection) stood at THB 271 (US\$8.8). The rate of decline in ARPU slowed during the year due to the economic recovery and surged VAS usage. The year-on-year decline was also caused by the strong expansion of the subscriber base. DTAC had revenues for the quarter of THB 18.93 billion (US\$615 million). Revenue from voice services accounted for 75.8 percent of total service revenues (excluding IC). VAS revenue grew 24.5

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percent from increasing usage of mobile internet and higher SMS and MMS usage during the New Year's holiday. For Q4, revenue from VAS represented 15 percent of service revenues excluding IC.

- **Total Access Communication PCL outlined will de-list from the Singapore Stock Exchange and flagged a slowdown in revenue growth for 2011 in line with higher taxes and concession fees.** As a first step toward removing its shares from the Singapore bourse, the board of Total Access this week approved a plan to change its listing status in Singapore to secondary from primary. The company will delist from the Singapore stock exchange in three years, Chief Financial Officer Vanna Pornsinsiriruk said. Total Access listed on the Singapore bourse in 1995, and became a listed company in Thailand in 2007. Under its financial restructuring plan, the company is looking at various alternatives including loans, project financing, bond issuance, other financial instruments, or a higher dividend payout. She said the company currently has THB12.6 billion (US\$410.22 million) of cash in hand.
- **Singapore Telecommunications Ltd. said its mobile subscriber base expanded 34 percent to 383 million users in 2010.** SingTel had 368 million mobile phone users at the end of September 2010 and 285 million as of December 2009. The subscriber base of its Indian associate Bharti Airtel Ltd. surged 6 percent in 2010 to 199.6 million users across its operations in 19 countries including India, Bangladesh, Sri Lanka and across Africa. Bharti's mobile customer base surged 28 percent to 152 million users in 2010, while that in Africa surged 5 percent. SingTel's Indonesian associate PT Telkomsel added 15 percent more customers, taking its mobile customer base to 94 million. SingTel holds significant stakes in six foreign mobile operators: Bharti Airtel, PT Telkomsel, Thailand's Advanced Info Service PCL, Pakistan's Warid Telecom, the Philippines' Globe Telecom and Pacific Bangladesh Telecom.
- **Nera Telecommunications' revenues for full year 2010 declined 9.3 percent to S\$155.8 million (US\$121 million).** Telecom revenues declined 48 percent to S\$48.1 million (US\$37.5 million), while Infocomm revenues grew 35.9 percent to S\$107.8 million (US\$84 million). Net profit grew slightly to S\$10.9 million (US\$8.5 million). Cash and cash equivalents amounted to S\$40 million (US\$31 million) at the period.
- **StarHub Ltd. said fourth-quarter net profit surged 8.4 percent from the same period a year ago due to higher contributions from its mobile and fixed network services.** Net profit for the quarter ended Dec. 31 was S\$80.4 million (US\$63 million). Operating revenue for the period surged 1.6 percent on year to S\$559 million (US\$435 million) and operating expenses surged 0.3 percent to S\$462.3 million (US\$360 million). StarHub said 2011 operating revenue growth is seen to be in a single digit range and it sees to maintain a cash dividend payout of 5 Singapore cents per share per quarter in view of projected profitability and cash flow in 2011.
- **Globe Telecom Inc. had its net profit in the fourth quarter dropped 16 percent from a year earlier as operating costs surged due to stiff competition and revenue growth slowed while it will maintain its level of capital expenditure this year.** Globe's net profit declined to PHP2.30 billion (US\$52.7 million) in the October-December quarter. Revenue surged 4.3 percent to PHP16.21 billion (US\$370 million) while operating expenses jumped 20 percent to PHP7.99 billion (US\$182 million). For 2011, Globe is planning a capital expenditure of US\$500 million, similar to that budgeted last year, in addition to using the unexpended portion of the 2010 budget, which is about PHP2 billion (US\$46 million). For the whole of 2010, Globe had a net profit of PHP9.75 billion (US\$223 million). Revenue declined 1 percent to PHP62.03 billion (US\$1.4 billion) while operating expenses surged 12 percent to PHP29.02 billion (US\$662 million).

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- **Globe Telecom has signed a PHP 7 billion (US\$160 million), seven-year loan facility with BDO Unibank.** The funds will be used for capital expenditure requirements for this year and prepay existing debts. The BDO loan is the first loan facility signed by Globe Telecom this year.
- **Telecom Corp. of New Zealand's first-half profit declined 32 percent to NZ\$165 million (US\$126 million) amid falling prices and rising costs.** Earnings included an NZ\$18 million (US\$13.7 million) gain from the sale of the consumer unit of its Australian subsidiary AAPT Ltd. and NZ\$39 million (US\$29.6 million) of dividends from Southern Cross Cables. Full-year net income is likely to be between NZ\$330 million (US\$251 million) and NZ\$370 million (US\$281 million), matching earlier forecasts. Forecast full-year operating EBITDA are unchanged at NZ\$1.72 billion (US\$1.3 billion) to NZ\$1.78 billion (US\$1.3 billion). Operating earnings declined 0.2 percent to NZ\$870 million (US\$661 million) in the half year as sales declined 3.3 percent to NZ\$2.58 billion (US\$2 billion).
- **Australia's plan to build a high-speed Internet network across the country will cost taxpayers 24 times at least South Korea's broadband plan but deliver services at one tenth the speed, according to a report by the Economist Intelligence Unit released.** Australia's minority Labor government, led by Prime Minister Julia Gillard, will build a 41 billion Australian dollar (US\$40.47 billion) fiber network to deliver high speed broadband to homes across the vast nation. The rollout would mark the costliest infrastructure project in the country's history and has been criticized by the opposition National-Liberal coalition for being too expensive and not relying heavily enough on private sector funding. Australia's plan to spend 7.6 percent of annual budget revenues on its National Broadband Network is colossal and exorbitant. By comparison, South Korea will spend less than 1 percent of annual budget revenues to realize its broadband goals while encouraging the private sector investment.
- **Optus has a two percent surge in third quarter net profit to A\$169 million (US\$170.22 million) as it says competition in the mobile sector remains high.** Operating revenue in the three months to December 31 was US\$2.38 billion, up 3.6 percent from the previous corresponding period due to growth in its mobile division in spite of a highly competitive market. Mobile service revenue reached 6.8 percent on the previous corresponding period, while the division's earnings were up 3.8 percent to US\$371 million. Optus added 88,000 customers in the period, taking its total customer base to 8.965 million at December 31. The surged number of smartphone customers also helped earnings. The third quarter result took Optus' net profit for the nine months of its fiscal year to US\$514 million, up 12.7 percent on the previous corresponding period.
- **Telstra's half-year profit declined 36 percent due to surged spending on improving customer service and continued fixed-line leakage.** The company had a profit of A\$1.2 billion (US\$1.2 billion) for the half-year ending in December. Revenue declined 0.5 percent to US\$12.2 billion, but this was a smaller swing than the 2.5 percent decline from the same period of 2009. Operating expenses soared nearly 11 percent to US\$7.8 billion, as the company continued its strategy of spending big to improve customer service and try to reverse the negative perceptions held by some Australian consumers. Earnings potential was also impaired by an 8.4 percent decline in PSTN revenue. Local calls declined 14 percent, and national long distance minutes by 9.3 percent. The company lost around 109,000 lines, or 3.3 percent of its remaining fixed voice customer base. Mobile service revenue grew 6.5 percent to US\$3.4 billion, with the company adding 919,000 customers to bring the total to 11.5 million. Of these, 6.1 million were more lucrative postpaid customers.

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Media, Gaming and Entertainment

- **Airtel digital TV has crossed the milestone of five million customers on its platform.** Airtel digital TV already has over 2.8 million customers in the first ten months of FY 2010-11. As of 31 January, Airtel digital TV had over 5.1 million customers. Over 15 percent of new customer additions for Airtel digital TV over the last quarter in top metro markets, have been coming through the HD platform.

United States/Canada

Mobile/Wireless

- **Samsung Electronics Co. maintained its lead in the North American cell phone market last year with a record share.** Samsung shipped 58.4 million cell phones in 2010 in the U.S. and Canada, claiming 30.2 percent of the handset market there, according to the data by market research firm Strategy Analytics, Inc. The annual market share represents the highest since the company made an entry into the U.S. market in 1997. On a quarterly basis, Samsung led the North American cell phone market for 10 straight quarters since the third quarter of 2008. LG Electronics, the world's third-largest cell phone vendor after its home rival Samsung and Nokia, was the runner-up in the North American market with a 18.9 percent share. LG's mobile division had a loss in the last three quarters despite brisk sales of low-end phones, but it recently released the Optimus series to play catch-up with front-runners. Research In Motion Ltd. accounted for 11.2 percent of the North American handset market, followed by Motorola Mobility Holdings Inc. with 9.2 percent and Apple Inc.'s 9 percent.

Semiconductors

- **Freescale Semiconductor Inc. will raise US\$1.15 billion in what would be the biggest initial share sale by a U.S. technology company since Google went public in 2004.** The company will use proceeds to pay down the balance of a US\$764 million loan maturing next year and other debt. Freescale has total debt of US\$7.62 billion. Chief Executive Officer Rich Beyer aims to reduce the liabilities that have resulted in losses for the company. Freescale piled on debt as it was taken private by Blackstone, TPG, Carlyle Group and Permira Advisers LLP in a US\$17.6 billion transaction in 2006. The chipmaker's net loss narrowed to US\$102 million in the fourth quarter as sales surged 24 percent to US\$1.18 billion.

Media, Entertainment and Gaming

- **News Corp. has hired Allen & Co. to explore a sale of social-networking site MySpace.** The media giant confirmed last week that it's exploring strategic alternatives for MySpace, which it acquired in 2005 for US\$580 million. News Corp. hasn't had any substantive meetings yet or discussed price ranges with bankers from Allen & Co., according to the person; and while it has received interest from a variety of potential bidders for the asset, it hasn't begun soliciting offers. News Corp.'s acquisition of MySpace was a coup in its day, as the company edged out rival bidders like Viacom Inc., but the site has been eclipsed by the rapid surge of Facebook Inc. MySpace has recently shifted its focus away from competing with Facebook toward being a site aimed at sharing and promoting entertainment content, like music. The overhaul has yet to yield any concrete improvements in the site's financial performance, but News Corp.

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- **Virgin Media has added ESPN Classic content to its TV Choice on Demand service hitting TVs from Valentine's Day.** The move is designed to bolster Virgin's range of sporting content and from next week, sports fans will be able to get memorable football, rugby and cricket moments plus Wimbledon finals and documentaries including ESPN's 30 for 30 film series. To celebrate the Six Nations Rugby tournament, ESPN Classic on Demand is showing 'best ever rugby matches', while football fanatics can score top matches from the past 5 seasons of the Premier League. There is also 'legends of cricket' and 'an audience with Muhammad Ali' on offer. All in all there is 20 hours of sporting content available on demand with fresh content added every month, and customers using Virgin Media's Online Player will also be able to watch some shows from ESPN Classic.
- **Credit Suisse Group AG said that AT&T Inc. may make a bid to acquire Dish Network Corp.** AT&T may be interested in Dish's wireless-spectrum assets, Jonathan Chaplin, a Credit Suisse analyst in New York, said. The assets make Dish an appealing buyout candidate to any phone carrier because consumers increasingly want video and broadband from the same provider. The purchase would let AT&T add customers and surge their loyalty. AT&T is trying to expand its U-verse TV and Internet service to surge sales as customers abandon home-phone lines and wireless competition intensifies.

Telecommunications

- **Sprint Nextel Corp. had a narrower loss after gaining two-year contract customers for the first time in 13 quarters.** The fourth-quarter loss narrowed to US\$929 million, or 31 cents a share, from US\$980 million or 34 cents, a year earlier, the carrier said. Sales surged 5.5 percent, exceeding analysts' estimates. Sprint expanded its so-called 4G network, which offers faster data speeds, to new markets through partner Clearwire Corp. to help lure users from Verizon Wireless and AT&T Inc. Sprint, whose handsets include the touch-screen Evo from HTC Corp., added 58,000 contract customers last quarter. Jonathan Atkin, a RBC Capital Markets analyst in San Francisco, estimated Sprint would add 120,000 new contract customers and Michael Nelson, a Mizuho Securities USA Inc. analyst, predicted 25,000. Sprint sees to end the year with more contract users than in 2010.
- **Telus Corp.'s fourth-quarter earnings jumped 46 percent and revenue surged more than 4 percent on a jump in smartphone sales, improved wireless average revenue per unit and record internet-television additions.** Analysts were expecting solid results on the back of a strong wireless performance as a result of climbing smartphone sales. Internet television results were also seen to help bolster results. The Vancouver-based telecommunications company said it added 119,000 net wireless subscribers in the fourth quarter, which was down 2.5 percent as a result of competition from new entrants. Postpaid subscriber growth was unchanged at 109,000. Smartphones represented 46 percent of postpaid gross additions, well ahead of 25 percent a year earlier.
- **America Movil SAB expects to add between 16 million and 17 million new wireless subscribers and 5 million fixed-line accesses, including broadband Internet, TV and fixed-line voice services in 2011, Chief Executive Daniel Hajj said.** America Movil added 24.1 million net wireless subscribers in 2010, including 8.2 million in the fourth quarter, bringing its total to 225 million in 18 countries.
- **Sierra Wireless Inc. had disappointing fourth-quarter results and a lower-than-expected first-quarter guidance that highlight growing competition in its core business, and a sharp decline in revenue from a major customer in its consumer machine-to-machine business.** The company attributed the disappointment in part to a transition by its carrier partners to new products that serve next-generation cellular networks. Sierra's carrier partners include AT&T Inc. and Sprint Nextel Corp. A sharp drop-off in revenue from Barnes & Noble Inc. also contributed to the tepid

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outlook. Sierra provides embedded wireless modems for Barnes & Noble's Nook reader, a business that accounted for nearly 10 percent of Sierra's overall revenue in the first half of 2010. On its earnings conference call, the company indicated that revenue from Barnes & Noble will be negligible in the first quarter of 2011.

Internet

- **Alan Patricof's investment in America Online succeeded as AOL Inc. acquired the Huffington Post for US\$315 million.** This gave the company the best investment so far for Greycroft Partners LLC. Patricof founded the venture fund in 2006 after leading Apax Partners for at least three decades. Greycroft led US\$5 million investments in Huffington Post in 2006 and 2007. Patricof, 76, started Greycroft in New York, and opened an office in Los Angeles. Greycroft centered on digital media and entertainment. That's set it apart from other firms in venture capital's Silicon Valley center, 3,000 miles (4,828 kilometers) away. Now Patricof is taking stakes in digital-media companies that are trying to turn millions of viewers into advertising dollars.
- **Eric Hippeau is leaving Yahoo Inc.'s board of directors after serving for 15 years.** He will be replaced by David Kenny, the president of Akamai Technologies Inc. The announcement comes just two days after online publisher Huffington Post said Hippeau would step down as the company's chief executive officer. The move came as the Huffington Post sold itself to AOL.
- **Akamai Technologies Inc.'s fourth-quarter profit surged 31 percent, with adjusted results topping its own forecasts, as the company continued its trend of higher revenue.** Chief Executive Paul Sagan cited strength in the company's cloud-computing and online digital-media solutions as reasons the company topped US\$1 billion in revenue for the full year for the first time. Akamai grew even during the recession, thanks to the ever-increasing demand for online video. That higher demand, coupled with acquisitions made along the way and the company's branching out into online advertising delivery, Akamai has surged its top line of late. The company had a profit of US\$52.5 million. Revenue, a large portion of which is derived from media and entertainment companies, climbed 19 percent to US\$284.7 million.
- **PayPal will double its revenue to US\$6 billion to US\$7 billion by 2013, PayPal President Scott Thompson said.** The unit is on a course to become eBay's biggest business in three to five years, eBay said. PayPal posted sales of US\$3.4 billion last year. PayPal had its early lead, fraud management, and relationships with at least 15,000 banking partners and networks globally put it ahead of challengers.
- **Facebook Inc. may allow employees to sell as much as US\$1 billion of shares in an offering that would place the company's value at US\$60 billion.** The social-networking company wants to give employees a chance to sell shares because an initial public offering isn't likely for at least a year, according to All Things Digital. A recent US\$1.5 billion investment led by Goldman Sachs Group Inc. valued Facebook at US\$50 billion. Investor demand for the company is soaring on private markets as advertisers pay for the attention of a user base that's ballooned to at least 500 million. Ad spending on Facebook will at least double to US\$4.05 billion this year, according to EMarketer Inc. Facebook will start reporting financial results by April 2012 even if it hasn't held an IPO. The company would be forced to make disclosures because it sees to have at least 500 shareholders by the end of this year, a threshold that makes reporting results necessary under U.S. SEC rules.

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- **BCE Inc. had fourth-quarter sales that beat analysts' estimates as the number of customers it signed up to data plans for smartphones like iPhone surged.** Sales rose 0.7 percent to C\$4.68 billion (US\$4.69 billion) with analysts predicted C\$4.54 billion (US\$4.6 billion). Chief Executive Officer George Cope is broadening BCE's range of top-line smartphones and adding tablets to its product mix to respond to fresh competition from new carriers Wind Mobile, Public Mobile and Mobilicity, which offer no-frills, unlimited talk and text packages.

Software

- **Microsoft's Bing search engine gained market share in the U.S. last month, while market leader Google lost 1 percentage point, according to ComScore Inc.** Bing accounted for 13.1 percent of searches in January, ComScore said. Google declined to 65.6 percent. Microsoft has added search features, stepped up the marketing of Bing and teamed up with former rival Yahoo! Inc. to attract more users. At the same time, it's drawn complaints from Google that Bing is copying query results, rather than relying on its own algorithms. Microsoft denied the accusation, saying the data in question comes from customers. While Google remains dominant, its loss of market share last month is meaningful, Ben Schachter said. ComScore's data doesn't capture queries made on mobile devices, where Google may have an even bigger lead, he said. The companies are vying for a larger piece of search advertising. The market will generate US\$13.6 billion in the U.S. this year, up from US\$12.4 billion in 2010, said EMarketer Inc.
- **Microsoft Corp. has tapped a company veteran to lead its important server and tools business, highlighting the tech giant's confidence in its bench strength even as it reshuffles its executive ranks.** Satya Nadella, a 19-year veteran, will lead the company's US\$15 billion unit focused on cloud computing, replacing longtime executive Bob Muglia.

Information Technology

- **Savvis Inc. Chief Executive Jim Ousley said the company is generating more interest from bankers and inquiring parties as takeover speculation ramps up following recent deals in the data-storage sector.** Ousley acknowledged the company has had more strategic discussions than usual but isn't feeling pressure to act in the short term. Savvis will continue to operate just like it did before Verizon's recent deal for rival Terremark was announced. Verizon's US\$1.4 billion deal to acquire Terremark has prompted analysts to speculate Savvis could be the next takeover target within the data-storage industry. Shares of Savvis have more than doubled since June and hit a fresh three-year high.

Hardware

- **Cisco Systems Inc. reported higher spending on new products eroded its fiscal second-quarter profitability.** Gross margin, the percentage of profit left after subtracting production costs, slid to 62.4 percent in the period that ended Jan. 29. That declined short of 63.3 percent. Cisco surged spending on research and product development by 19 percent, outpacing a 6 percent revenue gain. The company was also undercut as competitors sold comparable gear at lower prices. Chief Executive Officer John Chambers said new products may take time to become as profitable as the established lineup. The company's forecast for profit excluding some items this quarter also missed analysts' estimates. Earnings will be 35 cents to 38 cents a share.

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Europe

Mobile/ Wireless

- **Nokia's share of the global handset market plunged last year even as global handset sales soared, led by smartphones based on Google's Android platform, according to research firm Gartner.** Worldwide handset sales to end users surged 32 percent in 2010 to 1.6 billion units. Smartphone sales surged 72 percent from a year earlier to 297 million units as sales of Android-based devices surged almost ten-fold to 67 million units. But Nokia's share of the total handset market declined to 27.1 percent in the fourth quarter from 36.6 percent a year earlier and for the full year 2010 its market share declined to 28.9 percent from 36.4 percent in 2009. Symbian remained slightly ahead of Android in the fourth quarter as the combined Symbian sales of Nokia and smaller handset vendors like Japan's Fujitsu Ltd. and Sharp Corp. kept unit volumes ahead. Android's rapid growth has put further pressure on Nokia, whose Symbian platform has long been the market leader, and it underscores the challenges the Finnish company faces as it tries to regain its market dominance.
- **Nokia has abandoned the development of the first handset to run on its new MeeGo operating system.** MeeGo is an open source mobile operating system, launched early in 2010, that merges Nokia's Maemo and Intel Corp's Moblin platforms. It is viewed as Nokia's answer to competition on the premium handset market from Apple Inc's iPhone and handset makers using Google Inc's operating system Android. The market share for Nokia's traditional operating system, Symbian, declined to 32.6 percent in 2010 from 37.6 percent the year before, according to technology research firm Gartner.
- **Nokia Corp. should get a long-term financial surge from the strategic partnership with Microsoft Corp., the company's Chief Financial Officer Timo Ihamuotila said.** The tie-up will allow Nokia to successfully differentiate its products and to focus its research and development, resulting in lower R&D spending, he said at Nokia's strategy briefing in London, though he added that this surge will to some extent be offset by the royalty fees Nokia will have to pay out to Microsoft. Nokia had a wide-ranging strategic overhaul and a tie-up with Microsoft, adopting the U.S. company's Windows Phone as its main smartphone platform and changing its organizational structure in a move that will see the next two years become a period of transition for the ailing handset maker.
- **Monitise PLC had a wider first-half pretax loss despite a threefold surge in revenue, after it invested heavily in expanding its services into new markets.** Monitise also said its live operations-partnerships with banks and payment companies that are up and running--are now breaking even. The firm's key alliance, with credit card giant Visa Inc., was last week extended to provide mobile payments services to the Visa brand worldwide by a deal with Visa Europe. The firm will continue to invest in launching its services in Africa and Asia, where it has already signed deals with banks and payments providers. He also said Monitise will look for partnerships with a wider range of businesses including mobile phone manufacturers and service providers, and retailers, particularly in developing countries that lack advanced banking infrastructure.
- **Alcatel-Lucent SA gave an upbeat outlook and had a better-than expected surge in fourth-quarter revenue and earnings, signaling that it is on track to deliver on its turnaround targets.** Alcatel, along with rivals such as market-leader Telefon AB L.M. Ericsson, has experienced a surge in demand in recent quarters, driven mainly by the U.S., where operators have invested heavily to prepare networks for increasing mobile data traffic. U.S. demand trends should remain as they are or accelerate in coming years, Verwaayen said. Verwaayen was also more optimistic about market trends

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for this year, saying he now believes the market will grow closer to 5 percent than 0 percent as demand looks strong, notably in the U.S., China and Latin America.

Telecommunications

- **Telecom Italia SpA has secured a tender to offer mobile telephony services to the public sector worth about 230 million euros (US\$312 million).** The convention with the public sector will have a duration of 24 months, extendable for a further 12 months, and will be aimed at about 19,000 central and local authorities. The contract includes the supply of 510,000 lines, extendable to a maximum of 714,000.
- **Turk Telekom's net profit surged 31.8 percent on year to TRY2.451 billion (US\$1.55 billion) in 2010.** The company's sales surged to TRY10.8 billion (US\$6.8 billion) in 2010, while operating profit surged to TRY3.3 billion (US\$2.08 billion).
- **France Telecom's chairman Didier Lombard said that he will step down from his position on February instead of in June as scheduled.** Lombard, who left the chief executive post last year, said he wouldn't receive severance pay. He gave up the CEO post last March after a wave of suicides among company employees.
- **TalkTalk Telecom Group Plc lost 25,000 broadband subscribers in the fiscal third quarter as it sought to integrate Tiscali Spa's U.K. unit which it acquired in May 2009 for 236 million pounds (US\$381 million).** The company moved customers to its own billing system at the end of January. This has caused some disruption and that disruption can be cumulative, Chief Executive Officer Dido Harding said. The company was split off from Carphone Warehouse Plc in March. It will cut 580 jobs to as it targets 40 million pounds (US\$64 million) to 50 million pounds (US\$80 million) of savings by removing duplication in some back-office functions.
- **Deutsche Telekom AG is close to a deal with Sky Deutschland AG that will allow it to offer pay-TV, part of a wider move into wholesale TV distribution.** Deutsche Telekom will use its fiber network to distribute free TV channels, a company spokesman said, while it will also include paid content from Sky Deutschland in a likely deal, according to a spokesman at the pay-TV firm. For Deutsche Telekom, the former incumbent operator that was forced by antitrust authorities to sell its cable networks a decade ago, such a deal will allow it to compete with rivals Kabel Deutschland Holding AG and Liberty Global Inc.'s Unitymedia in a high-margin business. The cable network companies compete with Deutsche Telekom in broadband Internet access and fixed-line telephone services.
- **Telenor ASA reported fourth-quarter earnings that beat analyst estimates.** The company improved its margin in Norway, Thailand and Malaysia as data use on handsets surged. Asian revenue surged 13 percent in established operations, and Telenor had a gain of 1.3 billion kroner (US\$222 million) from its holdings in VimpelCom Ltd. The company had revenue growth exceeding 5 percent this year. Sales surged 11 percent to 24.9 billion kroner with Ebitda of 6.96 billion kroner (US\$1.21 billion). Net income declined to 2.1 billion kroner (US\$359 million) and Analysts had predicted profit of 2.56 billion kroner (US\$437 million).
- **Tele2 AB has applied to join a consortium of Russian operators studying a possible conversion of spectrum used by the country's army into high-speed 4G wireless network frequencies.** Tele2 has sent a letter to Russian Minister of Communications and Mass Media Igor Shchyogolev asking to be included in the consortium of OAO Mobile TeleSystems, VimpelCom Ltd., OAO Megafon and Rostelecom. Tele2 and Telenor ASA launched Swedish Long-Term Evolution

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networks, a 4G technology, last year. Tele2 is also building 4G networks in the Netherlands, Lithuania and Estonia.

Semiconductor

- **CSR PLC surged more than 10 percent despite a swing to a loss in the fourth quarter of 2010, after the firm had revenue for the period and guidance for the first quarter of 2011 ahead of market expectations.** CSR will pay shareholders a maiden dividend of 6.5 cents a share and is confident of its prospects. The company, which makes chips for mobile phones, wireless headsets and other consumer products, sees first-quarter revenue to be between US\$155 million and US\$170 million. The company had a net loss of US\$27.3 million for the three months to Dec. 31. Revenue declined 6.7 percent to US\$184.8 million. Earnings were weighed on by a US\$59.8 million settlement that brings to an end a long-running patent dispute with Broadcom Corp. Full-year earnings surged year-on-year. It had a net profit of US\$16.6 million on revenue 33 percent higher at US\$800.6 million, aided by an acquisition.

South Africa/Middle East/Latin America

Telecommunications

- **Bahrain Telecommunications Co., or Batelco made an offer to acquire Kuwait Zain's stake in its Saudi operations, a transaction that could ultimately pave the way for U.A.E.-based Etisalat's move for 46 percent of Zain.**
- **Emirates Telecommunications Corp., (Etisalat) had fourth quarter profit inline with the year earlier at 2 billion U.A.E. dirhams (US\$544 million) as surged income from mobile data offset a slowdown in subscriber growth.** Net profit in the fourth quarter amounted to AED2 billion (US\$544 million), according to Zawya Dow Jones.

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Other Economic Data

Currency Exchange Rates						
Currency	Units	Current Rate (on 2/11/11)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 1/1/2011	% Change 1/1/2010
Japanese yen	¥/US\$	83.4300	1.5%	0.8%	2.8%	-10.2%
Hong Kong dollar	HK\$/ US\$	7.7954	0.1%	0.2%	0.3%	0.5%
Chinese renmenbi	RMB/ US\$	6.5917	0.5%	-0.7%	0.0%	-3.4%
Singapore dollar	S\$/ US\$	1.2819	0.6%	-1.2%	0.0%	-8.8%
South Korean won	KRW/ US\$	1,126.3000	1.1%	0.1%	0.5%	-3.2%
New Taiwan dollar	NT\$/ US\$	29.3000	0.9%	0.1%	0.5%	-8.3%
Australian dollar	US\$/A\$	1.0023	-1.1%	0.7%	-1.8%	11.7%
New Zealand dollar	US\$/NZ\$	0.7602	-1.1%	-0.4%	-2.4%	5.0%
Philippine peso	PHP/ US\$	43.7900	0.3%	-1.2%	0.4%	-5.7%
Euro	US\$/€	1.3546	-0.3%	4.7%	1.3%	-5.4%
British pound	US\$/£	1.6004	-0.6%	2.8%	2.6%	-0.9%

Fixed Income Prices and Yields

Note	Currency	Current (on 2/11/11)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	100.95	4.69%	92.34	4.73%	96.45	4.47%
Japan 30-year	¥	97.01	2.17%	96.83	2.18%	98.21	2.10%
Hong Kong 10-year	HK\$	93.41	3.13%	95.08	3.05%	95.83	2.82%
China (06/16)	US\$	104.99	3.65%	105.02	3.65%	105.20	3.62%
Singapore 10-year	S\$	104.30	2.73%	105.40	2.61%	104.40	2.73%
South Korea 20-year	KRW	9,871.12	4.92%	9,974.38	4.83%	9,964.61	4.81%
Australia 15-year	A\$	100.01	5.75%	100.15	5.73%	101.58	5.56%
New Zealand (12/17)	NZ\$	102.65	5.63%	103.56	5.54%	101.69	5.75%
Philippines 20-year	PHP	125.56	8.56%	125.40	8.57%	140.17	8.31%
India 30-year	INR	97.25	8.56%	96.92	8.59%	97.40	8.54%
UK 30-year	£	95.33	4.54%	95.68	4.55%	98.72	4.33%
Germany 30-year	€	117.06	3.77%	118.18	3.72%	124.46	3.43%

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