



## IRG Technology, Media and Telecommunications Weekly Market Review

***Week of 14 March 2011 - 20 March 2011***

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| Equity Market Indicators  |                              |                        |                         |                        |                        |
|---------------------------|------------------------------|------------------------|-------------------------|------------------------|------------------------|
| Index                     | Closing Level<br>(3/18/2011) | % Change<br>1 Week Ago | % Change<br>1 Month Ago | % Change<br>12/31/2010 | % Change<br>12/31/2009 |
| S&P 500                   | 1,279.20                     | -1.9%                  | -4.8%                   | 1.7%                   | 14.7%                  |
| Dow Jones Industrial Avg. | 11,858.52                    | -1.5%                  | -4.3%                   | 2.4%                   | 13.7%                  |
| Dow Jones Tech. Index     | 440.62                       | -3.4%                  | -8.5%                   | -2.2%                  | 9.4%                   |
| Dow Jones Telecom. Index  | 234.77                       | -2.4%                  | -3.5%                   | 0.1%                   | 7.0%                   |
| NASDAQ Composite          | 2,643.67                     | -2.6%                  | -6.7%                   | -0.3%                  | 16.5%                  |
| Japan Nikkei 225          | 9,206.75                     | -10.2%                 | -15.1%                  | -10.0%                 | -12.7%                 |
| JASDAQ                    | 49.69                        | -9.9%                  | -10.1%                  | -5.0%                  | 2.8%                   |
| Japan Mothers             | 437.55                       | -11.6%                 | -13.1%                  | 0.9%                   | 5.1%                   |
| Korea KOSPI Composite     | 1,981.13                     | 1.3%                   | -1.6%                   | -3.4%                  | 17.7%                  |
| Korea Kosdaq              | 494.79                       | -4.6%                  | -4.6%                   | -3.1%                  | -3.7%                  |
| Taiwan Stock Exchange     | 8,394.75                     | -2.0%                  | -5.1%                   | -6.4%                  | 2.5%                   |
| Singapore Strait Times    | 3,406.82                     | -5.4%                  | -8.2%                   | -12.8%                 | 13.9%                  |
| Hong Kong Hang Seng       | 22,300.23                    | -4.1%                  | -5.5%                   | -3.2%                  | 2.0%                   |
| Hong Kong GEM             | 728.68                       | -3.2%                  | -3.4%                   | -10.1%                 | 7.6%                   |
| China Shanghai (A-Share)  | 3,043.67                     | -0.9%                  | 0.2%                    | 3.5%                   | -11.5%                 |
| China Shenzhen (A-Share)  | 1,353.63                     | -0.5%                  | 1.6%                    | 0.2%                   | 7.3%                   |
| China Shanghai (B-Share)  | 315.65                       | -1.3%                  | 0.6%                    | 3.7%                   | 25.1%                  |
| China Shenzhen (B-Share)  | 809.82                       | -2.4%                  | -3.5%                   | -1.8%                  | 29.4%                  |

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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  |
| 3/16/11   | NetQin Mobile<br>[NYSE: NQ]                 | Software        | 100.0         | Software-as-a-service, or SaaS, provider  | Piper Jaffray & Co               | NA  |
| 3/15/11   | Apache Design Solutions, Inc [NASDAQ: APAD] | Semiconductor   | 75.0          | Licenses software that helps electronic devices reduce power consumption and perform better | Deutsche Bank Securities         | Needham & Company LLC, Canaccord Genuity, ThinkEquity LLC and D.A. Davidson & Co. |
| 3/14/11   | Qihoo 360 Technology Co. Ltd. [NYSE: QIHU]  | Internet        | 200.0         | Provider of Internet and mobile security products   | UBS Investment Bank and Citi     | NA  |
| 3/14/11   | Cortina Systems, Inc. [NASDAQ: CRTN]        | Semiconductor   | 100.0         | Offers network and bandwidth delivery   | J.P. Morgan and Barclays Capital | NA  |

| NASDAQ/NYSE Equity Markets: TMT IPO Pricing |                                     |  |               |             |                  |                     |
|---|-------------------------------------|--|---------------|-------------|------------------|---------------------|
| IPO Date                                    | Issuer (Exchange)                   | Description                                      | Size (US\$MM) | Offer Price | Price on 3/18/11 | % Change From Offer |
| 3/16/11                                     | Cornerstone OnDemand [NASDAQ: CSOD] | Provider of on-demand talent management software | 136.5         | 13.00       | 18.25            | 40.4%               |

| Asian Equity Markets: TMT PO 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*

- **Smartphone sales are expected to reach 137 million units this year, up from nearly 84 million units in 2010, according to IDC.** Growth is surged by the region's more developed markets such as South Korea. By 2015, three in five phones sold in the region will be smartphones, up from one in five in last year.
- **The year 2010 saw considerable growth in the mobile applications market and more competition is expected this year, according to ABI Research.** Despite more involvement in application store development from other platform providers, Apple's iTunes is still the market leader. The iPhone interface had notched up at least 5.6 billion accumulated downloads by the end of 2010. Android smartphone quarterly shipments now exceed Apple's. The accumulated downloads from both Android Market and third-party platforms surpassed 1.9 billion by the end of 2010. The accumulated BlackBerry application downloads totaled at least 1 billion as of December 2010. More mobile network operators are considering entry into the mobile application market.
- **Total mobile search revenue will reach US\$8 billion in 2015, equivalent to around 11 percent of total search revenues and representing a CAGR of 55 percent, according to a report from Pyramid Research.** Mobile search makes up around a quarter of total mobile advertising revenue, but this will surge rapidly and is forecast to exceed 40 percent in 2015. Although Google currently has a strong position on the mobile search market, it is unclear if the search giant will be as dominant as it is on the desktop because of several important trends, particularly voice and local search. The report also indicates that the smartphone boom is creating increasing demand for mobile internet services, and search is becoming an important method of finding information on this platform.
- **Global shipments of smartphones surged 74 percent in 2010 to 295 million units, according to Berg Insight.** Boosting at a CAGR of 32.4 percent will reach 1,200 million units in 2015. The global user base of smartphones surged at the same time by 38 percent year-on-year to an estimated 470 million active users in 2010. In the next five years, the global user base of smartphones will boost at a CAGR of 42.9 percent will 2.8 billion in 2015. Smartphones are receiving more attention from handset manufacturers, network operators and application developers. An increasing number of users are discovering how smartphones can act as personal computing devices enabling access to the mobile web and applications, besides voice and text services. Although high-end devices tend to get the attention, the primary growth will come from medium and low end smartphones.

##### *Hardware*

- **HP maintained the number one position in global PC market in the fourth quarter of 2010 with 18 million shipments, up 13.6 percent from Q3 2010, according to IHS iSuppli.** HP had a market share of 19.4 percent in Q4. Dell secured the second place followed by Acer at number three position due to rising competition for its consumer-focused netbook and notebook computers from the iPad and other media tablets. Dell saw its market share lead in unit shipments expand over Acer's to 1.9 percentage points. With Dell's fourth-quarter shipments remaining flat compared with the third quarter, its market share lead was due to a precipitous 12.9 percent drop for Acer. Dell shipped 11.3 million units, as Acer shipped 9.54 million units in Q4 2010.

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### *Telecommunications*

- **Consumers lose on average 30 percent of download speed when using home Wi-Fi connections, according to new research from Eptiro.** They also face a 10-20 percent surge in latency and may find online games, VoIP telephony and video streaming unsatisfactory when using Wi-Fi. Eptiro chief technology officer (CTO) JP Curley said the research shows that connectivity over Wi-Fi degrades broadband performance considerably in typical circumstances. He added that consumers experiencing broadband performance problems with Wi-Fi should improve their home environment or connect directly via wired Ethernet. Many Wi-Fi routers have the same default communication channel which can cause interference in urban areas. In addition, Wi-Fi speeds will also be slowed down by physical barriers such as walls, doors and furniture, as well as interference from other devices in the same frequency range.
- **Asia's major telecom operators scrambled to eliminate the impact on their operations from damage to several submarine cables following the massive earthquake and resulting tsunami in Japan.** Many telecom operators and users were reporting some disruptions in Internet access, though the partial restoration of service was accomplished by rerouting traffic over undamaged cables and via satellites. About half of the existing cables running across the Pacific are damaged and a lot of people are feeling a little bit of slowing down of Internet traffic going to the U.S., according to Pacnet. Pacnet's cable system connecting Japan to the U.S. isn't damaged so far. Most international Internet data and voice phone calls are transmitted as pulses of light via the hundreds of undersea fiber optic cables that crisscross the globe. The cables are typically owned by consortia of telecom companies, who share costs and capacity. As the clusters of glass fibers are enclosed in protective material, they remain vulnerable to undersea earthquakes, fishing trawlers and ship anchors. There are also many choke points around the globe where a number of key cables converge.
- **Repairs to submarine cables off Japan's coasts are underway as operators rush to mitigate damage caused by the earthquake that hit the country.** Pacnet's chief technology officer Wilfred Kwan told Telecom Asia the disaster had impacted the company's EAC cable near Ajigaura, near the quake's epicenter. Meanwhile, Pacific Crossing, a subsidiary of NTT Communications, said in a statement on its website that connectivity on the PC-1 and PC-1 W cables had been interrupted as a result of the earthquake. The statement added Pacific Crossing was currently inspecting the extent of damage and starting restoration works. Korea Telecom had a segment of its Japan-US Cable Network damaged. Beckert further said all the damaged cables lay north of Tokyo, near the Ajigaura and Kitaibaraki landing stations.

### *Semiconductor*

- **The earthquake and ensuing disaster in Japan could result in significant shortages of some electronic components, causing dramatic price boosts.** IHS iSuppli said that although there are few reports of actual damage at electronics production plants, impacts on transportation and the power infrastructure because of the disaster in Japan will result in supply disruptions. Components IHS sees to be impacted include NAND flash memory, dynamic random access memory, microcontrollers, standard logic, liquid-crystal display panels and LCD parts and materials. Shortages and their effect on prices might linger until the third quarter, as shipments will be slow or suspended during the next two weeks--though the firm noted that the global supply chain has about two weeks of excess component inventory in the pipeline for semiconductor parts affected by the quake. Spot prices already have reacted to the disaster, IHS said, with DRAM prices having risen as much as 7 percent. Prices for higher-density NAND flash have climbed as much as 10 percent.

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- **Global supply of lithium-ion batteries, substrates for chips and power-supply capacitors may be the worst-hit technology industries following last week's earthquake in Japan, Daiwa Securities Group Inc. said.** Closure of plants at Hitachi Chemical Co., which makes materials used in lithium-ion cells, Sanyo Electric Co. and Sony Corp. (6758) will affect the supply of rechargeable batteries, Pranab Kumar Sarmah. Japan makes almost 40 percent of the world's electronics and audio-visual components, according to Daiwa. Production has been suspended at some factories in northern Japan because of the damage caused by the 9.0 magnitude quake and ensuing tsunami.
- **Some Korean and Taiwan manufacturers are looking at alternative suppliers in other countries in order to prevent supply shortages, as others said they are currently relying on inventories.** Japan supplies about 90 percent of the world's supply of bismaleimide triazine, a key material used in producing printed circuit boards used in chips for handsets, as it is also a large supplier of silicon wafers used to make semiconductors. It is also home to a large number of manufacturers of glass substrates, a key material used to make liquid crystal display panels. LCDs are widely used in smartphones, tablets and televisions. Hynix Semiconductor Inc. said it is looking to diversify its suppliers of silicon wafers to avoid any possible disruptions to its supply of chips.

### Japan

#### *Media, Entertainment and Gaming*

- **Japanese households equipped with televisions, tuners and other equipment for viewing terrestrial digital broadcasts reached 94.9 percent as of December 31, up 4.6 percentage points from a September survey, the Communications Ministry said.** The figure declines 1.1 point short of the government's 96 percent target. Differences in digital-ready household rates among prefectures also improved. The previous survey found a 16.2-point gap between the highest percentage, 95.1 percent for Niigata Prefecture, and the lowest, Okinawa Prefecture's 78.9 percent. The difference declined 8.9 points. Mie Prefecture nabbed the highest percentage at 97.8 percent, as Okinawa Prefecture continued to be lowest at 88.9 percent. Meanwhile, the rate among lower-income households improved 7.4 points to 87.7 percent.
- **Aplix will acquire Japanese animation studio Anime International.** Aplix will spend an estimated 700 million yen (US\$8.7 million) to acquire all shares in the animation production company from Oizumi. Anime International owns about 200 animation titles. Aplix is expected to provide animation and other content for smartphone users in China and Southeast Asia through tie-ups with handset makers such as Samsung Electronics of South Korea and Huawei Technologies of China.

### Korea

#### *Mobile/Wireless*

- **The number of smartphone users in South Korea reached 9.7 million and will break the 10 million mark in March, industry data showed.** SK Telecom Co. said its number of smartphone subscribers has already reached 5 million. The company attracted 1 million smartphone users in May 2010, three months after it introduced its first Android-based smartphone model. SK Telecom's rival KT Corp. has 3.7 million subscribers of advanced, feature-packed phones, including at least 2 million iPhone users, it said. The company sees the number to reach 4 million before early April. LG Uplus Corp. had its smartphone users tallied at 1 million. Its first smartphone was released in May, last



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year. South Korea's wireless market has about 50 million mobile phone users, and the number of smartphone users is seen to surge to at least 16 million people this year from about 7 million last year.

### *Internet*

- **Groupon Inc. had its targeting sales of 200 billion won (US\$176 million) in South Korea this year as it expands globally.** Groupon also aims to catch up with its biggest local competitor in attracting traffic to its Korean website in the next three to six months, Hwang Hee Seung, Groupon Korea's chief executive officer said. The company has been expanding overseas as Chief Executive Officer Andrew Mason weighs a potential initial public offering this year. The company surged its subscriber base in the past year to at least 60 million worldwide. A year ago, it had 2 million users, and its only market was the U.S. Groupon opened its Korean site on March 14, putting it in competition with local companies such as TicketMonster Inc.

### *Hardware*

- **Samsung Mobile Display will raise a total 3.4 trillion won (US\$3.0 billion) via a rights offer this month.** The proceeds will be invested in its production facility that would manufacture next-generation displays. The joint venture currently dominates the market for organic light emitting diode, or OLED, screens used in mobile phones, with at least a 95 percent market share.

## China

### *Internet*

- **Tencent Holdings Ltd. will step up overseas expansion and boost spending on operations from e-commerce to social media because of intensifying domestic competition.** Tencent wants to acquire well-run Internet businesses with strong market positions overseas, President Martin Lau told reporters in Hong Kong after announcing a 46 percent gain in fourth-quarter profit to 2.2 billion yuan (US\$335 million). Tencent, which has a bigger market value than EBay Inc., is boosting social media services such as micro- blogging and expanding e-commerce as rival Baidu widens product lines.
- **Business-to-consumer e-commerce company Dangdang.com made net income of 14.8 million yuan (US\$2.2 million) in the fourth quarter of 2010, down 33.2 percent year-on-year due to new promotional fee arrangements.** Total net revenues in the fourth quarter of 2010 were 710.9 million yuan (US\$108 million), up 58.7 percent year-on-year, as the number of active customers in the quarter expanded 47.3 percent year-on-year to 4.4 million, and the number of orders placed surged 33.5 percent year-on-year. The company projects net revenues in the first quarter of 2011 to be between 673 million yuan (US\$102.4 million) and 681 million yuan (US\$103.6 million), representing annual growth of 50-52 percent.
- **NetEase is steering its focus towards mobile internet services including news, literature and audio and video content.** It will also expand into mobile social networking, microblogging and mailbox services. The company officially launched its flash games developer project iGate for public testing, promising to share 80 percent revenue with developers.
- **Alibaba.com Ltd.'s fourth-quarter net profit surged 46 percent from a year earlier due to growth in its online business platform, and it pledged further steps to build trust in its site after a fraud scandal prompted its chief executive to resign.** Alibaba.com pledged to identify and remove listings for additional suppliers it believes have a high risk of fraud and to ensure proper



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checks and balances inside the company. Alibaba.com last month reported the resignations of Chief Executive David Wei and Chief Operating Officer Elvis Lee last month after an internal investigation found at least 2,300 sellers on the e-commerce site committed fraud, sometimes with the help of Alibaba sales staff. The company named Jonathan Lu, chief executive of Alibaba Group's retail website Taobao.com, to replace David Wei. Alibaba.com, which operates an online platform that connects acquirers and suppliers, said its net profit for the three months ended Dec. 31 was 410.4 million yuan (US\$62.4 million). Fourth-quarter revenue surged 38 percent to 1.52 billion yuan (US\$231 million).

### *Mobile/Wireless*

- **360buy.com has released mobile client-end software for phones using the Android operating system, allowing users to order and pay for items and publish reviews, as well as compare prices of products on the site against large offline retailers' offerings of similar products.** It has previously released mobile client-ends for iPhone, iPad and Symbian systems. The company will further announce details of its recent US\$500 million financing according to company Chairman Liu Qiangdong.

### *Telecommunications*

- **China's telecommunications carriers had revenues of 27.9 billion yuan (US\$4.2 billion) from hosting mobile music services in 2010, up 3.5 percent year-on-year, according to a report by the Ministry of Culture.** The country's internet music market, less commission revenues earned by carrier networks, expanded 14.4 percent annually to 2.3 billion yuan (US\$350 million) last year, with mobile music accounting for 2.02 billion yuan (US\$307 million).
- **ZTE Corp.'s 2010 net profit increased 32 percent because of strong orders from outside China, as it proposed new investments in foreign-exchange derivatives to hedge against risk from growing overseas revenue.** ZTE has become a major global supplier of telecom hardware but has sometimes faced political obstacles to expanding its business in areas including the U.S., Europe and India. Higher capital spending on network equipment this year by China's mobile operators could benefit ZTE and other makers of the gear. ZTE's net profit for the 12 months ended Dec. 31 increased to 3.25 billion yuan (US\$494 million). The company said revenue increased 17 percent to 70.26 billion yuan (US\$10.7 billion) in 2010. ZTE issued preliminary results in January that showed a 2010 net profit of approximately 3.25 billion yuan (US\$494 million) and revenue of approximately 70.3 billion yuan (US\$10.7 billion). ZTE's 2010 revenue from China surged 6 percent to 32.2 billion yuan (US\$4.9 billion), as revenue from its international operations grew 27 percent to 38.1 billion yuan (US\$5.8 billion).
- **China Mobile Ltd. will boost capital spending 6.5 percent this year to meet demand for data from users downloading video and music on their phones.** China Mobile aims to spend as much as 132.4 billion yuan (US\$20.1 billion) in 2011, Chairman Wang Jianzhou said. Analysts, including Michael Meng of BOCI, had expected the company to reduce capital spending this year. The company is increasing spending after posting a better- than-expected net income in the fourth quarter. Wang is expanding the range of data services China Mobile offers over its mobile network beyond traditional short message service texting as he seeks to maintain the lead over rivals China Unicom Hong Kong Ltd.

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- **China's top telecom regulator said that the country will adopt the commercial use 4G technology in three to five years, providing the first official timetable for China's move to the next generation telecom service.** Miao Weil will still take three to five years before China will begin large-scale commercial use of the 4G service. He denied that China will adopt the technology and stated that the country would not launch a national commercial 4G service until 2014. 4G is regarded as the next growth engine for the world telecom market, as it can draw huge investment in network construction and services development. During the past few years, China has been actively trying to have its home-grown technology TD-LTE technology accepted as the global 4G standard. China's slowness in upgrading to 4G is because the TD-LTE technology is still not fully mature.
- **Huawei Marine Networks will build a submarine telecommunication cable between Malaysia's Melaka and Indonesia's Dumai and Batam.** The system will contribute to meeting booming demand for international communications, Huawei Marine chief financial officer Zhou Jin said. Construction of the system that will cross the Malacca Strait, a busy shipping lanes is to be completed by the last quarter of 2011. Huawei Marine will cooperate with local telecommunications operator PT XL Axiata and Malaysia's Telekom Malaysia in the project.
- **Business volume of China's telecom industry increased from 1,140.3 billion yuan (US\$173 billion) by the end of 2005 to 3,095.49 billion yuan (US\$471.4 billion) by the end of 2010, with annual growth reaching 22.0 percent, according to the National Bureau of Statistics.** The number of China's mobile service subscribers surged from 390 million to 860 million and that of fixed phone service subscribers declined to 290 million. Chinese government issued 3G licenses to Chinese telecom operators for providing 3G services at the beginning of 2009, and the number of 3G service subscribers surged 34.729 million in 2010 to 47.051 million by the year-end, soaring 280 percent from the end of 2009. China's basic telecom operators realized value added telecom business revenues of 217.46 billion yuan (US\$33.1 billion) in 2010, accounting for 24.2 percent of the main business revenues, representing an annual growth of 23.0 percent from the end of 2005. The mobile value added service revenue topped 194.72 billion yuan (US\$30 billion).

### *Alternative Energy*

- **Suntech Power Holdings made fourth quarter net income of US\$383.4 million.** The company booked net revenues of US\$945.1 million in the quarter, as PV shipments surged 19.8 percent from the previous quarter. Consolidated gross profit margin in the quarter was 16.2 percent. Full year revenues came to US\$2.90 billion, as shipment volumes expanded 124.5 percent but average selling prices declined. For the first quarter of 2011, Suntech forecasts a similar PV shipment volume to the fourth quarter but envisages a surge in consolidated gross margin to 20 percent as its in-house wafer capacity ramps up. The company sees to achieve 2.4GW of installed cell and module production capacity by the end of 2011 and 1.2GW of wafer output capacity, as full year shipments are seen to reach 2.2GW, generating revenue of US\$3.4 billion to US\$3.6 billion.

### *Hardware*

- **Lenovo Group Ltd. expects relatively high profit growth for the next couple of years, Chairman Liu Chuanzhi said.** For Lenovo's profit growth in couple years, it will still increase at a relatively high rate, Liu said. Lenovo still hopes to list shares in mainland China. Lenovo's largest stakeholder, Legend Holdings Ltd., is considering overseas acquisitions.

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- **TCL Communication Technology Holdings' handsets and accessories sales totaled 2,369,499 units during February, up 64 percent from the same period last year, as sales in overseas markets surged 68 percent year-on-year to 2.3 million units.** Sales volume in the China also increased slightly year-on-year. However, due to seasonal factors, total shipments declined on a month-to-month basis from January. For the first two months of this year, cumulative sales volume of handsets and accessories was up 56 percent year-on-year to 5,502,945 units, and sales volume in overseas markets surged 60 percent from the same period last year. The group was able to sustain growth momentum into February for its handsets and accessories owing to a number of factors.
- **Funtalk China Holdings' fiscal third quarter ended 31 December revenues increased 86.6 percent to US\$300.2 million from US\$160.9 million in the year-earlier quarter.** Retail revenue reached US\$170.2 million. Newly acquired subsidiaries contributed approximately US\$14.3 million to the company's retail segment revenue in Q3 FY 2011. Wholesale distribution revenue was US\$130 million. The surged wholesale distribution revenue was primarily attributable to a 76.7 percent increase in the total volume of mobile phones sold and an 8.6 percent surge in average selling prices of mobile phones. Retail sales volume of 3G products accounted for 20.9 percent of the total units sold in the company's retail sale business. Wholesale distribution of 3G products accounted for 54.9 percent of the total units sold in the company's wholesale distribution business. Gross margin for the wholesale distribution segment declined to 16.1 percent, as retail segment gross margin declined to 17.3 percent. Net profit attributable to the company increased to US\$12.7 million. The company expects its revenue for Q4 to be in the range of US\$280-300 million and its net profit attributable to the company to be in the range of US\$10-12 million. The company expects revenue split of approximately 55 percent for its retail business segment and 45 percent for its distribution business segment in Q4. Gross margin and operating income margin are projected to be in the ranges of 15-16 percent and 6.5-7.5 percent, respectively.

### Singapore/Malaysia/Philippines/Indonesia/India/Australia

#### *Telecommunications*

- **Amid raging controversy over 2G spectrum in India, Loop Telecom, one of the new operators, has made an offer in the Supreme Court to auction its license along with spectrum for 21 circles.** Loop made an offer to the two-judge bench comprising Justices G S Singhvi and A K Ganguly. Ariama Sundaram submitted to the court that the government should auction Loop's license/spectrum in an open and unrestricted auction. Their plea also proposes that in case the government receives a value which is higher than what has been paid by Loop. The company had responded to all the allegations, including those in the CAG report regarding grant of licenses to new operators by the Department of Telecom in 2008, and submitted that it has been in full compliance of the DoT guidelines.
- **Reliance Communications has signed a final agreement with China Development Bank (CDB) for a 60 billion rupees (US\$1.3 billion) loan facility.** The loan facility is fully underwritten by CDB and will be funded by a syndicate of Chinese banks and financial institutions, including CDB. The loan will be used to refinance spectrum fees. Reliance has also signed an agreement for 27 billion rupees (US\$600 million) with CDB to be used for financing imports and domestic expenditure of telecommunications equipment from Chinese vendors, namely ZTE and Huawei. RCom has already received RBI approval for the facilities and draw down is seen to commence shortly. The financing has a maturity of ten years.

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- **Sistema Shyam Teleservices Ltd. expects to turn profitable at the operating level by 2013 as the mobile phone operator aims to have 30 million users in India.** The company will complete the commercial rollout of mobile telephony services across the 22 telecom service areas in the country in the next two-three months, Chief Executive Vsevolod Rozanov said. Sistema Shyam offers services in 18 telecom service areas and has 10 million mobile phone users as of February-end. Rozanov expects to complete the US\$600 million investment deal with the Russian government in the next few weeks. The money will help the mobile operator to expand its operations in India. The company will be ready to hit the market with its share sale plans by the end of 2011. It will finalize the bankers for the share sale in the next couple of months.
- **Bank Mandiri for the first time has taken the lead among listed state companies by market capitalization, trumping long-time leader telecommunication company PT Telkom.** Bank Mandiri had 149.33 trillion rupiahs (US\$17 billion) by market capitalization as against Telkom's 147.17 trillion rupiahs (US\$17 billion). The market capitalization of Bank Mandiri surged steadily. Third in the ranks is Bank Rakyat Indonesia with market capitalization of 127.05 trillion rupiahs (US\$15 billion). Bank Mandiri is only third in the position among all companies listed on the Indonesian Stock Exchange below Astra International with a market capitalization of 223.5 trillion rupiahs (US\$255 billion) and Bank Central Asia 168.9 trillion rupiahs (US\$19 billion).
- **True Corp. PCL will invest over THB5 billion (US\$165 million) this year to improve the network and services of its Internet broadband business.** True launched an ultra high-speed Internet package for household users, offering a maximum speed of 100 megabits per second. At the end of 2010, True had a total of 814,000 Internet broadband subscribers, including net additions of 122,000 users over the past year, and expects subscribers to reach one million this year, the company said.
- **Tata Communications has announced an extension of its InstaCompute cloud service to Singapore and its surrounding countries, in bid to move further from its historical wholesale carrier services role.** The firm is seeking a larger slice of the crowded managed services market and positioning itself in competition with various telecoms operators, by reaching out directly to businesses. Instacompute was first launched in India last year in October. The expansion of the service to Singapore aims to cater to businesses in Malaysia, Hong Kong, Thailand, Indonesia, Vietnam and the Philippines. Tata Communications' cloud services for the region will be hosted out of the company's data center in Singapore, and delivered over the firm's IP backbone and MPLS networks. The data center runs Dell storage and compute infrastructure. The firm aims to extend InstaCompute to Europe, the U.S. and South Africa by the end of the year.
- **Digital Telecommunications Philippines Inc.'s 2010 net profit increased 65 percent from 2009, driven by the steady growth in its subscriber base as Filipinos gravitate to more affordable mobile phone services.** The company's net profit in 2010 increased to PHP429.6 million (US\$9.8 million). Revenue climbed 18 percent to PHP16.54 billion (US\$378 million) due to a 27 percent growth in revenue from its mobile telephone services.
- **Telstra Corp. said negotiations with state-owned NBN Co. over its part in the development of a A\$36 billion (US\$378 million) national broadband network continue to progress but that it will have to delay a shareholder vote on the deal.** Telstra is negotiating to lease its existing infrastructure to NBN. Under the changes, Telstra would progressively shut down its copper network and move its customers to the broadband company. The company is looking at options for an alternative date for a shareholder meeting that had been scheduled for July 1.

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### *Mobile/ Wireless*

- **The number of unsatisfied mobile phone users in India crossed 3.8 million by end of February, with Gujarat reporting the highest number of customers willing to change their service providers through Mobile Number Portability (MNP) Service.** As per the data reported by the service providers to Telecom Regulatory Authority of India (TRAI), by the end of February 2011, about 3.833 million subscribers have submitted their requests to different service providers for porting (shifting) their mobile number. Out of these requests around 320,000 pertains to Haryana where MNP was implemented from November 25, 2010. In rest of the country, in MNP Zone-1 (Northern and Western India) maximum number of requests have been received in Gujarat (365,000) followed by Rajasthan with 314,000 requests, said TRAI.
- **The India unit of the U.K.'s Vodafone Group PLC has gained the maximum number of subscribers on a net basis, since the launch of mobile number portability on Jan. 20, the telecom operator's association said.** Vodafone Essar Ltd. gained 192,761 users, as Idea Cellular Ltd. and sector leader Bharti Airtel Ltd. added 150,789 and 148,215 subscribers, respectively, Cellular Operators Association of India said. Mobile number portability lets cell phone users change their service provider as retaining their number. The Telecom Regulatory Authority of India earlier this month said about 3.83 million users asked to change their mobile services operator at the end of February, compared with 1.71 million users as of Feb. 5, the first time data was made available by the regulator.
- **Singapore ended January with 7.307 million mobile subscribers with mobile penetration rate of 143.9 percent, according to IDA.** Of the total mobile subscribers in Singapore, 280,600 are 2G postpaid subscribers, 2.234 million are 2G prepaid subscribers, 3.496 million are 3G postpaid subscribers, and 1.297 million are 3G prepaid customers. The number of broadband subscribers surged to 7.957 million from 7.767 million in December and the broadband penetration rate reached 193.4 percent, up from 190.8 percent. Of the total, 563,800 use xDSL, 677,500 subscribers access the internet via cable, 6.698 million use wireless broadband, and 16,800 subscribers use other access technologies. Furthermore, some 66,400 people still used dial-up technology in January.
- **Vietnam ended February with 172.6 million mobile subscribers.** According to the Ministry of Plan and Investment's report on telecommunications, Vietnam added 1.5 million telephone subscribers in the first two months of the year, which includes 1 million mobile users and 50,000 fixed-line users. There were 16.5 million fixed-line subscribers at end-February and 3.83 million internet users.

### *Hardware*

- **Sales of personal computers in Indonesia will reach 5.3 million units, up 36 percent from last year on a surge in demand for PC tablets.** Agung Wijanarko, an official of cellphone operator XL Axiata, said the prices of PC tablets and smart phones are seen to decline amid sharp competition contributing to the surge in sales.
- **Hewlett-Packard is planning to build a NZD 60 million (US\$44 million) data centre in Tuakau, New Zealand, as part of a US\$1 billion global program for HP data centers.** The small town is located around 61 kilometers from Auckland. Tuakau is close enough to HP's Auckland data centre to allow customers to synchronize computers at both sites. The centre is expected to open by March 2012. HP has also made a multimillion-dollar investment to build and lease a data centre in the Waikato district of New Zealand.



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### *Internet*

- **In the year ending June 2010, 88 percent of young Australians (aged 6 to 13) used the internet.** In the last four weeks playing online games was the number one internet pastime for young Australians, with 64 percent of boys and 54 percent of girls using the internet for this purpose, a Roy Morgan survey has found. With boys showing greater interest in playing games online than girls, it is the girls who show greater interest in outwardly social activities such as chatting with friends, with 32 percent and sending emails/messages with 34 percent. Girls with 42 percent are also more likely than a boy which is 37 percent to use the internet for help with homework or assignments. Furthermore, 46 percent of all young Australians use the internet to look at websites for fun and 18 percent use the internet to download games/music as in both these categories, boys are more active than girls.
- **Social networking sites are appealing to the hearts of Internet users in Southeast Asia, according to digital research firm comScore.** Facebook is proving especially popular in the Philippines, with 93.7 percent of the country's Internet users signed up to the social network. According to Joe Nguyen, comScore's VP for Southeast Asia, Facebook is so rampantly used among the country's Internet users that it effectively dethroned Google as the country's most-surfed site. The Philippines, Malaysia and Indonesia are among the world's top 15 countries for Facebook penetration. Indonesia remained the country with the world's largest number of Facebook users, said Nguyen, and its registered 87.4 percent penetration rate for Facebook in the study did not include access via the mobile channel.

### **United States/Canada**

#### *Internet*

- **LivingSocial is close to raising as much as US\$400 million in funding that would value the company at US\$2 billion.** LivingSocial would use the new funding in its effort to narrow Groupon Inc.'s lead in the daily-deal market. Groupon has raised at least US\$1.1 billion in three rounds of financing, including a US\$950 million investment that closed in January. Both company each hiring large sales forces to solicit business in a growing number of markets. LivingSocial expects to at least triple its employee's base to 1,800 this year and double the number of markets it serves to 300. Groupon has at least 5,900 employees selling deals in at least 500 markets. The financing that closed in January valued Groupon at US\$4.75 billion.
- **The .xxx domain for adult-content websites was approved for use, overcoming opposition from porn stars and publisher Hustler, which said the move would make them susceptible to censorship.** The Internet Corporation for Assigned Names and Numbers, the group that manages Web addresses worldwide, gave the green light to the .xxx domain at a meeting in San Francisco. As the address isn't mandated for adult content, a number of sites are expected to register their brands to prevent them from being stolen. ICM Registry proposed the .xxx change and will sell addresses to website owners for US\$60 annually, said Chief Executive Officer Stuart Lawley. He said tens of thousands have already applied to reserve at least 200,000 domain names, and London-based advertising firm M&C Saatchi will begin a campaign to promote it.
- **Facebook Inc. will soon start testing a service to provide discounts and other special offers to its at least 500 million members, a move that will thrust the social network into direct competition with daily deals market leader Groupon Inc.** The new service will be tested in Dallas, Austin, Atlanta, San Francisco, and San Diego, and will expand upon the social network's existing

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service that offers deals to members when they use Facebook Places to check into a specific location. Users will be able locate deals on special page listing all local promotions running at any given time, regardless of where they are at the time. Users will be able to find the deals page in the navigation bar on the left side of their home page. The new service will let people acquire deals on Facebook and share them with their friends. The push into social deals was likely to step up pressure Groupon and rival LivingSocial.

- **A lawsuit settlement has been reached between LimeWire, and a number of music publishers, Reuters reports.** The settlement between the parties is the result of a lawsuit filed by music publishers against LimeWire in June 2010, after US District Judge Kimba Wood found the company had violated copyright laws and induced users to infringe on copyrights. LimeWire was shut down in October by Wood. The settlement with LimeWire LLC covers at least 30 publishers, including units of EMI Group, Sony Corp and Vivendi SA. The terms were not disclosed. These publishers also dismissed claims against LimeWire's founder, Mark Gorton. The case was dismissed with prejudice, meaning it cannot be brought again..

### *Media, Entertainment and Gaming*

- **Electronic Arts Inc. must defend a contract- interference lawsuit for US\$400 million brought by its larger rival Activision Blizzard Inc., a judge ruled.** California Superior Court Judge Elihu Berle in Los Angeles refused to dismiss all but one of the claims against EA. EA argued that Activision failed to provide facts to support its allegation that the rival company intended for two of Activision's executives to breach their contracts. Activision in December added EA to its dispute with the two developers, Jason West and Vince Zampella, who had helped create the "Call of Duty" and "Modern Warfare" combat games as heads of Activision's Infinity Ward subsidiary. The two sued Activision for US\$36 million in unpaid bonuses after they were fired in March of last year.
- **Glam Media Inc. acquired Canadian ad company BBS Media, expanding its business into new international markets.** Glam is paying US\$10 million to US\$20 million, according to people with knowledge of the deal, who asked not to be named. With the purchase, Glam will begin selling ads on behalf of Web publishers catering to Canadian women. They include Rodale Inc. brand Women's Health and Yummy Mummy Club, said Samir Arora, Glam's chief executive officer. Glam aims to stake out new territories in the US\$26.4 billion global market for display ads, the banner and video-marketing messages placed on Web pages whose sales may grow 32 percent to US\$34.9 billion by 2014, according to EMarketer Inc. In the past year, Glam has acquired companies or set up offices in Paris, London and Berlin, and countries outside the U.S. now make up at least a fifth of sales.

### *Telecommunications*

- **UTStarcom reported its fourth-quarter net revenues of US\$76.1 million, down from US\$116.3 million in the year-ago quarter.** Net loss declined to US\$23.2 million or US\$0.15 loss per share. Gross margin declined to 11 percent from 30 percent in Q4 2009. The company had US\$351.5 million in cash and cash equivalents at the end of the quarter. The company is aiming to achieve total revenue for the year in a range of US\$300-320 million, which includes PAS deferred revenue through the end of this year at the rate of US\$23 million per quarter. UTStarcom targets to generate 10 percent of total sales this year from its Operational Support Service business. The company is targeting annualized operating expenses of less than US\$100 million.



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- **America Movil SAB proposed a 2-for-1 stock split and a dividend of US\$0.36 a share, returning cash to stockholders after completing a US\$23 billion acquisition in 2010.** The proposals will be submitted for shareholder approval at a meeting by April 30. The wireless carrier will boost its share repurchase fund by 50 billion pesos (US\$4.18 billion), adding to the 35 billion pesos currently in the fund. America Movil is spending cash on dividends and buybacks after deciding to forgo acquisitions of telecommunications carriers in Serbia and Poland. The company's liquidity, measured as a ratio of net debt to EBITDA ratio, reached 0.84 at the end of year, below the company's goal of 1, giving it room to relinquish cash. The dividend will be paid in two installments and adjusted for the effects of the split, America Movil said. The split is the company's second in its decade as a public company, after a 3-for-1 division in 2005, according to Bloomberg.
- **Comtech Telecommunications' net sales declined to US\$162.8 million from US\$171.1 million in the fiscal second quarter ended 31 January.** The decrease in net sales is attributable to lower net sales in both the company's mobile data communications and RF microwave amplifiers segments that were offset, in part by higher net sales in telecommunications transmission segment. Net profit decreased to US\$16 million or US\$0.52 per share from US\$16.3 million. Adjusted EBITDA declined to US\$32.3 million from US\$33.7 million in the year-ago period. Cash and cash equivalents at the end of the period amounted to US\$593.3 million.
- **LiveWire Mobile's fourth-quarter revenues declined to US\$3.1 million.** Recurring managed service revenues surged 7 percent to US\$2.5 million from US\$2.3 million for the same period in 2009. The decrease in total revenues from the same period last year was primarily due to a US\$1.4 million decrease in the cap-ex portion of ringback tone business as well as seen decrease of US\$57,000 in non-core handset royalty revenues. Service revenues declined to US\$3 million from US\$3.6 million, as royalty revenues declined to US\$25,000 and product revenues declined to US\$50,000. Gross margin declined to 64 percent from 68 percent during the same period last year, mainly due to a higher concentration of higher margin product revenue recognized during the fourth quarter of 2009.
- **Cable&Wireless Worldwide's chief financial officer Tim Weller will step down the company on July.** Weller is looking at this juncture to pursue new challenges. Subject to a full external benchmarking process, the board intends to promote Ian Gibson to chief financial officer of Cable&Wireless Worldwide and invite him to join the board at Weller's departure. Gibson has been with the company for nearly sixteen years and has been deputy chief financial officer over the last ten months.

### *Semiconductors*

- **Texas Instruments Inc. expects to lose some revenue in the first half of its fiscal year after last week's 8.9-magnitude earthquake caused substantial damage at its Miho, Japan, manufacturing plant.** The plant, roughly 40 miles northeast of Tokyo, was responsible for about 10 percent of TI's output as measured by revenue last year. The company sees to lose some revenue in its fiscal first quarter and more in the fiscal second quarter, in addition to rebuilding costs. Texas Instruments, which makes chips used in everything from cellphones to industrial equipment, didn't provide an estimate for the loss. The company expects to resume several production lines in May. It hopes to return to full production in mid-July and reach full shipment capability in September, assuming the process isn't complicated by troubles restarting equipment or drawing on the region's debilitated power grid.

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### *Technology*

- **Cisco Systems Inc. had its first cash dividend ever will be US\$0.06 a share, aiming to give a boost to investors after the shares declined 35 percent in the past year.** The dividend will be paid April 20 to shareholders of record on March 31. The indicated dividend yield is 1.4 percent. Cisco will start a dividend with a potential yield of 1 percent to 2 percent. Cisco is returning cash to investors as its sales growth lags behind its long-term target of 12 percent to 17 percent amid competition from Hewlett-Packard Co. and Juniper Networks Inc. Cisco had about US\$40 billion in cash and short-term investments as of January.
- **Netgear Inc. will acquire Westell Technologies Inc.'s customer networking solutions division for about US\$33.5 million.** Westell's CNS division provides carrier-class broadband networking products for U.S. telecommunications service providers. The division's products, Netgear said, enable high-speed transport of voice, data, video and other services over existing copper and fiber infrastructures. The business provided Westell about US\$39.5 million in revenue during 2010. Under the terms of the deal, Westell gets to keep some of its customer relationships and its HomeCloud product line. The deal is expected to close during Netgear's fiscal second quarter.

### **Europe**

#### *Telecommunications*

- **CVC Capital Partners might acquire German cable company Kabel Baden-Wuerttemberg GmbH & Co.** KabelBW and its owner, EQT, had been running a dual track process but are likely to abandon plans for an initial public offering in favor of a private sale. CVC's bid amounted to EUR2.95 billion (US\$4.2 billion).
- **Spain's government is looking to raise at least EUR880 million (US\$1249 million) through the auction of 4G mobile telephony spectrum before June 2012.** The auction will include some limits to the amount of spectrum that top operators Telefonica SA and Vodafone PLC can bid for. Spain's Industry Minister Miguel Sebastian said the government was looking to raise between EUR1.5 billion (US\$2.1 billion) and EUR2 billion (US\$2.8 billion) through the auction.
- **France Telecom will acquire Korek Telecom, as it aims to support its Middle East and Africa expansion plan.** A merge between France Telecom and Agility will plough new capital into the Iraqi operator in return for a 44 percent stake. Agility will hold 54 percent of the venture to France Telecom's 46 percent, but the deal paves the way for the French firm to up its 20 percent indirect stake at a later date and gain indirect control of the company. It has the option to boost its holding to 27 percent in 2014; it can then grow its interest to 39 percent that year and to as much as 51 percent from 2016 by buying shares from Agility.
- **Ofcom will cut prices that U.K. mobile operators charge to transfer calls from other networks by 80 percent over the next four years in a move which the communications regulator sees will benefit consumers and promote competition.** Ofcom will place a cap on mobile termination rates—the charges that mobile operators make to other operators to connect calls to their networks. The rates will fall annually until 2015. Ofcom is following in the footsteps of other national regulators across Europe who have already implemented cuts to mobile termination rates. Cutting termination rates removes a perceived cash cow from large mobile operators, which were benefiting from the charges at the expense of smaller entrants and fixed-line operators. The European Commission, which set out its recommendations on cutting rates in 2009, said lower rates should incentivize investment in

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other areas. The commission said the proposed reductions across Europe could shave EUR4 billion (US\$5.7 billion) off mobile operators' revenue between 2009 and 2012.

### *Mobile/ Wireless*

- **Sony Ericsson will be hit by the supply situation in Japan following the recent earthquake, but declined to comment further on the scope of the impact.** The affected area in Northern Japan supplies a large portion of the world's electronics industry with components, and the current situation will impact Sony Ericsson's business. The handset maker is now looking for secondary supply sources. Sony Ericsson's 1,100 employees in Japan have not been injured and there have been no major damages to the company's offices in the country.

### *Semiconductors*

- **Gemalto reported revenues up 19 percent to EUR 1.91 billion (US\$2.7 billion), including the mobile communications segment sales up 10 percent to EUR 981 million (US\$1389 million) and M2M up 21 percent to EUR 81 million (US\$114.7 million).** Based on IFRS accounting, Gemalto generated a net profit of EUR 167 million (US\$236.5 million) in 2010. Businesses acquired in 2010 contributed EUR 158 million (US\$223.7 million) to revenue.

### *Media, Gaming and Entertainment*

- **Rovio Mobile Oy is grooming its business for an initial public offering, Chief Executive Officer Mikael Hed said.** With its arsenal of birds fired from slingshots at fortresses of pigs who've stolen their eggs, Angry Birds raced up the charts on the iPhone to become the top-selling paid software in Apple's App Store last year. Angry Birds now boasts 40 million active users. Rovio reported US\$42 million in funding from investors including Skype Technologies SA co-founder Niklas Zennstrom's Atomico Ventures. That may value the company at 200 million euros (US\$284 million), Talouselämae said. Hed dismissed the figure as speculation. Rovio booked at least 5 million euros (US\$7 million) in sales and 3 million euros in profit for the second half of 2010, Hed said. It will use the venture funding to expand into new markets such as online games and consoles. Rovio is readying a new Angry Birds game with a storyline tied to upcoming animated bird film "Rio" from Blue Sky Studios, the makers of "Ice Age," and 20th Century Fox.

## South Africa/Middle East/Latin America

### *Telecommunications*

- **Batelco Group and Saudi's Kingdom Holding Co. tabled a joint US\$950 million offer for the Saudi operations of Kuwait-based Zain, a deal that could clear the way for U.A.E.-based Etisalat to acquire 46 percent of the Kuwaiti telecom.** Zain rejected three offers for its Zain Saudi stake including separate bids made by Kingdom Holding and Batelco. The deal could help push through Etisalat's purchase of 46 percent of Zain. One sticking point for such a transaction has been Zain's 25 percent share in its Saudi operations. As it stands, both Zain and Etisalat operate in the Saudi market, an issue that might concern the local regulator there and stymie any potential deal.

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### Other Economic Data

| Currency Exchange Rates |            |                              |                        |                         |                      |                      |
|-------------------------|------------|------------------------------|------------------------|-------------------------|----------------------|----------------------|
| Currency                | Units      | Current Rate<br>(on 3/18/11) | % Change<br>1 Week Ago | % Change<br>1 Month Ago | % Change<br>1/1/2011 | % Change<br>1/1/2010 |
| Japanese yen            | ¥/US\$     | 80.5900                      | -1.6%                  | -3.0%                   | -0.7%                | -13.3%               |
| Hong Kong dollar        | HK\$/ US\$ | 7.7996                       | 0.2%                   | 0.2%                    | 0.3%                 | 0.6%                 |
| Chinese renmenbi        | RMB/ US\$  | 6.5689                       | -0.1%                  | -0.1%                   | -0.3%                | -3.8%                |
| Singapore dollar        | S\$/ US\$  | 1.2727                       | 0.4%                   | 0.0%                    | -0.8%                | -9.4%                |
| South Korean won        | KRW/ US\$  | 1,125.1000                   | -0.1%                  | 1.4%                    | 0.4%                 | -3.3%                |
| New Taiwan dollar       | NT\$/ US\$ | 29.5900                      | 0.1%                   | 0.7%                    | 1.5%                 | -7.4%                |
| Australian dollar       | US\$/A\$   | 0.9964                       | -1.8%                  | -1.8%                   | -2.3%                | 11.1%                |
| New Zealand dollar      | US\$/NZ\$  | 0.7295                       | -1.8%                  | -4.2%                   | -6.4%                | 0.7%                 |
| Philippine peso         | PHP/ US\$  | 43.5200                      | 0.0%                   | 0.4%                    | -0.3%                | -6.3%                |
| Euro                    | US\$/€     | 1.4176                       | 1.9%                   | 3.5%                    | 6.0%                 | -1.0%                |
| British pound           | US\$/£     | 1.6235                       | 1.0%                   | 0.0%                    | 4.1%                 | 0.5%                 |

### Fixed Income Prices and Yields

| Note                | Currency | Current (on 3/18/11) |       | 1 Week Ago |       | 4 Weeks Ago |       |
|---------------------|----------|----------------------|-------|------------|-------|-------------|-------|
|                     |          | Price                | Yield | Price      | Yield | Price       | Yield |
| US 30-year          | US\$     | 105.48               | 4.42% | 103.27     | 4.55% | 100.94      | 4.69% |
| Japan 30-year       | ¥        | 100.47               | 2.17% | 100.40     | 2.18% | 96.50       | 2.20% |
| Hong Kong 10-year   | HK\$     | 97.09                | 2.67% | 96.97      | 2.70% | 94.97       | 2.93% |
| China (06/16)       | US\$     | 105.19               | 3.59% | 104.80     | 3.67% | 104.43      | 3.76% |
| Singapore 10-year   | S\$      | 107.45               | 2.36% | 107.06     | 2.42% | 104.65      | 2.70% |
| South Korea 20-year | KRW      | 10,336.63            | 4.59% | 10,353.79  | 4.57% | 9,930.03    | 4.88% |
| Australia 15-year   | A\$      | 102.56               | 5.44% | 101.84     | 5.53% | 100.52      | 5.69% |
| New Zealand (12/17) | NZ\$     | 103.57               | 5.51% | 102.98     | 5.58% | 102.76      | 5.61% |
| Philippines 20-year | PHP      | 126.74               | 8.45% | 126.82     | 8.44% | 125.00      | 8.60% |
| India 30-year       | INR      | 99.10                | 8.38% | 98.94      | 8.40% | 97.39       | 8.54% |
| UK 30-year          | £        | 99.69                | 4.27% | 98.60      | 4.34% | 96.27       | 4.48% |
| Germany 30-year     | €        | 118.61               | 3.67% | 119.97     | 3.64% | 118.09      | 3.70% |

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