

IRG WMR



IRG Technology, Media and Telecommunications Weekly Market Review

Week of 26 September 2011 - 2 October 2011

For more information on IRG, please email communications@irg.biz or visit www.irg.biz.

ideas | reach | growth

IRG Technology, Media and Telecommunications Weekly Market Review



Week of 26 September 2011 - 2 October 2011

Table of Contents

Equity Market Indicators	3
Technology, Media, and Telecommunications Market Activity	4
Weekly Highlights	5
International	5
Japan	6
Korea	7
China	7
Taiwan	10
Hong Kong	12
Singapore/Malaysia/Philippines/Indonesia/India/Australia	12
United States/Canada	14
Europe	18
South Africa/Middle East/Latin America	19
Economic Data	20
Currency Exchange Rates	20
Fixed Income Prices and Yields	20

This document is provided for information purposes only, and constitutes neither investment advice nor the recommendation to purchase or sell securities of the companies named in this document. IRG Limited, f/k/a iReality Group Limited, and its affiliated companies, make no representation as to the accuracy or completeness of the information contained in this document. For more information on IRG call (852) 2237 6000 or visit www.irg.biz.

IRG Technology, Media and Telecommunications

Weekly Market Review



Week of 26 September 2011 - 2 October 2011

Equity Market Indicators					
Index	Closing Level (9/30/2011)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 12/31/2010	% Change 12/31/2009
S&P 500	1,131.42	-0.4%	-6.7%	-10.0%	1.5%
Dow Jones Industrial Avg.	10,913.38	1.3%	-5.6%	-5.7%	4.7%
Dow Jones Tech. Index	396.02	-0.9%	-4.2%	-12.1%	-1.6%
Dow Jones Telecom. Index	219.04	2.1%	-5.8%	-6.6%	-0.2%
NASDAQ Composite	2,415.40	-2.7%	-6.2%	-9.0%	6.4%
Japan Nikkei 225	8,700.29	1.6%	-2.8%	-14.9%	-17.5%
JASDAQ	48.69	0.5%	-1.7%	-6.9%	0.7%
Japan Mothers	402.15	3.1%	-11.0%	-7.3%	-3.4%
Korea KOSPI Composite	1,769.65	4.3%	-4.0%	-13.7%	5.2%
Korea Kosdaq	449.66	0.7%	-7.9%	-12.0%	-12.4%
Taiwan Stock Exchange	7,225.38	2.5%	-5.5%	-19.5%	-11.8%
Singapore Straight Times	3,171.81	-1.1%	-4.3%	-18.8%	6.0%
Hong Kong Hang Seng	17,592.41	-0.4%	-12.9%	-23.6%	-19.6%
Hong Kong GEM	441.40	-5.1%	-18.1%	-45.5%	-34.8%
China Shanghai (A-Share)	2,471.10	-3.0%	-8.1%	-16.0%	-28.1%
China Shenzhen (A-Share)	1,053.14	-5.3%	-12.5%	-22.1%	-16.5%
China Shanghai (B-Share)	239.33	-3.2%	-8.0%	-21.4%	-5.2%
China Shenzhen (B-Share)	553.42	-0.5%	-17.8%	-32.9%	-11.6%

IRG Technology, Media and Telecommunications Weekly Market Review



Week of 26 September 2011 - 2 October 2011

Technology, Media, and Telecommunications Market Activity

NASDAQ/NYSE TMT IPO Filings						
Filing Date	Issuer	Industry Sector	Size (US\$MM)	Description	Book-Runner	Co-Manager
9/28/11	HiChina Group Ltd. [Undetermined]	Internet	200.0	Full-service Internet infrastructure service provider	Credit Suisse Group and Morgan Stanley	NA

NASDAQ/NYSE Equity Markets: TMT IPO Pricing

IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 2/18/11	% Change From Offer
N/A						

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						

IRG Technology, Media and Telecommunications

Weekly Market Review



Week of 26 September 2011 - 2 October 2011

Weekly Highlights

International

Internet

- **The number of IPTV subscriptions worldwide reached 51 million during the second quarter of 2011, representing a 7.8 percent increase on Q2 2010, according to statistics published by the Broadband Forum.** France still has the highest IPTV penetration with 11.05 million customers, or 50 percent of broadband-connected homes, receiving an IPTV service. Every market covered in the survey with the exception of Spain saw a double-digit increase in the number of IPTV subscriptions. Indeed, the number of broadband connections worldwide reached 557.8 million during the second quarter, up from 543.8 million sequentially, and 498.2 million a year ago. China still leads the world, with 144.3 million connections, compared to the U.S. in second place with 89.5 million. India is the fastest-growing fixed broadband market, followed by Brazil then Russia.

Information Technology

- **Asian economies are closing the gap on the West in terms of their IT competitiveness, as they strengthen copyright protection and implement regulatory reforms.** As the West leads the world in terms of an attractive place for IT companies to work, more Asian nations are moving up the ladder, according to a report by the Economist Intelligence Unit (EIU). The U.S. retained its position as the world's most competitive IT industry this year, followed by Finland and Singapore. Europe dominated the top 20 places in a competitiveness index, which was based on criteria such as foreign investment policies, infrastructure, enrollment in higher IT education, patent registries, copyright protection and access to capital. However, seven Asian economies made it to the top 20, which are Singapore (3), Australia (8), Taiwan (13), Japan (16), New Zealand (18), South Korea (19) and Hong Kong (19), up from six in the previous survey in 2009. Malaysia and India had the sharpest improvements among the 66 economies surveyed worldwide.

Investments/ Ventures

- **Private equity-backed M&A in Asia has surged 41 percent so far in 2011 to its highest level since the buyout boom in 2007, boosted by sizeable fund exits, as overseas buyers look for entries into the region's higher growth markets.** Total volume of US\$25.4 billion is the highest for the first nine months of the year since the US\$28.7 billion in PE-backed acquisitions in 2007, according to Thomson Reuters data. Among deals driving that volume are Nestle's offer to buy 60 percent of Chinese candies and pastries group Hsu Fu Chi International, backed by Baring Private Equity Asia, for about US\$1.7 billion to expand in one of the world's biggest consumer markets. Blackstone Group sold its 66 percent stake in India's Intelenet Global Services, with British outsourcing group Serco buying the firm for up to 385 million pounds (US\$591 million). The investment traffic is not all one-way, and private equity is working its way through a US\$70 billion pool of dry powder, or unused capital for deals, with India and China neck and neck on volume, and 39 percent of the overall market. India has edged ahead, with US\$4.9 billion from 105 private equity-backed M&A deals, while China has US\$4.8 billion from 96 deals.

IRG Technology, Media and Telecommunications

Weekly Market Review



Week of 26 September 2011 - 2 October 2011

Japan

Telecommunications

- **NTT DoCoMo Inc. does not expect its investment in India's Tata Teleservices Ltd. to become profitable for several years despite rapid growth in the subcontinent's highly competitive telecommunications market, a senior executive at Japan's largest mobile operator by subscribers said.** The tough environment in India, where the industry regulatory framework remains in flux after recent corruption scandals, also means there's no way all 15 (mobile) carriers can survive in the end, NTT DoCoMo Senior Executive Vice President Masatoshi Suzuki told Dow Jones Newswires.
- **Jupiter Telecommunications has agreed to purchase a controlling stake in Yokohama Cable Vision from Sotetsu Holdings.** Yokohama Cable Vision (YCV) operates in Yokohama with 260,000 homes passed. J:Com will acquire 51 percent of the shares in YCV and Tokyu will acquire 49 percent. J:Com and Tokyu will cooperate in running YCV to offer a number of different services.
- **Japan ended June with 38.55 million ISDN subscribers, down by 9 percent year-on-year. The total number of ISDN contracts held by NTT East and West stands at 33.65 million, showing an ongoing trend of decline, according to the Ministry of Internal Affairs and Communications.** The number of IP phones in use rose 11.2 percent to 26.42 million with the number of 0AB~J-IP phones growing by 21.2 percent over the same period last year. Furthermore, the number of mobile and PHS subscribers rose 6.5 percent year-on-year to 125.24 million.

Hardware

- **Sharp Corp. will turn its joint venture with Culture Convenience Club Co., the operator of the Tsutaya music and book store chain, into a wholly owned unit as of Sept. 30.** The decision to dissolve the alliance comes after Sharp said earlier this month that it will scale back sales of the Galapagos tablet by discontinuing two of three models less than a year after their December debut.
- **Sony Corp. expects a significant impact on earnings from the weaker euro, underscoring the company's vulnerability to the European debt crisis.** Sony doesn't acquire many components from Europe as its Asian suppliers settle in dollars, limiting its ability to hedge against the euro's decline, Hiroshi Kurihara, corporate treasurer at Sony, said in an interview in Tokyo. The euro's slump to a decade low against the yen compounds the challenge for Chief Executive Officer Howard Stringer, eroding the value of sales in Sony's biggest export market just as a weakening won helps South Korean competitor Samsung Electronics Co. Stringer has shut factories and focused on new products such as tablet computers in a bid to end losses. Europe is the biggest market for some Japanese companies including Nintendo Co. and Canon Inc. Nintendo got 41 percent of revenue in the quarter ended June 30 from Europe, data on the Bloomberg show. Canon generated 32 percent of sales in the region last fiscal year.

IRG Technology, Media and Telecommunications

Weekly Market Review



Week of 26 September 2011 - 2 October 2011

Korea

Telecommunications

- **SK Telecom Co. will offer seven smartphone models and one tablet device running on ultra high-speed network technology this year.** The mobile carrier will launch this month Samsung Electronics' hot-selling Galaxy S phone that will run on a faster network technology called long-term evolution (LTE). The fourth-generation technology promises faster download speeds than the current third-generation platform, allowing consumers faster access to applications such as television programs, movies and video conferencing. It will release LTE-compatible smartphones developed by South Korea's LG Electronics and Taiwan's HTC Corp. and one tablet device made by Samsung. SK Telecom also said it targets 5 million LTE subscribers by 2012, up from 500,000 users by the end of this year.

Hardware

- **Samsung Electronics Co. can still meet its target for tablet-computer sales this year even as Apple seeks to block them in some markets.** The company is on track to raise sales of tablet computers by at least five times this year from 2010 as it planned, J.K. Shin, head of Samsung's mobile-phone division. Samsung and Apple have been involved in multiple lawsuits around the globe, since Apple claimed in an April lawsuit filed in the U.S. that the South Korean company's Galaxy devices copied the iPhone and iPad. Apple has blocked sales of the Galaxy Tab 10.1 in Germany, which Strategy Analytics forecasts will be Europe's third-largest market for touch-screen mobile computers this year. In Australia, Samsung will push back introduction of the product until the end of this month because of a hearing being held this week. Federal Court Justice Annabelle Bennett may grant a brief injunction on sales of the Samsung tablet as she considers arguments from South Korean company and Apple.

China

Internet

- **Renren has entered into a definitive agreement to acquire 100 percent of 56.com, a user generated content (UGC) online video sharing site in China.** The consideration for this acquisition will be US\$80 million in cash. The acquisition is expected to be completed in the fourth quarter, subject to customary closing conditions. Founded in 2005, 56.com is an online video-sharing site where users can upload, view and share videos. A majority of the videos offered on the site is created by users, consisting of content mix from performing artists, amateur groups, and video enthusiasts.
- **ChinaCast Education Corp hinted that it may not follow up on its planned US\$50 million share buyback program.** The company which offers post-secondary education and e-learning courses said it will engage an independent firm this week with forensic accounting and banking due diligence expertise to conduct an independent review of its cash balances. Chinese regulatory authorities have also expressed "serious concerns over our intention of taking the full US\$50 million out of China" and the impact of this on the quality of education the company can provide, the CEO said in the letter posted on the company's website.
- **Founder and CEO of Chinese e-commerce giant Alibaba said he is keen on buying Yahoo Inc. if the opportunity presents itself and has held discussions with other potential buyers**

IRG Technology, Media and Telecommunications

Weekly Market Review



Week of 26 September 2011 - 2 October 2011

about options. Jack Ma also said he planned to spend the next year in the U.S. learning more about the country and the market. An Alibaba spokeswoman said Ma would be based in the San Francisco Bay area, but would travel across the country and would continue his operational duties as chairman and CEO of the Alibaba Group.

- **HiChina Group Ltd, a full-service Internet infrastructure service provider controlled by Chinese e-commerce portal Alibaba.com Ltd. could be valued at around US\$500 million, ahead of a separate listing in the U.S.** Alibaba.com Ltd, which in 2009 acquired an 85 percent stake in HiChina Group for US\$79 million has a proposal to the Hong Kong Stock Exchange related to a proposed spin-off of HiChina Group. The proposed offering is currently under review by the relevant securities regulatory authority, it said, adding that details of the offering--including size and price--have not been finalized. HiChina is a full-service Internet infrastructure services provider that offers domain name, hosting and cloud-based services as well as website building for small- and medium-sized enterprises in China, it said.
- **Chinese Internet companies could have a tougher time listing on U.S. stock exchanges because of an expected Beijing clampdown on a favored corporate structure.** It is unlikely to halt all new U.S. listings of Web companies that want to follow in the footsteps of heavyweights such as Baidu and Renren but it could prevent some and slow the progress of others. Earlier this week, Reuters reported legal sources saying the China Securities Regulatory Commission has authored a request to the Chinese government's equivalent of a cabinet, the State Council, asking it to take action against the structure, known as a Variable Interest Entity, or VIE. Web companies and others from sectors deemed important to China's interests use the VIE structure, which usually involves an entity in the Cayman Islands or another offshore haven, to get around Chinese restrictions on direct foreign investments in strategic sectors. VIEs operate in a legal gray area - the structure means that the shares foreign investors get to own in Chinese companies listed in the U.S. are really shares in a revenue stream rather than direct equity stakes in the operating company. Because VIEs are agreements between the Chinese operating company and its listed counterpart to funnel the revenues to investors, they expose the foreign investor to risk should the agreement fall apart. Chinese authorities have tightened rules and threatened further crackdowns several times in recent years.
- **China's annual retail trade value via the internet is expected to hit 3 trillion yuan (US\$469.94 billion) by 2015, which would account for more than 9 percent of the country's total social retail sales then, according to a draft of the country's 2011-2015 plan for e-commerce industry.** China's Ministry of Commerce released the draft last week, which also proposed to basically form a standard law system for the e-commerce industry. Statistics show that China's e-commerce transaction value was nearly 3 trillion yuan a year now, with trade value via the internet at 350 billion yuan (US\$54.7 billion), accounting for 4.7 percent of the country's total social retail sales value.

Mobile/Wireless

- **China will invest around 1 trillion yuan (US\$156.54 billion) in the third and fourth generations of mobile telecommunications (3G and 4G) during the 12th Five-Year Plan (2011-2015).** China will build 500,000 3G stations in the coming five years, adding to the current 700,000. Purchasing equipment and building infrastructure will cost an estimated 500 billion yuan (US\$78.1 billion). At the same time, it will also push forward the development of 4G by conducting large-scale experiments on its own 4G technology TD-LTE and putting it into commercial use if feasible. The estimated investment is around 500 billion yuan (US\$78.1 billion). Regarding 4G, a TD-LTE network might be

IRG Technology, Media and Telecommunications

Weekly Market Review



Week of 26 September 2011 - 2 October 2011

built as early as 2013 by China Mobile, in conjunction with Datang Telecom, one of China's major telecom equipment producers.

Telecommunications

- **Huawei Technologies Co., the Chinese maker of telecommunication equipment, launched in India its business unit that sells networking products to non-telecom customers.** Huawei's move in India comes as its traditional clients, telecom service providers, are slowing expansion following allegations of corruption in the sector and a decline in monthly additions to the number of telephone users. The company expects the newly launched enterprise unit to post about US\$1 billion of annual revenue in India by 2015, accounting for a quarter of its total revenue from the country at that time, Eric Yu, president of the division at Huawei Telecommunications India Pvt. Ltd., told Dow Jones Newswires. Huawei had about US\$1.50 billion revenue from India in 2010. Enterprise business accounted for 8 percent of Huawei's US\$28 billion global revenue in 2010. It is aiming for the unit to record US\$15 billion by 2015. The market for enterprise network solutions in India is expected to be worth about US\$11.5 billion a year, Eric said. Huawei will tie up with system integration companies like Wipro Ltd. and AGC Networks Ltd. to sell network-based products to clients in the government, power, transport, banking and Internet sectors.
- **China ended August with 1.23 billion telephony subscribers with the number of mobile users rising to 940.09 million and the number of landline users falling to 288.8 million, CapitalVue reports citing figures from the Ministry of Industry and Information Technology.** Of the total landline users, the number of wireless local telephone subscribers declined to 20.96 million, accounting for 7.3 percent of all fixed-line subscribers. Meanwhile, the number of broadband users rose to 146.62 million in August.
- **China Mobile is under pressure from investors to spend some of its horde on international acquisitions, including possibly Telefonica, Bloomberg reported.** China Mobile has an estimated US\$50 billion in free cash. Chairman Wang Jianzhou said that the company does remain open to overseas investment, he believes the cash is better spent on upgrading the operator's networks and paving the way for TD-LTE rollouts.

Hardware

- **The world's No.3 PC brand Lenovo Group as entered into a US\$300 million venture with the world's No.2 contract PC maker Compal Electronics in eastern China.** Lenovo will own 51 percent of joint venture Lienpal (Hefei) Ltd, with Compal holding the remainder. Both companies will invest US\$100 million initially followed by an additional US\$200 million over the subsequent 18 months, depending on business climate and capacity expansion.
- **China's electronics and information industry, covering only projects involving investment exceeding 5 million yuan each, completed total of 560.2 billion yuan (US\$87.61 billion) of fixed asset investment (FAI) in the first eight months of 2011, representing an increase of 67.7 percent year on year.** The growth rate was 41.1 percentage points higher than the industrial investment. In August, the electronics and information industry completed investment of 79.55 billion yuan (US\$12.4 billion), an increase of 70.8 percent year on year. The growth rate was 5.6 percent points higher than the previous month. Investment in electronic components, electronic devices and information mechanical and electrical sectors grew 61.8 percent year on year, 54.5 percent year on year and 122.1 percent year on year with 97.2 billion yuan (US\$15.2 billion), 141 billion yuan (US\$22 billion), and 127.7 billion yuan (US\$19.9 billion), respectively.

IRG Technology, Media and Telecommunications

Weekly Market Review



Week of 26 September 2011 - 2 October 2011

Software

- **Business revenues of China's software industry totaled 1,112 billion yuan (US\$174.05 billion) in the first eight months of 2011, up 30.5 percent year on year, statistics released by the Ministry of Industry and Information Technology (MIIT) show.** The y-o-y growth is 0.7 percentage points higher than that for the same period of 2010.

Taiwan

Telecommunications

- **Taiwan's National Communications Commission (NCC) approved the construction of the first subsea cable directly linking Taiwan with mainland China.** The NT\$1 billion (US\$33.4 million) cable is now scheduled to become operational in March, Taipei Times reported. The project will be a joint initiative of Chunghwa Telecom, Taiwan Telecom and FarEasTone in Taiwan, and mainland operators China Telecom, China Unicom and China Mobile. Each side will contribute 50% of the cost. The operators signed a pact to build the cable in January, but restrictions on Chinese investments in Taiwanese telecom had threatened to sideline the project. An NCC spokesperson told Taipei Times that the regulator had determined that the project would not breach rules barring Chinese investment in tier-1 telecom operations. He said Taiwanese operators had agreed not to use Chinese manufactured equipment on their end of the cable. This - as well as NCC consultations with authorities - had helped assuage national security concerns that had also been a roadblock. Despite the new accord, according to China Post, the NCC has no plans to lift the ban on Chinese investment in Taiwan's fixed line sector.
- **A merger between two Taiwanese Wimax companies could mark the start to a wave of consolidation in the overcrowded and undernourished local market.** Wimax operator Vee Time will buy out Vmax Telecom for NT\$1.45 billion (US\$1.43 billion), Taipei Times reported. Vee Time had originally planned to only acquire a 50 percent stake in Vmax, but will now fully acquire the shares held by existing owners Vibo Telecom, Intel and equipment maker Tecom Co. The deal would cut the number of Wimax providers operating in Taiwan to five. The government issued six licenses in 2009, but the technology has not seen the traction officials were anticipating. As of end-March, there were only around 58,000 Wimax subscribers in Taiwan. Due to the slow take-up, pundits including the chairman of the Taipei Computer Association have been calling for consolidation in the market for some time. Another Wimax operator, Global Mobile, flagged an intention to abandon Wimax in favor of LTE in May. The remaining companies holding Wimax licenses are Far EasTone, First International Telecom and Tatung Infocom.

Hardware

- **Acer Inc. said its operations will not be affected by a new joint venture between Compal Electronics Inc. and China's top PC brand Lenovo Group Ltd.** Compal would partner with Lenovo to form a new company in China to manufacture and sell laptops, AIO (all-in-one) PCs and related components. The market has raised concerns that Compal's new cooperation plan may change its relationship with its major customer Acer. But Scott Lin, corporate vice president and president of Acer's Taiwan operations, said Acer will not be affected by the move because of ODMs' overcapacity at this stage. Dealers said that Acer is Compal's biggest customer, accounting for nearly 40 percent of Compal's total notebook shipments, as Lenovo is second with an 18 percent to 20 percent share. Dell Inc. and Toshiba Corp. account for 17 percent and 15 percent of Compal's notebook shipments, respectively, according to dealers. Compal will hold a 49 percent stake in the new venture, to be called

IRG Technology, Media and Telecommunications

Weekly Market Review



Week of 26 September 2011 - 2 October 2011

Lienpal (Hefei) Ltd., which will begin mass production at the end of 2012 and is expected to have a capacity of 10 million units by 2013 or 2014.

- **Taiwan's communication hardware and service industry output rose to TWD 371.6 billion (US\$12.2 billion) in the second quarter, up 11.7 percent compared to a quarter earlier and a 30.4 percent increase compared to a year ago, reports Cens citing data from IEK-ITIS.** With the popularity of smart devices fueling demand for mobile services, the communication service sector generated revenue of NT\$95.8 billion (US\$ 3.1 billion) in the second quarter, up 0.8 percent from a quarter ago and 3.9 percent from a year earlier. Revenue from mobile services totaled NT\$58.3 billion (US\$1.9 billion), up 0.8 percent from the first quarter, as revenue from fixed-line services edged up 0.5 percent quarterly to NT\$37.4 billion (US\$1.2 billion). Driven by demand for handsets, overall production of communication equipment rose 16 percent quarter-on-quarter or 43 percent year-on-year to NT\$275.8 billion (US\$9.05 billion). Some NT\$81 billion (US\$2.6 billion) was generated by the network device sector, for 9.6 percent growth from the first quarter but a 0.9 percent drop from a year ago.
- **Acer Inc. expects its Ultrabook laptops to account for 30 percent of its notebook sales in 2012, based on potential consumer demand.** Lin made the remarks at the company's launch in Taipei of the Aspire S3, a 13.3-inch Ultrabook featuring a resume time as fast as 2.5 seconds and a weight of 1.4 kilograms. The model, with a hybrid drive of 320GB hard disk drive and 20GB solid-state drive, will be priced at NT\$34,900 (US\$1,148). Lin said shipments of the S3 to Taiwan, Japan and Indonesia will begin later this week, and worldwide shipments of the new laptops are expected to reach at least 100,000 units in October. Acer has no plans to make an Ultrabook with a screen size of 11.6 inches, as it would be hard to compete with similar-sized netbooks that are priced at about NT\$10,000 (US\$329).

Information Technology

- **Google Inc. will acquire 15 hectares of land in Taiwan's Changhua County to build a data center that will offer faster access to its services.** The company will invest over US\$100 million in the data center, which it expects to come on line in one or two years. The facility is expected to create five to 20 full-time jobs and will also use a small number of part-time and full-time contract workers, including computer technicians, electrical and mechanical engineers, and catering and security staff. Google is still finalizing some of the project's details related to the project with its partners and government agencies. In addition to the facility in Taiwan, Google is also planning data centers in Hong Kong and Singapore. Google already has 15 offices and thousands of employees across the Asia Pacific region, including an office in Taiwan.

Media, Gaming and Entertainment

- **Taiwan Broadband Communications will invest NT\$2 billion (US\$66 million) over the next five years on digital cable TV services. Approximately NT\$1.5 billion (US\$49 million) will be used to procure new set-top boxes which will roll out from November this year, the Digitimes reports citing TBC chief executive Thomas Ee.** For the set-top boxes, TBC collaborated with Taiwan-based MStar Semiconductor, Switzerland-based NagraVision, and Korea's Hyundai Digital Technology. The company expects its digitization to increase from 9 percent currently to 12 percent at the end of the year and 50 percent in 2014.

IRG Technology, Media and Telecommunications

Weekly Market Review



Week of 26 September 2011 - 2 October 2011

Hong Kong

Telecommunications

- **Hong Kong fixed-line user base grew slightly to 3.62 million in July from 3.617 million in June, according to Ofta.** The number of business users rose to 1.82 million from 1.813 million a month earlier, as the number of residential fixed-line users declined to 1.799 million from 1.803 million. The number of IP telephony users rose to 677,305 in July from 671,685 in June. The total comprises 64,429 business users and 612,876 residential IP telephony users. The number of local leased lines declined to 141,974 from 142,755 in June.

Mobile/ Wireless

- **Hong Kong mobile user base reached 14.26 million in July, up from 14.2 million in June, according to Ofta.** Of the total, 7.261 million were prepaid users and the number of postpaid users stood at 6.995 million. The number of 3G users rose to 6.723 million in July from 6.674 million in the previous month. Furthermore 988,828 mobile users connected through an MVNO, up from 970,187 MVNO users in June. Total SMS sent reached 624.682 million, or 50 per subscriber, up from 620.695 million, or 50 per subscriber, a month earlier. The mobile data usage rose to 425.7MB per 2.5G/3G customer from 370.2MB in the prior month.

Singapore/Malaysia/Philippines/Indonesia/India/Australia

Telecommunications

- **Reliance Communications, India's second-largest mobile phone carrier by subscribers, is in advanced talks with a number of consortiums to sell its stake in its telecoms tower unit, Chairman Anil Ambani said.** The deal, once completed, will be the largest private equity transaction in India, Ambani, the eighth richest Indian according to the Forbes global rich list, said at the company's annual shareholders meeting. Saddled with more than US\$7 billion in net debt, Reliance Comm posted its eighth consecutive profit decline in the quarter ended June. The company has been trying to sell its tower unit to cut debt. Ambani also said Reliance Comm's founders will raise their stake in the company to 75 percent, from 67.9 percent at the end of June. Shares in the company extended their gains to 4.7 percent following the news.
- **The President Director of PT Indonesia Telecommunication Rinaldi Firmansyah said his company has allocated US\$200 million for the development and manufacture of Telkom-3 satellite.** The latest generation of the satellite, which is planned to be launched next year, would be targeted for broadcasting sector and cover communication and information facilities for companies in some remote areas. Government officials would also use the technology on Telkom 3 satellite, especially the army. Indonesia not only has experienced growth and progress quite rapidly on satellite business in Southeast Asia region, but is also the first country to launch satellite. Rinaldi said several countries of ASEAN, including Timor Leste, are using Telkom satellite. Besides Rinaldi, APSCC also awarded the Innovation Achievement Award on Minister of Communications and Informatics Sembiring.
- **TrueOnline expects to generate THB 10 billion (US\$320 million) from broadband services this year.** The company had broadband revenues of THB 5.13 billion (US\$164 million) for the first half and had 1.25 million broadband subscribers. The company, which is part of the True group, also expects to end the year with 1.4 million broadband subscribers, The Nation writes citing managing

IRG Technology, Media and Telecommunications

Weekly Market Review



Week of 26 September 2011 - 2 October 2011

director Vichaow Rakphongphairoj. The number of broadband subscribers does not include the company's Wi-Fi customers, which are expected to reach 1 million this year from 714,000 in H1. TrueOnline is expanding its broadband network to cover 27 provinces by the end of this year, up from the current 16 provinces in the company's footprint, and TrueOnline's Wi-Fi network will be expanded to around 100,000 hotspots from the current total of 40,000.

Mobile/ Wireless

- **The Telecom Disputes Settlement and Appellate Tribunal (TDSAT) has ordered the DoT not to reallocate the 20-MHz of spectrum under dispute or forfeit Qualcomm's payment until an appeal is heard, Business Standard reported.** The telecom ministry last week formally rejected Qualcomm's application for the licenses to the spectrum it paid 49.13 billion rupees (US\$999.4 million) for in last year's BWA auctions. Qualcomm plans to use the spectrum to help foster TD-LTE development. The ministry claimed Qualcomm had been late submitting its application, and that it had applied for the licenses through multiple nominee companies, instead of only one as had been allegedly stipulated. But Qualcomm has appealed to TDSAT, denying the charge that it was late submitting the application. The chipmaker also maintains that it can merge its four nominees into one entity to address the second issue.
- **Mobile handset shipments to India declined by 3 percent in the April-June period compared to the previous quarter due to inventory build-up and reworking on product line-up by vendors, reported IDC.** However, on year-on-year basis, the shipments were higher by 6 percent in the period under review. India-based vendors have particularly been busy planning their debuts in the smartphone category. During the quarter, smartphone segment showed growth of 68 percent year-on-year and a marginal growth of 0.4 percent over the January-March 2011 quarter, to garner a share of 5.6 percent of the overall mobile phone market, IDC said. Finnish cellphone company Nokia was the leader in both feature phone and smartphone categories with 25 percent and 45.8 percent share respectively in total units shipped during the quarter. Korean company Samsung stood second with 15 percent and 21 percent share in featured and smartphone segment.

Hardware

- **The tablet market in India is growing at reasonable pace despite being in its early stage.** According to a CyberMedia research, nearly 1,580,000 media tablets were sold in the nine months ended June 30, 2011 in the country. The research says split between 3G and WiFi models was in the proportion 70:30. The report also says Samsung used a tactical price drop to emerge the best selling Tablet brand in India during the three quarters ended June 2011. Olivepad launched the first media tablet in India in July 2010. The first major international brand to launch followed in October 2010 – the Samsung Galaxy Tab. iPad arrived in India only in January 2011.

Information Technology

- **Tata Consultancy Services Ltd. is weighing acquisitions in France, Germany, Japan and the U.S. as Asia's biggest computer services provider by market value sees further rising demand despite global economic woes.** Tata Consultancy and rivals such as Accenture Plc have benefitted from rising corporate spending on computer services and consulting. Despite the current global uncertainty, the company sees good demand from retail, manufacturing and consumer product companies, Chandrasekaran said. There's also a lot of compliance work in the financial services industry. Tata Consultancy, with a workforce of almost 200,000 and clients such as Microsoft Corp., Deutsche Bank AG and Sony Corp., said in July that fiscal first-quarter sales surged 34 percent to

IRG Technology, Media and Telecommunications

Weekly Market Review



Week of 26 September 2011 - 2 October 2011

US\$2.4 billion as net income gained 31 percent to US\$532 million. Chandrasekaran declined to comment on reports that Tata Consultancy may learn the outcome of a bid for a majority share in the information technology arm of Deutsche Lufthansa AG.

- **India's No.3 software services exporter Wipro Ltd is considering selling data centres and other computer hardware assets of its U.S. unit Infocrossing, the Economic Times reported, quoting unnamed officials and bankers familiar with the talks.** Wipro has received initial offers from several U.S. telecom firms for sale of five data centres that could be worth between US\$300 million to US\$400 million, the newspaper said. Citigroup is currently holding discussions with potential buyers, one of the sources told the paper. Wipro acquired Infocrossing in August 2007 for US\$600 million, the paper said.
- **Intel Capital, the investment arm of Intel Corp , believes valuations of early-stage technology companies in India have reached a near-bubble stage, as too much capital chases too few quality opportunities.** Big valuation expectations in the global tech sector are being driven in part by much-anticipated initial public offerings planned by U.S. firms such as Groupon and Zynga, although market weakness in recent months has cooled that excitement. U.S.-based Intel Capital normally picks up stakes of less than 20 percent in early stage companies, with an average deal size of US\$5 million. Its US\$250 million India fund has made about US\$40 million in investments so far this year, including \$20 million for stakes in six small firms announced recently. Private equity investments in India rose 21.6 percent in the first half of this year to \$3.3 billion, according to Thomson Reuters data. Intel's investments announced on Friday include stakes in Saankhya Labs, a fabless semiconductor company; Testing Czars, which makes mobile applications; FINO, a business and banking technology platform provider; solar power products maker Duron Energy; enStage, which is in electronic payments; and What's on India, an electronic TV programme guide.

Media, Gaming and Entertainment

- **The builder of Australia's national broadband network, NBN Co, reported a A\$323 million (US\$316 million) loss in the 2010 financial year.** The loss was revealed in the government's first performance report on the NBN rollout, which was released by the joint committee on the national broadband network. NBN Co had no operating revenues during the year to June 30, 2011. The construction company said its main costs were US\$119 million of employee-related expenses, US\$161 million for legal and technical advice expenses, and US\$37 million of information technology and facilities expenses. The result took the losses for NBN Co to US\$403 million for the past two years. There were more staff, 906, than the number of activated premises, 622, as at June 30, 2011. Capital spending by NBN Co was US\$463 million in the year, which was nearly a US\$1 billion less than forecast in the company's corporate plan of US\$1.42 billion. As capital spending was below forecast, the number of 18243 premises passed was more than the 17000 in the corporate plan.

United States/Canada

Internet

- **Rhapsody and Napster, two of the longest-running names in digital music, are combining in a bid to grow market share and stay ahead of newer rivals like Spotify, Rdio and MOG.** Rhapsody, which is the largest U.S. digital music service with 800,000 subscribers, said it would take over Napster, which is currently owned by retailer Best Buy Co Inc. Best Buy would receive a minority stake in Rhapsody on closing of the transaction, which is expected around Nov. 30. The deal is stock based, but specific terms were not disclosed. Roxio Inc bought the Napster name in 2002 after the

IRG Technology, Media and Telecommunications

Weekly Market Review



Week of 26 September 2011 - 2 October 2011

original Napster was shuttered by major music labels' lawsuits. It was later sold to Best Buy for US\$121 million in 2008, and is estimated to have less than 400,000 subscribers. Rhapsody described Napster as the second-largest U.S. digital music service but did not reveal how many subscribers Napster has.

- **Netflix Inc.'s biggest slump in seven years is making the mail-order and streaming movie service a 57 percent cheaper takeover target for companies from Amazon.com to Google.** The company has lost almost US\$9 billion in market value since July, before a price increase and the rebranding of its DVD-by-mail service as Qwikster alienated customers and drove away investors. Netflix, which still earned more per dollar invested than 99 percent of the biggest American companies in the past year, was valued at US\$129.36 a share last week, half its record, according to data compiled by Bloomberg. As Netflix may have lost at least a half-million U.S. subscribers after boosting rates, the company has more paying customers for movies and TV shows than Amazon, Google and Sony Corp. Amazon could now pay a 50 percent premium for Netflix's streaming service and still get the entire company for 26 percent less than its value just two weeks ago, according to data compiled by Wedbush Securities and Bloomberg.
- **Yahoo Inc. struck a deal with ABC to use the media company's news on its website and to jointly produce journalism projects as well as sell Web advertising.** The partnership started with the debut of GoodMorningAmerica.com on Yahoo and three video series with ABC News correspondents and anchors that will run online before they run on television.
- **Google Inc. will build its own data centers in Asia with an investment of at least US\$200 million as the U.S. Internet search giant looks to provide faster and more secure access to its services and customers that are growing in this region.** Google will build a data center in Singapore, Taiwan and Hong Kong and has acquired land in each country. Data centers house computer, telecommunications and storage systems and typically include backup power supplies and security devices. This would be Google's first fully-owned data centers in the Asia-pacific region. The company currently owns and operates 6 data centers across the U.S. as well as one in Finland and one in Belgium. The move to set up new centers in Asia comes as Google, like other Internet companies, is seeing robust growth in Internet traffic and a rise in new users across Asia. More people are using smartphones and tablet computers to log onto the Internet to surf and watch videos requiring higher data bandwidth. But Google has also faced hurdles in growing its business in countries like China where the company has been losing market share to rivals like Baidu in Internet search. The company had to reroute its search engine to Hong Kong last year due to concerns about censorship.
- **Google Inc. has extended its reach into the solar-power market with a new US\$75 million investment through which the company will acquire and own solar-panel generators on the roofs of several thousand U.S. homes.** Google said that the US\$75 million is an initial investment in a new fund operated by Clean Power Finance, a startup backed by Google's venture capital arm and other investors. Clean Power Finance has been licensing its proprietary sales software to solar-panel installers to sell residential solar systems for cash. Clean Power Finance is offering a new service: matching solar-panel installers with investors willing to acquire rooftop solar-panel systems. The rooftop solar deal brings Google's total investment in renewable energy to at least US\$850 million, Needham said.
- **Twitter Inc. will set up an international office in Ireland, Irish Jobs Minister Richard Bruton said.** Bruton said Twitter will join companies such as Facebook, LinkedIn Corp., and Google Inc. which have already established bases in Ireland.

IRG Technology, Media and Telecommunications

Weekly Market Review



Week of 26 September 2011 - 2 October 2011

- **Internet advertising revenue in the U.S. rose 23 percent to a record US\$14.9 billion in the first half of this year, according to data published by the Interactive Advertising Bureau and PricewaterhouseCoopers.** The rate of growth in U.S. online ad revenue during the period was faster than during the same two quarters in 2010, when online ad revenue had risen 11 percent over the same period in 2009. Online display advertising, or the large, banner-type ads on websites, saw a 27 percent increase in U.S. revenue in the first half of the year. Online search advertising revenue also rose by about 27 percent. Google which makes most of its sales from search advertising, had solid growth in the second quarter ended in June, as rivals Yahoo and AOL had mixed results for the period.
- **Amazon has unveiled its long-anticipated Kindle tablet, the Kindle Fire, for under US\$200. The 7-inch tablet-reader hybrid, which runs on a heavily-modified Android build, is capable of web browsing and app installation as well as accessing content.** It will include Wi-Fi but not 3G connectivity. The OS has been developed to maximize integration with Amazon web services. There will be a link to the Amazon Appstore - but not the Android Market - as well as one-tap access to digital content including books, magazines, movies and TV, songs and games. Amazon also plans to use the Fire to further stimulate online sales of physical goods, and will offer initial US customers free two day shipping on many items on the Amazon store. The device also boasts cloud storage, with digital content automatically uploaded to the Amazon EC2 Cloud where it can be redownloaded on demand. According to the company, the EC2 is also used to help improve the performance of integrated web browser Amazon Silk, by splitting computing power between the device and the cloud. Amazon is already taking pre-orders for the device, but only for US customers. The company also announced four new Kindle e-readers, including a pocket sized version for \$79 and two touchscreen models.

Media, Gaming and Entertainment

- **McGraw-Hill Cos Inc., owner of Standard & Poor's credit rating agency, agreed to sell its nine-station broadcasting unit to media conglomerate E.W. Scripps Co for US\$212 million in cash.** A person familiar with the transaction who was not authorized to speak on the record said the purchase price was 10 times cash flow. According to Scripps, the stations, which include affiliates of Disney's ABC, had revenue of US\$97 million, in 2010.

Telecommunications

- **Standard & Poor's Ratings Services upgraded TW Telecom Inc.'s junk-level credit ratings a notch on the local-exchange carrier's consistently solid performance despite weak economic conditions.** S&P said the outlook is stable due to the company's expanding portfolio of products, long contract durations and a large and diversified customer base. The upgrade also reflects S&P's improved view of TW Telecom's business risk profile, which it raised to fair from weak. The company's total debt outstanding was about US\$1.35 billion as of June 30, according to S&P.

Mobile/Wireless

- **Global provider of mobile marketing and advertising technology, Velti Plc, announced that it has entered into a definitive agreement to acquire Air2Web, a provider of mobile customer relationship management (mCRM) solutions in the U.S. and India.** In addition, Velti also announced that it signed a definitive agreement to consummate the previously announced acquisition of the remaining interest in CASEE, the largest mobile ad exchange and mobile ad network in China. In 2008, Velti acquired 33 percent of CASEE. Velti will pay US\$19.0 million in cash for Air2Web and

IRG Technology, Media and Telecommunications

Weekly Market Review



Week of 26 September 2011 - 2 October 2011

expects to keep in excess of US\$12.0 million of annualized revenue from the acquisition, the majority of which is derived from recurring platform licensing, usage and performance fees. Velti will pay up front consideration of approximately US\$8.4 million for the remaining interest in CASEE, such consideration to be comprised of approximately US\$3.9 million in cash and, at Velti's discretion at close, US\$4.5 million in cash or common shares of Velti plc. In addition, based upon the financial performance of CASEE, Velti may be required to pay total contingent consideration of up to US\$20.7 million. The contingent consideration is payable in two tranches, with the first tranche of up to approximately US\$7.6 million payable following determination of certain financial results of CASEE for its fiscal year ending March 31, 2012, and the second tranche payable following determination of certain financial results of CASEE for its fiscal year ending March 31, 2013. To the extent any contingent consideration becomes payable, a minimum of 50% is payable in cash with the remainder payable in cash or common shares of Velti plc at Velti's discretion. Velti anticipates CASEE will generate approximately \$1.5 million in revenue and \$(0.5) million in EBITDA during the fourth calendar quarter of 2011.

Semiconductors

- **Freescale Semiconductor Holdings forecasts lower third-quarter sales than analysts projected.** Slowing demand in the industrial and networking business may push net sales for the quarter down by 6 percent to 8 percent sequentially. The average decline projected by analysts in a Bloomberg survey was 2.5 percent. The company is the largest supplier of chips to the auto industry and also makes chips for mobile phones and portable devices such as Amazon.com's Kindle e-reader. In July, Freescale estimated sales for the third quarter would be flat to down 3 percent. In July, the company had a second quarter loss of US\$168 million.
- **Advanced Micro Devices Inc. cut its forecasts for third-quarter sales and profitability, citing manufacturing glitches.** Sales in the period ending Oct. 1 is projected to rise 4 percent to 6 percent from the previous quarter which compares with an earlier prediction for growth of about 10 percent. Global foundries Inc., a spinoff of AMD's manufacturing operations that now supplies the company with chips, is having difficulties with production at its plant in Dresden, Germany. That has caused a shortfall of AMD's latest processors, the company said. The glitches are a setback as AMD rolls out its new Llano chip for laptops, which has drawn steady demand, said Hans Mosesmann, an analyst at Raymond James & Associates. Gross margin, or the percentage of sales remaining after deducting the costs of production, will be 44 percent to 45 percent for the quarter, AMD said. The company had previously projected gross margin of 47 percent.

Software

- **Intel Corp. has agreed to acquire mobile navigation software maker Telmap and the deal is expected to close before the end of the year.** Details of the deal were not disclosed but Israeli media said Intel is paying about US\$300 million to US\$350 million. Telmap will become a wholly-owned subsidiary of Intel, which has two plants and four development centres in Israel, and will retain its brand, management and 210 employees. Telmap, which offers location-based services to provide details on traffic data, speed cameras and local offerings, expects to generate US\$33 million of revenue in 2011 and be profitable for the second consecutive year.
- **Intel Corp. has agreed to acquire mobile navigation software maker Telmap and the deal is expected to close before the end of the year.** Details of the deal were not disclosed but Israeli media said Intel is paying about US\$300 million to US\$350 million. Telmap will become a wholly-owned subsidiary of Intel, which has two plants and four development centres in Israel, and will retain

IRG Technology, Media and Telecommunications

Weekly Market Review



Week of 26 September 2011 - 2 October 2011

its brand, management and 210 employees. Telmap, which offers location-based services to provide details on traffic data, speed cameras and local offerings, expects to generate US\$33 million of revenue in 2011 and be profitable for the second consecutive year.

- **Microsoft Corp. will share patents with handset-maker Samsung Electronics Co.** Microsoft will receive royalties for mobile phones and tablets built by Samsung that use Google's Android operating system. The companies also will cooperate on the development and marketing of Windows Phone, Microsoft's mobile software. Smartphones with Microsoft's revamped Windows Phone 7 software have struggled to compete with Apple's iPhone and Android-based devices. Microsoft, whose Windows Mobile software licenses were doubling annually before the iPhone was introduced in 2007, announced an alliance with Nokia Oy in February to develop smartphones.

Europe

Telecommunications

- **Advent International is in talks with U.K. telecom company BT Group PLC to acquire a stake in Tech Mahindra Ltd., the Business Standard reported.** BT appointed Credit Suisse to look at potential buyers for its stake in the Indian software services company, following which several marquee private-equity players were sounded out. Advent is conducting due diligence on Tech Mahindra and negotiating over the rights it wants to enjoy after its investment.
- **Liberty Media Corp. will put in a bid for Spanish cable company Telecable, with assets valued between 350-420 million euros (US\$480-576 million).** Liberty Media will be competing against Spanish cable operator ONO and private equity firms CVC Capital Partners and Carlyle Group.
- **VimpelCom Ltd. will switch its focus from acquisition to control over its operations, invest in 4G wireless technology and develop its African assets, Chief Executive Jo Lunder says.** VimpelCom is a long-term investor in Russia and Italy and welcomes potential consolidation opportunities but is not planning anything like that in the near future. The company is also planning to pay off its debt by 2017 without relying on external loans.

Information Technology

- **Medium to large enterprises in the U.K. can trial moving their IT infrastructure into the cloud using Virgin Media Business' Virtual Private Data Centre on an hourly rate, with no monthly contracts, Virgin Media revealed as it touted its entry into the cloud services space.** Businesses have two main concerns when it comes to cloud services: reliability and security, explained Mark Heraghty, marketing director for Virgin Media Business. Virgin Media Business' comments were backed up by Ovum principal analyst David Molony, who told Total Telecom that a survey of enterprise users earlier this year revealed that companies' top two concerns regarding cloud services are data governance and security, in that order. There are three service tiers with Virgin's new cloud offer: Essential, Balanced, and Premium. The minimum cost is £142 per month, which gives the customer one virtual private data centre at the minimum hardware specifications on the Essential package.

Mobile/ Wireless

- **Nokia Corp. and Siemens AG would each inject 500 million euros (US\$680 million) into their telecommunications equipment joint venture Nokia Siemens Networks, as the companies try and turnaround the loss-making unit having failed to sell a stake earlier in the year.** The

IRG Technology, Media and Telecommunications

Weekly Market Review



Week of 26 September 2011 - 2 October 2011

turnaround plan will be led by Jesper Ovesen, who has been appointed as NSN's executive chairman immediately, replacing Olli-Pekka Kallasvuo who is stepping down. Ovesen most recently served as CFO at Danish telecommunications group TDC. The fresh capital will further strengthen NSN's financial position and set the stage for strategic flexibility, productivity and innovation in areas such as mobile broadband and related services, Siemens and Nokia said.

- **Nokia Oyj will eliminate 3,500 jobs, shut down a mobile-phone factory in Romania and inject 1 billion euros (US\$1.4 billion) with Siemens AG into their unprofitable network-equipment venture.** The closure of the plant in Cluj, which only began production in 2008, along with adjustments with suppliers will take out 2,200 positions, Nokia said. The company will also reorganize its map business, cutting 1,300 jobs, and review the future of its handset plants in Finland, Hungary and Mexico. The reductions come on top of 4,000 job cuts announced in April, mainly in research and development. Chief Executive Officer Stephen Elop is slimming Espoo, Finland-based Nokia to arrest a decline in market share to Apple Inc. and pursue faster-moving Asian competitors such as HTC Corp. that are driving the price of smartphones below US\$100.

South Africa/Middle East/Latin America

Mobile/ Wireless

- **Brazil's mobile phone subscriptions grew to 224 million in August, up 1.67 percent from July, according to figures released over the weekend by telecommunications regulator Anatel.** New subscriptions in August totaled 3.7 million. Telecomunicacoes de Sao Paulo SA, or Vivo, maintained market leadership in August, with a 29.54 percent share. Vivo is controlled by Spain's Telefonica SA. TIM Participacoes SA was in second place with a 25.99 percent market share. TIM is the local unit of Telecom Italia SpA. Claro, the local unit of Mexico's America Movil SA, was in third place with a 25.36 percent market share.

Telecommunications

- **Kingdom Holding Co. and Bahrain Telecom Co. abandoned a plan to acquire 25 percent in Zain Saudi Arabia, the kingdom's third-largest mobile-phone company by market value, for US\$950 million from Kuwait's Zain Group.** Kingdom, controlled by Saudi billionaire Prince Alwaleed bin Talal, and Bahrain Telecom concluded that the terms and conditions as set out in its non-binding offer could not be met to its satisfaction. Kingdom and Bahrain Telecom, known as Batelco, had agreed in principle to pay US\$950 million in cash for the stake in Zain Saudi, controlled by Mobile Telecommunications Co., known as Zain Group. In addition, Zain Saudi would have paid US\$250 million of debt to Zain Group after the transfer of ownership, Zain Group said on March 16.

IRG Technology, Media and Telecommunications

Weekly Market Review



Week of 26 September 2011 - 2 October 2011

Economic Data

Currency Exchange Rates

Currency	Units	Current Rate (on 9/30/11)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 1/1/2011	% Change 1/1/2010
Japanese yen	¥/US\$	77.0400	0.6%	0.5%	-5.1%	-17.1%
Hong Kong dollar	HK\$/ US\$	7.7841	-0.2%	-0.1%	0.1%	0.4%
Chinese renmenbi	RMB/ US\$	6.3780	-0.1%	0.0%	-3.2%	-6.6%
Singapore dollar	S\$/ US\$	1.3069	0.7%	8.4%	1.9%	-7.0%
South Korean won	KRW/ US\$	1,180.9000	1.4%	10.3%	5.4%	1.5%
New Taiwan dollar	NT\$/ US\$	30.4500	0.2%	4.8%	4.4%	-4.7%
Australian dollar	US\$/A\$	0.9658	-1.2%	-9.6%	-5.3%	7.6%
New Zealand dollar	US\$/NZ\$	0.7603	-1.9%	-10.9%	-2.4%	5.0%
Philippine peso	PHP/ US\$	43.7200	0.5%	3.0%	0.2%	-5.9%
Euro	US\$/€	1.3384	-0.8%	-7.3%	0.1%	-6.5%
British pound	US\$/£	1.5582	0.8%	-4.4%	-0.1%	-3.5%

Fixed Income Prices and Yields

Note	Currency	Current (on 9/30/11)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	116.59	2.91%	116.95	2.90%	104.16	3.52%
Japan 30-year	¥	101.50	1.92%	102.75	1.86%	103.83	1.99%
Hong Kong 10-year	HK\$	108.22	1.35%	108.51	1.33%	103.74	1.82%
China (06/16)	US\$	103.08	3.84%	103.10	3.92%	103.14	3.89%
Singapore 10-year	S\$	105.65	1.61%	106.60	1.51%	105.30	1.67%
South Korea 20-year	KRW	11,076.92	4.05%	11,323.89	3.87%	11,192.07	3.94%
Australia 15-year	A\$	110.27	4.36%	112.30	4.15%	109.80	4.41%
New Zealand (12/17)	NZ\$	111.97	4.44%	113.54	4.25%	111.14	4.54%
Philippines 20-year	PHP	105.36	7.48%	101.45	7.85%	103.11	7.69%
India 30-year	INR	96.88	8.59%	96.90	8.59%	96.38	8.64%
UK 30-year	£	112.60	3.55%	113.39	3.51%	108.09	3.79%
Germany 30-year	€	141.37	2.66%	145.43	2.50%	132.94	3.03%

This document is provided for information purposes only, and constitutes neither investment advice nor the recommendation to purchase or sell securities of the companies named in this document. IRG Limited, and its affiliated companies, make no representation as to the accuracy or completeness of the information contained in this document.