

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



Week of 16 February - 22 February 2003

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Equity Market Indicators					
Index	Closing Level (2/21/2003)	% Change 1 Week Ago	% Change 1/1/2002	% Change 1/1/2003	% Change 2002 Low
S&P 500	848.17	3.8%	-26.5%	-3.6%	7.8%
Dow Jones Industrial Avg.	8,018.11	3.5%	-20.4%	-3.9%	8.6%
Dow Jones Tech. Index	233.90	6.0%	-30.7%	1.9%	28.3%
Dow Jones Telecom. Index	139.84	-1.3%	-32.9%	-5.4%	19.8%
NASDAQ Composite	1,349.02	5.6%	-31.8%	1.0%	19.5%
The Street.com Net	88.93	6.0%	-54.5%	3.8%	40.8%
Japan Nikkei 225	8,513.54	-2.2%	-21.7%	-0.8%	4.2%
Japan TOPIX	840.11	-2.1%	-20.3%	-0.4%	4.1%
Korea KOSPI Composite	603.60	4.9%	-16.7%	-3.8%	3.7%
Korea Kosdaq	43.50	2.6%	-41.6%	-1.9%	0.3%
Taiwan Stock Exchange	4,548.35	1.2%	-18.8%	2.2%	18.2%
Singapore Straits Times	1,315.03	3.3%	-19.1%	-1.9%	-1.4%
Hong Kong Hang Seng	9,250.86	0.5%	-18.5%	-0.8%	6.0%
Hong Kong GEM	115.73	0.3%	-44.4%	4.8%	10.5%
China Shanghai (A-Share)	1,545.76	-2.1%	-7.8%	8.9%	14.4%
China Shenzhen (A-Share)	446.09	-2.0%	-9.0%	8.8%	16.5%
China Shanghai (B-Share)	123.91	-1.8%	-26.7%	9.2%	12.1%
China Shenzhen (B-Share)	204.24	-2.1%	-21.9%	9.2%	11.9%

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Technology, Media, Telecommunications and Life Sciences Market Activity

NASDAQ/NYSE TMT and Life Sciences IPO Filings

File Date	Issuer	Industry Sector	Size (\$MM)	Description	Book-Runner	Co-Manager
N/A						

NASDAQ/NYSE Equity Markets: TMT and Life Sciences IPO Pricing

Pricing Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 2/21/03	% Change From Offer
N/A						

Asian Equity Markets: TMT and Life Sciences IPO Pricing

Pricing Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 2/21/03	% Change From Offer
2/21/03	Yaskawa Information Systems [2354.jp] (Tokyo SE)	Develops and sells business software including systems integration and product embedded systems	\$15.7	¥620	¥605	-2.4%
2/20/03	Prolific Technology Inc. [6233.tt] (Gretai)	Develops, manufactures and markets a variety of design integrated circuit products	\$5.5	NT\$95	NT\$83	-12.6%
2/19/03	Synclayer Inc [1724.jp] (Jasdaq)	Provides cable network infrastructure services mainly to cable television enterprises	\$4.5	¥540	¥581	7.6%
2/18/03	Sys Solutions Holdings Ltd [8182.hk] (HKSE)	Designs, installs, implements and maintains a wide range of network infrastructure solutions and services	\$6.4	HK\$0.38	HK\$0.38	0.0%

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Weekly Highlights

International

Life Sciences

- **Asia rushing forward with the development and cultivation of genetically modified (GM) crops**, according to delegates at a biotech policy conference sponsored by the Asia-Pacific Economic Cooperation group. China, India and Indonesia are already planting millions of acres of GM cotton. Japan, Thailand, the Philippines and Malaysia are earmarking billions for research on biotech crops.

Mobile / Wireless

- **Symbian signs deal with Samsung Electronics** to distribute Symbian's mobile phone operating system software with the South Korean company's wireless devices. Samsung agreed to pay £17 million (\$27.2 million) for a 5% stake of Symbian. Symbian also counts Nokia, Sony Ericsson, Siemens, Motorola, Matsushita Electric Industrial and Psion as shareholders.
- **Sony Ericsson to launch its first 3G mobile phone** during the second half of this year. The handset, which has a clamshell design, has two built-in video cameras and is designed to allow users to relay live video pictures to people taking their calls. Third-generation, or 3G, networks have much greater capacity than existing networks, allowing them to transmit video, as well as voice, pictures and text.
- **LG Electronics takes first step in introducing its 3G mobile phone technology to Europe** by demonstrating its latest line of products at a trade show in France. Participating in the 3GSM World Congress, a large-scale mobile technology trade exhibition held in Cannes, LG showcased its 3G video phones along with other major handset makers such as Nokia of Finland and Ericsson of Sweden.

Semiconductors

- **Split between Infineon and ProMOS Technologies blamed for DRAM chips price decline.** Infineon had benefited from taking production from ProMOS, a company it helped build with Taiwan's Mosel Vitelic, instead of having to set up a chip plant of its own. Spot prices for 256-megabit double data rate DRAM have plummeted so far due to oversupply and seasonal weakness.

Hardware

- **Toshiba to team up with Neusoft**, China's largest software developer, to create software for the Japanese firm's digital audiovisual products, such as digital TVs and DVD recorders. In a reflection of other major Japanese electronics makers' strategies, the alliance will see Toshiba expand the role of its China-based manufacturing facilities into the product-development arena.
- **Worldwide PC shipments expected to rise only 4.8 per cent in 1Q** from an already weak year-earlier period due to uncertainty over the economic recovery and possible war with Iraq, according to Gartner Dataquest. A pick-up in worldwide PC shipments is expected by the end of 2003, pushing shipments up 7.9 per cent from a year earlier to 138.7 million units.

Information Technology

- **Finland tops a global survey ranking ability to benefit from IT.** The 335-page Global Information Technology Report by the World Economic Forum, the World Bank and the French-based international

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business school Insead used 64 criteria, ranging from the use of technology by individuals, governments and businesses to regulations and infrastructure.

Venture Capital / Investments

- **Average economic growth in Asia is forecast at 6.1 percent this year**, dropping from 6.6 percent last year, amid slim hopes of a convincing turnaround in the global economy, according to Goldman Sachs' latest predictions. Even the Chinese economy, running at 8 percent last year, was expected to ease to a more sustainable pace of 7.2 percent this year.

Japan

Telecommunications

- **SingTel signs distribution agreement with Toyota Digital Cruise**, the information communication services unit of Toyota Motor, to market and sell SingTel's data and voice services in the Japanese market. SingTel also hopes to sell its voice, data and Internet-related services into 3,000 Toyota-related companies outside Japan.
- **Japan Telecom to accelerate the reorganization of its affiliated group firms**. Japan Telecom will merge two subsidiaries that sell fixed-line communications services, and it will sell a company that handles installation. The moves are seen as preparation for the sale of fixed-line communications subsidiary Japan Telecom, so the group can refocus its resources on mobile phone unit J-Phone.
- **NTT West and NTT East to lower usage fees for fiber-optic communications services** for the home. NTT West will offer to customers who sign up in the March-April period a limited period discount of 3,000 yen on basic monthly fees that now range from 3,000 to 9,000 yen. NTT East is considering a standing reduction of roughly 1,000 yen on its basic monthly fee of 5,800 yen.
- **KDDI and Japan Telecom opposed to NTT entry into data communications** business, which is expected to spur competition with new telecommunications firms as well as with NTT group firms. NTT East Corp. and NTT West Corp. announced Thursday that next month they plan to separately start data communications services to corporate clients and video distribution services to individuals.
- **DoCoMo's attempts to spread mobile multimedia services to other countries progressing slower** than it expected. Keiji Tachikawa, president and chief executive of DoCoMo, said in an interview at a trade show in Cannes that he is disappointed with the speed at which consumers are signing up for i-mode services in Europe.

Mobile / Wireless

- **NTT DoCoMo defends high-speed wireless network**, saying better handsets, wider coverage and services like video calling ensured the service would rebound from a disappointing first year. It also said its plan to spend billions of yen helping skeptical manufacturers meet the expense of developing 3G handsets would pay for itself by boosting subscribers, lowering costs and bringing in royalty payments.

Internet

- **Yahoo Japan to conduct a 2-for-1 stock split**, effective May 20. The number of shares will increase by 940,000 shares to 1.88 million shares. Shareholders as of March 31 will be eligible for the split. The

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Internet portal company, which is a joint venture of Yahoo! Inc. and Softbank Corp., is listed on the Jasdaq market.

Software

- **NEC, NTT Comware and Waseda University to give away Linux-based college admin software** to all colleges beginning in March. Colleges will be able to use these programs without paying a licensing fee, and they will be able to modify the programs in any way they see fit. The suite includes five programs including applications for financial affairs, payroll and education affairs.
- **SAP Japan to work with Mizuho Corporate Advisory on software sales.** SAP Japan hopes that the advisory firm's information on corporate integrations, spinoffs and management buyout trends will lead to increased orders for integration and rebuilding of computer systems.

Hardware

- **NEC and Institute of Physical and Chemical Research closer to quantum computer.** Researchers have coupled two solid-state qubits, the individual elements that store bits of quantum information that can process large volumes of data in parallel. In principle, a quantum computer will be able to perform in seconds the calculations for which a super computer would need billions of years.
- **Apple Computer to open its first owned-and-operated Japanese store** in Tokyo's Ginza district this autumn in a bid to boost sales. The move is part of an effort to eliminate the strong perception among PC users in Japan that Apple's products are hard to operate and intended for computer professionals and geeks. Japan will be the first country outside the U.S. in which Apple has its own showrooms.
- **Matsushita Electric Industrial swings to a profit of ¥20.9 billion yen (\$176 million)** for its fiscal third quarter on strong sales of DVD recorders and plasma-display television sets. The Japanese company posted a ¥172 billion loss in the same quarter the previous year, sharing the dismal fate of many Japanese makers battered by the global electronics slump and competition from less expensive Asian rivals.

Information Technology

- **Japanese companies increasingly outsource software development work** instead of handling it themselves. Dalian Haihui Technology, a large Chinese software developer based in Liaoning Province, has established a Japanese unit so that it can respond quickly to the needs of clients in Japan and build up its business.

Semiconductors

- **Elpida Memory to receive about 20 billion yen in funding from Intel** through a placement of convertible bonds. Elpida is a 50-50 JV launched by Hitachi and NEC and the only DRAM maker in Japa. Elpida plans to strengthen development and sales of high-value-added DRAMs for network appliances and digital audiovisual devices in the future.

Korea

Internet

- **Morning365, a major online bookseller, seeking to attract new sources of revenue,** a move that might lead to mergers with competitors amid mounting expectations for consolidation in the industry.

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Local media earlier reported that the company is eyeing another take-over target in Korea's fast-growing, online bookselling market.

Media, Entertainment and Gaming

- **Cowon Systems' flagship MP3 player "iAUDIO CW200" gaining popularity** in the U.S. The company, which plans to get listed on the tech-heavy Kosdaq stock market in May, said its U.S. subsidiary, JetAudio Inc., is now receiving rave reviews from American consumers and experts. CW200 has maintained its No. 1 position in the customer review section of Amazon.com.
- **Gaming industry forecast to grow 21 percent to 4 trillion won this year**, the Korea Game Development & Promotion Institute said. Softmax and Actoz Soft launched new online games in December, and the number of concurrent users surpassed 40,000 within the first week. HanGame and NetMarble have attracted up to 200,000 concurrent users.
- **Youngjin.com, a Kosdaq-listed IT publishing house, diversifying its portfolio** in a bid to expand its presence into other mainstream genres and prop up its growth-oriented sales targets. The company's decision to shed its IT-oriented image comes after a slowdown in sales of IT manuals and guidebooks in recent months. Youngjin.com officials said the IT book market is maturing fast.

Hardware

- **Piolink targets traffic balancers in the aftermath of worldwide Internet disruptions** on January 25. The network equipment maker specializes in L4 (Layer 4) switches for enterprise customers. Piolink is one of the major players in the field dedicated to managing Web and network traffic. The company is teaming up with major network integration and systems integration firms in order to retain customers.

China

Life Sciences

- **Roche under investigation for alleged role in stirring up fears about a flu virus** in southern China to boost drug sales. The Swiss company said it was also investigating and promised to "take action" against anyone caught misrepresenting its products. The unidentified pneumonia virus has killed five people and left more than 300 hospitalized.

Telecommunications

- **China Netcom to launch a "xiaolingtong" network in Beijing in May** in a move that will break the final geographical barrier holding back the controversial wireless service. "xiaolingtong" is a mobile service that connects directly with the fixed-line phone networks. Given the rapid take-up of the service, it threatens to slow subscriber growth and impact ARPU at China Mobile and Unicom.
- **China Mobile adds 2.101 million mobile service subscribers** in January, a slim 1.7% improvement from 2.066 million new users in December. According to China Mobile's operations data, it had 190,000 new contract subscribers in January, up 2.7% from 185,000 in the previous month. December's new subscribers were 16% more than new users in November.

Semiconductors

- **Qualcomm expects continued strong growth in China and India**, adding that its new chip for world phones could also provide a positive surprise. The company, which invented the code division

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multiple access (CDMA) mobile network technology and makes its money on selling CDMA chipsets and licenses, saw explosive sales and profits growth last year on the booming demand in Asia.

Venture Capital / Investments

- **Chinese government and private firms to spend up to \$84.6 billion** to develop key technologies in the next five years. China spent a total of 104.3 billion yuan in the five years to 2002, up from 50.9 billion yuan in the previous five-year period. Innovations include the fledgling 3G TD-SCDMA, mobile standard, "Godson" computer chip, a hybrid rice crop and missions of Shenzhou unmanned spacecraft.

Hardware

- **BOE Technology buys Hydis for \$200 million.** As part of the deal it also assumed responsibility for the Hynix Semiconductor subsidiary factory's debts of \$180 million. This is the first time that a mainland company has acquired core TFT-LCD technology. Hydis ranks ninth in the world in output of TFT-LCDs, with a share of about 4 per cent of the world market.

Information Technology

- **Mainland has made much progress in adopting information and communication technology,** but it still had a long way to go, said a report by the Geneva-based World Economic Forum. China jumped 21 notches to No 43 last year, the Global Information Technology Report released yesterday said. The study ranked 82 countries according to how well they have included IT in their economies.

Taiwan

Life Sciences

- **National Taiwan University introduces therapy that can reduce bladder cancer recurrence** while limiting harmful side effects. The normal recurrence rate of bladder cancer stands at around 50 percent within two years of removal. In the new treatment, named MDP intravesical combination chemotherapy, three anticancer agents are introduced into the bladder after the removal of the tumor.

Telecommunications

- **Taiwan to sell 5% of Chunghwa Telecom,** offering just a fifth of the 500 million shares the cabinet had approved for an after-market-hours tender. The 100 million-share offering, to take place between March 3 and 5, is equivalent to slightly more than a 1% stake in Chunghwa, Taiwan's largest telecommunications company.

Semiconductors

- **The US Court of Appeals dismisses Intel appeal against a ruling in favor of VIA Technologies.** A spokesman for VIA, a leading developer of core logic chipsets, microprocessors and multimedia and communications chips, said that on Nov. 20, 2001, the US District Court granted summary judgment in VIA's favor with respect to one of the patents regarding VIA's K7-compatible chipsets.
- **Government will review TSMC's China-investment plans next week.** The ministry's Investment Commission is scheduled to review the application on Wednesday. TSMC received preliminary government approval on Jan. 22 to set up a 8-inch wafer plant in the Songjiang Industrial Park on the outskirts of Shanghai.

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Media, Entertainment and Gaming

- **Digital content industry production expected to reach \$10.57 billion** over the next six years, according to Premier Yu Shyi-kun. Yu said that the digital content industry, which includes things such as animation design, will help boost the economy and that countries around the world are now attaching great importance to the industry, with this country being no exception.

Singapore / Malaysia

Semiconductors

- **Chartered Semiconductor higher** on hopes it may benefit from a tie-up between Asian Micro Devices and IBM, as Chartered Semiconductor has a joint venture with IBM. The stock apparently got a boost from a newspaper report in Taiwan that United Microelectronics Corp and AMD have decided not to proceed with a plan to establish a joint venture semiconductor wafer production facility in Singapore.
- **AMD and UMC may not build a JV semiconductor plant in Singapore as planned.** The two companies had planned to build a joint-venture fabricating plant in Singapore. Ms. Keung indicated that the plant will likely not be built, but she said, "no official announcement has been made." But Alex Hinnawi, an official at UMC, denied that there was any change in his company's relationship with AMD.

Venture Capital / Investments

- **SGX to launch the world's first futures contract based on a computer memory chip** in the second quarter. The contract would allow memory makers and their customers, mainly computer manufacturers, to hedge against price swings such as the recent plunge in prices that has hammered the chip industry. The new contract will be based on 256 megabit double-data-rate (DDR) DRAM chip.
- **EDB announces 15 more enterprises for its Startup Enterprise Development Scheme (Seeds).** The start-ups received S\$3.9 million from EDB as seed capital to complement the S\$4.2 million they raised on their own and through third parties. The start-up has to first look for a third party to invest in it. EDB will match that third party's investment, ranging from S\$75,000 to S\$300,000

Hong Kong

Telecommunications

- **PCCW making write-off for goodwill impairment in its 50 per cent investment in Reach** - a JV with Australian telecoms giant Telstra. However, analysts said concerns that conditions in the telecommunications connectivity industry might be deteriorating, and the possibility of further write-offs which could delay dividend payments, should worry investors more than the write-off.

United States / Canada

Life Sciences

- **Pharmacia reports a sixfold jump in fourth-quarter profit**, given hefty charges a year earlier. Sales, however, rose 1.4%, led by its strong portfolio of Cox-2 painkillers. Pharmacia on Wednesday reported

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net income of \$554 million, or 41 cents a share, compared with \$86 million, or six cents a share, a year earlier. Sales climbed to \$3.74 billion from \$3.68 billion.

- **NPS Pharmaceuticals to pay \$571 million in stock for Enzon Pharmaceuticals** in a move to create a biotechnology company with a balance between medicines on the market and drugs in development. Enzon, Bridgewater, N.J., is a profitable specialty-drug maker with a weak pipeline. Its centerpiece is a technology called pegylation, which can reduce the frequency of injection and side effects of some drugs.
- **Biogen pulls application for European approval of an expensive new treatment for psoriasis** after regulators asked for more clinical data. The scientific advisory body of the European Medicines Evaluation Agency asked Biogen to conduct a clinical trial with more patients, and one that compared the effectiveness of the injectable drug, Amevive, to existing therapies.

Mobile / Wireless

- **Palm launches newest wireless hand-held computer** and said it signed an agreement with AT&T Wireless Services, to provide service to the device. The Milpitas, Calif., maker of hand-held computers, which is expanding from regular organizers to wireless-data gadgets, said its Tungsten W hand-held will be available in retail outlets by the end of the month.

Software

- **Phoenix Technologies to offer new technology for improving PC security and reliability.** Core Managed Environment, or CME, is designed to become a built-in feature of new PCs that can be used by hardware and other software companies to add security features. Among other things, CME is designed to wall off a protected portion of a PC hard drive.
- **SunGard Data Systems net income rises to \$96 million**, or 33 cents a share, from \$80 million, or 28 cents a share, a year earlier. SunGard, which provides information technology products for the financial services industry, said it expects 2003 earnings before items of \$1.24 to \$1.29 a share, assuming neither a rebound nor a further deterioration in demand.
- **J.D. Edwards swings to a profit in its fiscal first quarter amid new license agreements** and fewer charges. The developer reported net income of \$6.5 million, or five cents a share, for the period ended Jan. 31, contrasted with a net loss of \$4.1 million, or four cents a share, a year earlier. License-fee revenue climbed 6.6% to \$46.8 million, and services revenue slipped 1% to \$159.1 million.
- **Bill Gates sells two million shares of Microsoft common stock**, according to a Form 4 filed with the SEC. Mr. Gates sold the shares for \$24.56 to \$24.91 a share. After the transactions, he directly owned 1,217,498,600 common shares and indirectly owned 429,256 common shares. In trading Thursday on the Nasdaq Stock Market, shares of Microsoft were down 38 cents, or 1.6%, to \$24.15.
- **BEA Systems fourth-quarter profit more than triples** as the company benefited from services it provided to existing customers and year-end spending on software. The company reported net income of \$35 million, or eight cents a share, for the quarter ended Jan. 31. A year earlier, it had net of \$10.6 million, or three cents a share, including pretax charges of \$19.8 million for restructuring.

Internet

- **FCC deregulates market for high-speed Internet access**, allowing the regional Bells to stop sharing most of their broadband networks with competitors, but left the decision on sharing most pieces of local telephone service networks to state public service commissions. The regional Bell companies, consumer advocates and Covad Communications are dissatisfied with the ruling.

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- **Google acquires Pyra Labs (www.pyra.com), maker of popular Weblog publishing tool Blogger.** Terms weren't disclosed. Over one million people have started a Weblog with Pyra's software. Weblogs, the popular diary-like Web sites known as "blogs," have seen fast growth in the past year, and bigger Web outfits have started taking an interest in them.
- **Overture to buy AltaVista for \$140 million in cash and stock.** Overture, a search engine owned by CMGI, has made a booming business of selling ads for placement on search pages generated by its partners, the largest of whom are Yahoo and Microsoft MSN. AltaVista provides Overture with algorithmic search technology that allows it to offer a so-called paid-inclusion advertising product.
- **Internet stocks as a group up about 3% so far this year** -- one of the very few sectors that isn't in the red. Names like eBay, Yahoo, WebMD and Amazon.com have gained between 6% and 15% over the same period. In large part, investors are betting that the market overreacted during the past three years. More than 41% of the 209 publicly traded Internet companies were profitable in 4Q.
- **Inktomi extends pact to provide MSN with Web-search services** despite MSN rival Yahoo's plans to acquire Inktomi. Inktomi agreed in February to provide Microsoft, its largest customer, with services until December 2005. The pact comes despite a December 2002 agreement by Yahoo, one of MSN's biggest rivals, to acquire Inktomi.

Semiconductors

- **Intel announced it would upgrade its wafer manufacturing plant in Chandler, Ariz.,** to a more advanced and efficient manufacturing method at a cost of \$2 billion. The conversion of Fab 12 to a 300-millimeter process from its current 200-millimeter process will double manufacturing capacity while lowering costs, the Santa Clara, Calif., chip giant said. Separately, chief executive Craig Barrett said that **demand for innovation in the semiconductor industry to continue** despite the economic slump that has plagued the high-tech world. Internet traffic is rising exponentially with the acceptance of e-commerce, wireless communications and digital-entertainment devices, Mr. Barrett told programmers gathered for the twice-yearly Intel Developer Forum.
- **Semiconductor equipment orders slides 10% to \$742 million** in January from the previous month, according to a report from Semiconductor Equipment and Materials International (www.semi.org). January orders, which are measured on a three-month average basis, were 15% above the \$645 million posted in the year-earlier period.

Venture Capital / Investments

- **Proxy battle heating up between MVC Capital and Millenco,** an arm of New York hedge fund Millenium Partners. The two sides will square off at a shareholder meeting scheduled for Feb. 28. MVC Capital headed to a U.S. District Court in New York for a hearing on a suit filed Feb. 6. It alleges that two of MVC's largest shareholders are colluding to overthrow the MVC board and liquidate the assets.

Hardware

- **Cisco Systems is launching a new \$100 million to \$150 million ad campaign.** The San Jose, Calif., company practically bailed out of consumer advertising in the U.S. during 2002, part of the prolonged drought in advertising by technology companies overall. But now, Cisco is launching a series of ads that aim to position the company as a leader in networking technologies.
- **Micron laying off 10% of its world-wide labor force** of over 18,000. It is the first layoff the Boise, Idaho-based company has imposed since 1985, seven years after it was founded. Chairman Steve

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Appleton said the layoffs will be proportional throughout the corporate system. He also said the company was narrowing its product line.

- **Microsoft has bought software and patents for so-called "virtual machine" technology** from privately held Connectix, for an undisclosed sum. The deal, which closed earlier this week, covers technology developed by Connectix (www.connectix.com) that allows computers running one operating system to run other operating systems and their associated programs, all on the same machine.

Media, Entertainment and Gaming

- **America Online stops selling its interactive television product, AOLTv.** AOL will continue to support current subscribers who use the product, which allows users to surf the online service and send e-mail from their televisions. AOL has shifted development into AOL Broadband, which allows high-speed AOL subscribers to watch high-bandwidth content that accompanies existing television shows.
- **America Online offering advertisers a spot on the "Welcome Screen"** that 35 million world-wide subscribers see when they log on to the service. The AOL Time Warner unit needs to woo advertisers. The online company's ad revenue plummeted 40% to \$1.6 billion in 2002 and is expected to fall a further 40% to 50% this year, despite signs of a turnaround in the overall advertising industry.

Europe

Telecommunications

- **T-Mobile International to launch 3G cellphone powered by Microsoft's Smartphone software** this summer in its major European markets. The German mobile-phone operator's announcement marks the second major wireless provider to adopt Smartphone, a cut-down version of Microsoft's Windows-based Pocket PC operating system. Orange SA, the English-French wireless provider, launched its own version in October 2002.

Mobile / Wireless

- **Mobile-phone operators pressure suppliers to cut costs of wireless-infrastructure equipment.** Opening up what is likely to be a fierce bidding contest among the likes of Nokia and Ericsson, Orange PLC, one of Europe's major mobile-phone operators, said it would negotiate new contracts this summer for third-generation telecommunications infrastructure.

Software

- **Hasso Plattner, the co-chief executive of SAP, is the last of SAP's five founders** still active at the company. He was SAP's main technology innovator, but appears to be passing the torch to Shai Agassi, a young Israeli who is only four years older than the company Mr. Plattner founded. Mr. Plattner, 59 years old, appointed the 34-year-old Mr. Agassi as top tech developer this month.

Media, Entertainment and Gaming

- **Group of music publishers file a lawsuit against Bertelsmann** over the German media giant's investment in the music-sharing service operated by Napster Inc. Asking for damages of at least \$17 billion, the music publishers, in a suit filed in federal district court in New York, allege that Bertelsmann contributed to the wide-scale infringement of their copyrighted works by funding Napster.

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Other Economic Data

Currency Exchange Rates						
Currency	Units	Current Rate (on 2/21/03)	% Change 1 Week Ago	% Change 1/1/2002	% Change 1/1/ 2003	% Change Last 12 Mth.
Japanese yen	¥/US\$	118.7000	1.5%	-9.8%	0.1%	13.0%
Hong Kong dollar	HK\$/ US\$	7.7995	0.0%	0.0%	0.0%	0.0%
Chinese renmenbi	RMB/ US\$	8.2775	0.0%	0.0%	0.0%	0.0%
Singapore dollar	S\$/ US\$	1.7450	0.5%	-5.5%	-0.6%	5.0%
South Korean won	KRW/ US\$	1192.1500	1.0%	-9.2%	-0.5%	10.9%
New Taiwan dollar	NT\$/ US\$	34.7500	0.3%	-0.7%	-0.3%	1.0%
Australian dollar	US\$/A\$	0.5975	0.9%	17.2%	6.4%	16.5%
New Zealand dollar	US\$/NZ\$	0.5589	1.1%	34.3%	6.6%	33.7%
Philippine peso	PHP/ US\$	54.2500	-0.6%	5.1%	-1.2%	-5.3%
Euro	US\$/€	1.0771	-0.2%	21.1%	2.7%	23.0%
British pound	US\$/£	1.5790	-2.3%	8.6%	-1.9%	10.2%

Fixed Income Prices and Yields							
Note	Currency	Current (on 2/21/03)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	108.0625	4.85%	108.6406	4.81%	107.9375	4.85%
Japan 30-year	¥	115.5065	1.43%	115.3990	1.43%	119.0185	1.28%
Hong Kong 10-year	HK\$	122.4949	3.73%	122.5976	3.72%	122.4145	3.78%
China (10/2027)	US\$	116.8425	6.16%	117.4700	6.12%	116.0125	6.22%
Singapore 10-year	S\$	117.2710	2.07%	117.4850	2.06%	115.8920	2.29%
South Korea 10-year	US\$	122.1760	4.05%	121.2636	4.24%	122.5360	4.04%
Australia 15-year	A\$	110.8200	5.13%	110.5500	5.16%	110.1020	5.22%
New Zealand (07/2009)	NZ\$	107.0133	5.67%	106.8441	5.71%	105.6766	5.93%
Philippines 20-year	PHP	130.3605	13.83%	126.8735	14.24%	135.0126	13.32%
India 20-year	INR	135.4232	7.10%	132.9599	7.30%	147.9856	6.15%
UK 30-year	£	97.9610	4.37%	97.9922	4.37%	97.4551	4.41%
Germany 30-year	€	112.5240	4.68%	112.1498	4.71%	111.4755	4.75%

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