

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



Week of 9 November - 15 November 2003

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| Equity Market Indicators  |                             |                        |                      |                      |                      |
|---------------------------|-----------------------------|------------------------|----------------------|----------------------|----------------------|
| Index                     | Closing Level<br>(11/14/03) | % Change<br>1 Week Ago | % Change<br>1/1/2003 | % Change<br>1/1/2002 | % Change<br>2002 Low |
| S&P 500                   | 1,050.35                    | -0.3%                  | 19.4%                | -9.0%                | 36.3%                |
| Dow Jones Industrial Avg. | 9,768.68                    | -0.4%                  | 17.1%                | -3.0%                | 35.0%                |
| Dow Jones Tech. Index     | 340.52                      | -2.0%                  | 48.3%                | 0.9%                 | 87.8%                |
| Dow Jones Telecom. Index  | 168.38                      | 1.3%                   | 13.9%                | -19.3%               | 44.3%                |
| NASDAQ Composite          | 1,930.26                    | -2.1%                  | 44.5%                | -2.5%                | 76.6%                |
| The Street.com Net        | 144.92                      | -2.5%                  | 69.2%                | -25.9%               | 138.5%               |
| Japan Nikkei 225          | 10,167.06                   | -4.3%                  | 18.5%                | -6.5%                | 24.5%                |
| Japan TOPIX               | 1,006.77                    | -3.7%                  | 19.4%                | -4.5%                | 24.9%                |
| Korea KOSPI Composite     | 809.89                      | 0.7%                   | 29.1%                | 11.7%                | 39.2%                |
| Korea Kosdaq              | 46.90                       | 2.6%                   | 5.7%                 | -37.0%               | 7.6%                 |
| Taiwan Stock Exchange     | 6,044.77                    | -0.2%                  | 35.8%                | 7.9%                 | 56.8%                |
| Singapore Straits Times   | 1,736.72                    | -1.8%                  | 29.5%                | 6.8%                 | 31.2%                |
| Hong Kong Hang Seng       | 12,203.53                   | -0.1%                  | 30.9%                | 7.5%                 | 38.0%                |
| Hong Kong GEM             | 1,212.84                    | -1.2%                  | 27.6%                | -36.3%               | 34.1%                |
| China Shanghai (A-Share)  | 1,391.70                    | -0.3%                  | -1.9%                | -17.0%               | 1.8%                 |
| China Shenzhen (A-Share)  | 370.22                      | -0.4%                  | -9.7%                | -24.4%               | -6.1%                |
| China Shanghai (B-Share)  | 110.00                      | -1.5%                  | -3.1%                | -34.9%               | -1.8%                |
| China Shenzhen (B-Share)  | 268.08                      | -3.1%                  | 43.4%                | 2.5%                 | 47.1%                |

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## Technology, Media, Telecommunications and Life Sciences Market Activity

### Asian Markets: TMT and Life Sciences Convertibles

| Issuance Date | Issuer [Ticker]             | Description of Issuer   | Maturity Date | Size (US\$MM) | Price | Yield | Converts to | Convertible Until |
|---------------|-----------------------------|---|---------------|---------------|-------|-------|-------------|-------------------|
| 11/12/03      | Global Sun Tech. [GSTECHO]  | Provides OEM (Original Equipment Manufacturer) contract manufacturing services to equipment suppliers in computers, communications, and electronics fields. | 11/12/08      | 25,917        | N/A   | N/A   | 2793 Shares | 11/2/08           |
| 11/12/03      | Wooyoung Co. Ltd. [WOOYOUO] | Produces back light units in LCD products such as laptop computers and monitors.  | 11/12/06      | 15,000        | N/A   | N/A   | 1852 Shares | 11/12/06          |

### 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 11/14/03 | % Change From Offer |
|--------------|--|---|---------------|-------------|-------------------|---------------------|
| 11/10/03     | Access Integrated Technology [AIX.US] (AMEX) | Operates Internet data centers, which provide customers a secure location for their computer and telecommunications equipment, access to voice and data transmission services from a choice of network providers. | US\$6.0       | US\$1.2     | US\$6.3           | 425%                |
| 11/12/03     | Tessera Technologies Inc. [TSRA.US] (NASDAQ) | Provides proprietary chip scale packaging technology which accelerates demand for performance and miniaturization in wireless communications.   | US\$97.5      | US\$7.5     | \$18.2            | 143%                |

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| Asian Equity Markets: TMT and Life Sciences IPO Pricing |  |  |               |             |                   |                     |
|---|--|--|---------------|-------------|-------------------|---------------------|
| Pricing Date  | Issuer (Exchange)                              | Description  | Size (US\$MM) | Offer Price | Price on 11/14/03 | % Change From Offer |
| 11/10/03  | Advanced Card Systems Hldgs. [8210.HK] (HKGEM) | Designs, manufactures, and sells smart card products including readers, smart cards, and operating systems.  | US\$3.2       | HK\$0.32    | HK\$0.27          | -17.2%              |
| 11/10/03  | Nichidenbo Corp. [3090.TT] (GRETAI)            | Distributes aluminum electrolytic and plastic film capacitors. Also sells integrated circuits, transistors, and light emitting diodes.   | US\$1.7       | NT\$27      | NT\$30            | 11.1%               |
| 11/12/03  | China Resources Power Holding [836.HK] (HKGEM) | A power generation company that invests, develops, owns and operates coal-fired plants in China.   | US\$330.3     | HK\$2.8     | HK\$2.9           | 3.6%                |
| 11/14/03  | Ningbo Yidong Electronic [8249.HK] (HKSE)      | Designs, manufactures, and sells intelligent controller systems, which can be used for various consumer electrical and electronic appliances.  | US\$8.3       | HK\$0.5     | HK\$0.53          | 6%                  |
| 11/14/03  | Rorze Systems Corp. [071280.KS] (KOSDAQ)       | Manufactures various parts for liquid crystal display (LCD) products, and semiconductor manufacturing equipment. Products include: cassette station, wafer cassette station, loadport, and motors. | US\$6.9       | KRW 7,800   | KRW 17,450        | 123.7%              |
| 11/14/03  | Toonboom Korea Co. Ltd. [054780.KS] (KOSDAQ)   | Develops and markets multimedia contents for system integration.   | US\$1.4       | KRW 900     | KRW 1,145         | 27.2%               |

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## Weekly Highlights

### International

#### *Internet*

- **Internet advertising sales posted a 14 percent jump to US\$1.7 billion in the second quarter from the comparable period last year.** The results were driven by a sharp increase in paid-search advertising, which made up nearly a third of the total spending in the latest quarter, according to the report by the Interactive Advertising Bureau and PricewaterhouseCoopers. For the first half of this year, sales climbed 10.5 percent to US\$3.3 billion over the same period of last year.

#### *Telecommunications*

- **Mergers and acquisitions among telecommunications operators in the Asia region were expected to increase next year as their credit ratings stabilize, according to Fitch Ratings.** Mainland operators were expected to lead the trend towards M&As as they searched for growth opportunities in the regional mobile market. A case in point is a consortium led by China Network Communications Group's purchase of bankrupt Asia Global Crossing for US\$120 million, making it the only mainland operator to buy a telecommunications asset in the region.

### Japan

#### *e-Commerce*

- **Fifteen firms, including Sony Corp. and publisher Shinchosha Co., have jointly established an e-book publishing company** that will start offering its services next spring. Sony has a 41% stake in the venture, Shinchosha holds 15%, while Dai Nippon Printing Co. and Toppan Printing Co. each have 10% stakes. The venture will offer e-book rentals to readers who pay monthly membership fees. The books, which will be distributed over the Internet, can be read for two months on a special Sony device under development or a personal computer. But after the two-month period elapses, the content will be erased and access to it will thus be prevented. The operations will employ Sony's e-book formats and copyright management methods.

#### *Hardware*

- **Fujitsu Laboratories Ltd. has developed a promising new way to manufacture flat-panel displays exceeding 100 inches diagonally.** The light-emitting structure on which the technology is based is also used for PDPs (plasma display panels), but it lends itself better to large displays because they are made from an array of glass tubes, each containing the phosphors and electrodes needed to drive a string of pixels.
- **NTT Communications Corp. and Secom Co. are joining forces to launch a multifunction smart card system.** The eLWISE card, which has been developed by NTT Communications and records up to 1MB of data, can be used to authorize access to buildings, personal computers, and corporate networks. The two firms will issue it to companies, organizations and government agencies. The system employs Secom's security system and Secom Trustnet Co.'s Internet security technology. Each smart card will be programmed to control access to buildings and PCs.

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## *Information Technology*

- **Japan Broadcasting Corp. (NHK) has developed new computer graphic technology, which can produce highly realistic three-dimensional images** based on moving pictures of a subject taken by 19 cameras from various angles. The technology can reproduce even wrinkles in clothes accurately. Using a control device, viewers can instantly change the angle from which they see an image. NHK is considering using such images in explaining different batting or pitching techniques of professional baseball players during its live broadcasts of games.

## *Internet*

- **Softbank's net loss widened to ¥77.3 billion (US\$709.5 million) in the first half from ¥55.8 billion (US\$515 million) a year earlier** after losses on its securities holdings. The recurring loss in the April-September period grew to ¥53.7 billion (US\$495 million) from ¥46 billion (US\$424.5 million) but sales rose 18 percent to ¥225.5 billion (US\$2.1 billion) from the same six-month period last year.
- **Rakuten, Japan's biggest Internet shopping mall operator, may buy an online brokerage joint venture between Credit Suisse First Boston (CSFB) and Sumitomo Mitsui Banking Corp (SMBC).** Rakuten is purported to have agreed to acquire unlisted DLJdirect SFG Securities, the nation's third-biggest online brokerage, for more than ¥30 billion (US\$274.4 million). Rakuten runs Internet shopping mall Rakuten Ichiba, whose turnover hit a record of nearly ¥30 billion (US\$276.9 million) in the April to June period.

## *Media, Entertainment and Gaming*

- **Nintendo Co. reported a loss in the first half of the fiscal year -- its first-ever -- as a strengthening yen pummeled overseas earnings** while sales of a key videogame console flagged. The firm posted a group net loss of ¥2.9 billion (US\$26.6 million) for the six months ended Sept. 30, compared with a net profit of ¥19 billion (US\$175.3 million) the year before. Nintendo blamed the loss on slow sales of its GameCube videogame console and a ¥40.3 billion (US\$371.9 million) decline in the value of its overseas assets -- largely cash and accounts receivables -- as the yen appreciated against the dollar. Overseas sales accounted for 74% of Nintendo's total revenue during the period.
- **Sony Music plans to introduce new CD technology that prevents users from copying songs to file-sharing sites, but allows them to make copies for their personal use.** The record industry blames its recent sales slump on file-sharing services like KaZaa, which it says are havens for piracy. Last year, major labels issued "copy-protected" CDs that prevent them from being played on computers. The copy-protected discs faced a backlash from customers and music fans, and several lawsuits emerged from some customers that complained these CDs caused their computers and other devices to malfunction.
- **Sega Corp. reported its fiscal first-half net profit rose nearly six fold,** on strong sales of arcade-game machines and packaged videogame-software titles overseas. The company booked a group net profit of ¥5.9 billion (US\$54.5 million) for the six months ended Sept. 30, up from ¥1.0 billion (US\$9.3 million) a year earlier. Operating profit, revenue less the cost of goods sold and administrative expenses, jumped 64% to ¥7.6 billion (US\$69.9 million) from ¥4.6 billion (US\$42.5 million).

## *Software*

- **A group of Japanese electronics and information communications companies are teaming up to establish an organization to promote the commercial use of the Linux.** This organization -- to be

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anchored by Hitachi Ltd., Fujitsu Ltd., NEC Corp., NTT Data Corp., IBM Japan Ltd. and Argo21 Corp. -- will work to make improvements in Linux itself and development of related software. In addition, separate panels will be formed in the new group to tackle security issues, software development and other topics. The organizations are set to work in their areas of expertise to make modifications to the operating system and then share their findings and know-how in order to promote its use.

## Korea

### *Information Technology*

- **Ahnlab Inc., a major information-security solutions developer, posted 6.1 billion won (US\$5.2 million) in sales in the third quarter, up 8.5 percent from the previous quarter.** Its net profit stood at 1.3 billion won (US\$1.1 million) in the three months ended Sept. 30, up 647 percent from the second quarter.

### *Media, Entertainment and Gaming*

- **Webzen Inc. plans to sell up to 10 million shares overseas in a bid that could raise around 140 billion won (US\$118.8 million).** The shares will be sold in the form of American depositary receipts at a price of about 14,000 won (US\$11.9) each. The game provider plans to start with an initial offering of 8.7 million ADRs, and may add a further 1.3 million depending on demand. Webzen reported that one million new shares will be issued for the sale, with each share worth 10 ADRs.

### *Mobile / Wireless*

- **LG Telecom Co., the smallest of Korea's three mobile carriers, has agreed with Kookmin Bank to extend their partnership for two months in selling mobile finance services.** LG Telecom and Kookmin Bank, the nation's largest lender, have been in collaboration to sell mobile commerce applications designed to allow users to conduct banking transactions via mobile phones.
- **Samsung Electronics Co. has signed a contract to launch trial operations of a wired-home service with Telstra Corp.** Samsung Electronics would supply Telstra with a range of equipment and applications for unified messaging, security, videoconferencing and other functions for wired homes as well as offices. Residents in the new homes and offices will be able to control their appliances from any room with handheld wireless devices.

### *Telecommunications*

- **LG Group revamps telecommunications strategy in the wake of it failed take over of Hanaro Telecom Inc. and moves to sell its entire stake in the broadband carrier.** LG Corp. would sell its 4 percent stake in Hanaro, worth 44.9 billion won (US\$36.3 million) at current market prices, but it did not reveal the exact timing of the sale.
- **KT Corp. is rushing to diversify its business items into video games, broadcasting and real estate in a bid to bolster profitability and seek new growth engines** amid growing worries over its tepid earnings from its flagship broadband service. In a bold step that set off alarms at local video game distributors, KT would invest up to 100 billion won (US\$85.2 million) in the gaming industry. To that end, it recently signed contracts with major Korean game developers and is also in talks with foreign game distributors.
- **Hanaro Telecom Inc. reduced the number of executive-level officials from 49 to 27 through restructuring and early-retirement packages.** The company accepted resignation letters from all

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executives and offered early-retirement packages last week as part of efforts to slim down its organization and reorganize its management lineup.

## China

### *Internet*

- **China had 9.4 million broadband subscribers at the end of September, nearly three times as many as a year earlier.** The figure compares with 3.4 million broadband users at the end of September 2002, according to CCID Consulting, a Beijing-based agency. Growth was particularly rapid in the third quarter of this year, when 2.3 million more Chinese started subscribing to broadband services. According to a forecast from Beijing-based Norson Telecom Consulting, 21 million Chinese would have high-speed Internet access by 2005.

### *Mobile / Wireless*

- **Makers of cellular phones and network equipment are adjusting plans for third-generation products in China** as signs grow that regulators in the world's largest wireless market will wait until late next year to set standards and issue licenses for upgraded services. The Chinese Ministry of Information Industry has not publicly set a deadline for deciding a wide range of issues concerning how to implement so-called 3G technology. But many manufacturers had been operating on the assumption that decisions would be made this year. They have intensely lobbied the ministry, known as MII, because the decisions not only will set the course for China's wireless industry for the rest of the decade but also shape who pays and who collects royalties on advanced technology.

### *Semiconductors*

- **Mainland chipmaker Shanghai Belling will proceed with a 383 million yuan (US\$45.6 million) plan to make eight-inch silicon wafers despite failing to secure a strategic foreign partner in the joint venture.** The firm had sealed a partnership with Shanghai Zhangjiang Hi-Tech Park Development, which will provide free land use for the plant in exchange for a 7.5 percent stake in the venture. Shanghai Belling will own the remainder of the venture, which will invest 414 million yuan (US\$49.9 million).

## Taiwan

### *Semiconductors*

- **Philips Electronics NV sold a 2.5% stake in Taiwan Semiconductor Manufacturing Co.** The stake consists of 500 million shares, which Philips sold in the form of 100 million American depositary receipts at a price of US\$10.77 per ADR. Through the ADR sale, Philips cut its stake in the world's largest maker of made-to-order chips to 19.1% from 21.6%. Through the sale, the firm raised US\$1.1 billion.

## Singapore / Malaysia / Philippines / Indonesia

### *Internet*

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- **Singapore's Parliament has given the government sweeping powers to monitor all computer activity in the city-state and act against anyone it believes could use computers to threaten national security.** The government will use pre-emptive scanning of electronic networks to detect possible threats. A new amendment to the Computer Misuse Act says any person or organization can be ordered to take measures to prevent computer attacks, as these could jeopardize the city-state's defense, essential services or foreign relations.

## United States / Canada

### *Internet*

- **CNET Networks Inc. has signed a deal to acquire the assets of MP3.com Inc.** from Vivendi Universal SA's U.S. Internet unit. The deal is scheduled to close next month and transaction terms were not disclosed. CNET is acquiring the domain name and brand of MP3.com and appears to be stepping towards the launch of an online music information service.
- **The U.S. Patent and Trademark Office is reconsidering a patent affecting Internet pages that critics contend could disrupt millions of web sites.** The patent affects how Internet sites build into web pages small interactive programs that power everything from banner ads to interactive customer service. Eolas Technologies Inc., which was founded by one of the inventors and has licensed the patent exclusively, has begun enforcing its claims and recently won a US\$520 million jury award against Microsoft Corp., which quickly appealed the judgment. Eolas claims Microsoft's Internet Explorer web browser software violated its patent. Microsoft has pledged to redesign its browser early in 2004 in ways that will require web surfers to click on a dialogue box when they visit a site that employs one of the specialized programs.

### *Media, Entertainment and Gaming*

- **Wal-Mart Stores Inc. will launch an online music store with prices that are expected to be lower than competitors'.** Walmart.com is teaming with Geneva Media, which in January purchased Liquid Audio's digital-music fulfillment business. Geneva is an affiliate company of Anderson News Co., which distributes books and magazines to Wal-Mart's retail outlets. Another Anderson affiliate supplies compact discs to the retailer. Walmart.com's music store will have about 200,000 song titles available for downloading, and they are expected to cost less than the customary 99 cents a song charged by competitors such as Apple Computer Inc.'s iTunes Music Store.

### *Mobile / Wireless*

- **Federal regulators released for public use a swath of radio spectrum that will improve the quality of short-distance wireless broadband networks,** increasingly popular among consumers who use simple store-bought devices to gain high-speed access to the Internet from anywhere in their homes and businesses. The Federal Communications Commission voted unanimously at its monthly meeting to tap a high-frequency band reserved for the military to almost double the spectrum available for such wireless devices. Major technology companies including Intel Corp. and Motorola Inc., as well as upstarts, pushed the FCC for the additional space, which is expected to speed the flow and quality of information on these free-forming wireless networks.

### *Semiconductors*

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- **Applied Materials reported a slight profit in its fiscal fourth quarter and a much stronger-than-expected uptick in new orders, a sign that the worst may be over for the chip-equipment industry.** The biggest maker of equipment for semiconductor companies posted net income of US\$15 million. Excluding one-time charges, the company posted earnings of US\$95 million. Sales came in at US\$1.2 billion, ahead of Wall Street's estimate of US\$1.1 billion but down 16 percent from US\$1.5 billion a year earlier.

## *Software*

- **Cisco Systems Inc. agreed to acquire Latitude Communications Inc., a maker of software for Internet-based conferencing, for US\$80 million.** Under the terms of the deal, Cisco will pay US\$4 for each Latitude share outstanding, a 30% premium to Latitude's share price. Latitude was founded in 1993 and went public in 1999. For the nine months ended Sept. 30, Latitude reported a net loss of US\$3.2 million compared with a net loss of US\$18.6 million a year earlier. Revenue declined 13% to US\$26.3 million from US\$30.3 million.
- **PeopleSoft Inc. may have found a way to ward off Oracle Corp.'s US\$7.3 billion hostile takeover bid, but at a price.** Oracle reported that a revised PeopleSoft program to offer its customers refunds of up to two to five times license fees may force it to abandon its bid for the company as it will "no longer be economically viable." Last month, PeopleSoft said its potential liability under the revised refund program totaled nearly US\$800 million at the end of the third quarter. Some PeopleSoft shareholders have also filed a motion to block the revised refund program, but the company spokesman said the plan is "good for customers, and ultimately good for shareholders."

## *Telecommunications*

- **Some of the nation's largest phone companies consider the phone number portability rule unfair and rushed.** Most Bell companies and some analysts say it may take months to work out all the technical and administrative hurdles involved. Yet the Bells also say they don't expect an onslaught of consumers seeking to move their home phone number to a cell phone. Communication between rival phone carriers is a key concern in making such number switches, including whom to contact at a wireless company when customers want to switch their land-line service to a cell phone, and how to communicate customer data, such as the billing address, to the wireless company.

## **Europe**

### *Mobile / Wireless*

- **Cable & Wireless PLC posted a narrower loss for its fiscal first half as it worked to exit the U.S. market and focus on its core United Kingdom operations.** The U.K.-based telecom firm reported a net loss of £80 million (US\$133.2 million) for the six months ended Sept. 30, compared with a loss of £4.5 billion (US\$7.7 billion) in the year-earlier period, which included charges of £4.3 billion (US\$7.3 billion) for write-downs of goodwill and restructuring costs. The most recent period included restructuring costs of £148 million (US\$249.8 million). Revenue fell 17.8% to £1.9 billion (US\$3.3 billion) from £2.4 billion (US\$4.0 billion).

### *Software*

- **Arguments about whether Microsoft Corp. has been abusing the dominant position it has with Windows to unfairly muscle its way into new markets have ended.** European Union regulators

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charge that Microsoft's decision to tie its Media Player into Windows, which runs about 90% of desktop computers, "weakens competition on the merits, stifles product innovation and ultimately reduces consumer choice." They are threatening fines that could reach up to \$3 billion, as well as a far-reaching order for Microsoft to strip the multimedia application from Windows to give rivals such as RealNetwork's RealPlayer or Apple Computer Inc.'s Quicktime more of a chance.

## *Telecommunications*

- **Deutsche Telekom AG posted its third consecutive quarterly net profit and raised its 2003 forecast** for its key earnings measure after reducing debt faster than planned. The telecom company swung to a net profit of €508 million (US\$591 million) for the third quarter, after a €20.6 billion (US\$24.3 billion) loss a year earlier, exceeding analysts' expectations of €187 million (US\$220.3 million) in profit. Sales advanced 4.9% to €14.1 billion (US\$16.6 billion) from €13.4 billion (US\$15.8 billion).
- **Siemens AG, one of the world's largest capital-goods makers, forecast double-digit profit growth for the coming year** as it reported stronger-than-expected fiscal fourth-quarter earnings. The group reported net profit for the period ended Sept. 30 rose to €724 million (US\$849 million) from €53 million (US\$62.4 million) for the year-earlier quarter. Sales fell 7% to €19.8 billion (US\$23.3 billion) from €21.3 billion (US\$25.1 billion).
- **BT Group PLC increased its dividend and dividend targets and initiated a share buyback program amid stronger-than-expected second-quarter results.** BT's pretax profit before exceptional items and goodwill amortization rose 7% to £529 million (US\$885.4 million) from £496 million (US\$837.2 million) in the year-earlier period. Revenue for the three months ended Sept. 30 fell 2% to £4.6 billion (US\$7.7 billion) from £4.7 billion (US\$7.9 billion). The company reported net debt at £8.8 billion (US\$14.8 billion), a 33% reduction from the previous year.
- **Telefonica SA reported a 9.4% rise in third-quarter net helped by cost-cutting and currency movements.** The cost cutting was strongest in its Spanish fixed-line business, while the currency boost was from the recovery of Latin American currencies against the euro. The groups' net profit rose to €588.7 million (US\$685.2 million) in the quarter from a year earlier. Revenue rose 6.4% to €7.3 billion (US\$8.6 billion) -- the first time it has grown since 2001 -- and earnings before interest, tax, depreciation and amortization, or EBIDTA, rose 17% to €3.3 billion (US\$3.9 billion).

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## Other Economic Data

| Currency Exchange Rates |            |                               |                        |                      |                       |                          |
|-------------------------|------------|-------------------------------|------------------------|----------------------|-----------------------|--------------------------|
| Currency                | Units      | Current Rate<br>(on 11/14/03) | % Change<br>1 Week Ago | % Change<br>1/1/2002 | % Change<br>1/1/ 2003 | % Change<br>Last 12 Mth. |
| Japanese yen            | ¥/US\$     | 108.3450                      | 1.0%                   | -17.7%               | 9.6%                  | 11.2%                    |
| Hong Kong dollar        | HK\$/ US\$ | 7.7628                        | 0.0%                   | -0.4%                | 0.5%                  | 0.5%                     |
| Chinese renmenbi        | RMB/ US\$  | 8.2770                        | 0.0%                   | 0.0%                 | 0.0%                  | 0.0%                     |
| Singapore dollar        | S\$/ US\$  | 1.7198                        | 1.1%                   | -6.9%                | 0.9%                  | 2.5%                     |
| South Korean won        | KRW/ US\$  | 1171.6000                     | 0.6%                   | -10.8%               | 1.2%                  | 3.3%                     |
| New Taiwan dollar       | NT\$/ US\$ | 33.9550                       | 0.2%                   | -3.0%                | 2.0%                  | 1.8%                     |
| Australian dollar       | US\$/A\$   | 0.7208                        | 1.6%                   | 41.4%                | 28.4%                 | 27.9%                    |
| New Zealand dollar      | US\$/NZ\$  | 0.6317                        | 2.4%                   | 51.8%                | 20.4%                 | 26.5%                    |
| Philippine peso         | PHP/ US\$  | 55.3750                       | -0.2%                  | 7.2%                 | -3.2%                 | -3.6%                    |
| Euro                    | US\$/€     | 1.1779                        | 2.2%                   | 32.4%                | 12.3%                 | 16.6%                    |
| British pound           | US\$/£     | 1.6880                        | 0.7%                   | 16.1%                | 4.8%                  | 6.8%                     |

## Fixed Income Prices and Yields

| Note                  | Currency | Current (on 11/14/03) |        | 1 Week Ago |        | 4 Weeks Ago |        |
|-----------------------|----------|-----------------------|--------|------------|--------|-------------|--------|
|                       |          | Price                 | Yield  | Price      | Yield  | Price       | Yield  |
| US 30-year            | US\$     | 104.7656              | 5.06%  | 101.8750   | 5.24%  | 101.2344    | 5.29%  |
| Japan 30-year         | ¥        | 103.2000              | 2.02%  | 98.1820    | 2.31%  | 102.0495    | 2.08%  |
| Hong Kong 10-year     | HK\$     | 121.1210              | 3.60%  | 120.5347   | 3.71%  | 121.3388    | 3.61%  |
| China (10/2027)       | US\$     | 136.5138              | 4.89%  | 134.5931   | 5.01%  | 140.7651    | 4.66%  |
| Singapore 10-year     | S\$      | 86.4320               | 3.95%  | 85.6300    | 4.07%  | 86.6833     | 3.91%  |
| South Korea 10-year   | US\$     | 120.2950              | 3.82%  | 119.5540   | 4.01%  | 120.9057    | 3.77%  |
| Australia 15-year     | A\$      | 104.2750              | 5.91%  | 104.1650   | 5.92%  | 106.1510    | 5.66%  |
| New Zealand (07/2009) | NZ\$     | 104.1536              | 6.12%  | 103.9997   | 6.15%  | 105.1723    | 5.92%  |
| Philippines 20-year   | PHP      | 150.4371              | 11.79% | 150.9950   | 11.74% | 151.4331    | 11.70% |
| India 20-year         | INR      | 154.2039              | 5.61%  | 155.0921   | 5.55%  | 157.8042    | 5.38%  |
| UK 30-year            | £        | 91.2350               | 4.81%  | 90.4712    | 4.87%  | 90.6740     | 4.86%  |
| Germany 30-year       | €        | 107.2940              | 5.00%  | 106.1847   | 5.07%  | 106.9965    | 5.02%  |

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