

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



Week of 21 March - 27 March 2004

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Equity Market Indicators					
Index	Closing Level (3/26/04)	% Change 1 Week Ago	% Change 1/1/2004	% Change 1/1/2003	% Change 2003 Low
S&P 500	1,108.06	-0.2%	-0.3%	21.9%	38.5%
Dow Jones Industrial Avg.	10,212.97	0.3%	-2.3%	18.7%	35.8%
Dow Jones Tech. Index	348.22	3.6%	0.1%	51.6%	60.4%
Dow Jones Telecom. Index	186.17	0.3%	0.3%	25.9%	46.0%
NASDAQ Composite	1,960.02	1.0%	-2.2%	41.5%	54.7%
The Street.com Net	157.78	1.8%	3.1%	76.0%	87.8%
Japan Nikkei 225	11,718.24	3.5%	9.8%	34.5%	54.7%
Japan TOPIX	1,179.17	4.2%	13.0%	37.1%	52.6%
Korea KOSPI Composite	874.67	1.3%	7.9%	37.7%	67.7%
Korea Kosdaq	432.30	0.6%	-3.7%	-7.2%	23.0%
Taiwan Stock Exchange	6,474.11	1.8%	9.9%	43.1%	48.1%
Singapore Straits Times	1,828.84	0.9%	3.6%	36.9%	50.5%
Hong Kong Hang Seng	12,427.34	-1.0%	-1.2%	32.7%	48.5%
Hong Kong GEM	1,236.71	-1.0%	4.3%	29.7%	37.7%
China Shanghai (A-Share)	1,803.31	-2.1%	14.9%	30.7%	32.1%
China Shenzhen (A-Share)	471.16	-1.1%	19.7%	17.5%	30.4%
China Shanghai (B-Share)	116.55	-1.5%	11.1%	3.9%	20.1%
China Shenzhen (B-Share)	292.80	-0.7%	7.6%	58.4%	59.0%

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Technology, Media, Telecommunications and Life Sciences Market Activity

Asian Markets: TMT and Life Sciences Convertibles

Issuance Date	Issuer [Equity Ticker]	Description of Issuer	Maturity Date	Size (US\$MM)	Per US\$10,000 converts to	Convertible Until
3/22/04	Supreme Electronics [8112.TT]	Distributes semiconductor parts and components, such as DRAMs (dynamic random access memories), SDRAMs (static dynamic random access memories), and Flash memory.	3/22/09	US\$24.1	3,073 Shares	3/12/09
3/22/04	Chipbond Technology [6147.TT]	Provides chip packaging service for the integrated circuit (IC) industry. The company manufactures gold bump, tape carrier packaging, solder bump, and chip on glass, which are applied to the processing process.	3/22/09	US\$27.1	2,298 Shares	3/12/09
3/25/04	Firich Enterprises Co. [8076.TT]	Manufactures PC base personal computer point base of sale systems and related peripherals.	3/25/09	US\$7.5	908 Shares	3/15/09
3/25/04	Billington Systems Inc. [6172.TT]	Develops, manufactures, and markets computer cards and multimedia products. The company also sells PDAs (personal digital assistant) and other related products.	3/25/09	US\$12	3,149 Shares	3/15/09

NASDAQ/NYSE TMT and Life Sciences IPO Filings

File Date	Issuer	Industry Sector	Size (\$MM)	Description	Book-Runner	Co-Manager
3/24/04	Leadus Technology Inc. [LDIS.US] (NASDAQ)	Semiconductor	US\$80	Designs, develops, and markets mixed signal semiconductors for flat panel displays. The company specializes in color display drivers with integrated controllers used in mobile consumer electronic devices such as mobile phones.	Goldman Sachs & Merrill Lynch	Needham and Co. Inc.
3/24/04	Ultra Clean Holdings [UCTT.US] (NASDAQ)	Semiconductor	US\$45	Develops and supplies critical subsystem for the semiconductor capital equipment industry, focusing on gas development systems.	CSFB & JP Morgan	Bank of America & Piper Jaffray & Co.

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File Date	Issuer	Industry Sector	Size (\$MM)	Description	Book-Runner	Co-Manager
3/23/04	Shopping.Com Ltd. [SHOP.US] (NASDAQ)	Internet	US\$75	Provide online, real-time interactive information exchange for e-commerce buyers and sellers. Through the website shoppers can compare models, brands, merchant types, and prices and make purchases for both online and offline retailers.	CSFB & Goldman Sachs	Deutsche Bank & Piper Jaffray
3/22/04	Brightmail Inc. [BRML.US] (NASDAQ)	Software	US\$80	Develops and markets anti-spam technology. The company provides software that identifies and blocks unsolicited bulk mail and other undesired messages, while assuring legitimate mail is delivered.	JP Morgan & Lehman Brothers	Pacific Crest Securities
3/22/04	Seven Networks Inc. [SEVN.US] (NASDAQ)	Software	US\$115	Provides software that enables wireless operators to offer real-time wireless data services to their subscribers on a variety of handheld devices.	UBS	Needham & Co.

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

Pricing Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 3/26/04	% Change From Offer
3/24/04	Ultra Clean Holdings [UCTT.US] (NASDAQ)	Develops and supplies critical subsystem for the semiconductor capital equipment industry, focusing on gas development systems.	US\$42	US\$7	US\$7.5	7.1%

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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 3/26/04	% Change From Offer
3/25/04	Chander Electronics [8068.TT] (GRETAI)	Distributes and offers semiconductor, electronic components, and software. The company distributes products such as interface and controller integrated circuits (ICs), computer memory, central processing units (CPUs), and connectors,	US\$1.1	NT\$20	NT\$24.3	21.5%
3/25/04	Howtch Technology [3114.TT] (GRETAI)	A electronic components and equipment distributor. The company distributes connectors, electronic passive components, memories, IC (integrated circuit) active components, and printed circuit boards (PCB) processing equipment. The company also provides system integration services.	US\$3.5	NT\$38	NT\$39.2	3.2%

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Weekly Highlights

International

Hardware

- **Market speculation rose on talks of an initial public offering in June or July by LG-Philips LCD,** the world's leading maker of flat display screens. The 50-50 joint venture between Korea's LG Electronics Inc. and Royal Philips Electronics NV of the Netherlands recently announced a 25 trillion won (US\$21.6 billion) project to build the world's largest thin film transistor liquid crystal display complex in Korea. LG-Philips plans to raise around US\$1 billion by listing in Seoul and New York in June or July.

Information Technology

- **The Asia Pacific's IT network security market would grow 13.9 percent annually over the next three years** as economies surged and the threat of cyber-attacks increased, according to consultant firm Frost and Sullivan. The network security market was expected to be worth US\$994 million in 2006, up from US\$753.6 million this year, with economic expansion in China, India, Japan and South Korea expected to drive the growth. The banking and finance industry makes up the biggest share of the network security market across the region, followed closely by government agencies.

Semiconductors

- **NEC Electronics Corp. licensed some of Transmeta Corp.'s technology and purchased a small equity stake in the semiconductor maker.** NEC Electronics purchased nearly 2% of Transmeta's shares through a December stock offering. NEC Electronics paid nearly US\$10 million for the stake. Other terms of the agreement were not announced. NEC will use Transmeta technology designed to reduce leakage of electrical current that causes chips to generate excess heat and shortens portable computers' battery life. Transmeta's technology, which it previously demonstrated in an experimental version of its Efficeon chip, can control current leakage by constantly adjusting the voltage used by a chip.
- **Hynix Semiconductor was in talks with European rival STMicroelectronics to set up a joint venture in China.** Hynix would contribute US\$500 million and STMicroelectronics will invest another US\$500 million with the remainder to be contributed by the Chinese government. Hynix had yet to decide on details of its plan to set up a chip plant in China. The company hopes to build the plant in the second half of 2005.

Software

- **Microsoft Corp., seeking to block a landmark antitrust ruling against it, is preparing a counterattack that accuses European regulators of unfairly giving away the software company's research and development.** The initial battleground will be Europe's second-highest court, where Microsoft will ask court President Bo Vesterdorf to suspend the European Union ruling that the company must share code and modify its dominant Windows operating system. At the same time, Microsoft is considering trying to persuade the U.S. government to challenge the ruling at the World Trade Organization.

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Japan

Information Technology

- **Fujitsu Ltd. has developed an all-silicon optical chip that can send and receive optical signals at a speed of 50 gigabits per second.** Most optical semiconductors are now made using indium-phosphorus and other compound semiconductor materials. These chips already achieve speeds of 40-50 Gbps, but an all-silicon device is easier to integrate with arithmetic processors and memory as single-chip solutions for optical communications systems. Fujitsu's new all-silicon optical chip is 30% faster than similar chips made in the past. The company achieved this by shortening the length of the gate electrode to 45nm. Fujitsu expects the device to find use in 40 Gbps optical communications systems.
- **The Japanese government designated seven priority areas it believes are likely to support domestic demand-led growth.** The seven areas are fuel cells, robots, information appliances, software content, health and welfare equipment-related services, environmental equipment-related services and business support services. The Ministry of Technology (METI) will forge a complete strategy to implement the proposal in early May, including promoting research and development by the public and private sectors and taking necessary deregulatory measures.

Semiconductors

- **Fujitsu Ltd. won a chip manufacturing orders from Lattice Semiconductor Corp., and received between US\$100 million to US\$200 million in funding from the U.S. maker of programmable chips.** The move follows the Japanese electronics giant's announcement last week that it will spend about ¥160 billion (US\$1.5 billion) to build an advanced semiconductor plant in Mie, Japan, which will use 300-millimeter wafers to produce faster, low power-consuming microchips from April 2005. Lattice has become one of Fujitsu's four partner companies expected to contribute about ¥30 billion (US\$283.2 million) of about ¥160 billion (US\$1.5 billion) in funding for the new plant. The arrangement will secure Lattice delivery of advanced chip products from Fujitsu, production capacity at the Mie plant and access to Fujitsu's semiconductor technologies that are crucial for the further development and production of field-programmable gate array, or FPGA, programmable chips that allow computer users to tailor microprocessors to meet their specific needs.

Korea

Hardware

- **LG Electronics Inc. is moving to strengthen its presence in the local MP3 player market** in an apparent countermove against industry leader Samsung Electronics. LG Electronics plans to launch its own production line of MP3 players by the end of June. This is a notable change in strategy for the company, which is currently supplying its line of MP3 players from other manufacturers. Earlier this year, Samsung announced that it would enhance investment into the MP3 player business this year to claim back the No. 1 position from ReignCom Ltd. in the global MP3 player market. Samsung, which sold around 1 million MP3 players internationally last year, aims to double its global sales while gaining more than 40 percent of the Korean market to unseat ReignCom.

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Mobile / Wireless

- **KT Corp. will work with Intel Korea and other companies to develop a wireless Internet for corporate clients.** According to the report, KT agreed to work with Intel Korea, Air Broadband Communications, Sybase and others in the wireless networking sector to develop their new "WN4 BIZ" services designed for use at companies, hospitals and public facilities. The launch date has not been set. KT will provide the basic facilities and installation to build the wireless networks, while Intel will offer their receiver technology for laptop computers. U.S.-based software companies Air Broadband Communications and Sybase will provide technologies for wireless roaming and middleware, respectively.
- **KTF Corp. and LG Telecom Co. have asked the government to suspend operations at industry rival SK Telecom Co., accusing the country's top mobile carrier of obstructing competition through illegal market practices.** In a joint statement released, the two wireless carriers asked the Ministry of Information and Communication to bar SK Telecom from signing up new subscribers for nine months, citing as grounds a series of antitrust violations. The companies also called for regulatory measures that could cut SK Telecom's market share to below 50 percent. Currently, SK Telecom controls more than 53 percent of Korea's 34 million cellular phone market.
- **SK Telecom finished the development of a cellular phone that works on the WIPI 1.2 platform.** According the report, the new phone adjusts the technical flaws of handsets equipped with WIPI's older 1.0 and 1.1 versions, which could function only under SK Telecom's mobile Internet system named WITOP. SK Telecom plans to discontinue the development of their WITOP platform and install WIPI 1.2 functions in all their handsets released after July. Wireless Internet platform for interoperability, middleware that allows cellular phone users to access the Internet and download data, was designated as Korea's standard wireless Internet platform in 2002.

Semiconductors

- **Samsung Electronics Co. expects 40% to 50% revenue growth from its semiconductor operations this year,** driven by an overall recovery in demand for technology products. The South Korean chip maker, the world's second-largest behind Intel Corp., attributed the outlook to strong demand for flash memory chips used in MP3 players and digital cameras, as well as supply constraints affecting the availability of dynamic random access memory, or DRAM, chips.

China

Internet

- **Local governments across China were ordered to bar any Internet cafes in residential areas or within 200 meters of a school to protect children's "mental health".** The order was made by the General Administration for Industry and Commerce (GAIC), China's market watchdog. GAIC said that currently in China many Internet cafes, especially those without licenses, admit juveniles in violation of relevant regulations and "spread unhealthy online information". In response, the government had launched a nationwide check on all Internet cafes to keep minors out.

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Mobile / Wireless

- **Mobile-phone subscribers in China rose 2% in February, according to data issued by the Ministry of Information Industry.** China had 282.3 million mobile-phone subscribers in February, 5.5 million more than a month earlier. The number of fixed-line subscribers in China rose by 5.6 million to 274.5 million. There have been fewer fixed-line users than mobile-phone users since October 2003. In the first two months of the year, revenue from postal and telecommunication services reached 91 billion yuan (US\$11 billion), a rise of 14% compared with a year earlier. Telecommunications contributed the bulk of the revenue at 81.9 billion yuan (US\$9.9 billion), up 15% on the year. Postal services revenue rose 6.3% to 9.1 billion yuan (US\$1.1 billion).

Semiconductors

- **Advanced Micro Devices (AMD) formed a strategic alliance with Beijing University Founder Group** in a bid to increase its market share in China. Under the agreement, Founder Group would make and sell computers based on AMD's 64-bit microprocessors, which allows processors to manage thousands of gigabytes in memory. No financial details were provided. Founder Group formed the alliance in response to increased competition from Intel, which dominated the local market. Initially the group would target the publishing sector, of which it had a more than 80 percent market share, before targeting other memory-demanding sectors, such as games and graphic design.

Telecommunications

- **China Unicom Limited's net profit fell 8.3% in 2003, marking the first drop in its full-year earnings since it listed in 2000.** Net profit slid to 4.2 billion yuan (US\$509.8 million) from 4.6 billion yuan (US\$554.2 million). Meanwhile, revenue soared 67% to 67.6 billion yuan (US\$8.1 billion) on growth in the company's global system for mobile communications business after the acquisition in 2002 of nine provincial cellular operations from its parent, China United Telecommunications Corp.

Taiwan

Semiconductors

- **Taiwan Semiconductor Manufacturing Co. has found new evidence of corporate espionage on the part of China-based rival Semiconductor Manufacturing International Corp.** TSMC claims SMIC stole its trade secrets by hiring away employees and urging them to bring proprietary information when coming to work at their new jobs. The lawsuit, originally filed in San Francisco federal court in December, alleges SMIC improperly obtained trade secrets and infringed U.S. patents. TSMC disclosed the new evidence in response to SMIC's efforts to have the lawsuit dismissed. Taiwan-based TSMC claims as much as 90% of one of its process flows -- the sequence of steps to fabricate chips -- had been copied by SMIC.

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Singapore / Malaysia / Philippines / Indonesia

Semiconductors

- **Singapore chipmaker Chartered Semiconductor would spend up to US\$1.2 billion on its newest wafer fabrication plant this year and next.** Charter Semiconductor said US\$400 million would be spent this year and between US\$700 and US\$800 in 2005 for the company's Fab 7, which would start pilot-production of 12-inch (300-millimetre) wafers in the third quarter. Chartered Semiconductor expects the plant to break even by the end of next year if production reaches 9,000-10,000 wafers per month. The company started moving in equipment for the plant, which has a capacity to produce up to 30,000 12-inch wafers a month.

Hong Kong

Hardware

- **Solomon Systech will expand into the market for large liquid crystal display (LCD) monitors** as it seeks to maintain a track record of rapid profit growth in the run-up to its HK\$1.2 billion (US\$153.8 million) initial public offering. Earnings at the four-year-old Hong Kong chip designer leapt 233 percent last year to US\$22.7 million, all of which was derived from controller integrated circuits (ICs) for the smaller LCDs used in mobile phones and other hand-held electronic devices. Turnover climbed 81.7 percent to US\$109 million. The focus on large displays comes amid soaring demand for flat-screen monitors and televisions. According to researcher iSuppli, the global market is expected to reach 125 million units this year and double to more than 250 million by 2007.

Mobile / Wireless

- **China Unicom has become a dark horse in the bidding race for a new third-generation license in Hong Kong** after confirming its interest in rolling out its CDMA 2000 network in the territory. China Unicom had been in talks with fixed-line operators Wharf T&T and City Telecom about a possible joint bid for the license. The company would examine the issue more closely. It is the first time a Chinese telecommunications operator has expressed interest in running a network in Hong Kong, a market traditionally dominated by local property tycoons. China Unicom's CDMA expertise would be likely to improve the new licensee's prospects in the mobile data market.

Telecommunications

- **The Office of the Telecommunications Authority (OFTA) has rejected criticism that it is creating too much competition in the local third-generation (3G) telecommunications market,** saying its job is to "protect competition and not competitors." Noting that Hong Kong was trailing its Asian counterparts in the high-speed mobile data segment, OFTA's proposal to issue a new 3G mobile license was intended to attract investment. OFTA proposed last week vacating two existing mobile licenses held by CSL and Hutchison Telecom and using the frequency spectra for a new 3G-compatible CDMA-2000 network. Both CSL and Hutchison objected to the move, saying OFTA was issuing too many new licenses.

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United States / Canada

Hardware

- **Hewlett-Packard Co. filed a patent-infringement suit against rival Gateway Inc.**, a move signaling the computer maker's determination to exploit its growing patent portfolio. HP's suit alleges that Gateway infringed six patents that cover a series of computer technologies, including improved password functions and power management. It seeks unspecified damages.
- **Sharper Image Corp.'s fiscal fourth-quarter profit grew 35%, reflecting robust sales growth, particularly at its website.** The company's net income was US\$22.8 million for the period ended Jan. 31, compared with US\$16.9 million a year earlier. Revenue jumped 29% to US\$278.4 million from US\$216.5 million a year earlier. Same-store sales, or sales at stores open more than a year, climbed 17%. Catalog sales were up 14% to US\$54.9 million, and Internet sales increased 34% to US\$43.6 million.
- **In a sign of growing competition in electronics retailing, Best Buy Co. is expected to cut management jobs** at its U.S. stores and outsource computer operations following similar moves at rivals. While highly profitable, the company faces tough new competition from discount-store giant Wal-Mart Stores Inc. and PC makers such as Dell Inc. that are moving into consumer electronics. The retailer is restructuring management staff to reflect revenue at each store. Its smallest, 20,000-square-foot stores at present have the same number of supervisors and managers as its largest stores.

Internet

- **Yahoo! Inc. agreed to buy European online comparison-shopping service Kelkoo SA for €475 million (US\$576.4 million).** Under the terms of the agreement, Yahoo! will acquire up to 100% of the share capital of Kelkoo for an aggregate cash purchase price of about €475 million (US\$576.4 million), subject to certain adjustments. Kelkoo is the largest e-commerce service originating in Europe, with operations in nine countries.
- **Web surfers may be able to talk to their computers one day using a browser by Opera Software.** The new browser incorporates IBM's ViaVoice technology, enabling the computer to ask what the user wants and "listen" to the request. The message can be personalized, such as greeting users by name. The computer learns to recognize users' voices, accents and inflections by having them read a list of words into a microphone. Opera declined to give a launch date.
- **Internet holding company CMGI Inc. agreed to buy privately held Modus Media Inc. for about US\$230.5 million in cash and stock.** Modus, a maker of supply chain management software and services, had sales of US\$543 million in 2003. The price paid for the company includes about US\$157.5 million in CMGI common stock and US\$73 million cash used to retire debt.
- **Microsoft Corp. plans to launch two new Internet search services later this year,** as the software giant expands its push into the search technology market. Microsoft will introduce MSN Newsbot, which gathers news from hundreds of news sites, and MSN Blogbot, which can search web logs, or personal web pages. Microsoft is also working on technology that would let web surfers type questions rather than search terms and get natural language answers. The service will be called MSN Answerbot; no release date has been set.
- **Shopping.com Ltd., an e-commerce company that lets shoppers compare prices on a variety of merchandise, filed for an initial public offering of up to US\$75 million** in common stock. Details

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about the number of shares offered and an estimated price range for the shares were not disclosed. Shopping.com will use the net proceeds from the offering for general corporate purposes and working capital requirements. The company may also use a portion of the net proceeds to fund acquisitions of businesses, products or technologies. Users who search for an item on shopping.com get results that link to merchants' websites, consumer reviews and other information. Merchants are charged a fee for every customer directed to their sites. Shopping.com plans to list its common stock on the Nasdaq Stock Market under the symbol SHOP.

- **Travelocity, continuing its push to gain an edge over competitors, unveiled a redesigned travel website** after research showed the old one lacked distinction and overloaded consumers with information. The redesign, launched in tandem with a new company logo, cuts the information on the home page by half and adds drop-down menus that lead to more booking options. The revamped site also uses blocks of soft colors on the home page to distinguish different groups of data, a far cry from the hodgepodge of information that had been listed in bright blues, orange and red.

Media, Entertainment and Gaming

- **Comcast announced that it has agreed to buy TechTV**, a network known for warring robots and shows featuring the latest technology gadgets. Details on the transaction were not released, but people familiar with the deal say Comcast will pay close to US\$300 million for TechTV, which is available in more than 43 million homes. Comcast plans to combine TechTV with G4, a network devoted to video games that the cable operator launched in 2002. G4 is seen in only 15 million homes and the Philadelphia cable company believes adding TechTV's audience will vault G4 into the ranks of major channels. The combined network, which will keep the G4 name, will be available in an estimated 44 million homes, a level it would have taken G4 years to achieve by itself.
- **Wal-Mart Stores Inc. formally opened its online music store, offering songs at 88 cents each**, a price that undercuts the 99-cent offers from rivals Apple Computer Inc., Roxio Inc. and RealNetworks Inc. Wal-Mart's Music Downloads service was launched for testing in December, and since then the company has expanded its catalog of available songs by more than 50%. The company also has struck a deal with the Curb Records music label to make its songs available on Walmart.com for the next two months. The Music Downloads software, like Apple's iTunes, also allows customers to manage their songs and playlists and browse through the music of other performers they might like.
- **Microsoft is taking its battle with Sony to game developers, hoping to woo them away from the gaming industry leader with a new suite of tools designed to make building video games cheaper and easier.** The company will today unveil the software development platform that will drive the next-generation of Xbox, as well as future PC games. Dubbed XNA, the suite of tools will let developers skip writing boilerplate code that often bogs down the time it takes to create a game.
- **The U.S. music industry sued 532 more people for online copyright infringement, including 89 individuals using college networks.** Like 1,063 similar suits filed since January, the Recording Industry Association of America employed the "John Doe" litigation method because the names of the infringers accused of illegally distributing copyrighted sound recordings on peer-to-peer services were not yet known. The RIAA, which cites digital piracy as a big factor behind a three-year slump in CD sales, said individuals at 21 universities in Arizona, California, Colorado, Indiana, Maryland, Michigan, New York, Pennsylvania, Tennessee, Washington, D.C., and Wisconsin were included.

Mobile / Wireless

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- **Lucent Technologies Inc. is mulling a new product that would put wireless Internet access onto trains and automobiles.** Dubbed "Wi-Fi on the Go," the product would complement Lucent's EV-DO wireless technology. At the Cellular Telecommunications & Internet Association conference this week, Lucent revealed that it had received US\$525 million from Verizon Wireless to deploy the EV-DO technology. Verizon Wireless announced earlier this year an ambitious US\$1 billion plan to roll out high-speed wireless Internet over the next two years.

Software

- **Hewlett-Packard Co. is putting its weight behind personal computers that run the Linux operating system.** HP will work with Novell Inc., which sells a version of the Linux operating system, to ensure that its business customers can use the fast-growing software on its desktop and notebook computers by providing support and testing. HP's push behind Linux comes even as the software has been the focus of a legal battle by the SCO Group Inc., which says companies are distributing Linux software that is based on code from the Unix operating system, which it owns.

Telecommunications

- **InterWave Communications International Ltd. signed an agreement with AT&T Wireless Services Inc. to allow cell phone service on cruise ships.** The wireless networking company will provide AT&T Wireless with its compact wireless cellular solutions, which will be used by a joint venture that AT&T Wireless recently entered into with Maritime Telecommunications Network. Wireless calls placed onboard cruise ships will be switched via interWave's systems located on the ship, with cellular traffic backhauled via compressed satellite technology to the wireless carrier's land-based gateway switch.

Europe

Semiconductors

- **Siltronic AG, a unit of Wacker-Chemie GmbH, postponed its listing plans citing adverse market conditions** for delaying plans to offer as many as 57.5 million shares. The Munich semiconductor-wafer supplier followed X-Fab Semiconductor Foundries AG, which canceled its March 19 IPO and blamed adverse market conditions set off by the terrorist bombings in Madrid earlier this month.

Telecommunications

- **Deutsche Telekom is planning a vast reorganization of its four main businesses.** Deutsche Telekom currently has four main divisions - the mobile phone unit T-Mobile; the fixed-network business T-Com; the internet arm T-Online; and the IT services unit T-Systems. One of the options under discussion would be a possible merger of T-Com and T-Online. T-Systems could also be divided up and reintegrated into the parent company.

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Other Economic Data

Currency Exchange Rates						
Currency	Units	Current Rate (on 3/26/04)	% Change 1 Week Ago	% Change 1/1/2003	% Change 1/1/ 2004	% Change Last 12 Mth.
Japanese yen	¥/US\$	105.6750	1.1%	-12.0%	1.5%	11.8%
Hong Kong dollar	HK\$/ US\$	7.7959	0.0%	0.0%	-0.4%	0.0%
Chinese renmenbi	RMB/ US\$	8.2771	0.0%	0.0%	0.0%	0.0%
Singapore dollar	S\$/ US\$	1.6901	0.0%	-2.5%	0.6%	4.4%
South Korean won	KRW/ US\$	1154.4500	0.5%	-2.7%	3.3%	8.7%
New Taiwan dollar	NT\$/ US\$	33.1920	-0.1%	-4.5%	2.3%	4.7%
Australian dollar	US\$/A\$	0.7447	-1.1%	32.5%	-1.0%	23.2%
New Zealand dollar	US\$/NZ\$	0.6490	-1.9%	23.8%	-1.0%	16.9%
Philippine peso	PHP/ US\$	56.3700	0.2%	5.8%	-1.5%	-5.0%
Euro	US\$/€	1.2110	-1.8%	16.9%	-3.8%	11.0%
British pound	US\$/£	1.8122	-1.9%	13.7%	1.4%	14.5%

Fixed Income Prices and Yields

Note	Currency	Current (on 3/26/04)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	109.0000	4.78%	110.8125	4.67%	108.0313	4.84%
Japan 30-year	¥	99.2410	2.23%	101.1170	2.14%	102.5480	2.05%
Hong Kong 10-year	HK\$	124.5873	2.79%	124.9716	2.74%	124.0011	2.94%
China (10/2027)	US\$	140.0718	4.68%	142.6110	4.54%	139.0696	4.74%
Singapore 10-year	S\$	92.9000	3.13%	93.8850	3.01%	91.2957	3.34%
South Korea 10-year	US\$	121.2765	3.21%	121.4290	3.20%	120.6688	3.45%
Australia 15-year	A\$	107.3790	5.46%	108.2200	5.35%	106.8000	5.55%
New Zealand (07/2009)	NZ\$	106.2953	5.61%	106.5796	5.55%	105.8196	5.72%
Philippines 20-year	PHP	142.6480	12.50%	139.9927	12.76%	144.1864	12.35%
India 20-year	INR	152.7510	5.66%	152.3122	5.69%	149.9316	5.87%
UK 30-year	£	93.9200	4.63%	95.0868	4.56%	93.1237	4.69%
Germany 30-year	€	111.4100	4.73%	112.6210	4.66%	110.0284	4.83%

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