



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

Week of 17 September - 23 September, 2006

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

Hong Kong (HQ)

No.1-2A, 17/F, The Centrium,
60 Wyndham Street, Central,
Hong Kong

Tel: (852) 2237 6000
Fax: (852) 2237 6100

Singapore

5 Rhu Cross, #04-16
Olivia Block, Singapore
437434 Singapore
Tel: (65) 6325 1191
Fax: (65) 6348 9583

Japan

JT Building 15Fl, 2-2-1
Toranomon, Minato-ku,
Tokyo, Japan 105-0001
Tel: (813) 5114 8395
Fax: (813) 5114 8396

Korea

37/F, Asem Tower, Samsung-
dong, 158-1, Kangnam-gu,
Seoul, Korea
Tel: (822) 6001 3840 ext. 3841
Fax: (822) 6001 3711

Philippines

2/F, State Condominium Bldg.,
186 Saclcedo St. Legazpi Village,
Makati, Philippines
Tel: (632) 728 5307
Fax: (632) 728 5307

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



Week of 17 September- 23 September 2006

Table of Contents

Equity Market Indicators	3
Technology, Media, Telecommunications and Life Sciences Market Activity	3
Weekly Highlights	5
International	5
Japan	5
Korea	7
China	10
Taiwan	13
Hong Kong	14
Singapore/Malaysia/Philippines/Indonesia	15
United States/Canada	16
Europe	18
Other Economic Data	20
Currency Exchange Rates	20
Fixed Income Prices and Yields	20

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

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



Week of 17 September- 23 September 2006

Equity Market Indicators					
Index	Closing Level (09/22/2006)	% Change 1 Week Ago	% Change 1/1/2006	% Change 1/1/2005	% Change 2005 Low
S&P 500	1,314.78	-0.4%	5.3%	8.5%	15.6%
Dow Jones Industrial Avg.	11,508.10	-0.5%	7.4%	6.7%	14.9%
Dow Jones Tech. Index	381.23	-0.4%	1.6%	7.3%	22.1%
Dow Jones Telecom. Index	227.59	1.4%	12.9%	4.5%	15.5%
NASDAQ Composite	2,218.93	-0.7%	0.6%	2.0%	16.5%
The Street.com Net	217.00	-1.2%	3.2%	4.2%	24.3%
Japan Nikkei 225	15,634.67	-1.5%	-3.0%	36.1%	44.4%
JASDAQ	88.31	-1.9%	-32.2%	-2.2%	-2.6%
Japan Mothers	1,175.18	-2.8%	-53.8%	-31.8%	-32.4%
Korea KOSPI Composite	1,348.38	-0.9%	-2.2%	50.5%	54.8%
Korea Kosdaq	599.42	-1.1%	-13.3%	57.6%	53.5%
Taiwan Stock Exchange	6,885.60	3.1%	5.2%	12.1%	22.2%
Singapore Straight Times	2,520.50	-0.1%	7.4%	22.0%	22.3%
Hong Kong Hang Seng	17,600.65	2.1%	18.3%	23.7%	31.8%
Hong Kong GEM	1,104.00	0.7%	9.6%	11.7%	27.8%
China Shanghai (A-Share)	1,812.69	0.1%	48.5%	36.3%	70.6%
China Shenzhen (A-Share)	446.55	1.5%	53.9%	35.9%	82.5%
China Shanghai (B-Share)	101.79	13.3%	64.1%	34.5%	98.3%
China Shenzhen (B-Share)	310.03	6.5%	58.5%	41.0%	66.2%

Technology, Media, Telecommunications and Life Sciences Market Activity						
NASDAQ/NYSE TMT and Life Sciences IPO Filings						
Filing Date	Issuer	Industry Sector	Size (US\$MM)	Description	Book-Runner	Co-Manager
9/18/06	Telesat Holding Co. [796628Z.US] (N/A)	Electrical Components & Equipment	US\$400.0	Owns a fleet of satellites that provide fixed satellite services and direct broadcast services	Citigroup/ Goldman Sachs/RBC Capital	
9/20/06	Paradigm Ltd. [799464Z.US] (NASDAQ)	Software	US\$200.0	Develops and markets computer software to create digital models of the earth's subsurface to locate oil and natural gas reserves	Bank of America/Lehman Brothers/UBS Investments	CIBC/Jefferies & Co./ RBC Capital

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



Week of 17 September- 23 September 2006

NASDAQ/NYSE Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 9/22/06	% Change From Offer
9/21/06	Commvault Systems Inc [CVLT.US] (NASDAQ)	Develops, markets, and sells a suite of data management software applications designed to protect and manage data throughout its lifecycle	US\$161.1	US\$14.50	US\$17.00	17.2%
9/20/06	Riverbed Technology [RVBD.US] (NASDAQ)	Manufactures and markets appliances used to connect computers in wide area networks	US\$71.3	US\$9.75	US\$16.75	71.7%
9/21/06	Divx Inc. [DIVX.US] (NASDAQ)	Develops and markets video compression-decompression software	US\$127.4	US\$16.00	US\$18.70	16.8%

Asian Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 9/22/06	% Change From Offer
8/23/06	Beijing DHC Digital Tech [002065.CH] (Shenzhen Stock Exchange)	Develops industrial application software and provides computer integration services	US\$39.3	RMB 14.50	RMB 24.19	66.8%
8/23/06	Guangdong YG Soft Inc [002063.CH] (Shenzhen Stock Exchange)	Develops financial, management software products, and consulting for the electricity industry	US\$20.3	RMB 5.80	RMB 14.98	158.3%
9/19/06	Interspace Co. Ltd. [2122.JP] (Tokyo Stock Exchange)	Offers Internet marketing solutions through affiliate program services	US\$25.5	¥600,000	¥697,000	16.6%

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
N/A						

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



Week of 17 September- 23 September 2006

Weekly Highlights

International

Internet

- **According to the industry group, DSL Forum, the worldwide use of DSL technology for broadband access has gone up by 38 percent to around 164 million users in the year to June 30, 2006.** The group ascribed the rise to the strong growth in the European Union, which saw some 18 million new DSL users. The increase represented a 45 percent growth bringing the total to 56 million, and accounting for slightly more than one-third of the global total. The report stated that China still has the world's highest number of DSL subscribers, at 33.3 million, followed by the U.S. at 23.2 million.

Japan

Internet

- **Industry analysts note that social networking service, a members-only online community, has been rapidly gaining popularity in Japan, fueling competition among major Internet service providers.** As an invitation from an existing member of an SNS site is usually required to join the site, members can chat with each other with a sense of security, while clearly recognizing to whom they are talking. Those features enable members to deepen exchanges on common hobbies and other topics, which are cited as reasons behind the popularity of SNS Web sites. Mixi Inc., the largest SNS website operator in Japan, has some 5.7 million registered members only after two years since the launch of its service. The company finally went public on the Tokyo Stock Exchange's Mothers market for startup firms. Mixi's profits mostly come from banner ad revenue on its SNS web site. Major companies such as Yahoo Japan Corp. and Rakuten Inc., have launched their own SNS sites. KDDI Corp. has also invested in an SNS site operator Gree Inc., aiming to link its mobile phone business to the site.

Mobile/Wireless

- **NTT DoCoMo, Japan's largest mobile operator, has become the first carrier to introduce BlackBerry service in that country.** The company said it will offer Research In Motion's wireless devices to corporate customers initially, in addition to BlackBerry Enterprise Server, offering firewalls, push e-mail and data access solution. The operator also announced that it will roll out RIM handhelds and push e-mail/data access service to its 51 million subscribers on its GSM/GPRS and W-CDMA network, also known as UMTS (Universal Mobile Telecommunications System) networks soon. Later this month, Taiwan Mobile, which has 6.1 million subscribers and is Taiwan's third largest operator, said it would become the first operator to start offering BlackBerry service in its home country.

Media, Entertainment and Gaming

- **Sony Corp., the world's biggest maker of video-game players, disclosed its decision to cut the price of its PlayStation 3 by 20 percent in Japan as a response to complaints from consumers that the device cost twice as much as consoles from Microsoft Corp. and Nintendo Co.** A top official of the company said the game player will retail for 49,980 yen (US\$430) from Nov. 11 and will have an HDMI connection that allows high-definition pictures. The company previously said it would

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



Week of 17 September- 23 September 2006

sell a lower-end model for 59,800 yen (US\$512), excluding tax. The company said it is relying on the PlayStation 3 to revive a company that has lost half its market value in the past six years. The price cut would still make the PlayStation 3, which comes equipped with a high-definition Blu-ray DVD player and a fast processor called the Cell, the most expensive player on the market. In another development, Microsoft this month said it will start selling a cheaper Xbox 360 in Japan for 29,800 yen (US\$255), while Kyoto-based Nintendo is offering its Wii console for 25,000 yen (US\$214).

- **Square Enix, makers of the Final Fantasy and Kingdom Hearts series, announced that it will release World of Mana, the latest installment of its Mana series, for the PlayStation 2 on Dec. 21st.** The company said it will retail in Japan for 7,140 yen (US\$61). World of Mana is a role-playing game with a story centered around the great "Mana Tree," and has an action-based combat system, as opposed to the traditional turn-based system seen in the Final Fantasy games. World of Mana is the fourth game in the series and it comes after a long eleven-year break.

Hardware

- **Matsushita Electric Industrial Co. announced that it would launch two Blu-ray DVD recorders in Japan on November 15, a move that is expected to intensify the competition for next generation DVD technologies.** The Panasonic brand maker, which promotes the Blu-ray format in competition with the HD-DVD standard led by Toshiba Corp., said it expected the two types of recorders to retail at about 240,000 yen (US\$2,045) and 300,000 yen (US\$2,556). Earlier, Sony Corp. said it would launch its Blu-ray DVD recorder by the end of the year in Japan, without specifying details. In March, Toshiba deployed its HD-DVD players, becoming the first company to offer next-generation optical disc players, while Samsung Electronics Co. Ltd. introduced the first Blu-ray player in June. At the core of both formats are blue lasers, which have a shorter wavelength than the red lasers used in current DVD equipment, allowing discs to store data at the higher densities needed for high-definition movies and television. A shift to the new generation of DVD discs and machines is expected to help increase sales at electronics makers.

Semiconductors

- **Shin-Etsu Chemical Co., the world's largest silicon wafer maker, revealed its plan to invest about US\$1 billion to boost its capacity to produce 300-mm silicon wafers.** Industry observers note that the move is expected to raise the ante with rival SUMCO Corp. The company said the investment would push the production capacity of 300-mm wafers by 43 percent to 1 million wafers per month by autumn 2007. Shin-Etsu said it would invest 120 billion yen (US\$1 billion) to build two new domestic plants as well as expand production lines at its U.S. plant and another in Japan. Earlier, SUMCO said it has agreed to buy a 51 percent stake in Komatsu Electronic Metals Co., a move that had brought it neck-and-neck with Shin-Etsu in global market share. Gartner Dataquest expects annual demand for 300-mm wafers to reach 34.9 million wafers by 2008, nearly triple last year's figure. A Macquarie Securities analyst, however, warned that Shin-Etsu's move could still mean a supply glut and growing price competition. Shin-Etsu, which had some 530 billion yen (US\$4.5 billion) in cash or cash equivalent as of the end of August, said it will use its own funds for the investment. In 2005, Shin-Etsu held 31.7 percent of the world's wafer market, with SUMCO holding 22.1 percent and Komatsu Electronic 8.7 percent, according to Gartner Dataquest.

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



Week of 17 September- 23 September 2006

Korea

Internet

- **SK Telecom recently started marketing its HSDPA service by providing an HSDPA modem for free with a purchase of a Samsung laptop.** The HSDPA modem alone costs nearly US\$212 but if purchased as a stand-alone product at a SK Telecom retail store, subscribers can buy it for US\$53 as SK Telecom would provide a subsidy. On the other hand, SK Telecom sells its Wibro card for over 200,000 won (US\$212) and asks for an activation fee of 33,000 won (US\$35) including tax. With the price gap of 200,000-250,000 won (US\$212-265) between the PC cards for the two services, industry observers are reportedly asking about SK Telecom's intentions to service Wibro. An official at SK Telecom said that while it is true that SKT is less aggressive in marketing Wibro, KT is also selling their Wibro cards at a similar price of slightly over 200,000 won (US\$212). The official pointed out that KT is not aggressive in Wibro either and said that SKT will shortly follow suit when KT starts to market Wibro aggressively. Analysts are saying, however, that the real reason that SKT is less enthusiastic about Wibro seems to be because it cannot focus on two new services at once.
- **Internet phone operators and equipment companies announced that they have teamed up to boost Internet phone service.** They decided that common carriers, special 070 internet phone operators, and equipment companies co-operate together, hold a public hearing, and organize a committee. Tentatively called the Internet Phone Committee, the group said that they would cooperate to provide additional services seeing that major communication operators like KT, Hanaro, and Dacom are obstructing benefits to customers by cutting off chances of additional advantage services of Internet phones like automatic calling and image phone. In the committee are new common carriers including SK Networks, SK Telink, Dreamline, EPN, and ONse Telecom and the first special Internet phone operators such as Samsung Networks, AnyUsernet, Moohannet, Saerom Leaders, and Wintel.
- **Industry sources said that home networking companies are upping the ante on IPTV business, rolling out IPTV service tailored for the joint IPTV pilot project led by the Ministry of Information and Communication and the Broadcasting Committee.** Cocom plans to provide a home gateway 'IP Multicast Snooping,' a wall pad and other patrol and security systems. The company aims to develop a home media server capable of streaming service in the long term. Comax is also seeking to explore the market for IPTV service, which it expects to take off by the end of this year. The company has also joined hands with a set-top box maker. Taehan Wizhome also aims to secure a strong foothold in the market by leveraging IP-based networking infrastructure. It has teamed up with a content provider, and now plans to launch a joint marketing campaign with mother company Taehan Cable Group.

Mobile/Wireless

- **KTF Co. revealed its plan to soon unveil a new advanced navigation service that allows users to identify destinations anytime, anywhere, on their mobile handsets.** With the service, users do not need need to buy GPS receivers as they did in the past as the wireless service will work on every KTF subscribers' mobile phone. Called "bangbang gokgok gilchatgi," - which roughly equates to "finding destinations through every nook and cranny" in Korean – the service is an expansion of KTF's current navigation service "K-ways." The company charges a fixed daily fee of 1,000 won (US\$1), through which a user can enjoy the service as much as he/she wants within 24 hours without further paying data access fees.

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



Week of 17 September- 23 September 2006

- **Telet Wireless Solutions said that the company completed the process to acquire the CDMA module of Bellwave, setting in motion the launching of the product in South Korea.** The Telet Group, a communication operator in Italy, through its Telet Korea Corporation, said it plans to extend its R&D to the next generation communication area including European 3G UMTS starting from CDMA and 3G WCDMA. Modules of CDMA and WCDMA developed in Korea will be supplied to the global market through the distribution channels of GSM/GPRS of Telet. It will be responsible not only for the domestic business of communication module like wireless remote inspection, telematics, wireless settlement terminal, and security, but for the Asia-Pacific regional center covering South Korea as well as China and Japan.
- **SK Telecom and KT Freetel announced their decision to make a significant reduction in the number of DBDM (dual band dual mode) handsets.** Under the new agreement, the two mobile operators will focus on supplying SBSM (single band single mode) handsets in the first half of 2007. Industry experts note that not only are DBDM handsets more expensive to make but the number of models available is limited, with more SBSM handsets available worldwide. In another development, KTF said it is planning to gradually remove its 2G network starting the end of next year, a move that is seen as having a negative impact on LG Telecom's call quality in smaller villages where LGT does not have its own network but relies on KTF's network.
- **LG Electronics announced that it has added another feature to the mobile handset, one that enables reading books for the visually impaired.** The company started marketing the model, the LF1300, through LG Telecom, at around 400,000 won (US\$423). The service is only for the blind, the visually impaired and dyslexic who can acquire the talking phone after presenting a government certificate at sales outlets of LG Telecom. Users of the gadget can download approximately 300 audio books from the Internet site of LG Sangam Library to their handsets in two ways. One is to access the digital library's Web site on a computer specially designed for the blind to get the audio books and transfer them to cell phones. The other is to download the digital books directly with cell phones through the wireless network by touching a hot key on the LF1300 handset. Both methods are free of charge. The company said the user interface of the LF1300 is also customized for the blind, enabling handset users to control it through a voice guidance system. A high-volume external memory, which is available at electronics shops, is needed for the talking book services, as the phone's internal memory of 17 megabytes is small even for a single audio book file, which takes up 80 MB on average.

Media, Entertainment and Gaming

- **KT Corp. said that it will soon start trials of a digital cinema service, following its conclusion of memoranda of understanding with three major multiplex operators, Lotte Cinema, Cinus and MMC.** Digital cinema refers to the use of digital technology to distribute and project motion pictures. Digitally made film files are first stored on computer servers, and then relayed to digital projectors via optical telecom networks. The company said it plans to set up related equipment and operate integrated management systems on 100 screens by the end of this year, with the plans of expanding its digital cinema service to nearly 500 screens by 2007, or around 30 percent of the country's 1,600 screens. Industry experts say it costs between 2 to 3 million won (US\$2,000-3,000) per theater to transform digital films for analogue screens.
- **Multimedia solution firm Ontime Tech announced the launching of the industry's first encoder for IPTV supporting MPEG4 AVC.** The domestically developed MPEG4-level IPTV encoder hitting the market is significant as the country had long been dependent on imported products. The new encoder is expected to be shipped abroad. Encoders are key equipment used to set

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



Week of 17 September- 23 September 2006

up broadcasting systems. They help users send input broadcasting signals in compression types. Tandberg and Harmonic have so far dominated the market with high compression rates and enhanced picture quality. In 2005, KT chose Tandberg over Harmonic to provide solutions for IPTV systems. The company also introduced a terrestrial DMB encoder with enhanced control access system (CAS) and BIFS features. The company said it is working on mobile broadcasting add-ons, and improvement of performances including picture quality.

- **KT Corp. unveiled a new video download service called "toest".** The service is described as allowing easy and legal access to a thousand high-definition movies and dramas on demand through mobile devices such as personal digital assistants or KT's wireless LAN service-enabled swing phones. Downloading video content has been illegally done so far through peer-to-peer applications. KT, however, stated that their new service will help establish a standardized business model for content distribution, through which revenues will go to copyrighted content owners, with video clips, protected by a digital rights management or DRM system, to be offered via a single authorized terminal per user. There are currently four toest-capable gadgets in the market - Samsung's SPH-M4300 and SPH-M4500, Hewlett-Packard's HP IPAQ-RW6100 and LG's LG-KC8100. KT said the range of gadgets will be expanded to personal multimedia players and high speed downlink packet access-enabled handsets. The new service will offer nearly 1,000 pieces of video clips, ranging from movies, TV dramas and animation to education content. To offer diverse content, KT is working with KBS, SBS, MBC, Sony, Neungyule Education Inc., Exam, Skylife and KTH. Talks are also underway with CJ Entertainment. The company said it will charge 12,000 won (US\$12.5) per month for unlimited download except for some education content and the latest films.

Telecommunications

- **KT announced the completion of its purchase of 12.5 million shares of KT Freetel at an average price of 28,517 won (US\$30), totalling to 356.1 billion won (US\$376.7 million).** With the deal, KT now holds 50.7 percent of the company.
- **The country's Ministry of Information and Communication (MIC), the current regulatory authority for telecommunications, suggested a horizontal regulatory system based on the re-classification of the existing telecommunication and broadcasting businesses into transmission and content businesses.** Under this ruling, IPTV service providers would be classified as transmission operators and an advance registration system and limits on foreign and press group ownership would apply. The Korean Broadcasting Commission (KBC), the current regulatory authority for broadcasting, is proposing a new system that would classify the existing services into network, platform and content businesses and IPTV providers would be considered as platform business operators. The difference between the MIC and KBC proposals is that the KBC would further divide the transmission sector as described in the MIC proposal into network and platform sectors. The platform sector would be subject to more stringent regulations while the MIC stressed more transmission deregulation. Due to the opposing interests between the telecommunication operators and broadcasting service providers and the differences between the MIC and KBC proposals, it is not easy to predict how the new IPTV regulatory system will be formed. Industry experts are saying that a new regulatory system should be introduced without delay.

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



Week of 17 September- 23 September 2006

Information Technology

- **In the third round of free trade agreement talks recently ended in Seattle, U.S. negotiators called for their South Korean counterparts to open the market for convergence services, which includes broadcasting, telecommunication, financial services and construction industries.** The discussion marks the first time convergence services were mentioned during trade talks between the two countries. A fourth round is set for next month in the country. The South Korean delegation reserved convergence services for future talks, but the U.S. negotiators opposed the idea, putting pressure on the market. The South Korean government is reportedly worried that the market may become exposed to U.S. businesses, and without the law, the agency would have to deal with the issue. If the area is not included in the future talks, it will be excluded from the FTA talks, and the U.S. will be allowed to call for opening of the market at any time, which means paving the way for U.S.-based IPTV service providers' expansion into Korea.

Ventures/Investments

- **According to South Korean government sources, Google disclosed that it will be spending US\$10 million to build an R&D centre in South Korea.** Observers note that Google and the South Korean government had been in talks since the beginning of the year on building an R&D centre in Korea. The two parties signed an MOU at the end of June and have been in discussions on the timeframe and investment amount ever since. A government official said that Google is expected to make an official announcement on the investment as early as next month in both the U.S. and Korea.

China

Internet

- **China Finance Online Co., a provider of online financial information and public company data, announced the completion of its US\$1 million acquisition of Shenzhen Genius Information Technology Co.** Shenzhen Genius owns a financial information database mainly serving domestic securities and investment firms. As part of the deal, China Finance also paid US\$62,370 to a shareholder of Shenzhen Genius to cancel an outstanding loan.
- **Seek Ltd disclosed its plan to buy a 25 percent stake of Zhaopin.com, one of the top job recruitment web sites in China, in a deal worth about US\$20 million.** The Australian online recruitment company said the acquisition is the first that Seek has ever conducted out of Australia and New Zealand. Zhaopin.com, a Beijing based online recruitment company, claims that its growth has been increasing by more than 100 percent in the past three years. Analysys International's recently released report "China's Online Recruiting Market Quarterly Tracker 2006 Q2," shows China's online recruiting market registering 160.9 million yuan (US\$20.3 million) in the second quarter of 2006.
- **Pay88 announced that it has finalized a purchase agreement with the shareholders of Chongqing Qianbao Technology Ltd, an online payment services firm based in Chongqing.** The company said it looks to the acquisition of QianBao Technology as adding value to Pay88 by way of additional complimentary product lines, improved technology and strengthened online marketing ability. A top company official sees the acquisition as giving the company faster and "respectable" access to the huge and ever growing Chinese market. According to the agreement, Pay88 acquired Qianbao by purchasing 100 percent of Qianbao's registered capital stock in exchange for 5 million shares of Pay88's Series A Convertible Preferred Stock.

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



Week of 17 September- 23 September 2006

- **The market share of Google Greater China, a unit of the world's leading search engine, declined by 20.6 percent in leading cities such as Beijing, Shanghai and Guangzhou from 32.9 percent a year earlier, according to the survey by mainland market research firm China Intelli Consulting.** Google China offers about 13 services involving mostly basic searches for websites, pictures, news and similar topics, plus products such as China map search, a useful tool for city visitors. Analysts say new products will be needed to make inroads into the market lead held by Baidu which is coming out with new products regularly. Google China is working on improving its general Chinese search capability to counter the notion that Baidu is better when it comes to China-related search. Analysts are saying that the company may also have to alter its fundamental business model. Google is also boosting its affiliate network of third-party websites that carry Google's advertisements in return for a share of revenue. Google China is reportedly talking with China Mobile for mobile search, a strategy that analysts see as forming a key alliance.

Media, Entertainment and Gaming

- **Industry sources said that Microsoft will soon set up a games development office in Chengdu.** When completed, the office will be the company's first game development institution in China. According to Microsoft, the output value of the global games industry is expected to reach US\$46 billion by 2010 and China would contribute a great deal to this figure. Microsoft said it looks to the institution as an open talent-training base to help China educate its own game developers and promote development within the industry. Microsoft's new platform is aimed at developing games with Chinese characteristics for Microsoft's Xbox.
- **CDC Corporation announced its decision to split its divisions into separate businesses and continue to build shareholder value.** Earlier, the company announced that it has repurchased common shares for a total of US\$27.6 million as part of the company's stock repurchase programs. The company completed its initial US\$20 million repurchase program on August 10, 2006 and the additional US\$20 million repurchase program announced on July 26, 2006 is now underway. A company top official said that the company has been working closely with its financial advisors to speed up its efforts to set up CDC Games and CDC Software into standalone companies and to pursue financing options as part of its bid for expansion "through multiple targeted acquisitions in the online games and enterprise software sectors."
- **NHN's Chinese subsidiary, Ourgame, said it was confident that revenue in the third quarter of 2006 would exceed 40 million yuan (US\$5 million).** A top official of the company noting the present trend said the Chinese entity would be able to reach 50 million yuan (US\$6.3 million) in the fourth quarter of 2006 for a total of US\$21.1 million for the full year. In 2005, Ourgame posted US\$10.5 million in revenue. The company expects the revenue to double again next year to US\$42.3 million. The company attributes the success in China as a result of releasing games that specifically catered to the needs of Chinese gamers as well as the diversification from web board games to MMORPGs and casual games. Ourgame recently acquired a casual game developer in China earlier this year. Ourgame plans to release at least two new MMORPGs in China next year.
- **WPP, the world's largest advertising and public relations agency, is on the hunt for acquisitions in the mainland online marketing sector, seeking to add local knowledge to its international clout.** The group said it will spend US\$300 million a year on mainland investments. Ogilvy already has a well-established digital marketing division, Ogilvy One, which integrates marketing for Internet and electronic media. Advertisers and marketing companies such as Focus Media, which this year bought Dotad Media Holdings, are starting to use the mobile Internet platform

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



Week of 17 September- 23 September 2006

to capture the attention of some of China's 400 million mobile phone users. China Unicom uses its own advertising business to sell banners or spaces on handset screens. Added value is delivered by analysis of users' data, helping Unicom, the nation's second-largest mobile operator, to offer targeted marketing plans to advertisers.

Hardware

- **With its US\$200 million investment in building a global manufacturing facility in the Free Trade Zone in Shenzhen, Hitachi Global Storage Technologies is affirming the importance of China's hard disk drive market.** The company is a unit of Hitachi, the Japanese electronics giant. The company has committed investments worth US\$500 million to build the 200,000 square meter manufacturing complex, which will initially produce 3.5-inch hard disk drives. The company said it looks to produce 50 percent of the firm's annual global output. Analysts are saying that Hitachi and other leading vendors are boosting production to keep up with demand from the mainland's fast-growing consumer electronics manufacturing sector. In another development, Seagate Technology is expected to spend US\$1.3 billion in the year to June to bolster its operations and integrate former rival Maxtor, which it bought in May for about US\$2 billion. Both companies have manufacturing plants in China. Hitachi has a long-term agreement with Shenzhen ExcelStor Technology, a subsidiary of Great Wall Technology, to make Hitachi Deskstar drives, and produce and market the drives under its own brand. ExcelStor is among the world's top seven makers of drives.

Information Technology

- **RFID China Alliance revealed its move to maintain a close watch on the trial use of IP-XTM technology in four sectors in China.** After the observation, the group said it conducted verification on whether this technology has reached the international standard. iPico and other IT companies initiated China's trial use of IP-XTM. iPico, which provides the platform for IP-XTM, predicts that the technology will make a practical contribution to China's use of RFID. IP-XTM provides for FreeFlow Spotting of tags in all frequency bands, a capacity which means it can enable an RFID tag to be read or authenticate even while it is rapidly moving through sorting or continuous manufacturing processes or attached to a person, container, or vehicle.

Semiconductors

- **Actions Semiconductor, the mainland's second-largest chip designer, cut the size of a secondary share sale by 33 percent to US\$83 million after receiving a lukewarm response from investors.** The deal was reportedly 2.5 times oversubscribed. The 1.5 million share green shoe could be exercised depending on how the stock trades over the next month. The report indicated that nearly all the demand came from U.S. investors, although there were a couple of buyers in Asia because Actions is a Chinese company, the market source said. The selling shareholders originally hoped to raise US\$120 million by selling 12 million ADRs in July, according to market sources. Actions, which supplies chips to low-end MP3 music player manufacturers in China, posted a second-quarter profit of US\$18.1 million, up 5 percent from the US\$17.2 million it earned for the same period last year. The company registered a 6 percent rise in its revenue to US\$39.3 million.

Ventures/Investments

- **The China Banking Regulatory Commission announced its approval of TCL Group, to set up its own financial company.** The company, with a registered capital of 500 million yuan (US\$63.1 million), received investment from TCL Group, The Bank of East Asia, TCL King Company and TCL Mobile Communications Company, with each of them holding 62 percent, 20 percent, 14

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



Week of 17 September- 23 September 2006

percent and 4 percent of the stake, respectively. The new company will be mainly engaged in providing accounting, financing, credit assessment and related consulting services as well as providing other fund and insurance related services to each of its members.

Taiwan

Media, Entertainment and Gaming

- **Eastern Multimedia Group (EMG) said it would use a cash injection from U.S. private equity firm the Carlyle Group to expand its digital television operations further into the mainland.** The move by Taiwan's largest media group by revenue is seen as its way of developing digital TV content as a strategy to increase revenue at home and tap into the vast mainland market. Due to regulatory caps, the company has been unable to boost its subscriber base in its home market. In April, Carlyle agreed to pay about US\$1.3 billion for stakes in EMG's Eastern Multimedia and TV station Eastern Broadcasting. Carlyle invested in the EMG firms after selling its stake in Taiwan Broadband Communications. EMG said it is planning to spend an estimated NT\$3 billion (US\$91 million) during the next five years to develop digital television content, which will help it boost revenues in the future. EMG posted revenues last year of NT\$59.9 billion (US\$1.8 billion). Cable operator Eastern Multimedia's revenue last year was NT\$9.4 billion (US\$285.3 million) but the company said this could double in the future through additional content on a digital platform. With an eye on the mainland market, the company said it planned to co-produce TV dramas with China's national broadcaster, China Central Television, and will consider film production in the future. Eastern Multimedia has a news-sharing agreement with CCTV, while the content of EMG's digital cartoon channels is designed in Taiwan and produced in the mainland.

Mobile/Wireless

- **BenQ disclosed its plans to halt production of handsets at its Taiwan factory before the end of the year to reverse losses in its phone division.** Taiwan's largest maker of mobile phones, is reportedly still struggling to integrate the unprofitable mobile phone business it bought from Siemens last year. The Taoyuan factory, in northern Taiwan, contributed about 10 percent of BenQ's mobile phone output by units. A company spokesperson said that BenQ's downsizing of its local phone production operations "is part of a series of efforts" being undertaken to reverse losses. The company said in the future, BenQ would depend on its factory on the mainland in Shanghai, for production of mobile phones. The Taoyuan facility, one of BenQ's seven phone plants worldwide, would become a manufacturing process technology center that would conduct trials of new products. BenQ has reported three consecutive quarters of losses, with its net loss in the April to June period hitting NT\$2.5 billion (US\$75.8 million). The company did not say if it has plans to sell other factories. BenQ also produces projectors and digital music players.

Semiconductors

- **HannStar Board International Holdings, the world's largest maker of printed circuit boards (PCB) for notebook computers, announced its plans to take advantage of surging demand for mobile phone handsets, liquid crystal display (LCD) television sets and other consumer products to diversify its customer base.** In the fourth quarter, the company said it will start building a plant that will boost its monthly production capacity for high-density interconnects by 200,000 square feet. HannStar's efforts to broaden its market are already paying off. Last year, 87.9 per cent of its sales came from supplying PCBs to notebook computer makers, including the three biggest

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



Week of 17 September- 23 September 2006

Taiwanese producers – Quanta, Compal and Wistron. In the first three months this year, however, sales to notebook makers posted a 72.5 percent decline, with television set-top boxes accounting for 12.8 percent and game consoles 8 percent. The company expects to produce 23 million PCBs this year, about 32 percent of the global notebook computer market. To fund its expansion, the firm said it plans to sell 325 million new shares in a Hong Kong IPO early next month to raise about HK\$566 million (US\$72.8 million). HannStar will use 70 percent of the money to expand its plant in Jiangyin City, Jiangsu province, and the remainder to pay down debt as the company aims to slash its debt-equity ratio to about 50 percent from 131 percent. HannStar said it looks to its capital spending for this year and next to be about the same as last year's US\$90 million.

Hong Kong

Telecommunications

- **Motorola announced that it has secured an agreement with PCCW-HKT Telephone Limited, a subsidiary of Hong Kong's leading telecommunications provider, PCCW Limited (PCCW), to conduct a six-month technical trial.** The trial will employ Motorola's end-to-end Mobile TV system in Hong Kong, with the trial running from September 2006 to March 2007 within the city's Quarry Bay district. The trial will include Motorola DVB-H enabled mobile devices, network solutions and interactive services platform. During the course of the trial, PCCW will evaluate the technical capabilities and the operational performance of DVB-H in Hong Kong. DVB-H stands for Digital Video Broadcasting - Handheld, a technical specification for bringing broadcast services to handheld devices.
- **PCCW confirmed that the controversial sale of Hong Kong telecoms operator by Richard Li Tzar-kai was initially financed by his father, Li Ka-shing.** The report said Li Ka-shing, who built his fortune in property and telecom in Hong Kong, provided the funds but that the elder Mr. Li had no interest in the deal. Through his Singapore-listed company Pacific Century Regional Developments (PCRD), Richard Li sold his 23 percent stake in PCCW in July for US\$1.1 billion to his father's long-time associate Francis Leung Pak-to. PCRD said an initial HK\$500 million (US\$64.2 million) deposit on the sale was paid with the funds drawn on a facility provided by Li Ka-shing.

Software

- **Computime Group announced that it is looking to raise as much as HK\$460 million (US\$59.1 million) on the Hong Kong stock exchange.** The company, which makes electronic controls and automation devices, said it will use the fund for the expansion of its distribution network and new ventures. Computime is offering 200 million new shares, with the deal sponsored by JP Morgan. To win larger market share and enhance its international exposure, Computime plans to use 30 percent of the listing proceeds to fund joint ventures and form strategic alliances. The company has been developing wireless technology and renewable energy technology with research centers in Shenzhen and the U.S. For the year to March, Computime reported 5 percent growth in net profit to HK\$138 million (US\$17.7 million). It posted a 7 percent increase in its turnover to HK\$1.9 billion (US\$244.4 million).

Hardware

- **Monotype Imaging announced its acquisition of China Type Design Limited, a typeface design and production company based in Hong Kong.** Under the deal, China Type becomes the wholly owned subsidiary of Monotype Imaging and is expected to pursue the company's expansion

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



Week of 17 September- 23 September 2006

into Asian consumer and printer markets which require scalable, multilingual text solutions. China Type has been a long-time partner of Monotype Imaging, which previously held a 20 percent ownership of the firm. Over a 20-year period, the companies have worked together on a wide range of Asian font projects, with recent work involving typefaces for Hewlett-Packard XHTML-based inkjet printers shipping in Japan and China, and East Asian fonts for the Microsoft Windows' Vista operating system.

Singapore/Malaysia/Philippines/Indonesia

Internet

- **SingNet announced that it will offer its business customers a commercial high-speed broadband Internet service called Ethernet-Lite at a fraction of current prices.** The company said the new service is an Ethernet broadband service offered on a shared bandwidth concept. It is suitable for value-conscious enterprise customers who require high-speed Internet access with symmetric bandwidth for their business needs. Users can now enjoy similar high upload and download speeds, compared to the asymmetric access, different upload and download speeds commonly offered in the market.
- **Singapore stockbroking and securities firm, UOB KayHian, announced its selection of Hewlett-Packard Singapore to upgrade its existing Internet-based trading system.** The upgraded system is expected to be launched in the first half of 2007. With the upgraded system infrastructure, UOB KayHian customers can look forward to greater system stability during bullish times when there is a surge in the volume of online trading activity. In addition, the system will have an increased capacity to support two to three times the number of current users. Customers will benefit from an increase in service value with a more efficient online trading solution.

Mobile/Wireless

- **Nokia announced that it has secured a nationwide supply contract with the Philippine telecommunications company Globe Telecom Inc.** This network modernization deal includes an upgrade of the Globe Telecom circuit switched core network, also enabling fixed mobile convergence. Under the agreement Nokia will renew the core network of Globe Telecom including the upgrade of Nokia's mobile switching centre into Nokia MSC Server mobile softswitch. Included are its unique multi-technology Nokia NetAct network and service management solution, Nokia Voice over IP Server, and Nokia IP Multimedia Subsystem (IMS). Under the agreement, Nokia will provide implementation, commissioning, systems integration and training services.
- **Wireless services developer MobileArts Inc. announced its recent offering in the form of an inexpensive way of sending text messages from the Philippines to any number in the U.S.** The company said the new service is actually an add-on to the existing hybrid e-mail and text messaging service of MobileArts but this time, the company linked up with a free email-to-text messaging web site called Teleflip, based in the U.S. Teleflip provides a free PC-to-cellular phone messaging system wherein a short 160-character e-mail gets converted into SMS by the Teleflip server and then sent to any U.S.-based cellular number. MobileArts does not have a direct partnership with Teleflip but it simply acts as a forwarding portal for messages coming from the Philippines.

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



Week of 17 September- 23 September 2006

United States/Canada

Internet

- **Time Warner Inc. announced that it has agreed to sell AOL France's Internet access business to Neuf Cegetel, a French telecommunications network operator, in a deal valued at about US\$365 million in cash.** Under the agreement, Neuf Cegetel will acquire AOL's Internet access business in France, including its 500,000 broadband customers. The sale is part of AOL's efforts to shed its access subscription business as it focuses on boosting advertising revenue from its free web sites. Earlier this week, Time Warner said it reached an all-cash deal to sell AOL Germany's Internet access business to Telecom Italia SpA for about US\$870 million. Time Warner said it wants to shed AOL's U.K. access business as well. Under the agreement, by the beginning of 2007, AOL said it will provide the content and manage online advertising sales for all of Neuf Cegetel's Internet portals. The agreement will have AOL and Neuf Cegetel share advertising and other revenue from the sites, and the French version of AOL will continue to operate. Together, the two company's sites attract about 9 million unique visitors per month. Neuf Cegetel said the agreement will help it reach its goal of 2 million broadband subscribers a year ahead of time. For Time Warner, the deal strengthens its position as a content and advertising provider in Europe.
- **Shares of online music service Napster Inc. rose after the company said it was exploring a possible sale.** Napster revealed that it had hired UBS Investment Bank to explore a number of options, including a sale. Napster will consider its options after having a difficult time attracting and retaining subscribers, despite its recognizable brand name. The company attracted an estimated 60 million users as a free file-sharing service in the late 1990s before seeking bankruptcy protection to shield its assets from copyright infringement lawsuits. Napster said the company is currently performing well, with US\$97 million in cash and annual sales of more than US\$100 million. The company has more than 500,000 subscribers and the figure is expected to grow in the coming months along with an expansion of its mobile business and partnerships with wireless companies. Meanwhile, an ad-supported free music service that the company launched this year has increased traffic to the site by 50 percent.
- **Google announced the release of enhanced search tools that will allow companies to go through as many as 30 million documents kept on networks or web sites.** The new version of "Google Search Appliance" consisted of a combination of hardware and software and supported 16 languages including Chinese, French, Spanish, Korean, and Japanese. Google said there are new functions included in the offering that will allow consumers to use dates or number ranges such as prices to restrict search results.

Media, Gaming and Entertainment

- **Viacom Inc.'s MTV Networks disclosed its move to acquire Harmonix Music Systems Inc., a developer of music-themed video games, in a deal valued at US\$175 million in cash.** Harmonix, based in the U.S., developed Guitar Hero and other music games for Sony Corp.'s PlayStation 2. The deal is expected to close in the fourth quarter. Last year Harmonix and MTV formed a partnership that used the video game title in original programming and competitions on a number of MTV platforms.

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



Week of 17 September- 23 September 2006

Mobile/Wireless

- **Motorola Inc. announced its biggest acquisition in nearly seven years by agreeing to buy Symbol Technologies Inc. for US\$3.9 billion.** The deal is seen as upping the cell phone maker's stake in the market for business-oriented mobile devices. The company's acquisition of Symbol, a leader in portable bar code scanners and customized handheld computers, is expected to add a well-established product portfolio and valuable intellectual property to Motorola. The transaction is expected to close in late 2006 or early 2007, pending regulator clearance and approval by Symbol shareholders. Motorola said it intends for Symbol to become the "cornerstone" of the company's enterprise mobility business. Symbol reported 2005 earnings of US\$32.3 million on sales of US\$1.7 billion. Symbol also produces mobile devices for rugged business environments, as well as equipment based on the emerging wireless technology known as RFID.

Software

- **EMC Corp., a maker of data storage systems, announced that it has agreed to pay US\$175 million in cash to acquire privately held security information company Network Intelligence Corp.** EMC also said it has completed its US\$2.1 billion acquisition of security software maker RSA Security. The company said RSA and Network Intelligence will comprise EMC's new information security division. EMC said it set up a US\$2.2 billion short-term, unsecured credit facility to finance the RSA acquisition. Earlier, EMC stated its commitment to spend at least US\$3 billion buying back its own stock this year.
- **Oracle reported a 29 percent rise in its net income to US\$670 million.** The world's third-largest software maker said its sales went up by 30 percent to US\$3.5 billion in the period to last month. The company used about US\$20 billion in acquisitions, buying SAP rivals PeopleSoft and Siebel Systems to bolster sales of software that manages business tasks such as payroll. Oracle said its software license revenue climbed by 28 percent, with the company taking market share from SAP. Oracle predicts sales including deferred revenue will rise to US\$4.1 billion to US\$4.2 billion and new software license sales will increase to US\$1.2 billion. Oracle was upgraded to buy from hold by Citigroup. The report said Oracle's sales from new licenses for applications jumped 80 percent to US\$228 million in the first quarter while new database license revenue gained 15 percent to hit US\$576 million.
- **Websense, a U.S.-based provider of Internet filtering and security software, disclosed it is looking to expand operations in Asia-Pacific, by establishing a research and development laboratory in China.** The report said Beijing is offering an engineering talent pool and starting point for a large domestic Internet user market that fits the requirements for such a regional facility. With Mumbai and Chennai in India also being considered, Websense said the final decision on the laboratory and support infrastructure, such as a regional call center, will be made in two months. The company did not provide financial commitments. According to IDC, the security software market in the Asia-Pacific, excluding Japan, will be worth US\$1.7 billion by 2010. Websense competes against larger rivals such as Symantec. The company is a world leader in online security software that is used to fill the gaps left open by traditional computer network defenses, with an estimated market share of 28.4 percent. The company posted total revenues of US\$148.6 million last year, up 33 percent from US\$111.9 million in 2004. About 68 percent of its sales come from North America, while 32 per cent is generated from international markets.

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



Week of 17 September- 23 September 2006

Hardware

- **Industry sources said that International Business Machines Corp.'s (IBM) planned acquisition of data and content management software provider FileNet Corp. received antitrust approval.** The planned acquisition remains subject to other closing requirements, including the approval of FileNet shareholders and other regulatory clearances. IBM offered to buy FileNet in August in an all-cash, US\$1.6 billion deal that values FileNet at US\$35 per share.

Telecommunications

- **Broadband voice and data services provider Talk America Holdings Inc. revealed that it has agreed to be acquired by Cavalier Telephone & TV for US\$251 million.** Cavalier is a privately held telecommunications company based in Richmond, Va. The companies expect to have combined 2006 revenue of US\$760 million. The acquisition is seen as creating a voice, data and video communications company with more than 550,000 residential customers, 85,000 business customers and more than 2,000 employees. Industry sources said it would have annual revenues of more than US\$750 million and a presence in six of the country's 20 largest markets – Philadelphia, Washington, Baltimore, Cleveland, Detroit and Atlanta.

Europe

Internet

- **Time Warner disclosed that it has agreed to sell AOL Germany's Internet access business to Telecom Italia in all-cash deal worth 675 million euros (US\$863.6 million).** The deal is subject to regulatory approval and is expected to close early next year. Once complete, it will make Milan-based Telecom Italia the second-biggest provider of broadband Internet in Germany with 3.2 million customers, behind T-Online International, part of Deutsche Telekom. The deal is seen also as boosting the number of Telecom Italia subscribers in Italy, France and Germany to 9 million. AOL Germany has 1.1 million broadband users and 1.3 million subscribers who use dial-up or ISDN to access the Internet. Time Warner and AOL executives also said they expect to save more than US\$1 billion by the end of next year by cutting marketing, network and overhead costs. Under the agreement, AOL will offer its co-branded services on a joint web portal for Telecom Italia users and will design, host and operate audience services for Telecom Italia customers in Germany. Germany's broadband market is one of the largest in Europe, with more than 12 million subscribers by the end of June.

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



Week of 17 September- 23 September 2006

Media, Entertainment and Gaming

- **Magazine and radio group Emap announced the signing of a deal that will allow it to provide music programs for a new Internet-based TV service from BT Group.** BT said the agreement offered it access to a range of music channels built around Emap's print, radio and press brands. The terms of the deal, which is the latest in a string of content deals for the new service, were not disclosed. BT Vision is due for launching soon. It will provide a service based on Freeview, the free digital terrestrial television service backed by the British Broadcasting Corp, British Sky Broadcasting Group, ITV and Channel 4, along with National Grid. It will also offer a range of on-demand content. The launch of the service is expected to further blur the lines between telecoms groups, broadcasters and Internet companies. BT is hoping to use the TV service to offset growing competition to its traditional businesses. The telecom group also has deals in place with Universal Pictures, Paramount and Warner Music Group. Emap, meanwhile, is planning to devote more resources to bulk up its digital consumer business amid a decline in traditional ad markets. It recently announced plans to re-launch men's magazine FHM on the Internet in an effort to establish the men's magazine as a global online brand.

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



Week of 17 September- 23 September 2006

Other Economic Data

Currency Exchange Rates

Currency	Units	Current Rate (on 9/22/06)	% Change 1 Week Ago	% Change 1/1/2006	% Change 1/1/2005	% Change Last 12 Mth.
Japanese yen	¥/US\$	116.5600	-0.8%	-1.0%	13.6%	4.3%
Hong Kong dollar	HK\$/ US\$	7.7842	0.0%	0.4%	0.1%	0.3%
Chinese renmenbi	RMB/ US\$	7.9195	-0.3%	-1.9%	-4.3%	-2.1%
Singapore dollar	S\$/ US\$	1.5838	0.1%	-4.8%	-2.9%	-5.8%
South Korean won	KRW/ US\$	946.7500	-1.0%	-6.3%	-8.5%	-7.9%
New Taiwan dollar	NT\$/ US\$	32.9415	0.0%	0.4%	3.8%	-0.5%
Australian dollar	US\$/A\$	0.7500	-0.4%	2.4%	-3.9%	-1.7%
New Zealand dollar	US\$/NZ\$	0.6618	-0.1%	-3.2%	-7.9%	-4.5%
Philippine peso	PHP/ US\$	50.3450	0.2%	-5.2%	-10.5%	-10.5%
Euro	US\$/€	1.2784	0.9%	7.9%	-5.7%	5.2%
British pound	US\$/£	1.9002	1.0%	10.3%	-0.9%	6.1%

Fixed Income Prices and Yields

Note	Currency	Current (on 9/22/06)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	96.2031	4.77%	93.5781	4.92%	93.1755	4.93%
Japan 30-year	¥	102.4510	2.43%	102.3810	2.37%	102.6160	2.35%
Hong Kong 10-year	HK\$	107.4703	4.36%	105.5555	4.36%	104.6510	4.29%
China (06/16)	US\$	113.3900	3.08%	113.1380	3.11%	112.4700	3.19%
Singapore 10-year	S\$	100.5600	3.27%	99.3000	3.30%	97.8790	3.44%
South Korea 20-year	US\$	109.0494	5.08%	108.1400	5.09%	111.4710	5.04%
Australia 15-year	A\$	157.3235	2.20%	154.7135	2.23%	155.6210	2.19%
New Zealand (12/17)	NZ\$	102.7267	5.72%	100.9988	5.87%	101.5560	5.81%
Philippines 20-year	PHP	113.6816	9.77%	111.5942	10.00%	103.7460	10.81%
India 30-year	INR	89.3863	8.48%	88.2820	8.49%	87.2288	8.60%
UK 30-year	£	103.7340	4.10%	101.8090	4.14%	101.8200	4.14%
Germany 30-year	€	101.8710	3.95%	100.4680	3.99%	99.2970	4.04%

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