



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

Week of 25 August - 31 August, 2008

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Equity Market Indicators					
Index	Closing Level (8/29/2008)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2008	% Change 1/1/2007
S&P 500	1,282.83	-0.7%	1.2%	-12.6%	-9.6%
Dow Jones Industrial Avg.	11,543.55	-0.7%	1.5%	-13.0%	-7.4%
Dow Jones Tech. Index	395.79	-2.2%	0.8%	-13.8%	-4.1%
Dow Jones Telecom. Index	246.03	0.7%	-2.7%	-21.5%	-5.4%
NASDAQ Composite	2,367.52	-2.0%	1.8%	-10.7%	-2.0%
The Street.com Net	263.44	-2.0%	5.3%	-6.5%	6.5%
Japan Nikkei 225	13,072.87	3.2%	-2.3%	-14.6%	-24.1%
JASDAQ	58.04	0.9%	-2.9%	-19.6%	-32.7%
Japan Mothers	464.79	5.2%	-8.9%	-40.7%	-58.2%
Korea KOSPI Composite	1,474.24	-1.5%	-7.6%	-22.3%	2.8%
Korea Kosdaq	470.28	-2.7%	-12.8%	-33.2%	-22.4%
Taiwan Stock Exchange	7,046.11	1.9%	0.3%	-17.2%	-9.9%
Singapore Straight Times	2,739.95	0.6%	-6.5%	-20.9%	-8.2%
Hong Kong Hang Seng	21,261.89	4.3%	-6.5%	-23.6%	6.5%
Hong Kong GEM	690.48	2.3%	-9.8%	-48.8%	-43.6%
China Shanghai (A-Share)	2,516.78	-0.3%	-13.6%	-54.4%	-10.6%
China Shenzhen (A-Share)	690.44	-2.7%	-20.4%	-54.6%	21.2%
China Shanghai (B-Share)	151.76	-2.0%	-27.7%	-58.5%	16.6%
China Shenzhen (B-Share)	384.42	2.2%	-15.4%	-45.8%	-11.3%

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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
N/A						

NASDAQ/NYSE Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 2/15/08	% Change From Offer
N/A						

Asian Equity Markets: TMT and Life Sciences IPO Filings						
Filing Date	Issuer	Industry Sector	Size (US\$MM)	Description	Book-Runner	Co-Manager
N/A						

Asian Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 2/15/08	% Change From Offer
N/A						

Asian Markets: TMT 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						

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Weekly Highlights

Japan

Hardware

- **NEC Corp. plans to issue roughly 50 billion yen (US\$458.15 million) in straight bonds to fund its investment in its core communications and systems businesses.** With its earnings improving on a recovery in its chip segment, the technology giant intends to use the cash to bolster its overseas operations. NEC is expected to issue 30 billion yen in five-year bonds and 20 billion yen in seven-year bonds. Daiwa Securities SMBC Co. will underwrite the seven-year debt issue. It will also co-lead-manage the issuance of five-year bonds jointly with Mizuho Securities Co.
- **Apple is offering to replace faulty batteries in iPod nanos in Japan following a government warning that the popular music players may pose a fire hazard.** The offer is only for batteries with overheating problems and is not a full recall. Japan's economy, trade and industry ministry warned users of iPod nanos of a potential fire risk after it received two new reports of minor fires in August in Tokyo caused by overheating iPod nanos.
- **Fujitsu Ltd. is stepping up efforts to market optical transmission equipment in Asia, where demand for broadband communications is growing.** The Japanese firm has won an order for optical transmission devices from a major Vietnamese telecommunications, and has also started to market these products in Malaysia and Australia. Fujitsu had until now sold transmission equipment for fiber-optic telecommunications only in Japan and North America. It now aims to double annual worldwide sales in five years from about 200 billion yen currently.
- **Konica Minolta Holdings Inc. will likely write off a total of 23.1 billion yen (US\$210.6 million) in goodwill stemming from its acquisition of Danka Office Imaging Co. in June.** Konica Minolta will make the write-offs over a period of five to eight years, starting with the current fiscal year ending March 31. Danka, a major U.S. copier sales firm, has been handling products from Canon Inc. and Toshiba Tec Corp. Its sales and operating profit came to 42 billion yen (US\$386 million) and 300 million yen (US\$3 million), respectively, in the previous fiscal year.
- **Fujifilm Holdings Corp. cuts its annual outlook.** Net income for the year ending March 31 is now expected to be 80 billion yen (US\$733 million), 27 percent less than the April estimate of 110 billion yen (US\$1 billion), citing rising raw material costs and restructuring expenses. Sales will probably reach 2.85 trillion yen (US\$26.2 billion), 1.7 percent less than previously forecast. Fujifilm also cut its outlook for operating profit, or revenue minus the cost of goods sold and administrative expenses, by 24 percent to 160 billion yen (US\$1.5 billion). The company cited additional costs of 20 billion yen (US\$183.6 million) to reorganize its digital-camera division and office-equipment operations and 10 billion yen (US\$91.4 million) for aluminum and silver.

Media, Entertainment and Gaming

- **Japan's Communications Ministry will call for 60 billion yen (US\$547 million) in the fiscal 2009 budget to help the transition from analog to digital terrestrial television broadcasts.** The ministry's request, a 10-fold increase from the current fiscal year, will be used to help fund nationwide support centers and the distribution of free converters to those receiving public assistance. The switch to digital broadcasts takes place in July 2011. Planned outlays for welfare households come to 12.8

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billion yen (US\$118 million), including antenna upgrades. The ministry will target 400,000 households in fiscal 2009, with the initiative to continue the following year.

- **Nintendo Co. raised its full-year profit forecast by 26 percent because of higher-than-anticipated sales of Wii and DS game players, sending the company's shares to their biggest gain in nine months.** Net income will climb 59 percent to 410 billion yen (US\$3.8 billion) in the year ending March 31, the Kyoto-based company said. The guidance exceeded the 382.6 billion yen median of 23 analyst estimates compiled by Bloomberg. Nintendo, poised to pass Sony Corp. as the world's largest maker of game players for the first time in at least 13 years, said sales of its Wii console will rise 42 percent this year and reversed projections that DS sales will drop. Before today, the stock had fallen 17 percent since July 30, when the company left its full-year projections unchanged.
- **Square Enix Co., creator of the "Final Fantasy" series of role-playing video games, offered to buy Tecmo Ltd. to bolster its game-software business.** The company will pay 920 yen (US\$8.45) per Tecmo share, 30 percent higher than yesterday's closing price, on condition it receives an agreement notice from Tecmo by Sept. 4, 2008. The offer for the creator of the "Dead or Alive" video-game series is valued at 22.3 billion yen (US\$205 million), based on data compiled by Bloomberg. Japanese game-software makers are following larger overseas rivals in seeking partners to share rising development costs as consoles from Sony Corp. and Microsoft Corp. offer higher-definition images, faster speeds and the ability to play via the Internet. Activision and Vivendi SA's Blizzard video-game division in July merged to create the world's biggest game- software publisher.

Software

- **Codima, a global provider of software tools for VoIP and information technology asset management, announced that the company entered into a letter of intent to acquire G-major Japan Ltd, a Japanese vertical market distributor of network management software.** In acquiring the locally established distributor, Codima consolidates its presence in the Japanese market. The acquisition is scheduled to close by the end of September 2008. Terms of the agreement were not disclosed.

Alternative Energy

- **Mitsubishi Electric Corp. plans to invest 60 billion yen (US\$549 million) to quadruple its solar battery production in four years to meet growing demand for renewable energy.** Spain and Germany are cutting subsidies for solar power, but Mitsubishi Electric and rivals such as Sharp Corp and Kyocera Corp are betting on growing solar power demand in the U.S. given high oil prices and fears about climate change. Japan's solar market is also expected to grow, if modestly, with sources saying that the Ministry of Economy, Trade and Industry plans to seek 23.8 billion yen (US\$219 million) for subsidies for residential solar panels.

Korea

Telecommunications

- **The Korea Communications Commission ordered KT Corp. not to recruit new broadband subscribers for 30 days, and fined the company 428 million won (US\$396,700) for leaking customer information.** The KCC also banned LG Powercomm Co. from recruiting new broadband subscribers for 25 days and slapped a fine of 53 million won (US\$48,484) on the company on the same charges.

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Hardware

- **Samsung Electronics is the top global retailer of flash memory products in the first half.** Samsung's flash memory sales stood at US\$7.5 billion in the January - June period, or 30 percent of global flash memory sales, citing a recent report from market researcher iSuppli. Flash memory refers to chips used mostly in digital cameras, USB flash drives, cell phones and music players such as Apple's iPod. Hynix Semiconductor came in second with a 13 percent market share, followed by Micron Technology and Elipida Memory, with 8 percent and 7 percent market share, respectively.
- **Samsung Electronics unveiled a new and notably slimmer solid-state drive (SSD) to be used in laptop computers.** The company's latest data storage device, named "Half Slim," comes in 8-, 16- and 32-gigabyte formats, and will be mass produced starting September to be used in lower-priced laptop computers. The new SSD, which is about one-third the size of the widely-used 2.5 inch SSDs, was developed using SATAII controller technology, normally applied in producing 128-gigabyte models. The global SSD market is expected to expand at an annual rate of 124 percent until 2012.
- **LG Electronics said it aims to increase its display sales by 30 percent to US\$20 billion by 2010.** To achieve the goal, LG plans to invest US\$500 million in marketing targeting the Americas, China, the Middle East, Africa and Russia. LG is betting more expensive models and sales in emerging markets will help sustain revenue growth at the display division. The loss from the division, which sells plasma screens and televisions, narrowed in the second quarter on higher sales of flat-panel TVs. LG will also invest US\$1 billion on research and development for displays by 2010.
- **LG Electronics will carry 8 million pixel camera to KC910, a premium mobile phone following Beauty Phone.** Sony Ericsson already unveiled mobile phone carrying 8 million pixel camera earlier than LG and Samsung Electronics will release high pixel camera phone within this year, triggering competition over high pixel camera phone. SA, a market survey agency, said more than 5 million high pixel camera phone market will more than double from 38 million units this year to 83 million units this year. Sony Ericsson unveiled C905, 2.4 inch slide phone carrying 8 million pixel camera and SE released Innovate last month.
- **According to the Korean Intellectual Property Office, touch screen LCD patent application, which was only 27 cases between 1999 and 2000, increased 70 cases between 2005 and 2006, totaling 223 cases until now.** Of them, application from local people was 80.7 percent or 180 cases. LGD was the most applied company with 79 cases and followed by Samsung Electronics 55 cases. Of foreign firms, Japanese firms like Hitachi and Sharp were 86 percent or 37 cases.

China

Internet

- **China's Alibaba.com Ltd., an online business platform operator, said its first-half net profit more than doubled from a year earlier on robust growth in its domestic trading services and an increase in paying members.** Business conditions will likely further deteriorate in the second half for Chinese exporters, which make up the bulk of the company's customer base.

Mobile/Wireless

- **Though Chinese domestic cell phone makers were shipping more handsets in the first half of 2008, their gross profits were on the decline.** China Zhenhua (Group) Science & Technology Company recorded a gross profit rate of 7.5 percent during the period, down 1.1 percent from the

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corresponding period of last year. Hedy Holding Company saw a decrease of 4.0 percent in gross profits to 6.8 percent. The gross profit rate of Shenzhen SED Industry Company, Kanka, TCL, and ZTE was 30 percent, 8 percent, 19 percent, and 26.4 percent, respectively.

Telecommunications

- **China Unicom Ltd. said its first-half net profit more than doubled from a year earlier, when earnings were hit by an accounting loss related to a convertible bond.** The company, China's second-largest mobile operator by subscribers after China Mobile., said in a statement that its net profit in the six months ended June 30 was 4.4 billion yuan (US\$646 million), up from 2.2 billion yuan (US\$318 million) a year earlier. The result was slightly higher than the average 4.2 billion yuan (US\$610 million) forecast of seven analysts polled earlier by Dow Jones Newswires.
- **ZTE, a leading Chinese telecom equipment and cell phone producer, has gained 40 percent of China Telecom's 27.9 billion yuan (US\$4.1 billion) order of CDMA equipment tender.** The rest of the order was obtained by Huawei and Alcatel-Lucent, which gained 40 percent and 20 percent respectively. For the short message equipments sector, ZTE won contracts of short message centers in 12 provinces and gateways of short messages business in 10 provinces. Huawei won contracts for short message centers in 11 provinces and gateways of short message business in 15 provinces.
- **China Mobile Communications Corporation, the parent company of China Mobile recently initiated the internal test of mSpaces.net, a Web2.0 product based on Internet platform and cell phone platform.** mSpaces.net embodies the features of integrating traditional Internet and mobile Internet. It supports e-mail registration and mobile phone registration, but is only accessible to cell phones manufactured by Nokia, Motorola, and those based on Borqs platform. CMCC, Softbank Corp., and Vodafone have founded a Joint Innovation Lab to promote the development of new mobile technologies, applications and services earlier this year.
- **Huawei Technologies lately set up a research and development center in Chongqing.** The center will turn out to be one of the company's most important research and manufacturing bases and will have a research workforce of 1,000 in three years ahead. The new center came into service shortly after Huawei established a data processing and 3G research and development center this June in Nanjing, Jiangsu province.
- **The telecom companies in central Hubei Province acquired 15.3 billion yuan (US\$2.2 billion) of total revenues from January through July 2008, rising 14.9 percent from a year earlier.** They gained 38.0 billion yuan (US\$6 billion) of sales in the period, leaping 24.3 percent. Hubei ranked China's number thirteen in terms of telecom revenues and sales, and the number three in central provinces. In the province, the total telephone users amounted to 34.8 million, hiking 11.0 percent, taking the tenth place around the country, and the second in central provinces.
- **Another batch of big orders for telecoms equipment are expected to be cast by China Mobile Ltd., China's biggest mobile telecoms operator, which has got regulatory approval to start the second- phase construction of its 3G TD-SCDMA network.** The company has staked out 28 Chinese cities as the sites for the round of construction, though it has not named them yet. Changchun, Harbin, and Dalian, the three northeastern Chinese cities, have been listed on the plan of the telecoms operator. In North China, it is said to have chosen Shijiazhuang, Jinan and Zhengzhou.
- **China Telecom Corp., the country's biggest fixed-line operator by subscribers, reported an 8.2 percent drop in first-half net profit from the corresponding period last year as its users continued to migrate to mobile telecommunications service providers.** Chief Executive Wang

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Xiaochu expects the company's earnings to remain under pressure in the short term as its fixed-line subscriber base continues to shrink and its own foray into mobile services will require significant investment in the initial stages.

Taiwan

Telecommunications

- **Chunghwa Telecom Co. said its board approved establishing offices in Beijing and Shanghai and a NT\$3.3 billion (US\$104.8 million) injection into its wholly-owned unit Chunghwa Telecom Singapore Pte.** The fund injection into the Singapore unit is for international telecom business. Chunghwa Telecom's board in June approved the establishment of new wholly owned units based in Japan and Singapore, which will apply for telecommunications service licenses and are scheduled to start operations in the third quarter.

Hong Kong

Telecommunications

- **China Netcom Group Corp. Hong Kong Ltd. said its first-half net profit fell 5.2 percent from a year earlier, as competition from mobile operators continued to weigh on its fixed-line business.** But it said subscribers to its broadband services rose 36 percent in the first half, and it will continue to transform itself into a broadband communications and multimedia services provider.
- **PCCW will invest in Telkom's IPTV operation which will then be modeled on its own service.** Hong Kong's PCCW Ltd. and PT Telekomunikasi Indonesia signed a memorandum of understanding to cooperate on IPTV services in Indonesia. PCCW, Hong Kong's dominant fixed-line operator, will invest in Telkom's IPTV operation, which will be modeled on PCCW's "now TV" broadband service. The two companies didn't provide financial details of the agreement.

Mobile/ Wireless

- **Foxconn's H108 net profit falls 56 percent.** Mobile phone manufacturing company saw higher operating costs, changes in product mix. Its first-half net profit fell 56 percent from a year earlier, on higher operating costs, changes in its product mix, and increased investment spending. The company, which makes mobile phones for companies such as Motorola and Nokia, posted a net profit of US\$142.2 million for the six months ended June 30, down from US\$324.0 million a year earlier.

Singapore/Malaysia/Philippines/Indonesia/India/Australia

Telecommunications

- **Beset by rising competition, underperforming foreign investments and a volatile foreign-exchange market, Singapore Telecommunications is losing investor interest.** Several analysts cut SingTel's share-price target and earnings forecast for the fiscal year ending in March after Southeast Asia's largest telecommunications company by subscribers posted a 5.3 percent drop in first-quarter net profit earlier this month.
- **StarHub Ltd. said it isn't in talks with Taiwan's Vibo Telecom Inc. about a possible investment, and that it has no plans for overseas investments.** Vibo Telecom, a third-generation mobile phone services operator, is in talks to sell a stake to other Asian mobile operators.

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- **PT Bakrie Telecom is looking to buy a 51 percent stake in CDMA-based telecommunications operator PT Mobile-8 Telecom from PT Global Mediacom.** Global Mediacom's head of investor relations, David Fernando Audy, told Dow Jones Newswires that Bakrie Telecom and Global Mediacom, formerly known as PT Bimantara Citra, are currently in negotiations. The two companies are also weighing an option to merge Bakrie Telecom with Mobile-8, which would create a company with assets worth IDR12.6 trillion (US\$1.4 billion).
- **Bharat Sanchar Nigam Ltd. expects to start WiMax services in the western Indian states of Maharashtra and Gujarat by the end of 2008.** WiMax, or worldwide interoperability for microwave access, is a telecommunications technology that provides for wireless transmission of data over long distances. BSNL has already placed some orders for equipment to launch its services under the third generation, or 3G, technology.
- **Bharti Airtel holds 68.5 percent of joint venture; has first right of refusal over state's 30 percent holding.** The Indian government is considering divesting state-run Telecom Consultants of India's 30 percent stake in Bharti Hexacom, a joint venture with Bharti Airtel. Bharti Airtel, which holds a 68.5 percent stake in Bharti Hexacom, holds the first right of refusal for Telecom Consultants' 30 percent stake.
- **Indian telecommunications company Datacom Solutions Pvt. Ltd. has finalized a foreign company to be its telecom joint venture partner.** Datacom, a new company established by consumer goods maker Videocon Industries Ltd. to offer mobile services, received in January the Unified Access Services License from the government, allowing it to offer cellular services throughout the country. New telecom players, such as Datacom, are looking for joint ventures with global telecom companies to use their funds and expertise in rolling out cellular services in India, the world's fastest growing telecom market.

Media, Entertainment and Gaming

- **GMA Network Inc. said it will launch its Internet TV or video-on-demand service on Sept. 12, 2008.** The new service, dubbed MyGMA, is the network's Internet channel where its shows can be viewed using a personal computer with a broadband connection. Access to the services can either be via a one-day or one-month pass. Close to nine million Filipinos or over a 10th of the Philippine population work overseas.

United States/Canada

Telecommunications

- **Mexican mobile phone operator America Movil SAB plans to invest about US\$3 billion in Ecuador over the next 15 years under its new concession.** The Ecuadorian government and Porta Celular plan to sign the new 15-year contract. Porta Celular will pay an estimated US\$480 million for the concession, with an initial payment of US\$289 million and payments of 3.93 percent of its yearly revenue over the 15-year period.

Mobile/ Wireless

- **BuzzCity, a developer of global wireless communities and consumer services, has secured US\$10 million growth capital financing by new investor Naspers, a South Africa based integrated multinational media company.** BuzzCity will use the financing to extend market share for its core property, myGamma.com and its network of sites. The company's growth strategy will

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continue to focus on growing the membership base of myGamma, developing more user generated content through member services and applications; invest in applications aimed at maximizing partnership opportunities and growing myGamma's portfolio of advertising clients.

Hardware

- **Dell Inc. posted a profit that trailed analysts' projections and said a slowdown in technology spending is expanding into Europe and Asia.** Strategic pricing hurt profit margins in Europe, the Middle East and Africa. Dell sees continued conservatism in U.S. spending, and that it has spread to Western Europe and some Asian countries. The company, which has trailed Hewlett-Packard in PC shipments for eight straight quarters, has attempted to woo consumers with new designs and increased availability at stores to spur growth. Its laptop sales advanced 26 percent to US\$4.9 billion, compared with a 1.8 percent drop in desktop PC revenue, to US\$4.9 billion. Since taking back the top job last year, Dell has begun selling through retailers, adding more than 13,000 in at least 24 countries and enlisting resellers abroad. Dell, 43, had built up his PC business over the past two decades by selling machines mainly over the phone and the Web. Dell also has focused more on design to win consumers, introducing wedge-shaped models in hues such as Spring Green and Ruby Red. Gross margin, or the percentage of sales minus production costs, narrowed to 17.2 percent in the second quarter from 19.9 percent a year earlier.
- **Apple Inc. is readying a software update for the iPhone, fixing a security flaw in the device that gives unauthorized access to contacts and e-mails.** Apple released a faster version of the Web-surfing iPhone in July, selling 1 million in the first three days, as part of a plan to win customers away from rivals Research In Motion and Samsung Electronics. Apple put out a software update last week to improve network connections after some iPhone users complained about dropped calls and sound quality. The average Apple retail store is selling 94 phones a day.

Internet

- **Google Inc., facing U.S. Justice Department scrutiny of its advertising partnership with Yahoo! Inc., will proceed with the agreement by early October.** Google is trying to pull off the deal amid concerns that it will give the company too much power in the US\$65 billion online advertising market. Many question whether the agreement will reduce Yahoo to nothing more than the newest satellite in the Google orbit. Google and Yahoo would give the Justice Department 3 1/2 months to review the partnership, even though they indicated it wasn't legally necessary.
- **Napster Inc., the Internet music pioneer facing a challenge from dissident shareholders, said it is willing to consider a sale and is working with UBS Investment Bank as an adviser.** The board, fighting off investors seeking three board seats and a sale of the company, will evaluate all options to increase the stock price, the company said today in a statement. Napster made the case for keeping the incumbents in a letter to investors. The dissidents have offered no specific plans other than to suggest a review of Napster's business, the company said. Napster first retained UBS in 2006 in connection with a prior strategic review. Chief Executive Officer Christopher Gorog slashed sales and marketing expenses 90 percent to US\$18 million in the year ending in March, while revenue rose 15 percent to US\$127.5 million.
- **Latest statistics showed MySpace had overtaken Yahoo! as number one in display ad market.** Yahoo! questioned new data that indicated the struggling Internet giant was no longer the top display advertising property in the U.S. Data from market research group comScore indicated that News Corp.'s Fox Interactive Media, which includes social networking site MySpace.com, had assumed the

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top spot in June. News Corp. also owns Dow Jones & Co., publisher of this newswire. Internet users viewed 56.8 billion display ads on FIM sites in June, giving it a 15.2 percent share of the total U.S. online display ad market. Yahoo sites served up 53.1 billion display ads in the same month for a 14.2 percent share.

Software

- **Oracle Corp. founder Larry Ellison, is drawing criticism from some shareholders for a US\$72 million pay package that's 12 times bigger than the median pay of CEOs in the technology industry.** Ellison, who proposed the 38 percent raise and won approval from a committee of board members, is now the second best-paid chief executive officer of a U.S. public company. He received about US\$1.7 million less than Merrill Lynch & Co. CEO John Thain in 2007. Oracle's market value is three times Merrill's.
- **Microsoft Corp. took the wraps off the latest test version of its Internet Explorer browser, unveiling new privacy and security features as the company battles the upstart Firefox browser.** Internet Explorer 8 offers users greater control over whether to save or erase their browsing history, "cookies" and other data. It also includes a browsing tool called an accelerator, which allows users to highlight text on a Web site and then choose from a variety of functions, including different search engines, language translation or map displays.
- **Microsoft Corp. agreed to buy Greenfield Online Inc. for US\$486 million, propelling the company into the European market for shopping comparison Web sites for computers, cameras and other merchandise.** Greenfield runs a website called Ciao for people to compare prices, and review products and the merchants selling. Greenfield is paid a commission from the merchants when people use the site to buy products. Ciao has signed up 2,200 merchants, and gets 26.5 million visitors a month. It operates in the U.K., Germany, France, Italy, Spain, the Netherlands and Sweden. Microsoft plans to incorporate Ciao into its Web sites to drive up the number of transactions. Microsoft says its Web sites have 150 million users in Europe, the Middle East and Africa. Eventually, Microsoft plans to pass on part of the commissions it gets from merchants to consumers, figuring the rebates will increase the number of people using the site and revenue overall.
- **Cisco Systems Inc. has agreed to buy PostPath Inc. in a US\$215 million deal, highlighting the networking giant's bid to expand its business-applications portfolio.** PostPath makes Linux-based email, calendaring and applications for online collaboration. The firm will become part of Cisco's WebEx Connect platform, which lets companies hold meetings and other activities via the Web. The acquisition is expected to be completed in Cisco's fiscal first quarter in 2009.
- **Qualcomm Inc. was found in contempt of an order designed to prevent the company from violating three Broadcom Corp. patents.** Qualcomm violated the injunction by continuing to use infringing chips and ordered it to stop the infringement. Qualcomm also failed to pay royalties for an infringed product. Qualcomm was ordered to pay further profits to Broadcom. It's unknown at this time how much money the judge's order will cost Qualcomm. The judge rejected Broadcom's request that Qualcomm be banned from selling new versions of its chips that work around the patents.

Media, Entertainment and Gaming

- **CBS Corp. introduced a redesigned home page for Cnet Networks, the Internet company it purchased last month for US\$1.8 billion, and would use its TV network, radio stations and billboard to promote the site.** The redesign lets advertisers create campaigns to run alongside Cnet's reviews and product news. As a result, the number of visitors to Cnet sites jumped in July.

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Investments/Ventures

- **Lehman Brothers Holdings Inc.**, the investment bank that's trying to shed mortgage assets and raise capital, is poised to eliminate as many as 1,000 jobs, or about 4 percent of its workforce, in the fourth round of cuts at the firm this year. The headcount reductions may be announced when Lehman, the fourth-largest U.S. securities firm, reports third-quarter financial results next month.

Europe

Mobile/ Wireless

- **Research firm Gartner expects cellphone sales in Western Europe in 2008 to be roughly on last year's level, helped by strong growth in the second half.** Cellphone sales in the key region for phone makers like Nokia and Sony Ericsson fell 16 percent year-on-year in the first quarter and 8 percent in the second quarter. It's a little bit (of weakness) in every country, with the exception of Germany and France, where we are seeing strong markets. Gartner's 9-percent value growth forecast for the global handset market in 2008 was in U.S. dollar terms.
- **Nokia Siemens Networks and Dasan Networks today announced the signing of a share purchase agreement.** Upon completion of the contract, expected to be effective within the next days, Dasan Invest, Dasan TPS, Skylake Ltd, and certain individual Korean investors will acquire all of Nokia Siemens Networks' shares in Dasan Networks which represent 56.1 percent of all the shares of the company. With the acquisition completed these Korean investors will hold 60.8 percent of the shares of the company. The remainder of the shares are held by various shareholders.
- **According to investment firm Global Crown Capital, Nokia's market share in smartphones is certain to fall in the autumn of 2008.** Samsung's and LG's 2007 models are falling by more than Nokia's Nseries. Nokia's 2007 Nseries models have held on surprisingly well. Apple's, HTC's, and Samsung's new devices with large displays are eating into the popularity of older Samsung and LG models, in particular.
- **Nokia Corp. announced two new smart phones, and said users have downloaded 90 million applications in the past two years, a signal it aims to fight for a big chunk of the lucrative high-end mobile-phone industry and burgeoning content and services market.** Seeing the double-digit growth of the PC-like handsets, Nokia and other phone makers are eager to take advantage and are pushing devices with larger memories, bigger screens, and other unique features, such as touch screen.

Internet

- **FON Wireless Ltd., a British company that supports and promotes an international community of shared wireless Internet access, is expanding its business in Japan.** FON sells a wireless router called La Fonera that members hook up to their own Internet connection to become a WiFi hot spot that other FON members can use for free. The business was established in 2006, and within three years the FON community had grown to 1 million members worldwide. Japanese subsidiary Fon Japan launched services in December 2006 and began attracting members through word of mouth. In March 2007, Itochu Corp. and Internet portal operator Excite Japan Co.

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Telecommunications

- **Telefonica SA is raising its tariffs and scaling back promotions in its key Spanish market in order to counter a drop in consumer spending amid a slowdown in Spain's economy.** The Spanish consumer association Facua filed a complaint to the Spanish government questioning the legality of the caller ID charge. The increase already affects 2 million customers, and will affect another 6 million in October. The caller ID charge could boost Telefonica's revenue by 48 million euros (US\$70.4 billion) a year.
- **Mobile Broadband Network Ltd. (MBNL), the network collaboration joint-venture between T-Mobile UK and 3 UK, has selected Nokia Siemens Networks as technology partner for 3G network integration.** Nokia Siemens Networks has been selected as the 3G radio network infrastructure supplier for the consolidation of the two operators' 3G radio access network infrastructure under MBNL, in the process creating the UK's most extensive 3G network providing near complete population coverage by the end of 2009. The contract has been awarded by MBNL, the 50:50 joint venture formed at the beginning of 2008 between 3 and T-Mobile UK to supervise the creation and operation of the joint network on behalf of both companies.
- **The European Commission may legislate further to bring down what it says is overcharging by European mobile phone operators.** The commission, European Union's executive arm, is concerned that many mobile operators charge for voice calls by the minute rather than seconds resulting in higher bills for the consumers. Consumers pay on average 24 percent more than the minutes they actually use and 19 percent for calls received.
- **Deutsche Telekom AG's mobile phone unit T-Mobile has sold 120,000 iPhone mobile phones so far, of which 75,000 were sold in Germany alone.** T-Mobile's sales expectations have been surpassed and while Apple Inc.'s delivery problems had left customers waiting for their new mobiles, he expects the backlog to be cleared by the end of the month.
- **Russian telecoms operator OAO Vimpel Communications reported a sharp rise in second-quarter profits and said it would become the country's first operator to offer Apple Inc's popular iPhone.** New York-listed VimpelCom would begin supplying the latest 3G iPhone, which is suitable for use with third-generation mobile networks, by the end of 2008. While iPhones have been widely-available in Russia on an unofficial basis for some time - currently costing upwards of US\$600 - the firm is the first of Russia's three largest cellular providers to seal a deal with Apple.

Technology

- **Option N.V., the wireless technology company, today announced that it started shipping a new, stylish and high performance wireless broadband ExpressCard to Vodafone.** Exclusively developed for the Vodafone Group and its Partner Networks, the new ExpressCard is designed to achieve peak HSDPA download speeds of 7.2 Mbps with HSUPA uploads at up to 5.76 Mbps - depending on the network availability. This is the first commercial device in the market based on Qualcomm's state-of-the-art MSM7225 chipset. The new ExpressCard offers the best combination of upload and download speeds available today, and uniquely, can support high speeds in downlink and uplink concurrently.

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Middle East/South Africa/South America

Telecommunications

- **Qatar Telecom plans to continue expanding through acquisitions to become one of the world's top 20 telecommunications companies by 2020.** QTel wouldn't engage in superficial expansion, and would only invest in companies within its three main areas of GSM mobile operators, a next-generation broadband technology Wimax, and enterprises that service businesses in the sector.
- **MTN Group Ltd., the African cellphone operator twice thwarted this year from expanding into the densely-populated Indian market, continues to scout for acquisitions in emerging markets.** The Johannesburg-based company reported a 12 percent rise in net profit for the first half of the year as it added new subscribers. Chief Executive Phuthuma Nhleko told Dow Jones Newswires about 22 million new customers could be signed up this year and he saw no reason why that couldn't be repeated in 2009.
- **Vodacom Group Ltd., South Africa's largest mobile phone operator, unveiled the US\$700 million acquisition of Gateway Telecommunications SA, a satellite and terrestrial network services provider, to bolster its exposure to fast-growing African markets.** Vodacom, jointly owned by Telkom SA Ltd. and Vodafone Group PLC, said it will buy most of Gateway, excluding the privately-held firm's broadcasting arm. This is expected to set the company up for growth going forward and access to a much bigger market in Africa, where penetration rates for mobile phone use are among the lowest anywhere, has increasingly attracted companies looking for customer growth.

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Other Economic Data

Currency Exchange Rates						
Currency	Units	Current Rate (on 8/29/08)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2008	% Change 1/1/2007
Japanese yen	¥/US\$	108.7900	-1.1%	0.9%	-3.3%	-8.6%
Hong Kong dollar	HK\$/ US\$	7.8036	-0.03%	0.03%	-0.02%	0.3%
Chinese renmenbi	RMB/ US\$	6.8482	0.2%	0.3%	-6.2%	-12.3%
Singapore dollar	S\$/ US\$	1.4156	0.3%	3.5%	-2.1%	-8.0%
South Korean won	KRW/ US\$	1,089.0000	2.4%	7.6%	16.4%	17.1%
New Taiwan dollar	NT\$/ US\$	31.5400	0.5%	3.0%	-2.9%	-3.2%
Australian dollar	US\$/A\$	0.8580	-0.8%	-8.9%	-1.9%	8.8%
New Zealand dollar	US\$/NZ\$	0.7011	-1.1%	-4.4%	-9.4%	-0.4%
Philippine peso	PHP/ US\$	46.0000	1.0%	4.0%	11.7%	-6.1%
Euro	US\$/€	1.4672	-0.8%	-5.9%	-0.3%	11.2%
British pound	US\$/£	1.8211	-1.6%	-8.2%	-8.6%	-7.0%

Fixed Income Prices and Yields

Note	Currency	Current (on 8/29/08)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	101.98	4.38%	96.77	4.57%	96.94	4.56%
Japan 30-year	¥	103.76	2.29%	99.22	2.55%	101.58	2.41%
Hong Kong 10-year	HK\$	104.89	3.00%	103.62	3.10%	99.9	3.61%
China (06/16)	US\$	101.99	4.39%	110.71	3.17%	109.06	3.38%
Singapore 10-year	S\$	106.95	3.18%	106.65	2.84%	107.41	3.14%
South Korea 20-year	KRW	9,767.72	5.93%	9,962.27	5.63%	9,836.89	5.83%
Australia 15-year	A\$	99.89	5.76%	99.61	5.79%	96.72	6.12%
New Zealand (12/17)	NZ\$	99.15	6.12%	96.05	6.56%	98.73	6.18%
Philippines 20-year	PHP	87.03	10.17%	81.51	10.89%	80.07	11.21%
India 30-year	INR	86.54	9.74%	98.71	8.45%	86.2	9.78%
UK 30-year	£	105.90	4.40%	103.02	4.57%	102.99	4.57%
Germany 30-year	€	95.21	4.54%	88.77	4.72%	93.23	4.67%

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