

IRG WMR



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

Week of 28 September 2009 - 2 October 2009

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



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Equity Market Indicators					
Index	Closing Level (10/2/2009)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 12/31/2008	% Change 12/31/2007
S&P 500	1,025.21	-1.8%	2.7%	13.5%	-30.2%
Dow Jones Industrial Avg.	9,487.67	-1.8%	1.9%	8.1%	-28.5%
Dow Jones Tech. Index	360.91	-2.1%	3.0%	43.6%	-21.4%
Dow Jones Telecom. Index	210.59	-1.8%	3.1%	5.4%	-32.8%
NASDAQ Composite	2,048.11	-2.0%	4.0%	29.9%	-22.8%
Japan Nikkei 225	9,731.87	-5.2%	-7.6%	9.8%	-37.8%
JASDAQ	48.61	-2.3%	-4.5%	0.9%	-32.6%
Japan Mothers	422.94	-8.2%	-7.6%	30.8%	-46.0%
Korea KOSPI Composite	1,644.63	-2.8%	1.3%	46.3%	-13.3%
Korea Kosdaq	502.55	-2.7%	-2.7%	51.3%	51.3%
Taiwan Stock Exchange	7,411.88	0.9%	5.6%	61.4%	-12.9%
Singapore Straight Times	2,632.47	-1.3%	0.7%	49.4%	-24.0%
Hong Kong Hang Seng	20,375.49	-3.1%	2.5%	41.6%	-26.7%
Hong Kong GEM	647.94	-0.4%	5.8%	68.1%	-52.0%
China Shanghai (A-Share)	2,916.73	-2.1%	3.6%	52.6%	-47.2%
China Shenzhen (A-Share)	996.26	-2.9%	5.4%	71.3%	-34.5%
China Shanghai (B-Share)	193.50	-2.8%	3.8%	74.5%	-47.1%
China Shenzhen (B-Share)	502.80	-1.2%	6.3%	85.3%	-29.2%

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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

- **Oki Data Corp. is initiating full-scale sales of printers in the Chinese market as part of an effort to make up for slumping sales elsewhere overseas.** The Oki Electric Industry Co. subsidiary had two overseas sales organizations for printers, one for Europe and the U.S., and one for other foreign countries. It will create a third sales team at its headquarters to oversee sales in China. The new team, which is also slated to cover sales activities in Taiwan, will formulate sales plans and conduct market research. An executive responsible for sales in Japan will be appointed chairman of Oki Trading (Beijing) Co., Oki Data's local unit in Beijing, and management-level personnel will also be sent from Japan to branches in Shanghai and Guangzhou. Oki Trading has begun using endorsements from table tennis player Ai Fukuhara, who is popular there.
- **Sony Computer Entertainment Inc. said retail sales of its new PlayStation 3 computer entertainment system achieved a total of 1 million units worldwide within the 3 weeks.** While maintaining cutting-edge features and functions, such as the ability to enjoy high quality interactive entertainment content including Blu-ray Disc games and movies as well as various content and services downloadable through PlayStation Network, the new PS3 is available at an attractive recommended retail price of 29,980 yen (including tax), US\$299 and 299 euros (US\$434.70), with a streamlined form factor and a pre-installed 120GB Hard Disk Drive.

Semiconductor

- **Advantest Corp. will have an increase in orders next quarter as demand from semiconductor and liquid-crystal- display manufacturers rebound.** Orders in the three months ending Dec. 31 will increase from 8.9 billion yen (US\$99 million) a year earlier and will be about the same as bookings this quarter. Advantest, Applied Materials Inc., and Tokyo Electron Ltd. have increasing orders. Worldwide chip- equipment capital spending will decrease 45 percent this year to US\$24.3 billion. Tokyo Electron in July increased its full-year sales outlook 6 percent as orders in the three months to June 30 went up for the first time in six quarters. Bookings at Applied Materials will climb in the current quarter, which ends in October, from the previous three months.
- **NEC has bought about 17 percent stake in Wire and Wireless through a private share placement.** NEC acquired a 16.8 percent share in the public wireless LAN service provider for almost 200 million yen (US\$2.2 million).

Media, Entertainment and Gaming

- **Square Enix Holdings Co. Ltd. has a goal to double its recurring profit to 50 billion yen (US\$561 million) in three to five years by expanding the range of its game titles and strengthening its overseas operations.** Square Enix, known for game series such as "Final Fantasy" and "Dragon Quest", is in talks with online game operators in China to forge business alliances and offer its game titles in a market with strong growth potential. The company wants to raise the number of its game series that sell more than 2 million units per installment to eight to drive sales and stabilize its revenue. It already has five such titles - "Kingdom Hearts", "Tomb Raider" and "Hitman" as well as "Final Fantasy" and "Dragon Quest". Square Enix has sold more than 4 million units of "Dragon Quest IX" in Japan since its launch in July.

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Telecommunications

- **Taiyo Yuden Co. will purchase the telecommunications equipment component business of Fujitsu Media Devices Ltd.** This will help the firm broaden its lineup to include such components as SAW (surface acoustic wave) filters for cell phones. Taiyo Yuden is strengthening its presence in the market for high-frequency devices. The deal will also give Taiyo Yuden access to technologies for telecommunications modules, important for the company because the development and design of devices for high-speed communications requires a means of dealing with high-frequency noise. Fujitsu Media Devices is selling off some businesses to center on its core strength of auto electronics.
- **L.M. Ericsson Telephone Co. may win a number of new contracts for Long Term Evolution (LTE), network equipment in the coming year from operators including NTT DoCoMo.** Several trials with operators are happening. NTT DoCoMo will have its decision in 2010 whether to choose Ericsson as its supplier of LTE technology. Chinese operators including China Mobile are also eyeing the technology and several emerging markets will become interesting once LTE gets more widespread and the larger scale drives down costs. LTE networks will first be commercially launched in 2010, Ewaldsson said, with volumes expected to increase rapidly during 2011.

Korea

Telecommunications

- **SK Telecom Co. will sell its entire 3.8 percent stake in China Unicom Ltd. back to the Chinese telecommunications operator for 1.5 trillion won (US\$1.28 billion) for the improvement of its financial position after the company had a loss from the investment.** SK Telecom will sell its entire 899.75 million holding at HK\$11.105 (US\$1.4) each. The company will focus to business cooperation with Chinese counterparts instead of purchasing stakes in any particular company. The sale of the stake means that SK Telecom's overall business portfolio is now shifting to broader markets from just mobile communications. SK Telecom may have the transaction closed in mid November after China Unicom's independent shareholders approve the plan. China Unicom will fund the share repurchase from its cash flow and working capital.
- **South Korea's telecommunications regulator ordered the country's mobile carriers to slash their mobile service charges from November.** This may badly affect the profitability of mobile operators as they are already suffering from weak margins because of the fierce marketing rivalry in a highly saturated market.
- **Korea Communications Commission (KCC) commanded the operators to lower various service rates including subscription fees, wireless data rates and bundled product costs, to lessen the burden on subscribers.** The move comes as South Korea's three mobile operators have been under fire for charging higher rates than carriers in other member nations of the Paris-based Organization for Economic Cooperation and Development. SK Telecom Co. will cut subscription fees by 27 percent to 40,000 won (US\$34) and slash its monthly wireless data rate by 19 percent. The country's biggest wireless operator was also asked to offer discounts for long-term subscribers. SK Telecom will also change its call-charge unit to 1 second from 10 seconds previously. KT Corp. will slash its subscription fees by 20 percent. It will lessen monthly wireless data service fees by as much as 62 percent. KT will also provide discounts for its long-term subscribers and trim rates by 13 percent. LG Telecom Co. will cut its monthly voice call rate by as much as 25 percent.

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- **KT Corp. will invest 142.7 billion won (US\$119.4 million) to become an eco-friendly technology company.** Approximately 142.7 billion won (US\$120 million) will be spent on energy-saving technologies and the environmental improvement of existing telecommunications facilities. The company will lessen its greenhouse gas emissions by 20 percent by 2013. The company will spend in developing eco-friendly services, such as solutions for green automobiles and eco-buildings, cloud computing, green Internet data centers, green mobile communications and smart grids.

Internet

- **Yonhap News Agency and SK Broadband Co. will merge to enhance South Korean news agency's real-time news service by creating a new-media platform that includes broadcast and video content in order to aggressively respond to the changing media environment.** SK Broadband will then merge with Yonhap to integrate its network infrastructure in the field of Internet-protocol TV (IPTV) with Yonhap's content. IPTV is fast emerging as a significant alternative to traditional ways of watching television, allowing viewers to choose and view content interactively via a broadband Internet connection.

Hardware

- **LG will invest US\$3.34 billion in building plants to produce LCD glass and LEDs in Paju, South Korea, which broke ground on the project earlier this week.** LG Chemical will invest US\$2.5 billion in the glass plants by 2018. LG Display is a major customer of Corning's Samsung Corning Precision Glass Co. joint venture in South Korea. The company expects that other companies will be challenged to meet the large scale production required by LCD panel customers.

China

Internet

- **Alibaba.com will buy an 85 percent stake in Chinese Internet services provider China Civilink (Cayman) for 435.42 million yuan (US\$63.8 million) from Synnex, in a deal that will give a significant boost to the business-to-business trading site's client base. The Company has an option to buy a further 14.67 percent stake in China Civilink over the next three years for an additional 104.56 million yuan (US\$15.3 million) in cash.** The move by the online business platform operator was its second acquisition since August. The firm is searching for investment opportunities domestically and overseas. Its first purchase was done with an affiliate, while its second with Civilink covers its China base. China Civilink has more than 200,000 customers that mostly don't overlap with the Hong Kong-listed company's existing client base. The transaction is expected to close before the end of this year.
- **Sina may spend some of its cash reserves on expanding into industries such as online gaming, social networking services (SNS) and micro-blogging services.** Sina's liquid assets will receive a boost from US\$580 million to US\$760 million after Chao purchases 5.6 million new shares in the company for US\$180 million.

Mobile/Wireless

- **The acquisition contract between Chinese online media and mobile VAS company Sina and Focus Media has fallen through.** Sina and Focus Media announced that they would scrap their \$1.4 billion merger after months of government stonewalling over the deal. At the same time, Sina also

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announced that a group led by its management team would buy about 10 percent of the company for US\$180 million, which could be used for future acquisitions and corporate purposes

- **Baidu Mobile will open, featuring such enhancements for the Japanese market as enabling searches of pages with pictographs.** Users will be able to input pictographs as search terms. Video searches have also been improved. Video viewable on mobile phones will be extracted from sites for personal computers as well as mobile phone sites. YouTube, Nico Nico Douga and FC2 will be included in video searches to broaden searches beyond what competitors offer. The feature that makes screen dimensions and page layouts compatible with mobile phones when searching PC sites has also been strengthened. Processing speed has been improved to shorten the wait time between selection of search results and the page being displayed.
- **The Chinese value added services market was 39.73 billion yuan (US\$5.8 billion) in the second quarter.** The VAS revenues increased to 7.6 percent over the first quarter, when revenues were 36.91 billion yuan (US\$5.8 billion). The quarterly climbed because of the stabilization of the economy in China and operator promotions.

Telecommunications

- **China Unicom merged with the provincial government of Shandong to invest 40 billion yuan (US\$5.8 billion) in the province over the next five years.** Both companies will merge to speed up the construction of information industry infrastructure in the province over the next five years. China Unicom will also help the provincial government to build up its government information system. China Unicom's net profit lessened to 42.1 percent year on year to 6.62 billion yuan (US\$969 million) in the first half of this year due to the company's restructuring and fierce competition. The carrier produced additional 127,000 GSM cellular service users in August, bringing the total to 807,000 at the end of last month.
- **China Telecom had net addition of 2.08 million mobile service subscribers in August, adding the total to 43.81 million.** The telecom operator's fixed-line service users decreased 1.52 million in August to 196.17 million, as a result of intensified market competition and China Telecom's strengthened control in sales initiatives for low-end subscribers to enhance profitable development. But the number of the carrier's broadband subscribers climbed 690,000 in the reporting period, lessened 15.85 percent on month, with the total user base topping 50.56 million.
- **Huawei Technologies hired a top former BT Group executive as its chief technology officer, as it pushes to expand its global footprint.** Matt Bross would support the company's efforts in delivering products for North America. Bross was chief technology officer of BT Group back then, and his appointment marks one of the most senior to date of a foreigner to Huawei, one of China's biggest success stories in terms of high-tech exports. Huawei and ZTE cut their teeth as providers of low-cost telecoms equipment, first domestically and then to developing markets and finally to the most lucrative developed markets in the United States and Europe.
- **China Unicom's parent had increased its stake in the company from 60.74 percent to 61.05 percent by September.** China United Telecommunications Corporation Limited bought 65.428 million shares of China Unicom in the past 12 months, a 0.31 percent of the capital stock of the company.

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Media, Entertainment and Gaming

- **China will set up a 10 billion yuan (US\$1.5 billion) fund for domestic online media, gaming, animation, TV and film production and publishing industries.** The fund will initially be 4.9 billion yuan (US\$717 million), 500 million yuan (US\$73.2 million) of which will be donated by the government.

Hardware

- **Dell Inc. will open more retail stores and expand its sales force in China's smaller cities as it plays catch-up with Lenovo and HP in one of the world's fastest growing PC markets, said a company executive.** Dell opened a flagship retail store in Shanghai, China's financial hub. The PC maker has also been beefing up its sales force in China's secondary cities. Dell wishes to grow its market share in China, where it lags behind Lenovo and HP. Dell's unit share in China stood at about 9 percent. Lenovo's share is at 29 percent and HP at 14 percent. Dell's higher-than-average sales growth will drive up its market share in China, which has already displaced the U.S. as the world's largest desktop market.

Semiconductor

- **Trina Solar Ltd will build a 500MW solar power plant in Wuzhong, Ningxia Hui Autonomous Region in China's northwest.** The project is estimated to cost 12.5 billion yen (US\$139 million) and be completed in four stages in 10 years.

Software

- **CDC Software Corp. is expanding its R&D center in Hong Kong.** The Hong Kong R&D center would develop Clouding Computing technology as part of its enterprise solutions. The technology may effectively coordinate resources in an information system, optimize structures, and simplify the installment and management of enterprise information systems. The company's other two R&D centers in Shanghai and Nanjing would serve in facilitating the innovation of technology. The company will make full use of its strategic partnership with Microsoft on the technological innovation. The new R&D center, and the support from its extensive product engineering and testing operations in China, will certify that the next generation of solutions can meet the most exacting requirements of business in the future.
- **CDC Software Corp. will focus to the market in China as it is expected to reap US\$50 million of annual revenue in the next three years.** The company's annual sales would hit 300 million dollars in the next three years, including those from China, which should increase to 50 million dollars, making China its second largest market. The company would reach its goal through growth and acquisition. The company would still focus on the business of enterprise management solutions and move the service sector to China to increase market potential.
- **CDC Software Corp. will buy a 51 percent stake in Hejia Software Technology Co. Ltd. in three steps before March 31, 2012.** Both companies would merge to develop software products while Hejia Software would sell CDC Software's OEM products in China. CDC Software will assist the former advance into the global market. The acquisition of Hejia Software Technology is part of CDC Software's strategic plan to expand its geographic footprint and increase sales by acquiring rapidly growing companies. The company will continue to pursue other strategic investments in China.

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Taiwan

Semiconductor

- **Chipmos Technologies had a deal with two investors holding in aggregate US\$54 million of the Company's outstanding 1.75 percent convertible senior notes due 2009.** The Company has entered a separate private placement transaction through which it expects to raise US\$10 million. The transactions will close in October 2009. In the first transaction, an institutional investor will exchange US\$45 million in outstanding 2009 notes for US\$15.3 million in cash and US\$15.8 million in new convertible notes of the Company due 2014. In the second transaction, ThaiLin Semiconductor Corp., a subsidiary that is 42.9 percent owned by the Company's wholly owned subsidiary, Chipmos Technologies, will exchange US\$9 million in outstanding 2009 notes for US\$3.2 million in new convertible notes.

Singapore/Malaysia/Philippines/Indonesia/India

Telecommunications

- **Bharti Airtel Ltd. to sharpen 3G focus after MTN deal dropped.** Bharti's investors welcomed the collapse of merger talks with South Africa's MTN Group Ltd. as a sign the Indian mobile phone operator would focus on its home market. While Bharti is still committed to pursuing acquisitions in its bid to grow beyond India, analysts said potential targets will be much smaller and less ambitious than MTN, allowing the country's largest mobile phone operator by subscribers to turn its sights on the pending auction of licenses for third generation, or 3G, radio bandwidth at home. The proposed US\$24 billion transaction would have seen Bharti acquire a 49 percent stake in MTN, while the South African company and its shareholders would have purchased 36 percent of Bharti, in a deal that would create a telecom giant with the third-most subscribers of any wireless carrier in the world.
- **Bharat Sanchar Nigam Ltd. is planning to outsource the management and maintenance of its towers and cable networks, in a deal that could be worth more than US\$1 billion over five years.** BSNL is finalizing the conditions for a tender for the contract. The company will outsource more than 50,000 towers and more than 100,000 kilometers of fiber optic cable.
- **Reliance Infratel Ltd. voided the plan to sell a stake to investors prior to its proposed initial public offering.** Attempts to find investors were unsuccessful due to higher valuation. The company aims to raise 50-60 billion rupees (US\$1.0-1.3 billion) through the IPO.
- **Tata Teleservices Ltd. has sought shareholders' approval to raise up to US\$250 million to part fund its expansion programs.** The company will elevate funds through overseas convertible bonds, depository receipts or a share sale to institutions. The company had started services using the global system for mobile technology. It will bid for airwaves to provide high-speed third-generation telecom services. The Indian government is expected to auction the bandwidth by the end of November.
- **Bharat Sanchar Nigam Ltd. has restructured the company in an attempt to renew its focus on sales and distribution.** The state-run telecom company has created a new marketing unit, which currently has 4,000 employees. The company plans to raise staff at its new sales unit to 10,000 by the end of the current fiscal year.

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- **Aircel Ltd. has signed a deal to share state-owned Bharat Sanchar Nigam Ltd.'s telecommunications towers across the country.** Using BSNL's infrastructure will help Aircel meet its aggressive network rollout plans and reduce costs as well. The company will have access to BSNL's 45,000 telecom towers in the country.
- **Bharat Sanchar Nigam Ltd. has invited bids to set up three customer call centers for its mobile phone users in southern India.** The bidder should pay a bid security of 20 million rupees (US\$418980) and provide a performance bank guarantee of 90 million rupees (US\$1.9 million), valid for one year, which would be about 5 percent of the estimated total value of the contract. BSNL has set Nov. 11 as the last date for accepting bids and the winning bidders should be able to set up the call center within four months of receiving the contract. BSNL provides mobile telephony services in the southern Indian states of Andhra Pradesh, Karnataka, Tamil Nadu and Kerala. It has 14.14 million users on its global system for mobile communications, and 1.69 million subscribers on CDMA technologies.
- **NZ Telecom had over 200,000 3G connections versus 160,000 at the end of June.** Customer transfers to the new network from its older network had outstripped similar transitions to third-generation networks by other telecommunications companies in the region.
- **Australia's National Broadband Network Co.'s massive nationwide broadband development is slowly moving forward.** The government hired McKinsey & Co. and KPMG for the preparation of the project implementation study. NBN sees possibilities in asset purchases and held early stage talks with potential vendors. NBN has been charged by Australia's center-left Labor government with building a new A\$43 billion (US\$37.1 billion) national fiber-to-the-home broadband network available to 90 percent of Australia's population, with the remaining 10 percent to be serviced by a combination of wireless and satellite.
- **Singapore Telecommunications Ltd. had the right to broadcast English Premier League soccer matches for three years from August 2010.** This surprised the market and sent rival StarHub Ltd. shares plunging. It secured the rights to a suite of sports networks and services from ESPN STAR Sports for its pay-TV service from mid-2010. The loss of the sports content is a big blow for StarHub, the incumbent pay-TV operator that has broadcast the soccer matches in Singapore since 1997 and currently holds the rights to ESPN STAR Sports content. It submitted a competing bid against SingTel and holds rights for the Premier League matches until the end of the current season in mid-2010. The loss of the sports content will raise questions over the company's medium-term growth potential.
- **Thailand's National Telecommunications Commission aims to hold an auction by mid-December to sell third-generation service licenses.** The NTC will issue the licenses, which were put on a public hearing two weeks after the auction. The four licenses, comprising three with 10 megahertz and one with 15 MHz bandwidth, will be valid for 15 years. Only majority Thai-owned companies are eligible to participate in the auction as bidders are required to comply with existing telecoms laws that cap foreign shareholdings at 49 percent. The minimum price tag for the licenses will be released by the NTC after the public hearing. Winning bidders should pay upfront a lump sum for the license fee, plus 2 percent of their annual revenue and an annual spectrum fee. TOT PCL will not be entitled to participate in the auction as it already has control of the 1.9 GHz frequencies, which can be used for 3G services. The sale of 3G licenses has been postponed several times because of the absence of another independent body to regulate broadcasting frequencies, and changes in state administrations.

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- **Philippine Long Distance Telephone Co. will produce less than 1 million new cellular subscribers in the third quarter, a sharp slowdown from an average 1.65 million in the first two quarters of the year.** PLDT added 1.7 million and 1.6 million new subscribers for its Smart Communications and Pilipino Telephone Corp. services in the first and second quarters, respectively. It ended the first half with 38.5 million mobile phone service subscribers.

Media, Gaming and Entertainment

- **Seven Network Ltd. will sell a stake in its Vividwireless unit in order to part fund the national rollout of its 4G wireless broadband network.** Vividwireless will launch in March, with Seven Network planning an investment of A\$50 million (US\$43.1 million).

United States/Canada

Media, Entertainment and Gaming

- **Warner Music Group Corp. and YouTube have not settled an agreement that would return the music company's video clips to Google's video-sharing site after a nine-month licensing dispute.** The deal would allow Warner to retain the right to sell ads that run next to its videos and keep the bulk of the revenue. Warner is enlisting third parties to sell the ads and line up more lucrative arrangements like sponsorships for particular videos or artists. That could address one of the music company's biggest complaints about YouTube: that the ads that currently run on the site do not generate sufficient revenue for Warner. Warner withdrew permission for YouTube to use its videos in December, when the two sides failed to reach a licensing agreement.
- **Comcast Corp will buy a stake in NBC Universal Inc.** Negotiations for Comcast to buy about 50 percent of NBC Universal have been under way for at least two months and a deal would depend in part on Vivendi SA making a decision to sell its 20 percent holding. Comcast Chief Executive Officer Brian Roberts has targeted as a priority for future acquisitions. GE will not sell NBC Universal. Media companies including Comcast have used the thawing of credit markets to raise money through debt sales. Comcast has US\$4 billion in cash, and is interested in adding to cable channels that include Golf Channel, E! Entertainment and Style Network. Vivendi may choose to sell its stake because NBC Universal isn't performing as well as the company's majority-owned operations. Vivendi has pledged to maintain its dividend and credit rating even as it expands into emerging markets through acquisitions. GE may use its right of first refusal and buy the stake, Vivendi may sell the shares in the public market with the process controlled by GE, Vivendi may agree to sell in a private placement to a third party or the contract may be restructured for an initial public offering of all of NBC, the Sanford C. Bernstein analysts wrote.
- **Time Warner Inc. isn't interested in NBC Universal, the owner of cable channels, a film studio and the NBC broadcast network.** Comcast Corp. and General Electric Co. are having meetings regarding the formation of a merging that would own GE's NBC Universal. Comcast would own for as much as 50 percent of the venture. Time Warner spun off its cable-systems unit earlier this year.

Telecommunications

- **ViaSat Inc. will buy closely held WildBlue Communications Inc. for US\$568 million to build out its high-speed Internet business for consumers.** ViaSat will pay WildBlue shareholders and creditors US\$443 million in cash and issue US\$125 million in stock. The investors will nominate a director for ViaSat's board, who will be chosen by Liberty Media Corp. ViaSat will use its satellite

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technology to help expand WildBlue's high-speed Internet service. Joining the two networks will help reduce operational costs. ViaSat will open its high-capacity ViaSat-1 satellite in 2011. ViaSat gets more than 60 percent of its business from the government. The deal will help build a consumer division. WildBlue had US\$209 million in sales in the year ended June 30, catering mostly to residential and small- business customers.

- **Nortel Networks Corp.'s principal operating subsidiary, Nortel Networks Ltd., and certain of its other units will have an open auction for all of its global operations by using the Global System for Mobile (GSM), communications standard.** The sale will include the transfer of certain GSM patents. The bidding deadline for the sale is Nov. 5, and the U.S. and Canadian courts will approve the final sale agreement.
- **Cisco Systems Inc. will buy Tandberg ASA for about US\$3 billion, hoping to expand its collaboration technologies possibilities which can help unite people from different sites.** The deal is an all-cash tender offer. Cisco considers it as an 11 percent premium to Tandberg's closing price, and 25.2 percent higher than a three-month average price for the stock. Cisco's stock was recently 1.4 percent lower at US\$23.23. Tandberg shares were up 11 percent. Cisco expanded 30 new businesses that can each produce US\$1 billion in revenue. The company has called tele-presence its fastest growing product line ever. Tandberg had revenue of US\$809 million in 2008, including high-end systems that compete with Cisco's and software that run on a computer. The deal will add to earnings in fiscal 2011.
- **Time Warner Inc.'s Time Inc. had meetings with magazine publishers including Hearst Corp. regarding the creation of an online store to sell articles.** The project will aid publishers to increase revenue. Advertising revenue decreased for magazine publishers this year as marketers pull back spending. Industry-wide advertising sales lessened 21 percent in this year's first half to US\$9.1 billion.
- **Comcast Corp.'s talks to gain a piece of NBC Universal spotlight Chief Executive Officer Brian Roberts's effort to grab cable channels without sacrificing the cash payouts his investors demand.** Comcast is having meetings with NBC Universal regarding the formation of a joint entertainment venture. Comcast would give as much as US\$6 billion plus cable channels, a fraction of the US\$54.1 billion Roberts offered for Walt Disney Co. in an unsolicited bid five years ago. Content companies are Comcast's first acquisition priority. The company is unsure of making US\$50 billion purchase. Comcast would own for as much as 50 percent of the venture. Comcast values NBC Universal in the high US\$20 billion range and would contribute US\$4 billion to US\$6 billion.

Internet

- **Google Inc.'s sites surpassed the 10 billion mark and took in 40 percent of all viewership. YouTube was the main source of the traffic, accounting for 99 percent of all videos viewed through Google's sites.** Google has been under pressure to increase revenue from YouTube, which the company bought several years ago for US\$1.65 billion. YouTube's advertising market is a key source of new revenue for Google. Microsoft Corp.'s sites ranked a distant second with 547 million viewers. Microsoft was followed by Viacom Inc. with 539 million videos viewed, or 2.1 percent, and Hulu with 488 million, or 1.9 percent. Hulu is a joint venture of General Electric Co.'s NBC Universal and News Corp., which owns Dow Jones, the publisher of this newswire.

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Semiconductors

- **Micron Technology Inc. had lesser loss as industry glut eased and prices of product rebounded.** Fourth-quarter net loss was US\$88 million. Bankruptcies and factory shutdowns triggered the memory industry pare an oversupply of chips, pushing up prices closer to the cost of production. Micron produces dynamic random access memory, or DRAM, for personal computers, as well as Nand flash chips to store information in devices such as Apple Inc.'s iPhone. Micron sales decrease 10 percent to US\$1.3 billion. Analysts estimated revenue was US\$1.28 billion. DRAM sales were up 28 percent due to the 8 percent increase in average selling price and a 19 percent climb in shipments.

Software

- **Microsoft Corp. won a ruling which threw out a US\$388 million jury verdict over a patent on software used to deter piracy.** U.S. District Judge William Smith in Providence, Rhode Island, vacated the April verdict. Microsoft violated a patent owned by Uniloc Singapore Private Ltd. and Uniloc USA Inc., which claimed Microsoft wrongfully used their security technology to earn billions of dollars. Uniloc's suit targeted Microsoft's Windows XP operating system and some Office programs. Microsoft used a different method for registering software and that the patent was invalid. The jury lacked a grasp of the issues before it and reached a finding without a legally sufficient basis. Lawyers for Uniloc showed jurors at trial a pie chart with US\$19.1 billion in revenue from the Windows XP operating system and some versions of Word. They were seeking 2.9 percent of that total, or US\$564 million.
- **Texas Instruments Inc. predicts that the demand for chips used in products such as electric saws and disposable hearing aids can increase revenue of mobile phones.** Sales of analog chips can increase as much as 20 percent a year once the semiconductor industry recovers. Texas Instruments can turn back to its annual sales growth when its products were used in more than half of the world's mobile phones. The company will get out of the radio-chip market and instead focus on analog semiconductors. The company's revenue from analog chips lessened 1.4 percent to US\$4.86 billion in 2008.

Hardware

- **Apple Inc. hired two top executives from Los Angeles-based Placebase Inc.** The consumer electronics giant bought small mapping software company to distance itself from partner Google Inc. Jaron Waldman is working for Apple as part of the company's "Geo Team." Moran Ben-David have joined Apple as an engineering manager. The presence of the two executives at Apple has given rise to speculation Apple has purchased the small company, which made products that layer social and commercial data onto traditional maps.

Europe

Media, Gaming and Entertainment

- **TVN SA plans to focus its online operations on multimedia content and electronic commerce, with its main portal Onet.pl to remain open to users at no charge.** Onet.pl is Poland's most popular Internet portal, with the average number of unique users at 12.2 million a month in the first half of this year. Online ad revenue was at 7.9 percent of TVN's consolidated net revenue in the first half of this year, with the online segment contributing only 4.345 million zlotys (US\$1.5 million) to

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TVN's operating profits, which was PLN313 million (US\$107.2 million) in the period. Electronic commerce applications will play a more important role in Onet.pl's operations.

Hardware

- **Cisco Systems Inc will buy Tandberg ASA for 17.2 billion kroner (US\$2.97 billion), to expand its lineup of videoconferencing products.** Cisco will pay 153.50 kroner (US\$26.3) a share in cash, Lysaker. The purchase accelerates its push in the videoconferencing market, where the company already offers different versions of its TelePresence system. TelePresence which typically includes furniture, cameras, and giant screens can transmit life-size images of up to six people. Some systems may cost US\$299,000 or more, depending on the configuration. Videoconferencing sales at both companies advanced last year as customers, working to trim travel costs during the recession, added more gear. The acquisition, which is subject to review by regulators, is expected to close in the first half of next year.

Telecommunications

- **Prysmian SpA has 1 billion euros (US\$1.4 billion) in liquidity to invest.** The company plans to have acquisitions to assess potential deals in high-growth areas like Russia, India or China. The company was targeting adjusted EBITDA of about 400 million euros (US\$581 million) for the full year.
- **OAD Mobile TeleSystems will borrow 59 billion rubles (US\$1.95 billion) from state-controlled lender OAD Sberbank.** Sberbank lent MTS 47 billion rubles (US\$1.6 billion) for four years at an annual interest rate of 16 percent and 12 billion rubles (US\$397 million) for two years at a rate of 15 percent. MTS last month will pay US\$1.27 billion for a 50.9 percent stake in fixed-line operator OAD Comstar United TeleSystems. Some of the borrowed funds will be used to pay for this stake. MTS is buying the stake from parent company OAD AFK Sistema, which has issued ruble debt. Both companies earn majority of their revenue in rubles and following the currency's sharp depreciation at the beginning of this year. They are willing to lessen their share of debt held in dollars.
- **France Telecom's Orange plans to completely purchase T-Mobile UK but ended up with equal merger to head off rival bids.** Orange and T-Mobile announced their U.K. tie-up in September as the future of Deutsche Telekom's mobile operations in the U.K. has been speculation. Orange and T-Mobile have settled their 50:50 joint venture in principle. Deutsche Telekom will contribute T-Mobile UK and its 50 percent share in mobile network joint venture MBNL with 3 UK. France Telecom will put in Orange UK, including 1.3 billion pounds (US\$2 billion) of intra-group net debt but should sign first on the dotted line. Meetings are occurring and a deal is likely to happen. As Ofcom is likely to examine the deal, industry watchers may give the joint venture the go-ahead but with some conditions.

Software

- **Myriad Group AG has acquired the brand, technology and 17 employees of privately-held Xumii, Inc., a provider of mobile social networking services based in San Mateo, California and Sydney, Australia.** The transaction is not expected to have a material impact to Myriad revenue or EBITDA for the full fiscal 2009. Social networking emerged as a key application driving consumer adoption of mobile data services. Facebook had 65 million mobile users per month. There will be more than 800 million mobile users of social networks by 2012. The Xumii technology is ideal for mass-market mobile phones, which do not have sufficient processing power, battery life and memory for advanced, always-on data services.

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South Africa/Middle East/Latin America

Telecommunications

- **A majority stake in Iran's only state-owned telecommunications firm was sold to a private consortium in an US\$8 billion deal.** Three Iranian firms, part of a consortium named Etemad Mobin Development, bought 50 percent plus one share of Telecommunication Company of Iran for 78.2 trillion Iranian rials (US\$7.8 billion). The winner outbid another group led by the Iranians' Economy Investment Company of Mehr, initiated by the elite Revolutionary Guards Corps. The Guards serves as an economic force due to its overwhelming presence in the energy, financial and construction sectors. The purchasing consortium had two private companies and one firm partly owned by the government. The state currently has a grip on around three-quarters of Iran's economy and in any such stake sale. The government still has 20 percent of the equity.
- **The official launch of i-Telecom in Uganda brought 6 active mobile operators in the country.** The market's low penetration rate and rapid growth means that there is plenty of room for a new player, customer growth may actually be much lower than it appears. The operator will offer high-speed mobile services based on EV-DO. The company has ploughed US\$30 million into its network so far, and will boost that to over US\$100 million over the next three years. At the end of 2008 Uganda was home to 8.55 million mobile subscribers and 168,481 fixed line connections. Teledensity is 29.47 percent. Fixed-line market is virtually stagnant. Mobile space is growing. The country produced extra 1.09 million new mobile connections in the fourth quarter of 2008 alone.

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Other Economic Data

Currency Exchange Rates						
Currency	Units	Current Rate (on 10/2/09)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 1/1/2009	% Change 1/1/2008
Japanese yen	¥/US\$	89.7900	0.2%	-3.3%	-2.6%	-20.2%
Hong Kong dollar	HK\$/ US\$	7.7495	-0.01%	-0.01%	-0.01%	-0.7%
Chinese renmenbi	RMB/ US\$	6.8260	-0.02%	-0.1%	0.1%	-6.5%
Singapore dollar	S\$/ US\$	1.4150	-0.1%	-2.0%	-3.2%	-2.1%
South Korean won	KRW/ US\$	1,172.0000	-1.0%	-5.9%	-11.0%	25.3%
New Taiwan dollar	NT\$/ US\$	32.1500	-0.7%	-2.2%	-1.9%	-1.1%
Australian dollar	US\$/A\$	0.8650	-0.3%	4.7%	21.8%	-1.1%
New Zealand dollar	US\$/NZ\$	0.7156	-0.5%	6.1%	22.3%	-7.5%
Philippine peso	PHP/ US\$	47.0000	-0.4%	-3.5%	-0.4%	14.1%
Euro	US\$/€	1.4569	-0.8%	2.5%	5.0%	-1.0%
British pound	US\$/£	1.5938	-0.1%	-1.3%	9.7%	-20.0%

Fixed Income Prices and Yields

Note	Currency	Current (on 10/2/09)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	108.69	4.04%	106.97	4.14%	105.17	4.20%
Japan 30-year	¥	102.34	2.20%	102.71	2.19%	101.25	2.22%
Hong Kong 10-year	HK\$	102.45	2.37%	100.79	2.57%	101.80	2.46%
China (06/16)	US\$	108.93	3.22%	109.22	3.18%	109.93	3.07%
Singapore 10-year	S\$	101.00	2.40%	100.92	2.41%	100.30	2.47%
South Korea 20-year	KRW	10,014.14	5.60%	10,015.19	5.59%	10,206.85	5.55%
Australia 15-year	A\$	104.66	5.21%	103.56	5.33%	101.93	5.52%
New Zealand (12/17)	NZ\$	102.99	5.62%	102.46	5.70%	101.98	5.68%
Philippines 20-year	PHP	102.24	9.46%	101.60	9.53%	103.04	9.16%
India 30-year	INR	84.30	8.43%	84.70	8.39%	84.47	8.24%
UK 30-year	£	112.62	4.07%	110.99	4.14%	110.60	4.13%
Germany 30-year	€	106.98	3.87%	104.75	3.97%	104.42	3.96%

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