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

Week of 10th May 2010 – 16th May 2010

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Equity Market Indicators					
Index	**Closing Level (05/14/2010)**	**% Change 1 Week Ago**	**% Change 1 Month Ago**	**% Change 12/31/2009**	**% Change 12/31/2008**
S&P 500	1,135.68	2.23%	-4.74%	1.87%	26%
Dow Jones Industrial Avg.	10,620.16	2.31%	-3.62%	1.82%	21%
Dow Jones Tech. Index	400.6	3.17%	-6.33%	-0.54%	59%
Dow Jones Telecom. Index	195.53	1.79%	-8.76%	-10.88%	-2%
NASDAQ Composite	2,346.85	3.58%	-5.42%	3.41%	49%
Japan Nikkei 225	10,462.51	0.94%	-5.76%	-0.78%	18%
JASDAQ	54.02	0.06%	-1.17%	11.75%	12%
Japan Mothers	456.02	-3.25%	-7.86%	9.52%	41%
Korea KOSPI Composite	1,695.63	2.92%	-2.24%	0.72%	51%
Korea Kosdaq	524.98	5.06%	3.26%	2.18%	58%
Taiwan Stock Exchange	7,772.13	2.71%	-2.99%	-5.11%	69%
Singapore Straight Times	2,855.21	1.21%	-5.05%	-4.54%	62%
Hong Kong Hang Seng	20,145.43	1.13%	-7.87%	-7.93%	40%
Hong Kong GEM	837.09	3.17%	-4.42%	23.70%	117%
China Shanghai (A-Share)	2,827.48	0.31%	-13.85%	-17.75%	48%
China Shenzhen (A-Share)	1,090.75	-2.34%	-15.51%	-13.50%	88%
China Shanghai (B-Share)	224.08	0.47%	-15.06%	-11.25%	102%
China Shenzhen (B-Share)	566.83	0.29%	-11.76%	-9.44%	109%

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Weekly Highlights

International

Mobile/ Wireless

- **The global advertising industry is hoping to capitalize on the boom in use of mobile phones for internet access, bringing more users online and connecting them to each other.** Advertisers participating in the International Advertising Association Conference said that the industry had to ramp up to design innovative ways of reaching out to consumers, as mobile phones replace the role televisions, newspapers and magazines traditionally played in connecting advertisers and consumers. The gradual shift of the advertising industry, worth about US$450 billion annually, to the mobile medium, represents a significant opportunity to handset manufacturers, application developers and mobile carriers also to tap into what is currently a nascent market catering only to niche users located in the US. Markets like Russia, India and China are expected to become very important while the U.S. will continue to be a high-revenue potential market.

Japan

Mobile/ Wireless

- **NTT DoCoMo dropped plans to offer wireless service to iPad users in Japan, after rival Softbank entered into an exclusive partnership with Apple to distribute the device in the country.** Softbank is already the exclusive distributor of the iPhone in Japan. NTT had previously reported plans to sell SIM cards to iPad users, which would allow them to access the company's wireless network. The iPad will be available in Japan from the 28th of May 2010.

Telecommunications

- **Nippon Telegraph and Telephone (NTT) Corp., the country's largest telecommunications group, announced full year results for twelve months ending March 31st, 2010.** The group reported sales of 10.18 trillion yen (US$110 billion) and net income of 492.2 billion yen (US$5.31 billion). The figures reflect a fall of 2.3% and 8.6% respectively over last year. The group's mobile subscriber base reached 56.08 million by the end of March after it focused on enhancing content offerings for video and other services. The group also had 13.25 million fixed line subscribers by the end of March. The group is currently engaged in research activities to develop IPTV, Digital Signage, Digital Cinema and other video services, which it expects to drive growth in the future.

Internet

- **Yahoo! Japan announced a partnership agreement with China's largest retail website Taobao which is owned by the Alibaba Group.** The partnership will allow the platforms to cross-sell into each other's markets, boosting reach and market share for both. Alibaba would list about 8 million products while Yahoo! Japan would list about 50 million products for sale in each other's countries. The joint platform will go live on June 1st, 2010 and is expected to generate total transaction volumes worth US$42 billion and attract 260 million users for the two companies. The tie-up is part of a larger initiative previously announced by Alibaba to look for new regions and markets through partnership agreements. Alibaba is partly owned by Yahoo! Inc. and Softbank, which also control Yahoo! Japan.

- **eAccess Ltd., an ADSL broadband internet service provider, announced revenues of 83.07 billion yen (US$893.5 million) and net profit of 4.15 billion yen (US$44.63 million) for twelve months ending March 31st, 2010.** The figures compare with revenues of 94.47 billion yen (US$1.01 billion) and net loss of 9.85 billion yen (US$106 million) last year. For the current year, the company expects to generate revenues of 190 billion yen (US$2.04 billion) and net profit of 9 billion yen (US$96.8 million).
- **Mixi Inc., a dominant social networking platform in Japan, announced an increase of 12.8% in sales and a fall of 33.8% in net earnings for twelve months ending March 31st, 2010**. The company's revenues stood at 13.6 billion yen (US$146.25 million), while net income stood at 1.41 billion yen (US$15.16 million) during the period. The company's revenues from advertising increased slightly despite the adverse macro-economic environment, while its job portal 'Find Job' showed signs of recovery. The company's social networking website, Mixi, had 20 million users as of April 14th, 2010. The platform received 28 billion page views from mobile devices and 5.33 billion page views from PCs in the month of March. The company forecasts sales of 17.35 billion yen (US$186.57 million) and net income of 1.54 billion yen (US$16.55 million) for the current year.

Hardware

- **Sony Corp. reported net loss of 41 billion yen (US$441.0 million) on revenues of 7.21 trillion yen (US$77.55 billion) for full year ended March 31st, 2010**. The results beat previous forecasts by analysts and the company itself on the back of higher cost reductions than expected. The net loss for 2010 compares with a net loss of 98.9 billion yen (US$1.06 billion) in 2009, while revenues declined by 6.7% over the last year. The company also managed to record an operating profit, compared to an operating loss in the previous year, owing to better performance by the company's Consumer Products and Devices Business division, particularly LCDs. Revenues from the financial services segment helped the company post strong operating results for the fiscal year. For the current year, Sony expects operating income to increase further and also plans to aggressively launch 3D-related products, network services and other new businesses to sustain growth in the future.
- **NEC Corp. announced revenues of 3.58 trillion yen (US$38.6 billion) and net profit of 11.43 billion yen (US$122.87 million) for twelve months ending March 31, 2010.** The figures compare with revenues of 4.22 trillion yen (US$45.5 billion) and net loss of 296.6 billion yen (US$3.18 billion)last year. The company managed to reduce its fixed costs by 320.9 billion yen (US$3.44 billion), 111% higher than analysts' forecast, although its operating income fell short of its own forecast. Sales of the IT Services, Network Systems and Personal Solutions business divisions went up, but couldn't offset the steep decline in the Electron Devices division. NEC, however, expects revenues from the Electron Devices division to go up during the current year after the division's deconsolidation process with Renesas Technology. NEC also reduced its stakes in its subsidiaries NEC Glass Components and Nippon Electric Glass during the year. For the current year, the company expects sales to decline by about 8% and net income to increase by 14%.
- **Casio Computer Ltd. announced revenues of 427.93 billion yen (US$4.6 billion) and net loss of 21 billion yen (US$225 million) for twelve months ending March 31st, 2010**. The figures compare with revenues of 518 billion yen (US$5.56 billion) and net loss of 23.15 billion yen (US$248 million) last year. The company's cell phones division was primarily responsible for the decline in sales, with the digital cameras and electronic components segments also contributing to the loss. For the current year, the company will focus on strategic partnerships to improve profit in its digital cameras segment and grow revenues to reduce volatility and have a stable business.

- **Hitachi Cable, an electric wire and cable manufacturer, announced revenues of 372.45 billion yen (US$4 billion) and net loss of 9.11 billion yen (US$96.4 million) for full year ended March 31st, 2010.** Revenues declined by 24.5 percent over last year, while net loss decreased from last year's net loss of 53.78 billion yen (US$569 million). Revenues from the Wires and Cables, Information and Communication Networking and Sophisticated Materials business divisions fell by 28%, 22% and 22% respectively. For the current year, the company expects revenues of 430 billion yen (US$4.61 billion) and net income of 4 billion yen (US$42.32 million).
- **Citizen Holdings Co. Ltd. announced revenues of 252 billion yen (US$2.7 billion) and net income of 3.5 billion yen (US$37.03 million) for twelve months ending March 31st, 2010.** The figures compare with revenues of 296.8 billion yen (US$3.18 billion) and net loss of 25.8 billion yen (US$273 million) posted last year. Citizen attributed the fall in revenues to a sluggish economy and the appreciation of the yen against the dollar. Revenues from the company's Watches division fell by 6.7% while that of Electronic devices declined by 23.5%. Sales of Electronic products and Industrial Products fell by 2% and 35.5% respectively. For the current year, the company expects revenues of 275 billion yen (US$2.94 billion) and net income of 2 billion yen (US$21.1 million).

Information Technology

- **Konica Minolta Holdings, a leader in imaging technology, announced net income of 16.9 billion yen (US$182 million) and revenues of 804.4 billion yen (US$8.6 billion) for twelve months ending March 31, 2010.** The figures represent a decrease of 15% and increase of 11.5% respectively over the last year. The company attributed the decline in sales to the recessionary environment, with revenues from its Business Technologies falling significantly over last year, but recovering marginally in the last quarter. Sales from the company's Sensing Technologies, Optics and Medical and Graphic Imaging business divisions remained flat over 2009, and could not offset the fall in the Business Technologies division. The company expects revenues of 830 billion yen (US$8.87 billion) and net income of 20 billion yen (US$215 million) for the current year.

Media/Entertainment/Gaming

- **Dentsu Inc. announced net sales of 105.08 billion yen (US$1.13 billion) for the month of April 2010.** Almost 50% of the revenues came from television advertising, while creative media, marketing /promotion and newspapers contributed about 13%, 12% and 8% respectively.
- **Sega Sammy Group announced revenues of 384.68 billion yen (US$4.13 billion) and net earnings of 20.27 billion yen (US$218 million).** The revenue figures represent a decline of 10.8% over last year, while net income increased substantially from a net loss of 22.8 billion yen (US$245.2 million) last year. The group's sales from its three business divisions, Amusement Machines, Amusement Operations and Consumer business declined sharply, due to sluggish macro-economic conditions and low consumer demand for the group's services. The group expects sales to increase by 4% and net profit to increase by 8.5% for the current year.
- **Dwango Co. Ltd., a developer of entertainment systems and mobile content, announced half-yearly revenues of 16 billion yen (US$172 million) and net income of 867 million yen (US$9.32 million) for three months ended March 31st, 2010.** The figures represent increase of 21.8% and 297% respectively over the corresponding period last year. The company expects sales of 29.7 billion yen (US$319.2 million) and net income of 1.1 billion yen (US$11.82 million) for twelve months ending September 30th, 2010.

- **Asatsu-DK, Japan's third largest advertising agency with interests in the publishing, television programming and animation industries, announced sales of 82.7 billion yen (US$889 million) and net income of 243 million yen (US$2.61 million) for three months ended March 31st, 2010.** The figures represent a decline of 9.3% and an increase of 467% over the same period last year. Decline in sales during the quarter was led by fall in advertising revenues from conventional media like print and television. New media services like Out-Of-Home Advertising held its ground and fell only marginally. The biggest fall in revenues was from non-media advertising and promotions services. For the full year ending December 31st, 2010, Asatsu expects revenues of 356 billion yen (US$3.8 billion) and net income of 100 million yen (US$1.07 million).

Korea

Mobile/ Wireless

- **The Korean Communications Commission (KCC), the country's telecom regulatory body, announced May 31st as the deadline for mobile companies to implement its new rule on capping marketing expenses.** The agency had previously announced a new regulation that required mobile carriers to limit their marketing expenses to 22% of total revenues, but hadn't specified a timeline for implementation. The KCC estimates that this move will result in a saving of 1 trillion won (US$881.7 million) for the three leading companies, which could be more productively spent on creating additional jobs through investments in the IT and the content industry, rather than on handset subsidies to lure more customers.

Media, Entertainment and Gaming

- **SK Telecom announced a partnership with Disney Channel International to offer Korean-language Disney channels in the country.** The joint venture, 51% of which will be owned by SK Telecom, will broadcast Korean-language versions of Disney's Disney Channel and Playhouse Disney Channel in Korea starting spring of 2011. The two channels will be broadcast in HD multiplex format as well as in SD, over cable, DTH and other on-demand digital services.

Semiconductor

- **Samsung Electronics, the world's largest manufacturer of memory chips, is expected to double its planned investment to a record 20 trillion won (US$17.7 billion).** The semiconductor industry has witnessed a sharp recovery in the current year on strong demand from China and booming sales of devices such as smartphones and tablet PCs. Toshiba Corp., the second largest manufacturer of memory chips after Samsung, announced a sharp increase in its capital spending for the current year mainly focused on its chip business. Some analysts believe that the heavy investment in the current year might lead to a situation of over capacity in 2011, bringing prices down.

China

Mobile/ Wireless

- **China Wireless Technologies, a subsidiary of China Mobile, announced plans to set up a mobile handset manufacturing firm in India in 2012.** The company might make the investment through its Indian subsidiary Coolpad Communications. The manufacturing facility along with a research center is expected to cost in the range of US$67 million to US$88 million.

- **China Unicom and China Mobile are reportedly considering a partnership with Apple to distribute the iPad in the country.** Mobile companies in China are exploring new sources of growth after intense competition and a saturating market squeezed profits last year. The companies are looking at the iPad to increase the share of more-profitable, non-voice revenues. Analysts expect pricing to be the key success factor in the Chinese market. Unicom, which beat China Mobile last year to become the exclusive distributor of the iPhone, reported that sales increased greatly after it reduced prices. Currently, only China Unicom's network is capable of offering the high-speed wireless network service compatible with the iPad in China.
- **Australia's largest telecoms company Telstra announced the acquisition of Lmobile for less than US$100 million, a company focused on offering vertical mobile websites that provide news and entertainment to millions of users in Beijing, Shanghai and other large cities in the country.** Telstra made the investment through its Chinese subsidiary Dotad Media Holdings, whose subsidiaries are engaged in the mobile advertising and related businesses in China.

Media, Entertainment and Gaming

- **VisionChina Media Inc., a mass transit digital advertising company, announced financial results for the first quarter of 2010.** The company reported a 14.2% decline year-on-year in revenues to US$23.4 million and net loss of US$11.6 million compared to net profit of US$5.6million last year. The company reported an increase of 45% in total broadcasting hours to 47,400 during the quarter which it attributed to increased capacity from its acquisition of Digital Media Group and expansion of its bus network in Hunan province. The company sold 237,500 advertising minutes during the quarter, an increase of about 29% over last year. The company forecast revenues of at least US$30 million for the current quarter.
- **CDC Corp. reported a net loss of US$3.6 million for the first quarter ending 2010, compared with net profit of US$7.7 million last year.** Total revenues for the quarter stood at US$77.8 million, a drop of 1.2% and 6.2% over last year and last quarter respectively. The company's games unit, CDC Games contributed revenues of US$8 million up 27% year-on-year, while its internet platform, China.com, contributed US$2.9 million.

Internet

- **Share prices of Alibaba, the Chinese eCommerce giant, jumped by 11% on Thursday after the company's CEO announced that billionaire investor George Soros had acquired a significant stake in the company.** The company previously announced financial results for first quarter ending March 31st, 2010. The company's earnings for the period increased by 33.8% year-on-year and 17.4% sequentially to 330 million yuan (US$48.3 million), while revenues increased by 49% year-on-year to 1.2 billion yuan (US$178.7 million). The company reported a 37% year-on-year increase in the number of paying members to 658,700. Alibaba's revenues from international operations grew by 42% over last year and 4.6% over the previous quarter. The company also grew revenues from its domestic operations by 35%. For the current quarter and year, the company expects the export market to pick up on the back of increasing business and consumer demand in the international markets, which augurs well for the prospects of the company.
- **Eric Schmidt, CEO of Google Inc., said that the company's situation in the country was stable, two months after the company's altercation with the Chinese government over censorship issues.** The company is currently serving its Chinese customers from its Hong Kong site after shutting down its Chinese site in March. Eric, however, admitted that the Chinese government

could decide to completely restrict the company from doing business in the country at any given time. Uncertainty over Google's future in the country led to the company's market share in China's internet search business declining to 30.9% by the end of March, from 35% previously, while that of Baidu, the market leader, rose from 58% to about 64%.

- **Tencent Holdings, China's largest internet company, announced financial results for the first quarter of the current year.** The company's revenues increased by 68.7% year-on-year to 4.2 billion yuan (US$619 million), while net income increased by 71.1% to 1.8 million yuan (US$264 million). Revenues from internet value added services increased by 78% over the previous year and 19% over the previous quarter. The company's mobile and telecom value added services increased by 41% year-on-year. Revenues from online advertising fell by over 25% over the previous quarter. The company had recently invested in Digital Sky Technologies, a large internet company in Russia. The company is also actively pursuing opportunities to grow beyond China and Russia into other international markets.
- **Ctrip.com, China's leading online travel agent, announced net income of US$28 million and revenues of US$86 million for three months ending March 31st, 2010.** The company's results beat analysts' expectations of US$80.6 million in revenues and US$26.5 in earnings. Ctrip's revenues represent an increase of 46% over the same period last year, mainly driven by an increase of 44% in air ticket booking revenues. For the second quarter, the company expects revenues to grow by about 30-35%.

Information Technology

- **Lakala.com, China's leading offline e-payment system is expected to report its first monthly profit this year after incurring continuous losses to a total of 200 million yuan (US$29.3 million) over the last 6 years.** Lakala allows customers to use bank debit cards to pay their bills through the company's terminals. The company was initially set up as an e-billing service provider for institutional clients in 2005, but transformed itself into a combination of a bank, a post office and a store, helping retail customers pay credit card and public utility bills through its physical terminals and mobile phones. The company's terminals are now in more than 40,000 outlets in 100 cities in China and are poised to grow to 100,000 outlets in 200 cities by the end of this year. The company processed 6 million transactions in April 2010 with an average value of 1,700 yuan (US$250) for each.

Alternative Energy

- **LDK Solar, a wafer and photovoltaic module manufacturer, reported net income of US$7.2 million on revenues of US$347.6 million for the first quarter of 2010.** The figures compare with net loss of US$13.2 million and revenues of US$304.6 million in the previous quarter. The results beat the company's own revenue forecast of US$310 to US$330 million. LDK expects revenues of US$460 to US$490 million for the current quarter.
- **ReneSola Ltd., a solar wafer manufacturer and provider of module original equipment manufacturing services, reported financial results for the first quarter of 2010.** The company posted net income of US$11.8 million compared to net loss of US$17 million in the last quarter and US$30 million last year. ReneSola's revenues for the quarter stood at US$206.6 million up 14.8% sequentially and 93% year-on-year. The company expects its profitability to increase during the year on the back of strong demand for wafers and stringent cost cutting measures. Average sales price has also increased by about 5%. The company forecast revenues of US$230 to US$250 million for the current quarter.

- **JA Solar Holdings reported financial results for the first quarter of 2010.** The company's net income stood at 262.1 million yuan (US$38.4 million), compared to a net loss of 201 million yuan (US$29.5 million) last year. JA's revenues for the quarter stood at 1.9 billion yuan (US$278 million) a sequential increase of 17.1%. The company's shipments in the first quarter increased by about 18% to 272 MW. The company also raised its full year 2010 shipments expectations to more than 1 GW from its previous guidance of 900 MW.

Taiwan

Mobile/ Wireless

- **HTC, the largest handset vendor in Taiwan counter sued Apple over patent infringement issues and urged U.S trade regulators to block the sale of Apple devices in the country.** HTC's complaint follows a legal suit by Apple against the company in March alleging infringement of 20 patents on all HTC Android phones. If Apple wins, HTC will be forced to halt all sales of its Android touch screen phones in the U.S. HTC's counter complaints to the International Trade Commission covers all models of the iPhone, iPad and iPod and alleges infringement of five patents covering power management, handset directory and dialing software.
- **China Mobile's plans to invest in leading Taiwanese mobile company Far EasTone Telecommunications received a major boost after it obtained regulatory approval to set up a subsidiary in the country.** The new subsidiary, Zong, is eyeing a 12% equity stake in Far EasTone.

Hardware

- **Hon Hai Precision Industry, more commonly known as Foxconn, posted revenues of NT$544 billion (US$17.1 billion) and earnings of NT$18 billion (US$566 million) for the first quarter of 2010.** The figures reflect increase of 44% and 35% respectively over the first quarter of 2009 and decrease of 11% and 38% respectively over the previous quarter. Analysts expect the company's sales momentum to be strong in the current quarter, especially for products driven by shipments to companies like Dell, Hewlett-Packard, Apple and Sony. The company might also benefit from increased demand from Cisco, launch of a new version of the Xbox and general corporate replacement cycles. The company is one of the world's largest contract electronics manufacturers and makes computers, consumer electronics and communications products like connectors, cable assemblies, enclosures, flat-panel displays, game consoles and motherboards.

Hong Kong

Telecommunications

- **The proposal to privatize and de-list Hutchinson Telecommunications International (HTIL) received overwhelming shareholder approval this week.** Hutchinson Whampoa, the parent company of HTIL and also a 60% stakeholder in the company, will offer HK$2.2 per share in a deal worth HK$4.23 billion (US$543.2 million). HTIL, which saw its operating losses increase by 155% to HK$2.07 billion (US$265.8 million) in 2009, is scheduled to de-list from the Hong Kong stock exchange next week.

Mobile/ Wireless

- **Artificial Life, Inc., a pioneer in artificial intelligence and mobile technology reports strong growth in its mobile gaming and non gaming sectors in first quarter of 2010.** Revenues for the quarter ended March 31, 2010 were US$8.2 million as compared to $7.1 million for the quarter ended March 31, 2009. The increase of revenues of 16% was mainly due to global license deals for the sale of its m-commerce platform, OPUS-M™. The demand for the company's iPhone and iPad games was also significant. The Company released 5 new games in 2010. The company has now produced 29 iPhone/iPad games so far and offers 10 of them for free and 19 as paid games. The total number of iPhone/iPad game downloads generated in 2010 through April 30, 2010 was over 4.4 million compared to approximately 1.8 million for the first four months of 2009, an increase of 144%. Net income was $3.6 million as compared to US$2,7 mm same period last year, an increase of 44%.

Southeast Asia/India/Australia

Mobile/ Wireless

- **Indosat, Indonesia's second largest mobile services company, announced the launch of the first 42 Mbps HSPA commercial network in the Asia-Pacific region, beating much larger regional players like Singapore's StarHub, Hong Kong's CSL and Australia's Telstra.** Indosat partnered with Ericsson, one of the world's largest telecom equipment manufacturers, for the project, which makes the company's network ready for evolution into LTE in the future. Indosat has a subscriber base of about 39 million.
- **Singapore mobile operator announced the launch of its new online mobile applications platform, AppStore.** The company would offer cash, revenue share deals and other incentives to help them commercialize their applications. The AppStore will host applications compatible with the iPhone, Android, Symbian, BlackBerry, Windows Mobile and Java.
- **Reliance Communications, India's second largest mobile operator, announced financial results for fourth quarter ending March 31st, 2010.** The company reported net income of 12.2 billion rupees (US$270 million) for the quarter. For the full year, the company's revenues slipped by 3.6% to 221.3 billion rupees (US$4.9 billion) while net income declined by 23% to 46.6 billion rupees (US$1.03 billion). The company's subscriber base by the end of March stood at 109 million users. The company expects to remain profitable and maintain growth in spite of the highly competitive market environment and higher expenditure from acquiring license for operating a 3G network. India is the fastest growing markets in the world, but also the most competitive, with 12 mobile operators currently engaged in a fierce price war to capture market share at the expense of profitability

Telecommunications

- **PLDT, the largest telecom operators in the Philippines, announced plans to raise between 2 billion pesos (US$44.5 million) and 5 billion pesos (US$111 million) in the third quarter of 2010, either through private placement or an export credit agency.** The proceeds will be deployed in upgrading the company's network to support increased broadband and voice usage.
- **Singapore Telecommunications (SingTel), the region's largest telecom group, announced fourth quarter net income rose by 13% year-on-year to S$1.02 billion (US$739 million).** Net income for the full year rose by 13% to S$3.91 billion (US$2.83 billion). Quarterly revenues rose by 25% over last year to S$4.46 billion (US$3.23 billion). Growth was mainly driven by the strong performance of the group's Australian unit and the appreciation of the Australian currency versus the

Singapore dollar. At the end of the quarter, SingTel had 293 million subscribers, an increase of 17% over the same period last year. SingTel owns significant equity holdings in Bharti Airtel, TelkomSel, Advanced Info Service Pcl and Optus apart from its business in Singapore.

- **Bharti Airtel led an industry petition asking the Indian government to overturn its ban on sourcing telecom equipment from all vendors, including Chinese companies like Huawei.** Bharti said that the free flow of equipment and components was critical to be able to serve the many millions of subscribers Indian companies are adding every month. While the government denied that it had imposed a blanket ban on telecom equipment import, it is reported to have restricted at least one large Indian mobile operator from importing components from a Chinese OEM. Telenor, the Norwegian telecom giant, had to delay the launch of the second phase of expansion of its Indian company Uninor, after the government asked it to adhere to strict rules and regulations regarding security clearance. The Chinese companies like Huawei and ZTE are also adopting measures to convince the government to overturn the ban, by making more investments and also appointing Indians to executive roles. ZTE announced an expansion of its Indian engineering services team by recruiting 1000 additional engineers and will also shortly increase headcount of its telecom and engineering training services division.
- **Bharti Airtel entered into a partnership agreement with Novatium, a low-cost PC manufacturer, to sell a new range of personal computers to Bharti's broadband customers.** The new product range has been designed to rely fully on cloud storage, and emphasizes internet access rather than off-line computing capabilities, to keep price low. The entry-level model is expected to retail at 4,999 rupees (US$110) and is expected to boost Bharti's reach and subscriber base.
- **The Telecom Regulatory Authority of India recommended a change in M&A regulations for the telecommunications sector in India, possibly paving the way for a phase of consolidation in the highly competitive mobile market in the country.** The regulator is advocating that mergers be allowed in any telecom circle having at least 6 players, provided that the merged entity does not control more than 30% of the users. Currently, no company is allowed to acquire more than 10% stake in any other company operating in the same telecom circle. New license holders will only need to hold 51% stake in a mobile company for the first five years.
- **India's leading mobile operators Bharti Airtel and Vodafone slammed a new proposal by the Telecom Regulatory Authority of India, to charge mobile companies for spectrum already allocated in the previous auction.** The regulator has suggested that companies pay a one-time fee after benchmarking spectrum allocated in the previous auction, to bid prices in the current one. It is estimated that Bharti and Vodafone will have to cough up US$700 million and US$650 million respectively should the new proposal come through. The companies strongly criticized the proposed fee, as it would be an additional burden after the high auction prices for new spectrum and billions of dollars required for network roll-out. Meanwhile, bids for one all-India 3G license in the ongoing auction in the country increased to US$3.41 billion after 30 days and 167 rounds of bidding. The bid price represents a whopping 40% increase over the base price set by the Department of Telecommunications at the beginning of the auction. The government had hoped to raise US$8 billion from the combined auctions of 4 pan-India 3G licenses and the broadband internet spectrum licenses.
- **Mahanagar Telephone Nigam Ltd. (MTNL), a state-owned provider of telephony services in Mumbai and New Delhi, announced net loss of 15.74 billion rupees (US$345.8 million) and revenues of 8.48 billion rupees (US$186.3 million) for the quarter ending March 31st, 2010.** The

figures compare with net loss of 8.95 billion rupees (US$196.6 million) and revenues of 9.02 billion rupees (US$198.1 million) for the corresponding period last year.

- **Indonesian mobile services provider Indosat is reportedly considering the sale of its telecom tower assets in the country.** The company, owned by Qatar Telecom, controls more than 17,000 towers in Indonesia, estimated to be worth about US$1.9 billion. Private equity firm Saratoga Capital and telecom giant Telkom are believed to be interested in buying additional telecom towers. Saratoga, which has most of its US$450 million of assets in telecom towers and other related infrastructure, said it was confident of raising the capital immediately. The company expects a shortfall of 100,000 towers in the country, which could drive up rentals and valuations. Telkom is reportedly looking to buy about 12,000 telecom towers to roll them into its subsidiary Mitratel, and file for an IPO. The company has already raised US$400 million to buy-out SingTel's stake in its tower subsidiary to prepare for the listing.
- **Telstra, Australia's leading telecom player, lost a court battle to double the tariffs it charges wholesale customers for access to its copper-wire network in city areas.** The Australian Competition Tribunal rejected the company's proposal to increase wholesale, fixed-line access from A$17 (US$15.0) per month to A$30 (US$26.4) in metropolitan areas. Telstra has tentatively agreed to the authority's ruling, but might pursue other legal options.
- **Vodafone New Zealand and Canada's Axia NetMedia announced a partnership to jointly bid for a portion of the new National Broadband roll-out plan initiated by the government of New Zealand.** The government is spending about US$1.08 billion to deploy an Ultra-Fast Broadband network that will reach at least 75% of the country's population. The joint initiative by the two companies will seek government funds to operate a part of the network and manage the roll-out of the internet services. Axia NetMedia is already part of a similar arrangement with SingTel to roll-out the infrastructure for the Singapore government's broadband network initiative.
- **Alcatel-Lucent, the leading telecom equipment manufacturer and supplier, has reportedly agreed to pay Telecom New Zealand US$72 million as compensation for frequent 3G outages on its network built by Alcatel-Lucent.** The outages delayed the migration of Telecom NZ's CDMA customers to the 3G network even though the traffic was well within the agreed upon forecasts.

Information Technology

- **Indian IT services firm Glodyne Technoserve Ltd. announced the acquisition of DecisionOne Corp., a technology infrastructure management services firm operating in the U.S.** Glodyne will finance the deal, worth US$104 million, through a mix of cash, debt and equity. DecisionOne generated revenues of US$200 million in 2009, and is one of the most profitable IT infrastructure services firm in the U.S. The company had previously filed for bankruptcy in 2000 and 2005. Glodyne aims to further strengthen its global reach and onsite remote delivery model through the acquisition, in a market that is estimated to be worth US$524 billion. Glodyne will raise about US$23million in equity through a preferential issue to private equity investors shortly.
- **IT outsourcing firm Sutherland Services announced the acquisition of Adventity Global Services in an all-cash deal worth US$55 million.** Adventity is focused on providing outsourcing services to the financial services, banking, airline and travel industry sectors and is funded by Norwest Venture Partners, CIBC and DA Capital. The acquisition will help Sutherland strengthen its presence in Asia, Africa and the Middle East.

Media, Entertainment and Gaming

- **Casbaa, a regional industry lobby group for the cable television sector, strongly condemned the new Media Conduct Code specified by the Media Development Authority of Singapore.** Casbaa alleged that the new regulation, which requires cable companies like StarHub and SingTel to share key programming, violates copyright rules of the World Trade Organization and the World Intellectual Property Organization. The lobby group also believes that the new requirement could also adversely affect new investment in content, channels and technology. Casbaa consists of 130 members from the content, cable TV and related industry sectors.

United States/Canada

Mobile/ Wireless

- **Android, Google's proprietary mobile operating platform, displaced the iPhone's operating platform as the second largest smartphone software in the U.S during the first quarter of the this year.** Android now trails only leader Research In Motion, the maker of the Blackberry range of phones. Android accounted for 28% of all smartphones sold in the country whereas RIM accounted for about 36% and Apple, 21%. Google offers Android to all handset manufacturers, whereas Apple limits its system exclusively to its iPhones. Google's Nexus One handset, however, has failed to match the runaway success of its mobile software, notching only a tenth of the iPhone's volumes. In related news, Google announced the closure of its online cell phone store, launched with much fanfare four months ago to introduce a new paradigm in online retailing. The company will now partner with mobile carriers and cell phone retailers to sell the device through physical outlets.
- **U.S. leading cable company Cox Communications announced plans to bundle mobile services along with its existing portfolio of services such as internet, land-phone and television services.** The company's rivals such as Comcast Corp. and Time Warner previously announced plans to offer data services to customers using Clearwire Corp.'s 4G network. Cox might partner with Sprint Nextel initially and also build its own network in the near future.
- **The iPad's success in the U.S. has led to a string of announcements by rival companies looking to release the second-most popular tablet computer in the country.** Google and Verizon are reportedly working together to launch a new tablet device, as a rival to Apple's iPad and Amazon's Kindle. Verizon, the largest mobile operator in the U.S., has had a successful partnership in the past with Google. The company heavily promoted Motorola Droid device last year, which was based on Google's Android operating system and which contributed to Android becoming the second most popular mobile OS in the country. Verizon is looking to launch a successful tablet device to be able to match the success of AT&T, which has exclusive rights so far to distribute Apple's iPhone and iPad. Apart from Google, Samsung Electronics, Sony Corp., Hewlett-Packard and Dell are also expected to launch their tablet devices soon.

Telecommunications

- **Wave2Wave Communications Inc., a communications services company, announced the postponement of its proposed IPO due to insipid market conditions.** The company had previously announced plans to sell 8.25 million shares for between US$9 and US$11 on the New York Stock Exchange.

Media, Entertainment and Gaming

- **CBS Corp., the American media conglomerate with interests in broadcasting, publishing, television production etc., is reportedly developing an online video service for its subscribers.** Many of the company's rival cable channels have already commenced web-based video initiatives to capture customers away from television sets. Premium cable channels are looking at ways to tap the large internet and mobile markets, without cannibalizing their core television subscribers, by offering video-on-demand content. Premium channel HBO had previously launched HBO GO, on Verizon Communication's FiOS service, free of cost to its existing customers.
- **Movie Studios in the U.S. are all set to send new releases to consumers directly in their homes after the Federal Communications Commission (FCC) approved a proposal to disable certain television equipment to prevent the copying of films.** The regulator's decision was based on an argument that this order would create a new business model, which will not be possible if the threat of piracy exists.
- **Dish TV Corp., the second largest provider of satellite television services in the U.S., reported net income of US$231 million on revenues of US$3.06 billion for the first quarter of 2010.** The figures reflect a fall of 26% and increase of 5.2% respectively over the same period last year. The company added about 237,000 customers during the period compared to an estimated 100,000 by market leader DirecTV, after heavy advertising that it was the cheapest satellite television provider in the country. The company's subscriber acquisition costs during the period rose by 41% year-on-year to US$412 million. Dish is also trying to improve customer experience by setting up new call centers and clamping down on piracy. Satellite television providers in the U.S. are under pressure to retain market share as phone and cable companies such as Comcast Corp. and Cablevision bundle phone, internet and television services together, thus lowering overall cost and increasing convenience for subscribers.
- **Lions Gate Entertainment, the independent film studio currently engaged in a takeover battle with billionaire Carl Icahn, announced that 56% of the company's shareholders had voted in favor of a poison pill.** The poison pill deters potential hostile takeover attempts by making an acquisition more expensive for the buyer. Carl Icahn had previously announced an open tender for the company's stock at US$7 per share, which values the company at about US$826 million. The management team of Lions Gate, whose shares are currently trading at US$6.91, believes that the offer undervalues the company. Carl Icahn already owns about 19% of the company's outstanding shares.
- **Terra Firma Capital Partners, which owns EMI Group Plc. agreed to inject cash into the latter to help it maintain banking agreements.** EMI had previously breached debt covenants and was in danger of being taken over by its main creditor, Citibank. Terra Firm had acquired EMI in 2007 for 4 billion pounds (US$5.8 billion). EMI has fallen on hard times in the last few years after leading clients like Paul Mc Cartney, RadioHead, Queen and Rolling Stones left the label. Analysts believe the company could be put up for sale in a couple of months with larger rivals like Warner Music Group Corp. expressing interest in taking over the company.
- **NPD, a leading research group focused on the video game industry, announced that sales of video game hardware and software declined by 26% in April in the U.S.** Total sales fell to US$766 million on the back of a 22% and 37% fall in software and hardware sales respectively. The overall decline was the fourth largest in the last decade. Nintendo's V was the top selling console followed by the Xbox and Sony's PlayStation. The best selling game title for the month was Ubisioft's 'Tom Clancy's Splinter Cell: Conviction', which sold almost 500,000 units.

- **NBC Universal announced plans to dispose one of its three television stations in Los Angeles.** The move is part of the company's attempts to win regulatory approval for its deal with Comcast Corp. NBC had previously agreed to be acquired by Comcast in a US$30 billion deal, which aims to create a media superpower that would control the entire value chain of television programming and broadcasting. Media companies in the U.S. are allowed to operate a maximum of two stations in any given region, although NBC has been operating an additional station under a special government waiver for the last few years. If the station remains unsold by the time the deal is due for approval, the companies will place it in a trust.

Internet

- **Google's CEO Eric Schmidt expects to obtain regulatory approval for the company's proposed acquisition of AdMob Inc.** The deal, worth about US$750 million, is being closely scrutinized by the Federal Trade Commission (FTC) for potential anti-trust implications for the mobile advertising market. The FTC is already studying the impact of a similar deal between Apple and Quattro Wireless on pricing in the industry. **Eric** also said the company's newer businesses like display advertising, business software and mobile software were growing faster than the company's core search business.
- **The U.S. Federal Communications Commission (FCC), the regulatory authority for the telecom and internet industries, allayed the cable television industry's fear of heavy regulatory control over internet services.** The FCC had previously announced plans to control pricing of broadband services by cable television companies following which share prices of companies like Comcast and Time Warner Cable had crashed. The FCC might still regulate broadband access as a telecommunication service rather than as an information service, but will not impose burdensome price controls and competition mandates.

Information Technology

- **Thomson Reuters' new service offering, Reuters Insider was launched this week, free of cost to the company's 500,000 financial services clients globally.** The new platform is being positioned as a social networking tool for the finance industry and promises to radically transform communication and interaction capabilities within industry professionals. Reuters Insider allows customized access to breaking news, analysis, video and research. Reuters' clients can now view short, segment programs via their PCs, laptops, smartphones or any other internet enabled video-device. They can also share and discuss developments with other professionals in their networks. Companies can use Reuters Insider to minimize road show costs during IPOs of equity and debt.

Software

- **IBM Corp. announced plans of spending US$20 billion over the next five years on new acquisitions.** The company seeks to boost earnings by buying companies in higher margin software and services industry. IBM expects operating income to increase by about 90% in the current year on the back of increased demand for software services and job cuts. The company has already spent about US$20 billion over the last 8 years on more than 100 acquisitions, as it actively moved away from selling low-margin hardware, to the more profitable services business. The new acquisitions will strengthen the company's portfolio of offerings in the analytics and cloud computing space. The announcement comes as IBM tries to match the growth in share prices of rivals Oracle and HP.

- **Microsoft Corp. expects the new version of its bestselling Office suite to be adopted by customers at the fastest pace in the product's 20-year history.** Microsoft is hoping that the rapid acceptance will reverse a minor decline in the company's sales and help it compete with Google, whose web-based office applications are eating away into Microsoft's market share. Microsoft's new office has been tested by 8.6 million users, the largest ever in the company's history and more than three times the size of the test group as any previous version. The product is expected to supplement the latest version of Microsoft's operating system, Windows 7.
- **Comtech, a developer and distributor of systems and solutions for the communications industry, announced the acquisition of CPI International Inc., in a cash and stock transaction worth US$472.2 million.** CPI is a rival of Comtech and offers solutions for the critical defense, communications, medical and scientific industries. Under the acquisition agreement, shareholders of CPI will receive cash and stock worth US$16.4 per share, of which US$9 would be in cash. The acquisition price represents a premium of almost 26% over the closing price of CPI stock on May 7th. Comtech will find the acquisition by redeploying US$372 million of its existing cash and by issuing 4.4 million new common shares.
- **Honeywell International Inc. announced the acquisition of Matrikon Inc., a software developer for the manufacturing and heavy industries sectors with annual revenues of about US$80 million.** The acquisition will bolster the portfolio of services of Honeywell Process Solutions, a part of the company's Automation and Control Solutions business group. Honeywell will pay US$142 million for the acquisition.

Hardware

- **Cisco Systems Inc., the largest manufacturer of network equipment in the world, announced financial results for third quarter ending May 1, 2010.** The company's net income rose by 63% year-on-year to US$2.19 billion, while revenues increased by 27% to US$10.4 billion. Growth was driven by the company's large enterprise customers who are setting up proprietary networks to manage large amounts of data, video and messages. Companies are also improving and upgrading networks to be able to use cloud-computing applications. Cisco dominates the market for network routers and switches and counts large enterprises and telecom companies among its customers. For the current quarter, the company expects revenues to grow by about 25% year-on-year to about US$10.7 billion, higher than analyst estimates of US$10.6 billion.

Europe

Telecommunications

- **Alcatel-Lucent announced a partnership with CanaLink, a consortium equally owned by IT3 and Isla link, to build a new submarine cable.** The undersea telecom cable will extend from Spain to the Canary Islands, a distance of 2000 kilometers. The cable is expected to provide much needed broadband services in Canary Islands and will boost the competitiveness of the island country. The cable will be ready for deployment by June of 2011.
- **British telecom services operator BT Group PLC. reported total revenues of 20.9 billion pounds (US$30.38 billion) and net income of 1 billion pounds (US$1.45 billion) for 12 months ending March 31st, 2010.** The figures compare with revenues of 21.4 billion pounds (US$31.1 billion) and net loss of 244 million pounds (US$354.7 million) in the previous year. The group plans to spend about 1 billion pounds (US$1.45 billion) to extend the roll-out of its fiber network to cover 67% of

geographical area in the country by 2015, provided the investment climate is positive and favorable. The expenditure will be managed in the current levels of capital expenditure of about 2.6 billion pounds (US$3.77 billion) annually.

- **Turkey's Telecommunications Board, the regulatory authority for the industry in the country, announced the launch of a probe into three leading telecom companies.** The board said that it had decided to open the investigation over some inconsistencies and errors in statements that the companies have provided. The three companies being investigated are Turkcel, Turk Telecom's Avea and Vodafone's Turkish unit.
- **France's telecom regulator, ARCEP, announced that it has received 3 bids for the two remaining lots of super-fast wireless frequencies up for sale.** The bidding companies are named as France Telecom, Vivendi's SFR and Iliad. The new spectrum will allow telecom operators to offer services such as music, television and video on mobile phones. The base price for each bloc of frequencies was set at 120 million euros (US$152 million).
- **Deutsche Telekom announced net profit of 767 million euros (US$953 million) and revenues of 15.8 billion euros (US$19.63 billion) for three months ending March, 2010**. The figures compare with net loss of 1.1 billion euros (US$1.48 billion) and revenues of 15.9 billion euros (US$19.75 billion) during the corresponding period last year. A decline in the company's performance in the fixed line business in Germany was offset by a stellar performance in the mobile business, while its Greek business boosted revenues from southern and eastern Europe. The company continues to struggle with its business in the U.S., as revenues fell by 8% and core profit dropped by 5%. The company confirmed its outlook for the full year, which was in alignment with analysts' expectations. Magyar Telekom, the Hungarian subsidiary of Deutsche also reported quarterly results separately. The company's net profits for the period stood at 16.4 billion forints (US$75.7 million), a decline of 23.7% over last year, while revenues fell by 7.5% to 147.4 billion forints (US$680.4 million). Higher sales in the company's mobile internet and television sales were offset by lower sales in the fixed voice and data businesses
- **Czech Telefonica, the largest telecom firm in the Czech Republic, announced financial results for the first three months of the current year.** The company's net profit fell by 24% year-on-year to 2.01 billion crowns (US$100 million), while revenues fell by 8.6% to 13.83 billion crowns (US$688 million). The company's performance was hit by restructuring costs and a fall in mobile and fixed-line services revenues. Czech Telefonica is 69% owned by Spain's Telefonica.
- **Spain's Telefonica, Europe's second largest telecoms group by market capitalization, announced weaker than expected first quarter results.** The group's net income rose by 2% over the previous year to 1.66 billion euros (US$2.11 billion), while total revenues were reported at 13.93 billion euros (US$17.7 billion). Telefonica's weak performance in its home market was partly offset by its strong showing in Latin America and other parts of Europe. The group was reported to have made an offer to completely acquire Vivo for 5.7 billion euros (US$7.2 billion), its joint venture in the Brazilian mobile market along with Portugal Telecom, which the latter had rejected. Telefonica currently owns about 32% of Vivo. The group's fixed line business in Brazil, Telesp, performed badly with its core profit plunging sharply, in contrast to the performance of the mobile unit. Telefonica is aiming to combine its fixed and mobile businesses to be able to compete against Carlos Slim's consolidated telecom group America Movil.

- **Telekom Austria, an integrated telecommunications services provider, announced net profit of 91 million euros (US$113 million) on revenues of 1.1 billion euros (US$1.4 billion) for three months ending March 31, 2010**. The figures reflect an increase of 6.8% and a decline of 5.9% respectively over the previous year. The company's mobile subscriber base increased by 6% during the period to 19 million and it also managed to hold on to its fixed line customers, with a net loss of only 0.8%. Stringent cost cutting absorbed much of the revenue decline and protected profitability.

Software

- **SAP AG, the world's largest vendor of business software and solutions, announced the acquisition of database company Sybase.** The move is seen as an attempt to hold on to market share and customers in the face of increased competition from arch-rival Oracle Corp. SAP will pay US$65 for each share of Sybase, a 56% premium over the last closing price of the latter. The transaction values Sybase at US$5.8 billion. Sybase's acquisition will empower SAP with technology that will help its financial customers organize and analyze information. SAP is focusing heavily on in-memory computing and mobile applications and Sybase brings in capabilities of a high-speed, in-memory database and a mobile application platform. The deal represents the 1,057th acquisition in the global software industry last year and the 5th largest ever in this space
- **Cadence Design Systems Inc., a software vendor in the area of Electronic Design Automation (EDA), announced the signing of a definitive agreement to acquire Denali Software Inc.** The all cash deal is expected to be worth US$315 million and will be financed through available cash and internal accruals of Cadence. The acquisition will help Cadence expand its portfolio of solutions and allow it to deliver efficient and cost-effective system component modeling and IP integration.

Africa/Middle East/Latin America

Mobile/ Wireless

- **Etisalat Egypt, the Egyptian subsidiary of Abu Dhabi telecom company Etisalat, announced that it has secured 7.2 billion Egyptian pounds (US$1.3 billion) in debt.** The company will use the proceeds to fund expansion and improves its services. The funds will come from the National bank of Egypt and national bank of Abu Dhabi and will include US$300 million in dollar-denominated long-term loans. Eisalat Egypt plans to spend US$1.5 billion in the next three years on its network and might consider a public listing in Egypt soon. The company is a distant third in the Egyptian mobile market behind leaders Mobinil and Vodafone Egypt. Its parent company Etisalat is also facing intense competition after losing its monopoly status in its home country.
- **Egypt's financial markets regulator clarified that it will not intervene in the settlement between Orascom Telecom and France Telecom over Mobinil.** The two telecom giants had previously announced the end of a long-standing acrimonious dispute over the ownership and control of Mobinil, in which both parties have invested through a joint venture. Some European investment funds had complained to the regulator, arguing that the settlement should have triggered a minority buyout by the majority shareholders.
- **Qatar Telecom and Virgin Group are reportedly discussing the possibility of partnering to offer mobile services in markets beyond Qatar.** The two companies are currently offering mobile services in the Qatari market. The Virgin Group is hoping to leverage on Qatar Telecom's presence in 17 other countries. Qatar Telecom has expanded rapidly abroad to mitigate the loss in revenues after

its monopoly in Qatar ended. The company owns 65% in Indonesia's second biggest telecom company PT Indosat.

- **Vodafone Qatar announced net loss of 673.4 million riyals (US$185.1 million) and revenues of 361.5 million riyals (US$100 million) for twelve months ending March 31st, 2010.** The operator had posted a net loss of 133 million riyals for the corresponding period in the previous year. The company's subscriber base in the country increased to 465,000. Vodafone Qatar, which is listed on the Qatari Stock Exchange, won a license to be Qatar's second mobile operator for US$2.12 billion, breaking the monopoly of state-owned Qatar Telecom.
- **Zain Telecom, Kuwait's largest mobile operator, announced a 31% decline in first quarter net profit to US$179 million on revenues of US$1.15 billion.** The company finalized a deal with India's Bharti to sell all its African telecom assets to the later for US$9 billion. The company said that the group was still facing the impact of the financial crisis and was in the midst of a restructuring process to slash operating costs.
- **America Movil, the leading Mexican mobile company controlled by Carlos Slim, launched offers to acquire Telmex and Carso Global.** The target companies are also controlled by Carlos Slim, who is trying to consolidate his telecom empire to be able to compete and maintain market share as new players enter the Mexican market.
- **Orascom Telecom, the Egyptian telecommunications services company with a stake in Mobinil, announced financial results for the first three months of 2010.** The company's net income stood at US$49 million, a decline of about 32% over the previous year, while revenues stood at US$1.2 billion. The company's revenues from its Algerian unit Djezzy, fell to US$412.5 million from US$462.5 million an year ago. Orascom is reportedly involved in negotiations with MTN to sell most or all of its assets, including its best performing division, Djezzy. The Algerian government, however, objected citing its first right of refusal to acquire Djezzy, while also indicating its willingness to buy the unit completely.

Telecommunications

- **Zain, the Kuwaiti telecom firm that recently sold its African assets to Bharti, has reportedly received offers to sell a majority stake in the company.** The company is currently owned by the Kuwait Investment Authority and conglomerate Kharafi group, who are apparently not interested in commencing negotiations until the transactions with Bharti is completed.
- **Telecom Egypt, the fixed line monopoly in the country, announced first quarter results for the current year.** The company's net profit for the period rose by 3% to 992 million Egyptian pounds (US$177 million), while revenues decreased by 1% to 2.5 billion Egyptian pounds (US$446 million). The company expects to begin operations of its north cable between Egypt and France by mid-year and sees the project adding revenues of about 700 million pounds (US$125 million) for the year. The company also announced plans to become Egypt's fourth mobile operator, adding to a market already facing intense competition among the incumbent operators. The company had 9.3 million fixed line subscribers by end of March compared with 11.5 million, a year ago. The Egyptian government controls a 80% stake in the company.
- **Oi Telecom, Brazil's largest telecommunications group, announced** its highest ever quarterly profit of 496 million reais (US$279.1 million) and revenues of 7.46 billion reais (US$4.2 billion) for the first quarter of the current year. The company's profit jumped by a whopping 4,400%, while revenues remained flat over the corresponding period last year. Profitability was driven by lower debt financing

costs and reduced operating expenses as the company realized synergies from its acquisition of rival Brasil Telecom, which saved it 300 million reais (US$168.8 million). The company also reduced its IT and marketing costs during the quarter. The company's fixed line subscriber base shrank by 3.4% to 21.09 million users, while mobile subscriber base rose by 15% year-on-year to 36.6 million users.

- **Dubai's telecom firm, Du announced financial results for first quarter ending March 2010.** The company reported net profit before royalties of 194 million dirhams (US$52.83 million), an increase of 312% year-on-year. Total revenues for the quarter increased by 36% year-on-year to 1.6 billion dirhams (US$435.7 million). The company plans to pursue a rights issue to fund infrastructure improvements beyond the current year. The new shares will be priced at 1.75 dirhams, a deep discount on its current stock price of 2.55 dirhams. The company's growth during the first quarter was primarily driven by new customer acquisition. Du gained 262,000 mobile customers during the period bringing its total active subscriber base to 3.74 million. Fixed line subscriber base grew by 47% year-on-year to 456,700.

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

Week of 10th May 2010 – 16th May 2010

Other Economic Data

Currency Exchange Rates

Currency	Units	Current Rate (on 05/14/10)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 1/1/2010	% Change 1/1/2009
Japanese yen	¥/US$	92.468	0.96%	0.32%	2.74%	3.60%
Hong Kong dollar	HK$/ US$	7.7858	0.04%	0.32%	0.33%	0.37%
Chinese renminbi	RMB/ US$	6.8266	0.01%	0.02%	0.09%	0.19%
Singapore dollar	S$/ US$	1.388	-0.56%	0.90%	1.40%	2.98%
South Korean won	KRW/ US$	1,130.93	-2.12%	1.86%	2.82%	5.61%
New Taiwan dollar	NT$/ US$	31.653	-0.18%	0.90%	0.51%	1.45%
Australian dollar	US$/A$	0.8858	-0.25%	-4.15%	-6.55%	-9.00%
New Zealand dollar	US$/NZ$	0.7072	-1.01%	-0.18%	-8.50%	-12.96%
Philippine peso	PHP/ US$	44.767	-1.74%	0.87%	-1.56%	-0.70%
Euro	US$/€	1.2358	-3.11%	-8.47%	-18.68%	-23.03%
British pound	US$/£	1.4536	-1.81%	-5.38%	-15.80%	-20.28%

Fixed Income Prices and Yields

Note	Currency	Current (on 05/14/10)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US$	100.18	4.34%	105.3	4.27%	99.075	4.67%
Japan 30-year	¥	102.317	2.17%	102.895	2.14%	101.056	2.24%
Hong Kong 10-year	HK$	94.541	2.84%	94.166	2.88%	92.703	3.06%
China (06/16)	CNY	109.38	3.03%	109.38	3.03%	109.38	3.03%
Singapore 10-year	S$	100.3	2.46%	99.2	2.60%	98.35	2.71%
South Korea 20-year	KRW	10,566.17	5.23%	10,618.02	5.18%	10,586.53	5.18%
Australia 15-year	A$	101.74	5.54%	102.03	5.50%	99.2	5.85%
New Zealand (12/17)	NZ$	102.44	5.60%	102.44	5.60%	101.92	5.69%
Philippines 20-year	PHP	103.262	9.13%	102.186	9.25%	103.643	9.09%
India 30-year	INR	82.3	8.48%	81.95	8.52%	82.5	8.46%
UK 30-year	£	97.261	4.42%	97.84	4.38%	94.773	4.58%
Germany 30-year	€	120.301	3.63%	122.594	3.52%	115.877	3.85%