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Roberts & Ryan Investments Inc.

Based in San Francisco, we provide "value added" information to our global asset managing clients.

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Latin America

Apple inks deal to bring iPhone to Latin American countries

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In another step in the worldwide march of Apple's iPhone, the top mobile phone operator in Latin America said earlier this month that it has inked a deal to bring the multimedia gadget to more than a dozen countries starting later this year.

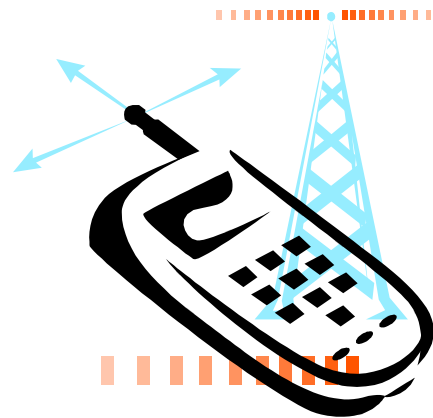
America Movil, controlled by Mexican billionaire Carlos Slim, said it plans to bring the iPhone to all of its Latin American operations but didn't offer more details about the arrangement, including whether it would be the exclusive iPhone provider in the targeted countries.

Apple has so far struck exclusive deals for the iPhone with AT&T in the United States, O2 in Britain, T-Mobile in Germany and France Telecom's

Orange wireless arm in France.

The company plans further expansion later this year through the partnership with Mexico City based America Movil, which boasts 159.2 million subscribers in 16 countries, including Argentina, Brazil, Chile, Colombia and Mexico.

A spokeswoman for America Movil said the company had no further comment beyond the short press release announcing the partnership. Apple has so far sold 5.4 million iPhones worldwide, based on data as of the end of Apple's fiscal second quarter, which ended in March.

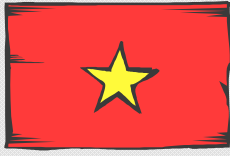


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Vietnam

Intel reshaping Vietnam



“Though the project is now only skeletal building, Intel is already changing Vietnam. Its surprise move is creating new investments and interest in this country from other global giants.”

Intel’s billion dollar Vietnam bet along the Hanoi Highway – its biggest semiconductor manufacturing plant ever – is rising up from the flatlands of former rice fields.

The Santa Clara chip giant jolted the tech world two years ago when it announced it would build a massive assembly factory in this Southeast Asian country known more for making shoes and growing crops than assembling key PC components. Intel picked Vietnam, a nation of 85 million that lacks a single world-class university, over India, whose army of engineers has reordered the global software industry.

“We are not afraid to be first,” said Rick Howarth, Intel’s lanky general manager overseeing the 115-acre construction site in the new Saigon Hi-Tech Park. By the end of 2009, chipsets (pairings of more than one chip used for specialized tasks) are expected to roll off the assembly line to feed the company’s massive global supply chain from a complex that will equal the size of nearly nine football fields and employ about 4,000 workers.

The project, dubbed A-9 - nine is an auspicious number in Vietnam – is emblematic of Intel’s muscular role as an iconic industry leader that can influence the fortunes of nations merely by deciding where it will plant its next factory. In Malaysia, which 35 years ago became Intel’s first site outside the United States, the company helped to create a tech ecosystem with its \$3.3 billion investment in testing, assembly and design facilities, which created 10,000 jobs.

More recently, Intel began construction on a \$2.5 billion wafer fabrication facility in the northeastern Chinese city of Dalian, a project Chinese officials hope brings high tech to a high-unemployment region with more pollution than opportunity.

In Vietnam, Intel’s decision to open a new global outpost involved an exacting process, from analyzing the country’s educational curriculum to secret negotiations with government officials still learning the ABCs of market economics.

Years of on-the-ground investigating by a crack team of company experts – and a cross-Pacific courtship by Hanoi – led to the decision to roll the dice in this developing country. Vietnam’s attractions include a young, low cost workforce, proximity to China and the government’s bend-over-backward policy to attract powerhouse multinationals.

Though the project is now only skeletal building, Intel is already changing Vietnam. Its surprise move is creating new investments and interest in this country from other global giants. In June, Intel will host a conference for more than 200 tech vendors, some of whom are expected to set up operations in Vietnam. “They see Intel as a stamp of validation. Every month, I probably speak with two CEO’s of multinational companies evaluating Vietnam,” Howarth said. And the government is giving the company unprecedented access to high-ranking officials in this increasingly capitalistic communist country. Intel executives are treated like high-ranking diplomats from important nations.

Intel’s Vietnam operation requires significantly less engineering prowess than is needed in its U.S. chip factories, because the plant won’t make chips: It will just assemble them into chipsets and test them. But for Vietnam, the plant will provide the desperately needed professional jobs for its youthful and work-hungry population and it will give a huge boost to its efforts to create a higher-end manufacturing base beyond garment and other basic blue-collar assembly lines.



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Europe

SunPower Shines

SunPower continues to grow at a rapid pace, as earnings, revenue and jobs all boomed in the first quarter of 2008. The San Jose company, which designs, manufactures and sells solar panels, reported a nearly tenfold increase in profit in the first quarter. Sales rose 92 percent from a year ago.

But the stock market, often driven by the specter of bad news instead of the reality of good news, pushed SunPower's stock down dramatically in mid April. The company, which is projecting it will top \$1 billion in sales for the first time in 2008, forecast a flat third quarter. That, plus analysts' worries about government policies in Spain and the United States that could affect large solar deals, hurt its stock price.

News about a higher tax rate, partially due to the company's 2007 acquisition of PowerLight, as well as a decision by the Internal Revenue Service that might allow major stakeholder Cypress Semiconductor to spin off its 44 million Class B shares, also contributed. Cypress Semiconductor, which spun out SunPower in 2005, maintains a 52 percent stake in the company. Always volatile – it was Silicon Valley's fastest-rising stock in 2007 before dropping by about two-thirds earlier in 2008.

One firm, Friedman Billings Ramsey, downgraded SunPower to "underperform". Analyst Mehdi Hosseini, in a research report issued before the

earnings announcement wrote that the company's expected growth in 2008 "has already been dialed into the stock" and that optimism over the outcome of Spanish and U.S. incentive programs was "premature".

For the quarter, SunPower's net income rose to \$12.8 million, or 15 cents a share, from \$1.24 million, or 2 cents a share, last year. Analyst projections, compiled by Bloomberg,



had forecast earnings of 14 cents a share. Sales rose 92 percent from a year ago, to \$274 million for the quarter. That was up 22 percent from the fourth quarter of 2007. "Market growth demand remains strong," Tom Werner, SunPower's chief executive, said in a conference call with analysts. "Solar is now becoming a mainstream alternative to traditional electricity generation."

The company has added 500 jobs since January, bringing its total workforce to 3,700,

Werner said. Its ability to move within market segments – new and existing homes, businesses and power-plant projects, and its worldwide scope – remains at the core of SunPower's strength. SunPower has expanded its business in Spain, Germany and Italy, and shipped panels to Japan and South Korea this year, Werner said. He also said the company has gained "traction" in nations

such as France, Greece and the Czech Republic. In California, SunPower struck a deal to install solar panels on the roofs of seven Wal-Mart stores.

Being able to shift its focus into different global markets is important as government policies, especially solar incentives, change. Analysts repeatedly asked Werner about changes in Spain's "feed-in tariff" program, which pays a fixed price for

solar power, as well as about the Investment Tax Credit (ITC) policy in the United States, which expires this year. The U.S. Senate recently passed an extension, but it is unclear whether the House will follow. The potential expiration of the ITC is becoming "relevant" in discussions with customers considering large-scale commercial projects, Werner said. But Howard Wenger, a SunPower senior vice president, said the company's residential business won't be affected.



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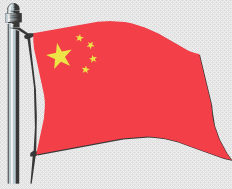
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China

Education foundation wants to grow Silicon Valley talent



“ ‘We have always been able to fill that gap by importing employees but that’s already slowing down and may stop. We need to keep that innovation engine going.’ ”

Valley companies that couldn’t staff their engineering departments with local talent have often gone to India and China to hire bright college graduates. But that talent stream isn’t flowing as rapidly to the valley anymore. Those students are finding more opportunities in their home countries. Faced with a dwindling pool of qualified talent, valley employers are stepping up to help the newly formed Silicon Valley Education Foundation (SVEF) grow the talent at home. The group is keying into Santa Clara County’s 32 school districts. “That’s very critical,” says Faisal Sohail, chair of the SVEF board and managing director of CMEA Ventures, a San Francisco venture capital firm. “We have always been able to fill that gap by importing employees but that’s already slowing down and may stop. We need to keep that innovation engine going.”

SVEF provides corporations with a conduit for contributions so they no longer have to choose which districts to give to, Sohail says. Companies like Citibank, PG&E, Hitachi Data Systems Inc., Interio Real Estate Services, Ernst & Young LLP, Applied Materials Inc., Opera San Jose, Kaiser Permanente and dozens of others are contributing. In February, the San Jose Education Foundation and the Santa Clara Education Foundation merged to create SCEF – one overall foundation for the county. The move was designed to give local school districts a unified voice, more

corporate support and \$2.1 million in grants from the John S. and James L. Knight Foundation and Cisco Systems Corp. The foundation’s annual budget is \$4.5 million. Students, teachers and corporations are already reaping the benefits. This summer the foundation plans to launch an algebra summer school program for up to 500 seventh and eighth graders.

“Traditionally, math has been a fear for kids,” says Muhammed Chaudhry, the former CEO and president of the San Jose Education Foundation and current head of the new foundation. “If students can take algebra in their seventh year, then the whole trajectory changes and they can take calculus as seniors.” Sohail says if children do not develop an interest in math before the eighth grade, then in most cases that child misses the window to get on track for a math-related career. To that end, he would like to expand the summer school program to include subjects like science.

To get students excited, the board is entertaining ideas like a nano-bus initiative that could involve stripping a bus, equipping it with hands-on nanotechnology experiments and taking that show on the road to schools. Board members like Sohail, who come from the high-tech industry, can help leverage the foundation’s support and make inroads at other companies. Sohail is responsible for getting people like Jen-Hsun Huang, co-founder, president and chief executive officer of Nvidia Corp., and Ray Bing-

ham, managing director in Palo Alto office of private equity firm General Atlantic LLC. and former CEO of Cadence Design Systems Inc., involved in the foundation. In a state where per capita student funding places in the nation’s bottom tier, these supporters and the funding they can bring in are crucial. “Last I heard, we were 46th in terms of state educational funding and that was before the governor’s proposal,” says Manny Barbara, superintendent of Oak Grove School District in San Jose.

If his district didn’t have \$3 million in local revenue from leasing its closed schools and through other non-state sources, the district would not be able to maintain the state’s class size reduction policy, its all-day kindergarten, its visual arts program and its after-school counseling and sports programs, Barbara says. “Anytime there’s a business-education partnership, it’s positive,” he says. He says one of the most beneficial things the foundation is doing is conducting forums that engage the public and private sector in discussion on topics like education reform, state education priorities and the upcoming forum entitled “Charter Schools: Good for Whom?” Corporations hope that if schools can interest students in math and science, the valley can better supply its demand for qualified employees in fields like engineering. Sohail echoes that sentiment. “It’s really starting to work. We’re finally seeing corporations start getting involved,” he says.

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