

Daniel W. Roberts,
President

Roberts & Ryan Investments Inc.

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

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About Roberts & Ryan

Our President, Mr. Daniel W. Roberts, has been reelected as the Western Region representative to the FINRA Small Firms Advisory Board (SFAB). This board examines all proposed rules prior to presentation to the National Board for action. Mr. Roberts represents approximately 800 smaller firms located in the 13 Western States.

In order to facilitate our receipt of directed order flow, we show our list of agents as follows:

Global markets:
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Societe Generale

Cheuvreaux -
(Pan European only)

HSBC -
(Asia only)

Deutsche Bank -
(Australia only)

US Domestic:
Pershing

Europe

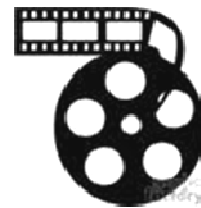
Netflix readies 2012 Britain, Spain launch

Netflix is gearing up to launch in Spain and Britain in the first half of 2012 and is exploring several other countries in Europe and Asia for later debuts, according to people briefed on the matter. CEO Reed Hastings has named international expansion as key driver of Netflix's growth in the coming years. Though the company's 25 million subscriber base has been growing rapidly in the U.S. and Canada, that's expected to slow, particularly in light of a recent 60 percent price increase for people who watch video online and get DVDs through the mail. The increase outraged some customers.

Last year, the company launched its Internet-streaming service in Canada, and in July it announced it would go into 43 Latin American countries by the end of 2011. Now Netflix is talking to studios about acquiring content rights to move into Spain and Britain in the first half of 2012. Though a move into Britain was previously expected, Spain will pose a unique challenge because piracy is rampant and unemployment is more than 20 percent, the highest in Europe. DVD

sales are very low in the country, and there is no real digital download business. DVD sales are very low in the country, and there is no real digital download business. Apple's iTunes Store doesn't sell movies or TV shows in Spain. The Spanish rollout will be a test of whether people used to watching movies at home free of charge will pay about \$8 a month for content that's typically higher-quality and easier to find than on a piracy websites.

Netflix is negotiating with Hollywood studios to acquire digital rights to stream content in Spain. In addition, the president of a Spanish producers association told ScreenDaily that the company has been in talks with local content makers as well.



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China

Apple slow to fight Chinese knockoffs



“To lead its fight against the Chinese fakes, Apple in 2008 hired Don Shruhan, a former Pfizer product security operative.”

Apple’s problems with Chinese knockoffs have been about as bad as it gets. As of late 2008, factories in mainland China were “exporting enough counterfeits to single-handedly supply the world with fake Apple products,” according to a cable written by U.S. diplomats in Beijing at the time, and which was published by WikiLeaks.

The missive details Apple’s efforts to hire a team of anti-counterfeiting specialists to stem the international deluge of fake Apple products, many of which originate Chinese factories. “As amazing as it seems,” the cable said, Apple had no global anti-counterfeiting team until early 2008, long after its

iPod had become a global hit. Apple has a fraught relationship with China. The nation has become one of the company’s largest markets for its products, accounting for billions of dollars in sales in the recent quarter. But China is also a global hub of piracy and counterfeiting.

This month, the Chinese government shut down a number of phony Apple storefronts that had been designed to look like authentic stores, down to the employees’ uniform and badges. New agencies reported there were at least two dozen fake Apple stores in the southwestern city of Kunming alone. To lead its fight against the Chinese fakes, Apple in 2008 hired

Don Shruhan, a former Pfizer product security operative, the WikiLeaks cable said. At the time, Shruhan was starting his battle against knockoffs “more or less from scratch,” the cable’s author wrote. “The company had not so much as registered its trademarks in China or Hong Kong until he joined.” Ruminating on the likelihood that Shruhan and his team would succeed, the cable’s author noted that “the key will be whether their personal relationships with (Chinese) customs, law enforcement and judiciary officials will be enough.” Apple did not return a request for comment.

China’s Lenovo says profits nearly doubled in quarter

Lenovo, the world’s No. 3 personal computer manufacturer, said its quarterly profit nearly doubled on strong emerging market sales. The results come as Lenovo expands into mobile Internet, competing with Apple and others, and in developed markets with an acquisition this year in Germany and a joint venture in Japan.

Profit for the three months ending June 30 was \$108 million, up 98 percent from a year ago, Lenovo said. It said sales rose 15 percent from the same period last year to a quarterly record of \$5.9 billion and global market share hit a high of 12.2 percent. Lenovo, which acquired IBM’s PC unit in 2005, overtook Taiwan’s Acer Group this year to become the third-largest PC vendor, according to International Data Corp.

The top two are Hewlett-Packard and Dell. After spending the past two years focusing on expanding sales, Lenovo is changing strategy to give equal emphasis to profits, CEO Yang Yuanqing said in a conference call with reporters. “We will continue to invest in capturing growth in emerging markets while focusing on improving profitability,” Yang said. Lenovo entered wireless Internet last year and has launched smartphones and Web-linked tablet computers in competition with Apple, South Korea’s Samsung and Taiwan’s HTC. It unveiled a low-priced smartphone last week to target developing markets. In China, which provides nearly half of Lenovo’s sales, PC shipments rose 23.4 percent in the quarter.

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Europe

PC makers seek rescue



“Consumers are updating their machines less often, spending their money instead on the latest handheld gadgets.”

The personal computer industry needs a jump start – and it’s counting on a rescue from emerging markets and a late-to-the-party push into tablet computers. The U.S. and European PC markets have entered a dangerous new phase: Fewer people are buying new PCs because of economic anxiety, market saturation and the rise of seductive new gadgets such as Apple’s iPad. More signs of strain are expected as PC makers and their component suppliers begin to disclose quarterly earnings. Make no mistake: The PC is still the backbone of the digital world, powering e-commerce, social networking and more. It is a fixture in homes and businesses in industrialized countries. More than 1 million PCs are sold every day, and the industry is bigger than ever. But worldwide sales have slowed in recent years.

The U.S. and European markets have fared the worst, suffering lately from declines compared with previous year. Market research firms IDC and Gartner Inc. said that the PC shipments worldwide grew at just over 2 percent in the second quarter, short of both firms’ expectations.

One of the most urgent concerns is that the PC has become ubiquitous in many markets. That has presented the industry with a classic business problem: how to find new ways to sell an established product. Although it’s true that computers need to be upgraded regularly, business are only starting to spend money again as the economy slowly recovers. Consumers are updating their machines less often, spending their money instead on the latest handheld gadgets. Apple CEO Steve Jobs has promoted the change as a sign we’ve entered the “post-PC era.”

Technologists have thrown around that term for a decade in what turned out to be premature predictions, but the characterization may be coming true now. “This is a time of intense change,” said Sarah Rotman Epps, a Forrester Research analyst who has studied the evolution of consumer technology. “New competition for PC

manufacturers makes it just really, really hard to make a profit.” As a result, PC makers are looking to emerging markets to boost sales. The new strategy was evident at Intel’s recent investors’ conference, where the company’s CEO, Paul Otellini, unveiled a map that identified where PC growth is expected to be strongest in coming years. The U.S. and Europe were conspicuously not highlighted. Otellini gestured instead toward places such as Brazil, Russia, India, China – the so-called “BRIC” countries – as well as Mexico, Venezuela, the Czech Republic, South Africa and Turkey.

All are expected to experience double-digit percentage growth. The message: The world’s leading computer chip-maker and its industry allies have no choice but to launch a marketing attack on foreign shores. PC sales are decelerating in the U.S. because the same technological advances that fueled the PC industry’s rise – faster processors and lower costs every couple of years – are now benefiting the devices that are usurping it. Consumers can now use smaller gadgets to do many of the same things they once did with PCs,



such as surfing the Internet, storing photos and sending e-mail. Apple even boasts that users can edit home movies on an iPad.

Indeed, consumers’ increasing demand for tablets is a looming threat. Some 50 million tablets are expected to be sold worldwide this year, and that could double to as many as 100 million next year, according to various estimates. Although that’s still small compared with sales of 362 million PCs this year, as estimated by IDC, the PC industry has reason to worry because of how quickly the tablet has been able to claim such a large corner of the market. Goldman Sachs calls tablets “one of the most disruptive forces in computing in nearly three decades.” It predicts that as many as 21 million people will buy tablets instead of laptops this year, jumping to 26.5 million next year.

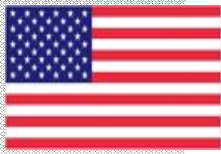
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The Americas

Sony has high hopes for its tardy tablet



“Sony is betting its tablet computers will rival Apple’s iPad by luring buyers with music and movies.”

Sony is betting its tablet computers will rival Apple’s iPad by luring buyers with music and movies, even as the Japanese company arrives more than a year late in the booming market for such devices. “Yes, yes, Apple makes an iPad, but does it make a movie?” Sony CEO Howard Stringer asked in a presentation at Berlin’s annual consumer electronics fair. “We will prove that it’s not who makes the tablet first who counts, but who makes it better.”

Sony, reeling from three straight years of losses without a hit product, is matching the iPad’s price in Japan and the U.S., offering a 16-gigabyte model for \$499 and a 32GB version for \$599, Yuki Shima, a spokeswoman for the Tokyo-based company said. “The tablet has to be significantly better than the iPad for consumers to want to buy it at that price point,” said Alexander Peterc, an analyst at Exane BNP Paribas. “Sony’s big

advantage is that they have the content. If they can make it easy to use and hassle-free, they have half a vote from me.” Sony, owner of the Sony Music record company and the Sony Pictures movie studio, first presented its two tablet models in April, a year after the iPad spurred a surge in demand for the devices.

The tablets will run on Google’s Android system and will integrate Sony’s music, video, gaming and digital book offerings.

Neil Mawston, an analyst at Strategy Analytics, said the Sony tablets will need to make these content services as easy to use as Cupertino-based Apple’s iTunes music, film, television and application offerings.

“Anything at an Apple price has to have an Apple offering,” Mawston said. “There is still potential to grow in this market.” Worldwide sales of tablets are set to triple by value to \$30.6 billion this year, according to Strategy Analytics esti-

mates. Apple will probably dominate with a share of 73 percent, compared with 88 percent in 2010. “We will aim to win the No.1 share in the Android-based tablet market in 2012,” Akihiro Matsubara, a director at Sony’s marketing unit in Japan, told reporters in Tokyo. Sony, Japan’s largest consumer-electronics exporter, must connect its TVs, Blu-ray players, game consoles and digital cameras via the Internet to music, movies and video games, Stringer said this year.

Unconnected devices rapidly become commodities as rivals compete for customers, he said. “Sony will have to differentiate its products with services,” said Keita Wakabayashi, an analyst at Mito Securities. “Sony’s online services will be much more important than designs to lure customers.” Sony’s Tablet S will cost from \$583 in Japan when it goes on sale on Sept. 17, Sony said. Tablet S will be

available in Europe from the end of this month for \$689. The Tablet P, a foldable compact, will be available in Europe from November.

The maker of Bravia televisions also said it will offer a new version of its Sony Reader, a digital book reader. Sony is working with Pottermore.com,



the Internet venture of J.K. Rowling, the billionaire author of the Harry Potter books, to offer exclusive products and services.

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