



MANAGEMENT BOARD'S REPORT OF FPT CORPORATION IN 2009

1. Macro-economic situation in 2008

In 2008, Vietnam as well as other countries has experienced unfavorable changes for economic development. Inflation indicator was 19.89%, average Consumer Price Index (CPI) in 2008 was 22.97%, and USD exchange rate fluctuated from approximately 16,000 dong at the beginning of 2008 to about 17,500 dong by year end. GDP only grew at 6.23% in comparison with 8.5% in 2007.

The recession and worldwide economic crisis in mid-2008 had great impact on Vietnamese economy.

Therefore, the government has launched several measures to improve the situation. Some products were put into consideration and were not encouraged to import. Banks were sometimes restricted to issue credit for them. The government also issued the policy of voyage import permits for certain groups of goods.

Those unfavorable changes had great impact on FPT's business.

2. Business opportunities

Although year 2008 was difficult, there are many opportunities for FPT's businesses.

Demand for telecommunication services will keep increasing, as Internet environment is becoming more important and friendly with customers, access cost is lower and there are more and more access equipments. On the other hands, demand for online applications also increase with more services delivered on the market such as IPTV, IP-Phone, online communities, e-commerce, ...

There is also increasing demand in outsourcing services from developed countries. Especially, there are new services from Vietnamese suppliers such as BPO, Data Center management.

The demand for high-qualified IT human resources is very huge due to domestic demand as well as overseas demand.

Therefore, in 2008 besides overcoming difficulties from financial crisis, FPT needs to invest and take advantages from above business opportunities.

3. Revenue and earnings before tax in 2008

Facing with difficulties, the Management Board of FPT had immediate solutions within the corporation to adjust revenue target, cut 20% of costs in some expense items, and reduce staff in the department which is directly affected from the crisis.



Therefore, in 2008, FPT's revenue achieved 16,806 billion dong, up 22.9%. Earnings after tax reached 1,051 billion dong, an increase of 19.4% compared to 2007. Earnings after tax of shareholders of parent company were 836.3 billion dong, growing at 13.4%.

Highlights of 2008 results were revenue of the Corporation hit an impressive number equivalent to 1 billion dollars. Another is software and services, FPT's strategic business lines, contributed 780.7 billion dong in earnings before tax to FPT, accounting for 63% of total FPT's (only 48% in 2007).

Revenue and earnings after tax in 2008

(Units: Billion dong)

Items	2007	2008	Growth
Net revenue	13,871.9	16,806.2	21.0%
Earnings after tax of shareholders of parent company	737.5	836.3	13.4%
Basic earnings per share (VND)	5,317	5,959	12.1%

4. Events and changes in organizations and personnel

On December 19th 2008, FPT was officially named FPT Corporation instead of the former name called The Corporation for Financing and Promoting Technology, which marked the growth of the corporation and FPT's brand name.

On May 14th 2008, FPT set up a representative office in Can Tho city, an important and potential economy area.

In April 2008, FPT Telecom Company changed into FPT Telecom Corporation with 6 subsidiaries: FPT Telecom North, FPT Telecom South, FPT Telecom Global, FPT Internet Data Service, FPT Advertising Service and FPT Online.

From July 2008, FPT Information System Company also operated under the new structure including 7 subsidiaries: FPT Information System for Financing and Banking Services, FSE Information System, FPT Information System for Telecom and Public Services, FPT Information System Services, FPT ERP Services, FPT Public Finance Solution and FPT Software Development.

On December 30th 2008, the Board of Management decided to merge distribution companies into FPT Trading Company. So, the structure of subsidiaries was unified to specific business lines as well as confirming trading and distribution lines will be important strategies of FPT.

From 2008 to 2009, FPT University in Hochiminh city started the first school year.



In 2008, FPT Software Joint Stock Company continued to open new branches in Malaysia, Australia, France and America, which confirmed a new step in FPT's globalization strategy.

Research and Development (R&D) was promoting in 2008 by deploying Visky project and the result was products based on Internet 2.0 system such as Vitalk, Vimua, Vimusic, Violet, ... Through which an image of FPT Technology was improved in the community and also the basic for FPT to improve "E-citizen" strategy.

On September 13th 2008, FPT issued Management System, the corporation's version. This system was the new development in management, quality management of FPT. Especially, it unified management on a common platform while still ensuring specific activities of each business line.

2008 also marked changing personnel strategy of FPT by adding young and new leaders in important positions such as General Director of FPT, General Director of FPT Software, FPT's CIO. We are implementing changes in personnel and management in order to separate between management and operation.

2008 is FPT's 20 years old. The Corporation had many activities to celebrate its 20th anniversary in the whole country and overseas. These activities contributed to strengthening the attitude of the staff and improving the pride of success of the Corporation in the past 20 years and belief in the coming years.

5. Expected plans in the future

FPT will quickly utilize telecommunication licenses granted, be the supplier with full of telecommunication services, also open new branches in provinces as well as applying new value added services in order to ensure the most effective business position of FPT Telecom in telecommunication and content field.

In software outsourcing: FPT has been keeping the leading position in software outsourcing from Vietnam to markets such as North America, Europe and Asia – Pacific in order to balance with Japan, the traditional market. Dealing with current difficulties, we need to search for new opportunities as IT budgets are cut in many countries, and maintain relationship with customers based on giving some incentives in the crisis condition.

FPT will improve globalization strategy through opening new business lines such as BPO, Call Center, Data Center, Data Analyst Outsourcing, ERP services outside Vietnam.

In addition, FPT still keeps its position and market share in distributing IT products, mobile phones, and research and develop some trading lines to use all FPT's potential.



In education: the Corporation will build huge and modern FPT University Park in Hoa Lac, Da Nang with the purpose to orient IT applications career for students in these areas. FPT will improve enrollment in Hochiminh city and prepare to open FPT University in Da Nang city.

In 2009, FPT will still focus on “E-citizen” strategy. This strategy will provide highly value-added products and solutions on Internet, offer online facilities to e-citizens in order to create integration and linking system of various products and services to serve the demand of customers (e-citizens) in the future.

Business plan in 2009

According to current business condition and prospects for 2009, there will be disadvantageous factors for business. The Board of Management submits to Shareholders’ General Meeting to ratify business plan in 2009 with the following financial items:

(Units: Billion dong)

Items	2009F	Growth
Net revenue	17,078	1.62%
Earnings before tax	1,451	17.01%
Earnings after tax of shareholders of parent company	884	5.71%

Notes: In 2009, FPT will no longer receive 50% reduction of company income tax for those companies listing on the stock exchange.

Innovation of Corporate Governance

Along with new business goals, Management Board deploys the innovation of management to improve quality and efficiency of management to achieve business goals in 2009.

Establish the Anti-crisis Committee in order to regularly review the movement of monetary market, macroeconomic policies of the government and business results of each subsidiary to suggest suitable solutions to achieve business goals set out.

Control strictly budget costs, cut 30% - 80 % on most expense items; especially, items do not serve business directly or bring benefits practically right now.

Deploy deeply FPT’s Management System (corporation’s version); re-structure business assurance departments to create a more qualified system working more properly.

Promote innovation and improvement in the corporation to overcome the crisis as well as considering innovation as the culture.

Unify information system of FPT Corporation and link the current system to the technology applied in “*E-citizen*” strategy.



Especially, separate clearly between management of Management Board and operation of Directors Board. Reinforce independent members, foreigners in Management Board of FPT and Management Board of subsidiaries.

6. Conclusion

Business activities of FPT in 2008 achieved good results despite unfavorable condition of financial environment. 2009 will be much more difficult. To promote stably competitive advantages, the Corporation has deploying suitable management to adapt to these difficulties, and continue specific business strategy to be the global corporation for economy – technology.

To overcome challenges and finish common goals, FPT Corporation hopes to get the support and long-lasting commitment of Shareholders, partners and all staff.

ON BEHALF OF MANGEMENT BOARD

CHAIRMAN

TRUONG GIA BINH

(signed and sealed)