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HOLD

Target price VND123,000
Upside 8%

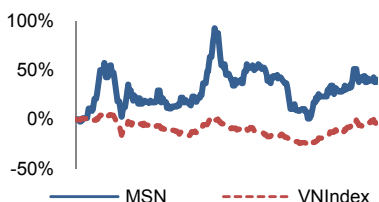
Conglomerate

Key Indicators

Price @4 April 2012	114,000
Target price	123,000
52-week low	80,000
52-week high	158,000
Avg 20 day trading value (USD)	764,000
Outstanding shares (mn)	515
Market capitalization (VND bn)	59,256
Market capitalization (USD mn)	2,822
Foreign ownership	22%

Valuation	2010	2011	2012F
EPS (basic)	4,431	3,823	5,438
EPS growth %	216.5%	-13.7%	42.3%
P/E (market)	26.2	30.3	21.3
P/B (market)	5.6	3.8	3.2
ROE	21.5%	29.7%	Na
ROA	10.8%	6.0%	Na

Performance	3M	6M	12M
Absolute %	5.5%	-6.5%	40.2%
Relative %	1.0%	-7.8%	44.5%



Ownership structure

Masan Corp.	48.6%
Sunflower Ltd.	19.4%
BankInvest	9.7%

Masan: Firing on all cylinders

We remain bullish on Masan Group and increase our target price to VND123,000 from our previous target of VND97,500. We use an SoTP approach to derive our target price where we valued the Group's main businesses separately. Our target price provides a 8% upside to the current price.

We feel our valuation approach is inherently conservative and has yet to reflect value accretion from M&As that may be in the pipeline. Considering the company's current war chest and proven track record, we believe M&A announcements along with Masan Consumer and Techcombank's huge growth potentials could unleash major upside catalysts for the Group. Stronger mineral prices as Nuiphao gets closer to operational status could also warrant positive re-pricing of the stock.

On the face of it, the stock is trading at 21.3x FY2012F earnings. However, we feel the PER is inflated by the fact that the Nuiphao is not yet an operating asset. Backing out our USD890mn estimated value of Nuiphao from the current market cap would indicate that the stock is trading at a much more reasonable 16.0x FY2012F earnings. This confirms our view that the stock still has more upside potential and is a 2014 play when Nuiphao is fully operational and brings substantial cash flows of ~USD300mn, contributing to the Group's total cash flows of ~USD560mn. Furthermore, the stock is trading at an undemanding 12.2x our FY2013F earnings and 6.1x our FY2014F earnings.

FY2011 Results

Masan Consumer (MSC) continues to lead the non-discretionary F&B markets. We think MSC's 2011 revenue growth of 26% is commendable in spite of increasing competition in most of MSC's key products. To fight off competition, MSC continues to master their brand umbrella approach to introduce new products and expand their presence in these key markets. In November 2011 the company launched Nam Ngu III targeting the lower end fish sauce market and Kokomi targeting the mass noodle market.

We think MSC will be able to maintain their dominance in the fish sauce market given their current 74% market share (vs. 70% in 2010) in the branded segment and their continued expanded presence in the unbranded one through introduction of lower end products. Within the noodle market, we've noticed that other competitors including Acecook and Asia Foods are playing more aggressively in their marketing strategies to gain consumer awareness. Despite such fierce competition, MSC managed to increase its noodle market share to 17% in 2011 from 14% in 2010.

We think that MSC can maintain above-average growth in the noodle market thanks to its aggressive marketing and extensive distribution reach. In 2011 the company increased points of sales to 164,000 from 140,000 in 2010, especially in the rural areas. Other products including soya sauce and chilli sauce continued to claim 80% and 37% market shares respectively in 2011.

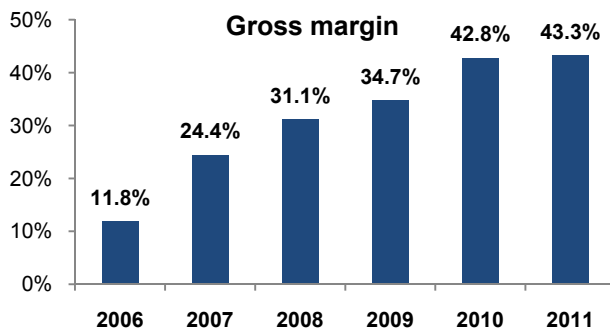
Figure 1: Masan Consumer revenue breakdown

(VND bn)	2010	2011	Growth	2012F
Fish sauce	3,072	3,687	24%	4,793
Noodle	1,397	1,955	40%	2,933
Soya sauce	726	792	9%	863
Chilli sauce	391	403	3%	515
Instant coffee	-	320	-	2,093
Total revenue	5,586	7,156	27%	11,096

Source: VCSC estimates

MSC has stuck to its strategy on brand building, targeting premium market segments to create new market categories and using the brand umbrella to introduce products targeting the mass market segment. Focus on building brands has helped the company differentiate its products relative to its competitors, which have followed a price competition model, and helped expand margins in spite of the challenges related to Vietnam macro economy. We are encouraged with the company's progress on improving margin within the noodle segment. Noodle gross margin has increased significantly from 19% in 2010 to almost 30% in 2011. Fish sauce continued to deliver 47-50% gross margin while soy sauce brought 39% and chili sauce brought 38% gross margins in 2011. Overall, gross margins have increased from 11.8% in 2006 to 43.4% in 2011, highlighting the significant improvement that the company has been able to achieve through building a scalable platform. We think MSC will continue to improve margins across its product portfolio in 2012, especially with the new automated fish sauce production line which helps reduce labour costs.

Figure 2: Continuous improvement in gross margins



Source: MSN

Figure 3: Market share by product

	2011	2010
Fish sauce	74%	70%
Noodle	17%	14%
Soya sauce	80%	80%
Chilli sauce	37%	37%
Instant coffee	40%	45%

Masan Resources (MR) has almost completed the compensation and resettlement process and started construction. The company has invested ~USD80mn in 2011. According to management, the Nuiphao project is well on track to start ramp-up in mid FY2013. We are also encouraged to learn that MR has already signed off take agreements for fluorspar and bismuth and is negotiating contracts for tungsten. Of note, market prices for these products have been relatively stable since our last report. Tungsten price has slightly decreased by 3% while fluorspar has increased by 10%, copper decreased by 10%, and bismuth decreased by 12%.

Figure 4a: Tungsten price (USD/mtu)

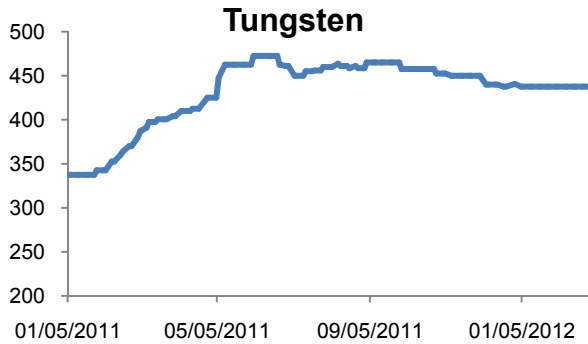


Figure 4b: Fluorspar price (USD/ton)

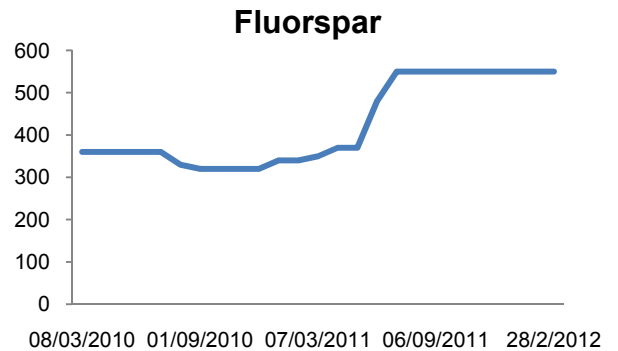


Figure 4c: Bismuth price (USD/lb)

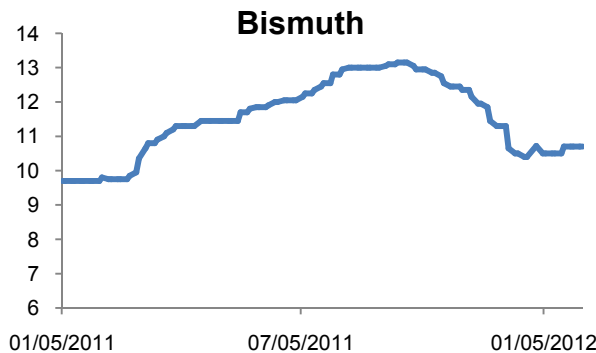
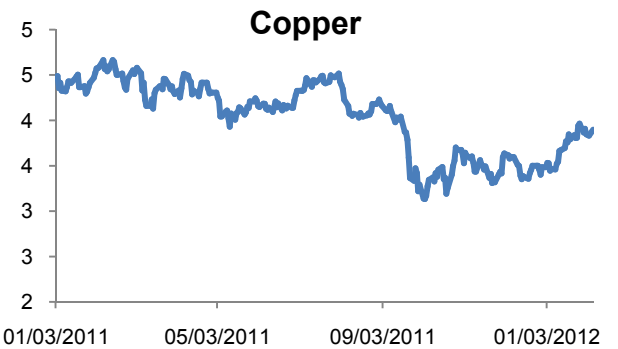


Figure 4d: Copper price (USD/lb)



Source: Bloomberg

Techcombank (TCB) remained one of the fastest growing banks. Despite many challenges for banking sector in 2011, TCB was one of the fastest growing banks. It recorded an annual growth in assets of 20.3% while net profits increased 53.2%, beating our previous forecasts of 18% and 17% respectively.

These achievements were mainly due to better-than-expected net interest income driven by higher yields on assets and lower costs of funds. We had previously forecasted that earning yield would be around 11%, which represented a growth of 3.6% from 2010. However, as the central bank tightened monetary policies, credit supply decreased significantly while demand for loans remained high. Consequently, earning yield increased to 12.9%. On the other hand, as the SBV was strictly enforcing the deposit rate cap at 14%, the cost of funds was lower than our initial estimate of 8%. As a result, Net Interest Margin (NIM) saw a significant increase in 2011, rising by 1.8% to 4.7%, helping to offset the lower credit growth. TCB also received about ~USD50mn loans at low cost of financing from financial institutions such as the FMO.

Corporate bond investments were also another key driver for TCB's earnings in 2011 and could be means to grow credit despite the 17% cap. Total investments in corporate bond increased from VND6,134bn at the beginning of the year to VND16,093bn by the end of

September 2011. If we include the corporate bond to the bank's loans, credit growth would be closer to 24%.

The bank was not immune to the 2011 macroeconomic hardships the country experienced. Provision expenses went from VND476bn to VND943bn as the bank's non-performing loans increased 45%, to VND1,757bn by the end of September. However, the bank's saving grace is that it applies a risk management policy where loans are collateralized 260% to loan value, which should help dampen the impact of NPLs on the bank's book value.

Figure 5: Major commercial banks

	CTG	VCB	ACB	TCB	EIB	STB
Asset	460,387	368,539	281,032	190,867	183,697	140,137
Asset growth	25.4%	20.0%	37.0%	27.0%	40.1%	-1.4%
Equity	27,567	28,807	13,845	14,381	16,311	14,224
Equity growth	51.70%	41.22%	21.70%	53.20%	20.65%	3.80%
Credit Growth	25.25%	18.50%	18.40%	20%	19.80%	-2%
NIM	5.10%	3.40%	3.70%	4.7%	3.70%	4.2%
Net Income	5,784	5,971	3,218	3,141	3,051	2,033
Earnings growth	77.6%	9.1%	37.9%	53.2%	68.6%	13.0%
Book value	1,243	1,462	1,477	1,640	1,302	1,298
NPL	0.7%	2.0%	0.8%	2.0%	1.6%	0.6%
EPS	2,608	3,031	3,432	3,614	2,436	1,854
ROE	21.0%	20.7%	23.2%	21.8%	18.7%	14.3%
ROA	1.3%	1.6%	1.1%	1.6%	1.7%	1.5%

Source: VCSC estimates, Banks' statements

2012 Earnings Outlook

Masan Consumer

We expect MSC's revenue to continue to grow at a CAGR of 25-30% over the next five years with the potential to generate USD1bn in revenue by 2016. We are confident that MSC's defensive product portfolio, sticky prices for non-discretionary products and a strong distribution channel will continue to offer favourable tail winds to the business. For 2012, expect that MSC will make VND11,096bn in revenue (+32% YoY) and VND2,939bn in net profit (+24% YoY), in which VCF will generate VND2,093bn in revenue (+32% YoY) and VND296bn in net profit (+37% YoY). We only assume organic growth from the company's current business portfolio and believe that easing macroeconomic pressure and the launch of new products could form catalysts to deliver upside to these estimates.

We think revenue growth will come mostly from volume growth as MSC penetrates into the vast unbranded markets and converts it into branded. Euromonitor valued the branded fish sauce market at USD324mn in 2010 and expects it to grow to USD420mn in 2013 with CAGR of 6%. The unbranded segment, which had around the same value as the branded segment in 2010, claims ~60% of the total volume sold in the country. The noodle market is valued at USD829mn in 2010 and is expected to grow to USD1.1bn in 2013 with CAGR of 8%. We see huge room for continued growth in MSC.

We think MSC will continue to improve margins across its product portfolio in 2012, especially with the new automated fish sauce production line which helps reduce labour costs and losses. We forecast that overall gross margin will increase from 43.3% in 2011 to 44.1% in 2012, reflecting strong growth from instant noodle segment, which will bring 30% gross margin vs. 28% in 2011.

VCF will contribute important earnings to MSC starting 2013 when the new capacity comes online. Regarding the synergy between VCF and MSC, we think VCF can immediately benefit from the vast distribution that MSC has built over the years. Currently VCF offers its products through 120 distributors with a very strong focus on Southern Vietnam, as over 100 of these distributors are based in the South. Meanwhile, MSC has a well-balanced distribution in place with 60 distributors and more than 60,000 PoS in Northern Vietnam which MSC can leverage to introduce VCF products. We also think the acquisition of VCF gives MSC immediate scale and market leading platform to move aggressively into the beverage space.

VCF's new factory is expected to start operation in 4Q12 and run at 25% total designed capacity or 800tons/year in 2012. New capacity will help reduce the amount of imported materials and therefore boost margins. We estimate that gross margin will increase to 30% in 2012 from 25% in 2011.

Masan Resources

The mine won't bring any substantial earnings in 2012 since this year the company is disbursing heavily on construction. Therefore we do not expect interest income like in 2011 when the cash was not deployed. We expect tungsten prices to remain relatively firm given the scarcity of production outside China and tight supply dynamics. We think Nuiphao also holds strategic importance given China's export restrictions and export tax increases.

MR has also recently announced to have secured an USD80mn loan from Standard Chartered Bank and is now fully financed to start construction in 2012; we expect Nuiphao to start ramp-up in mid 2013 and officially come online in 4Q13. Nuiphao will be fully operational and bring substantial earnings to the Group in 2014.

Techcombank

Based on its impressive historical results, strong investments in technology, extensive banking network, and strong efficiencies, TCB is well-positioned to maintain robust performance in the coming years. We expect total operating income to grow 11% YoY thanks to fee income growth, and that the bank will register a 13% net income growth to VND3,556bn in 2012.

Interest income will continue to drive TCB's profit growth. However, 2012 may challenge TCB's growth as NIM get squeezed. We expect NIM could drop to 3.8% in 2012 as lending rates could drop faster than costs of funds. The SBV's 17% cap on credit growth is below the average credit growth of ~20% the G12 banks registered in 2011.

We expect provision expenses to increase to around VND954bn as the bank's NPL could still reach ~3% in 2012. However, the bank's saving grace is that has applied a policy where loans are collateralized 260% to loan value, which should help dampen the impact of NPLs on the bank's book value.

Fee income is another key revenue driver for 2012. We expect it to grow ~30% on the back of branches and ATMs expansion and strong retail focus.

Figure 6: Techcombank earnings forecast

Income (bn VND)	2009	2010	2011	2012F	2013F
Net interest income	2,500	3,184	6,833	6,956	7,922
Net fee & commission income	641	930	1,209	1,495	1,846
Total operating income	3,918	4,719	7,974	8,859	10,212
Operating expenses	(1,184)	(1,588)	(2,847)	(3,163)	(3,646)
Pre-provision profits	2,734	3,131	5,127	5,696	6,566
Provision loss	(481)	(388)	(944)	(954)	(-1,027)
Profit before tax	2,253	2,744	4,183	4,742	5,539
Income tax	(553)	(671)	(1,046)	(1,185)	(1,385)
Net profit	1,700	2,073	3,137	3,556	4,154

Source: Techcombank, VCSC estimates

Valuation of Masan Group

We used an SoTP approach to derive our target price where we valued the Group's main businesses separately. We feel our valuation approach is inherently conservative and has yet to reflect value accretion from M&As that may be in the pipeline.

Only assuming organic growth from its current business portfolio, we believe our current valuation is attractive as the company could provide further upside with accretive acquisitions, new product launches, and successful exploitation of both proven and probable reserves at Nuiphao. Furthermore, considering the company's current war chest and proven track record, we believe M&A announcements could unleash further major upside catalysts for the Group.

- Masan Consumer:** We value Masan Consumer using a 10-year DCF valuation model through 2021 to best reflect the company's growth potentials. We calculate Masan Consumer's equity value at VND49,101bn or USD2.34bn, in which VND37,563bn or USD1.79bn is attributed to the Group. Our valuation for MSC therefore has increased by ~20% compared to the previous forecast.
- Techcombank:** With a prudent view on the macro picture, the banking system's woes and TCB's performance in the first three quarters, we were conservative in our forecast of VND11,800bn for the bank's book value in 2011. However, thanks to strong performance in the last quarter, TCB's book value increased robustly to VND15,666bn by the end of FY11. As we expect the bank to continue to outperform, we estimate TCB's book value to reach VND18,428bn by the end of FY12 rising by ~48% compared to our previous forecast.
- Masan Resources:** We value the mine based on both proven and probable reserves with the corresponding confidence levels: 90% confidence of recovery for proven reserves and 50% confidence of recovery for probable reserves. We apply selling prices as of March 26th 2012. We value the mine at VND18,679bn or USD890mn.

We emphasize that MSN is a 2014 play when Nuiphao is fully operational and brings substantial cash flows. We estimate MSN is trading at 21.3x 2012F diluted EPS of VND3,574, 12.2x 2013F diluted EPS of VND6,225, and 6.1x 2014F diluted EPS of VND11,396. We also feel the PER 2012F is inflated by the fact that the Nuiphao is not yet an operating asset. Backing out our USD890mn estimated value of Nuiphao from the current market cap would indicate that the stock is trading at a much more reasonable 16.0x FY2012F earnings.

Figure 7: SoTP valuation – basic

(VND bn)	Methodology	Valuation	MSN's stakes	MSN's interest
Masan Consumer	DCF	49,101	76.5%	37,563
Techcombank	P/B	27,280	30.8%	8,402
Nuiphao	NPV	18,679	80.0%	14,943
VCF	EV/EBITDA	4,446	50.1%	2,227
Total				63,136
Net cash				240
Equity Value				63,376
Shares outstanding				515,272,269
Share value (VND)				122,994

Source: VCSC

We also calculate MSN's fully-diluted share value at VND92,153 assuming conversion to equity of convertible debt obligations exercisable through 2016. Net cash would increase to ~VND9,114bn after conversion of these debt instruments.

Figure 8: SoTP valuation – fully-diluted

(VND bn)	Methodology	Valuation	MSN's stakes	MSN's interest
Masan Consumer	DCF	54,778	76.5%	41,905
Techcombank	P/B	27,280	30.8%	8,402
Nuiphao	NPV	18,679	80.0%	14,943
VCF	EV/EBITDA	4,446	50.1%	2,227
Total				63,136
Net cash				9,114
Equity Value				72,250
Shares Outstanding				784,017,103
Share Value (VND)				92,153

Source: VCSC

Figure 9: Earnings forecast by subsidiaries

(VND bn)	2012F	2013F	2014F
MSC	2,790	3,457	4,589
Contribution to MSN 76.5%	2,134	2,644	3,510
TCB	3,556	4,154	5,600
Contribution to MSN 30.8% minus amortization of goodwill	519	703	1,149
MR	-	1,644	6,081
Contribution to MSN 80%	-	1,315	4,864
VCF	296	435	599
Contribution to MSN 50.1%	149	218	300
MSN GROUP	2,802	4,881	9,824
Diluted EPS	3,574	6,225	12,530
Diluted P/E at market price	21.3	12.2	6.1

Source: VCSC

1. Valuation of Masan Consumer

We value Masan Consumer using a 10-year DCF valuation model through 2021 to best reflect the company's growth potentials. We use a market risk premium of 11% and risk free rate of 11.5%, leading to a WACC of 19.2%. We calculate Masan Consumer's equity value at VND49,101bn or USD2.34bn, in which VND37,563bn or USD1.79bn is attributed to the Group.

DCF valuation

Figure 10: Masan Consumer discounted cash flows

VND bn	2012F	2013F	2014F	2015F	2021F
EBIT	3,673	4,608	5,845	7,328	20,389
Less: Tax	-510	-640	-812	-1,018	-5,097
Add: Dpr	158	197	248	304	704
Less: Capex	-90	-112	-141	-173	-401
Add: Δ in NWC	210	95	127	138	164
FCFF	3,440	4,148	5,267	6,579	15,760
PV	2,912	2,918	3,065	3,160	2,519

Figure 11: Masan Consumer valuation assumptions

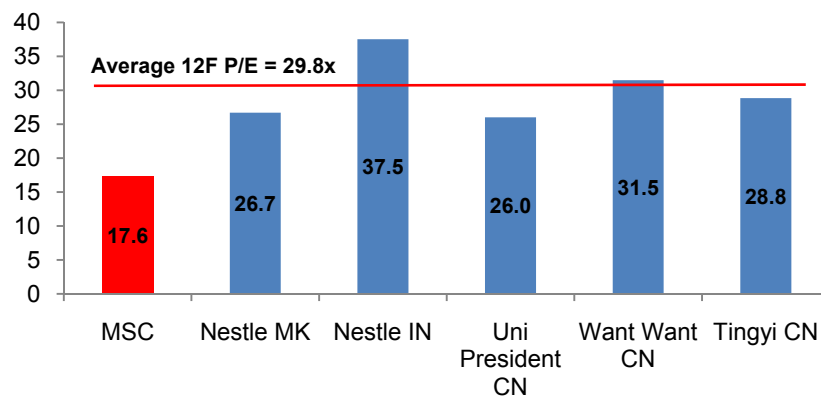
Beta	1.0	Terminal Value (VND bn)	92,039
Risk premium	11.0%	PV of terminal value	14,714
Risk free	11.5%	PV of FCFF	29,756
Cost of equity	22.5%	PV of terminal value and FCFF	44,469
Cost of Debt	15.0%	Add: Cash & short investments	8,967
Tax	25.0%	Less: Debt	4,335
WACC	19.2%	Equity Value	49,101

An equity value of VND49,101bn implies a 17.6x PER against our 2012F estimated earnings of VND2,790bn. We feel that MSC's true comps are companies outside Vietnam given its market leadership, marquee investor base, access to long term capital and ability to attract global talent. Consequently, we feel our DCF is inherently conservative, and that

MSC has the potential for upside re-rating closer to international peers, who are trading close to 30x 2012F earnings.

Ticker	Name	Mkt Cap	ROE	P/E 2011	P/E 2012F
NESZ MK Equity	Nestle Malaysia	4,289	72.8	28.9	26.7
NEST IN Equity	Nestle India	8,526	90.3	41.1	37.5
220 HK Equity	Uni-President China	2,424	7.9	43.4	26.0
151 HK Equity	Want Want China	14,284	34.9	31.5	N/A
322 HK Equity	Tingyi	15,874	21.4	40.5	28.8
Average		6,378	34.8	31.3	29.8

Figure 12: Regional comparables 2012F P/E



Source: Bloomberg

2. Valuation of Masan Resources

We base our estimation of the mineral reserves on both proven feasibility study of 23mn tons with 90% confidence of recovery and probable of 32mn tons with 50% confidence of recovery. Therefore the risk of over-valuation is quite low. We apply the selling prices based on prices updated on March 26th 2012 as a base case since given supply-demand growth imbalance of those minerals, price appreciation is reasonably expected. We calculate NPV of the mine at USD904mn at current mineral prices.

Figure 13: Annual production (tons)

	Ore	WO ₃	CaF ₂	Bi	Cu	Au (g/t)
	'000 tons	%	%	%	%	%
Proven	23,515	0.262	8.57	0.112	0.232	0.269
Probable	31,910	0.173	8.38	0.083	0.154	0.163
Total	55,425	0.211	8.46	0.095	0.187	0.208
Annual production		5,191	196,921	2,309	4,604	0.00518

Source: MSN, VCSC estimates

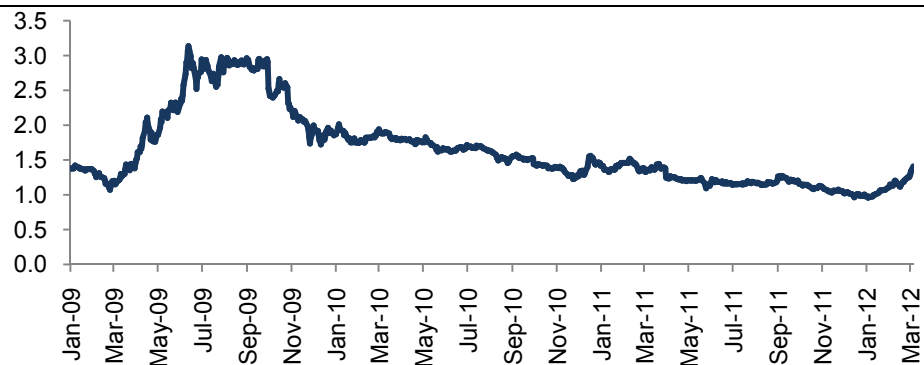
	Annual production (tons)	Price per tons (USD)	Annual Sales (USD)
Tungsten - WO3	5,191	43,700	226,831,733
Bismuth - Bi	2,038	24,333	56,188,359
Fluorspa - CaF2	196,921	550	108,306,720
Copper	4,604	8,756	40,313,872
Gold* (oz, USD/oz)	166	1,677	278,169
Total			431,918,852

(in USD mil)	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY28
Sales				108	432	441	449	570
Opex				21	84	85	85	110
EBITDA				87	348	355	364	460
(-) D&A				(9)	(35)	(35)	(35)	(35)
(-) Interest				-	22	18	15	-
(-) Principal Repayment				-	(45)	(45)	(45)	-
EBT				78	290	293	298	424
(-) Tax				-	-	-	(75)	(106)
Net Income				78	290	293	224	318
(+) D&A				9	35	35	35	35
(-) Capex	(133)	(80)	(350)					
(+) Debt Borrowing		192	80					
(+) Cash from Mount Kellette		100						
Cash Flow	(133)	212	(270)	87	325	328	259	353
NPV (USDmn)		890						

3. Valuation of Techcombank

We apply the FY12F PB of leading listed banks to value Techcombank. The bank is expected to achieve an after tax profit of VND3,558bn, an asset growth of 20%, and a credit growth of 17%. With these forecast, the book value of Techcombank by the end of 2012 will be around VND18,428bn.

Figure 14: P/B Banking sector



Source: Bloomberg

Applying the benchmark industry average FY12F PB of 1.5x to Techcombank's estimated book value of VND18,428bn we arrive at an equity value of VND27,570bn for the bank.

Figure 15: Techcombank's local banking peers

	Market price @ 02/27/12	FY12 BVPS	FY12 PB Forward
	VND	VND	(x)
HSX: VCB	28,300	18,607	1.5
HSX: CTG	25,200	13,317	1.9
HNX: ACB	23,600	15,862	1.5
HSX: EIB	17,000	16,114	1.1
HSX: STB	20,500	13,021	1.6
Average			1.5

Source: Techcombank, VCSC estimates

4. Valuation of VCF

Our EV/EBITDA based valuation implies VCF valuation of VND4,446bn valuing MSN's stake at VND2,227. VCF valuation of VND4,446bn is based on anticipated EBITDA of VND367bn in 2012 and an average peer EV/EBITDA multiple of 11.29x.

Figure 16: VCF's comparable valuation

Company name	Country	Mkt Cap (USD mn)	P/E	P/B	EV/EBITDA	ROE
Indofood Sukses	Indonesia	4,804	14.4	2.3	6.8	21.9
Nestle	Malaysia	4,341	28.7	23.3	19.6	72.7
Tata Global	India	1,438	28.2	1.8	14.3	6.6
Mayora Indah	Indonesia	1,275	28.2	5.4	16.1	27.1
Super Group	Singapore	726	14.7	2.6	12.0	19.2
Biz Branz	Singapore	105	11.4	1.4	4.3	12.6
CCL Products	India	39	7.6	0.9	5.7	12.4
Average		1,818	19.0	5.4	11.3	24.6

Source: Bloomberg

Figure 17: VCF's valuation using EV/EBITDA

	VND bn
EBITDA 2012F	367
EV/EBITDA Multiple (x)	11.29
EV	4,148
Add: cash	298
Minus: Debt	-
Equity value	4,446
MSN's stake	50.1%
Value attributed to MSN	2,227

Source: VCSC estimates

Risks to our valuation

Policy risks. According to Directive 02/CT-TTg issued on January 9th 2012, the government has imposed tightened policies upon the mining industry. Several ores are not allowed to be exported including iron, titan, lead, zinc, chromite, gold, and copper ores. We understand that Masan Resources is selling copper domestically. However, future changes in mining regulations might affect the company's business.

Analyst Certification

I, Giang Hoang and Phong Nguyen, certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The equity research analysts responsible for the preparation of this report receive compensation based upon various factors, including the quality and accuracy of research, client feedback, competitive factors, and overall firm revenues, which include revenues from, among other business units, Institutional Equities and Investment Banking.

VCSC Rating System and Valuation Methodology

Absolute performance, long term (fundamental) rating key: The recommendation is based on implied absolute upside/downside for the stock from the target price, defined as (target price – current price)/current price, and is not related to market performance. This structure applies from 1 November 2010.

Equity rating key	Definition
BUY	If the target price is 20% higher than the market price
ADD	If the target price is 10-20% higher than the market price
HOLD	If the target price is 10% below or 10% above the market price
REDUCE	If the target price is 10-20% lower than the market price
SELL	If the target price is 20% lower than the market price
NOT RATED	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulation and/or firm policies in certain circumstances, including when VCSC is acting in an advisory capacity in a merger or strategic transaction involving the company.
RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis for determining an investment rating or target. The previous investment rating and target price, if any, are no longer in effect for this stock.

Unless otherwise specified, these performance parameters only reflect capital appreciation and are set with a 12-month horizon. Future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation, thus these performance parameters should be interpreted flexibly.

Small Cap Research: VCSC Research covers companies with a market capitalisation of up to USD50mn, inclusively. Clients should note that coverage may not be consistent and that VCSC may drop coverage of small caps at any time without notice.

Target price: In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. The target price is the level the stock should currently trade at if the market were to accept the analyst's view of the stock, provided the necessary catalysts were in place to effect this change in perception within the performance horizon. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Valuation Methodology: To derive the target price, the analyst may use different valuation methods, including, but not limited to, discounted free cash-flow and comparative analysis. The selection of methods depends on the industry, the company, the nature of the stock and other circumstances. Company valuations are based on a single or a combination of one of the following valuation methods: 1) **Multiple-based models** (P/E, P/cash flow, EV/sales, EV/EBIT, EV/EBITA, EV/EBITDA), peer-group comparisons, and historical valuation approaches; 2) **Discount models** (DCF, DVMA, DDM); 3) **Break-up value approaches** or asset-based evaluation methods; and 4) **Economic profit approaches** (Residual Income, EVA). Valuation models are dependent on macroeconomic factors, such as GDP growth, interest rates, exchange rates, raw materials, on other assumptions about the economy, as well as risks inherent to the company under review. Furthermore, market sentiment may affect the valuation of companies. Valuations are also based on expectations that might change rapidly and without notice, depending on developments specific to individual industries.

Risks: Past performance is not necessarily indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative.

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History of recommendation

Date	Recommendation	Closing price	Target price
28 July 2011	HOLD	VND92,500	VND97,500
18 Nov 2009	HOLD	VND41,000	VND44,000

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