

# DFJ VinaCapital L.P.

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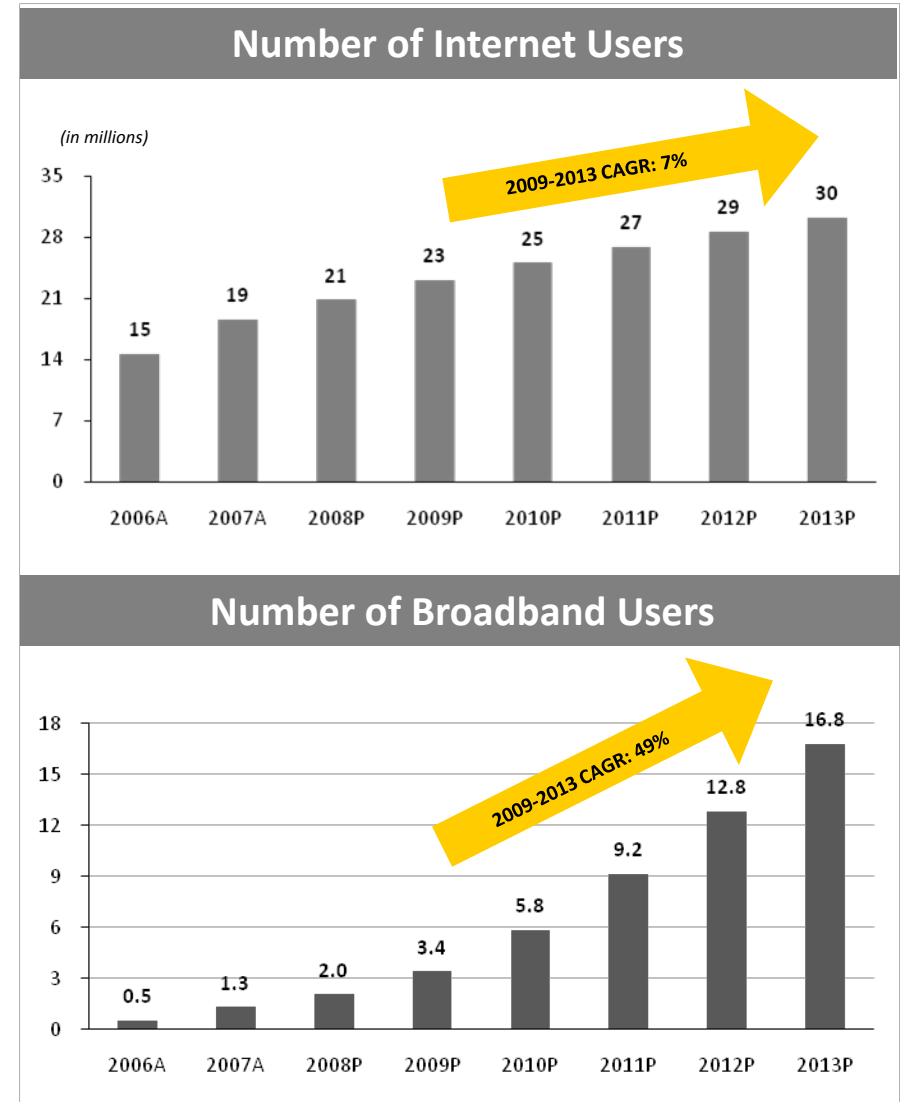
- 1. Technology sector update**
- 2. DFJ VinaCapital portfolio highlights**
- 3. Investment pipeline**

# 1. Technology sector update

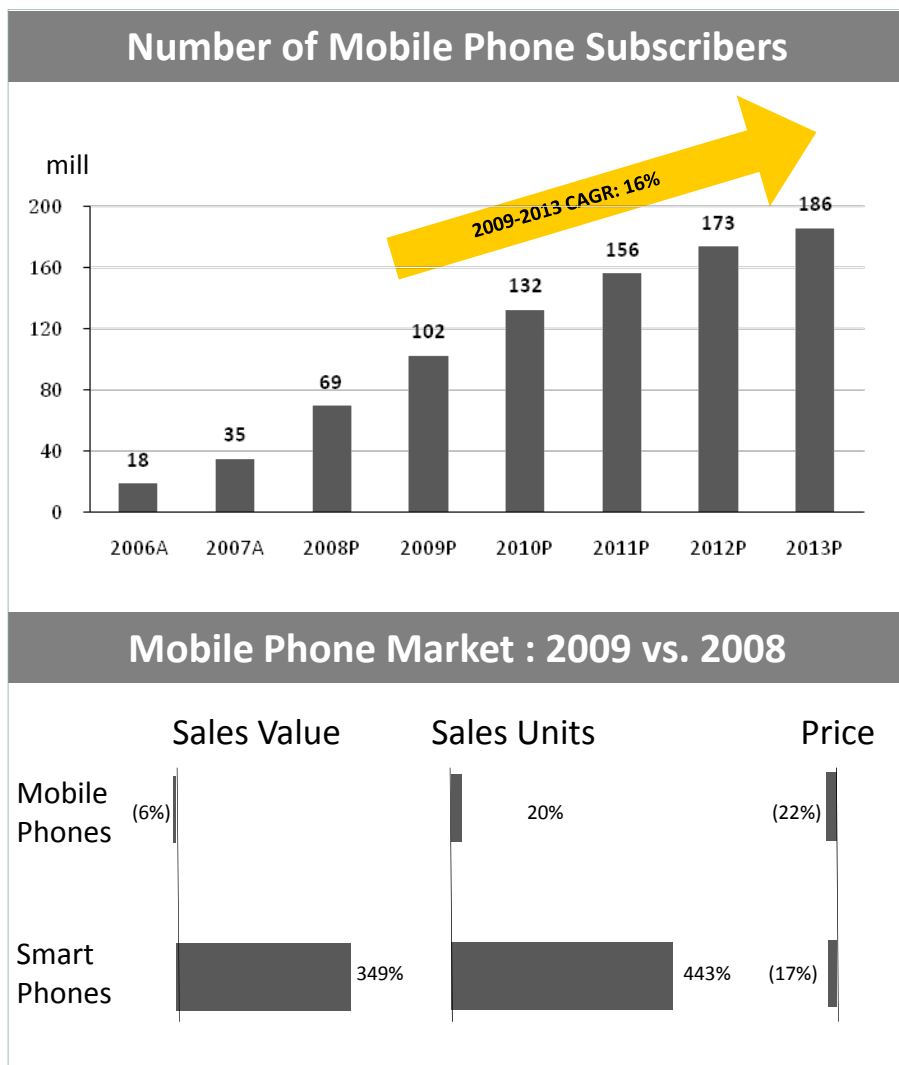
# Internet: 29% penetration rate

## Vietnam is the 18th most active country in terms of Internet users.

- 10 of the top 15 sites are Vietnamese.
- Estimated 10 million people are on various social networks:
  - Local social networks dominate – zing.vn, go.vn, yume.vn.
  - Facebook also has a strong presence despite being blocked by some ISPs in Vietnam.
- MMORPG is still the leading gaming category in Vietnam.
  - Browser based games are gaining traction slowly.
- Many “me-too” models:
  - Yelp => ThoDia.vn
  - Google Maps => DiaDiem.vn
  - YouTube => Clips.vn



# Mobile: 75% penetration rate <sup>(1)</sup>

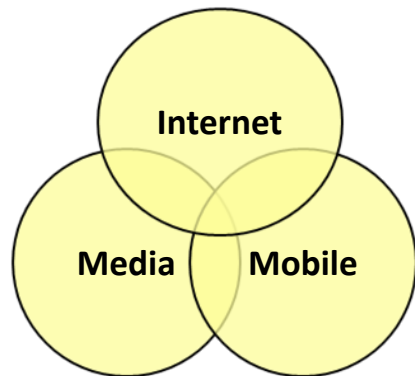


**Ubiquity of mobile phone creates diverse market opportunity: VAS, marketing, mobile payments.**

- Basic mobile services (SMS and calls) still dominate phone use
  - Very limited use of voicemail; SMS texts are a key way for mobile users to communicate.
- 3G is gaining strong traction:
  - 3G available on 3 networks, soon to be 4.
  - More than 14 million 3G subscribers in Vietnam.
  - Growing 3G adoption due to strong marketing push by all carriers via low cost data plans.

(1) Based on adjusted subscriber data. Data reported by telcos calculated with total SIM cards sold. Assumes each person holds, on average, 2 SIM cards, due to telco promotions

## 2. DFJ VinaCapital portfolio highlights



## Internet



- Provides turnkey online booking solution for 2- and 3-star hotels and other lodging properties



- Enables Vietnamese tax payers to securely file, sign and submit their personal and business taxes online



- Network of Internet properties including portal, social network, job placement, search, and entertainment news



- Online B2B marketplace facilitating trade among overseas and domestic importers, exporters and manufacturers

## Media



- Leading out-of-home LCD screen advertising company



- Integrated entertainment platform targeting teens and young adults ages 14-23

## Mobile



- Platform providing integrated mobile, web and offline marketing campaigns



- Security infrastructure for mobile transactions





- Number of LCD screens: 3,700
- Presence in major cities countrywide



- Number of hotels: 1,115
- Number of countries: 36



- Launched mobile voucher and redemption service



- Officially recognized as Vietnam Tax Bureau partner
- Data set up is complete and operational



- Closed new round of funding in 2Q10
- Job search division is cash flow positive



- Yeah1 TV broadcasting nationwide
- Launched co-branded credit card with Viet A Bank

### 3. Investment pipeline

# ATM semiconductor and test equipment supply chain

Shift toward Vietnam as the destination of choice for chip ATM<sup>(1)</sup> and electronics manufacturing.

## VIETNAM AS THE DESTINATION OF CHOICE

- Strengths
  - Strong government investment incentives
  - Continued political stability
  - Low cost labor
  - Proximity to design/manufacturing hubs and ODM customer base
  - MNC looking to diversify from China
- Investment opportunities
  - Create/build world class ATM local supply chain

## STRATEGIC GEOGRAPHIC LOCATION



- \$1B USD
- Semiconductors ATM, biggest in Intel's factory network
- Production starts July 2010
- Output >\$10B USD/yr



- \$670MM
- Mobile phones
- Production started Apr 2009
- Output: 100MM units/yr
- By 2012, will be one of Samsung's largest cell phone plants in the world



- \$500MM
- Laptops
- Production starts in 2H 2010
- Output: 6MM units/yr
- By 2013, Compal will make half of its computers in Vietnam
- Compal currently makes nearly all of its computers at a complex near Shanghai



- \$160MM
- Cameras, computers
- Production started Aug 2007
- Total commitment of \$5BN over 5 years
- \$200MM
- Mobile phones
- Committed in Feb 2009
- Output: 90MM units/yr



- \$110MM
- Cameras and medical devices
- Production starts 2010
- Output: 10MM tons/yr
- Olympus' largest overseas plant in the world

(1) ATM = Automation, Testing, Manufacturing

## Fastest growing country on the global outsourcing map.

### VIETNAM AS THE DESTINATION OF CHOICE

- Strengths
  - **COST** leader by 30%
  - **SKILLED WORK FORCE**
  - Bigger **SCALE** than any of top 10 competitors outside of India and China
  - Global customers base (particularly US) looking to diversify from India
  - Continued political stability, govt support
- Investment opportunities
  - 5+ years behind India. Opportunities to create the next Infosys, TCS, Wipro, HCL

Global Services Location Index 2009  
(number in parenthesis indicates ranking in 2007 GSLI)

1. India (position in 2007 GSLI: 1)
2. China (2)
3. Malaysia (3)
4. Thailand (4)
5. Indonesia(6)
6. Egypt (13)
7. Philippines (8)
8. Chile (7)
9. Jordan (14)
10. Vietnam (19)

Source: AT Kearney May 09

## Top 50 Emerging GI

Rank (2008)	Rank (2007)	Cities	Country
1	4	Cebu City	Philippines
2	8	Shanghai	China
3	10	Beijing	China
4	6	Ho Chi Minh City	Vietnam
5	16	Kraków	Poland
6	5	Kolkata	India
7	11	Cairo	Egypt
8	15	São Paulo	Brazil
9	14	Buenos Aires	Argentina
10	13	Shenzhen	China
11	12	Hanoi	Vietnam
12	9	Chandigarh	India
13	17	Curitiba	Brazil
14	20	Prague	Czech Republic
15	23	Pasig City	Philippines

Source: Tholons 2009



- Subsidiary of FPT Corp
- 2009 rev: \$42M, \$10M net profit
- 2700 staff .
- Highly dependent on Japanese market (60%),
- Market leader, strong brand
- Target 2012 IPO



- 2009 rev: \$15M (est), profitable
- 800 staff
- North America and EU focused
- Competency in Telecom software
- Strong brand
- Family run business, no IPO plan



- Harvey Nash (UK) subsidiary
- Top BPO player
- 700 staff (400 in BPO)
- Strength in Telecom sector (wireless), and finance (banking/insurance)
- North America and EU customers



- 2009 rev: \$8M, small profit
- 500 staff
- Strengths in semiconductor . factory automation , and embedded industries
- One of 4 SAP SI in Vietnam, top player in commercial segment
- Strong brand



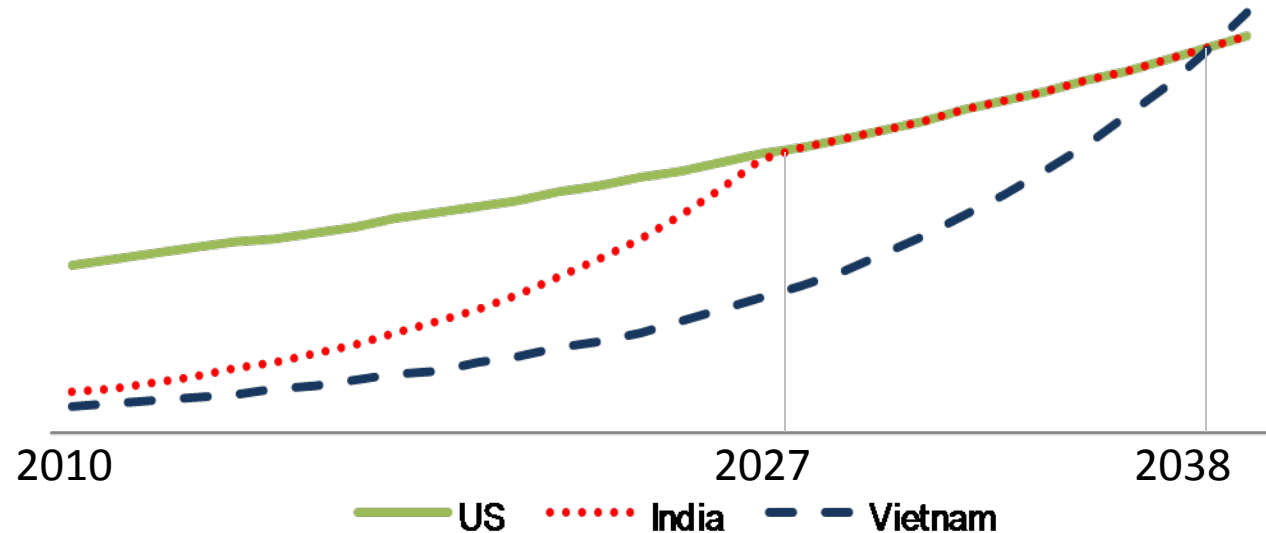
- Subsidiary of CSC US
- 450 staff
- Strengths in Healthcare and Finance (Banking/Insurance sector)
- One of 4 SAP SI in Vietnam
- Bought Paragon Solutions to become CSC Vietnam

# Workforce comparison

Vietnam will remain an attractive source of labour arbitrage for another 30 years.

WAGE GAP: US, INDIA AND VIETNAM<sup>(1)</sup>

Country	2010 Annual Salary	Annual wage inflation
US	\$45,000	3%
India	9,000	12%
Vietnam	5,000	10%



The US/India labour arbitrage gap could take 20 years to close

The Vietnam – US/India gap could take 30 years to close

(1) Assumes India wage level equal to US wage level after US/India parity is achieved

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