

*Ho Chi Minh City, on the 20<sup>th</sup> of January, 2009*

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## **BUSINESS PLAN FOR 2009**

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### **I. BASIC FOR SETTING OBJECTIVES OF 2009**

- Estimate economic situation for 2009 which still has many difficulties
- Not setting high growth target
- Strengthen supervising activities and control expense closely
- Reduce investment in network development projects. Carefully consider new projects
- Focus on upgrading core competence of PNC

### **II. COMPANY'S OBJECTIVES IN 2009**

1. Operation objectives, financial target
  - a. Revenue: VND 388,991,376,226
  - b. Pre-tax profit : VND 10,683,887,385
  - c. Charter capital : VND 80,000,000,000
  - d. Earnings per share: 8%
  - e. Table of the whole company's business plan for 2009: *(next page)*

Unit: VND

No.	Item	Actual of 2008	%	Target for 2009	%	Target-to-Actual rate	Note
<b>1</b>	<b>Net revenue from sales and services</b>	<b>272,431,095,642</b>	<b>100%</b>	<b>388,991,376,000</b>	<b>100%</b>	<b>143%</b>	<b>Excluding 10% of united revenue</b>
2	Cost of Goods Sold	195,794,725,976	72%	285,607,709,000	105%	146%	
3	Gross profit from sales and services	76,636,369,666	28%	103,383,667,000	38%	135%	
4	Revenue from financing activities	7,266,338,930	3%	627,533,848		9%	
5	Expense for financing activities	9,688,365,421	4%	4,220,936,408		44%	
	Including interest expense	3,852,568,532		4,077,125,000			
<b>6</b>	<b>Selling expense</b>	<b>52,501,816,866</b>	<b>19%</b>	<b>73,219,810,000</b>	<b>27%</b>	<b>139%</b>	
<b>7</b>	<b>Overhead</b>	<b>16,915,183,377</b>	<b>6%</b>	<b>18,140,131,000</b>	<b>7%</b>	<b>107%</b>	
<b>8</b>	<b>Net operating profit</b>	<b>4,797,342,932</b>	<b>2%</b>	<b>8,430,323,441</b>	<b>3%</b>	<b>176%</b>	
	Other income	2,601,929,483		2,281,384,482		88%	
	Other expense	1,549,191,566		41,694,000		3%	
9	Other profit	1,052,737,917		2,239,690,482		213%	
<b>10</b>	<b>Pre-tax profit</b>	<b>5,850,080,849</b>		<b>10,670,013,923</b>		<b>182%</b>	
11	Income tax	2,114,897,892		8,002,510,923		126%	
<b>12</b>	<b>After-tax profit</b>	<b>3,735,182,957</b>		<b>8,002,510,923</b>		<b>214%</b>	
	Reserve for financial allowance	112,055,489		400,125,546			
	Reserve for unemployment allowance	200,000,000					
	Reserve for reward and benefits	373,518,296		800,251,092			
<b>13</b>	<b>Non-distributed profit</b>	<b>3,049,609,172</b>		<b>6,802,134,285</b>			
	Dividend	2,598,704,000	4%	6,397,408,000	8%		
	Earnings per share	575		1,001			

**Note:** Revenue excludes new investment projects which come to business in 2009 according to investment plan.

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### III. IMPLEMENTING SOLUTIONS FOR 2009

#### 1. **Management:**

- Complete management improvement, set up management regulations, process and procedures (in the first quarter of 2009)
- Build up the internal audit (in the second quarter of 2009), internal control (belonging to Finance and Accounting Department) in the first quarter of 2009
- Conduct quantitative management of services (during the year)

#### 2. **Human resource:**

- Check organizational structure and permanently hire personnel in the whole system
- Recruit and retain talent employees
- Strengthen training and scheming replaceable personnel
- Strengthen internal training

#### 3. **Brand:**

Reposition the brand to the end of quarter 3/2009

#### 4. **Competitive position:**

- Completely reorganize the operations of Purchasing Center, improving supplying effectiveness
- Develop selling management software at the point of sales (POS)
- Improve effectiveness of dear customer promotion program
- Strengthen customer service quality to create the difference against competitors
- Complete and develop direct sales on website

## IV. INVESTMENT PLAN FOR 2009

Unit: VND

No.	Subordinate division	Newly investment/ renovation & upgrade	Projected finish time	Projected expenditure	Note
<b>A. NETWORK DEVELOPMENT</b>					
<b>I. Projects which were started in 2008</b>					
	<b>Phan Thiet Branch</b>				
1		Renovation and reparation of the bookstore		500,000,000	
<b>II. Projects which will be started in 2008</b>					
	<b>Ho Chi Minh City Branch</b>				
1		Bookstore in District 1's Pharmaceutical Department	In 06/2009	4,000,000,000	Expand the bookstore from 200m <sup>2</sup> to 500m <sup>2</sup> including Book Café
2		Phuong Nam Bookstore - Suoi Tien	In 04/2009	1,000,000,000	Suoi Tien Park (Saigon Coop Supermarket with the area of 500m <sup>2</sup> )
3		Phuong Nam Bookstore - Rach Mieu	In 06/2009	1,000,000,000	Saigon Coop Supermarket
	<b>Nha Trang Branch</b>				
4		Nha Trang 2 Bookstore	In 12/2009	6,000,000,000	Maximart supermarket (with area of 300m <sup>2</sup> )
	<b>Ha Noi Branch</b>				
5		Phuong Nam Bookstore - Ha Noi	In 6/2009	1,000,000,000	Bitexco – Garden Mall (with the area of 250m <sup>2</sup> )
	<b>Ha Tinh</b>				
6		Phuong Nam Bookstore – Ha Tinh	In 6/2009	1,000,000,000	Saigon Coop supermarket in Ha Tinh
<b>B. OTHER PROJECTS</b>					
1	PNC	Invest in e-commerce, managing software for retail chain	Quarter 4/2010	2,200,000,000	
2	PNC	Improve the identification series of PNC's bookstore system		1,000,000,000	
3	PNSC	Purchase new machinery		400,000,000	Supplement equipment for packaging division
4	Mega PN	Produce subtitle movie, hold 40% capital		6,000,000,000	
5	PNF	Open disc store in HCMC, supplement equipment for movie-making division		1,800,000,000	
6	PNP	Invest in equipment for final product division	Quarter 2/2009	700,000,000	
	<b>TOTAL</b>			<b>21,200,000,000</b>	
<i>Note: Investment capital uses loan, not additional stock offer.</i>					

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## V. SUBSIDIARIES

### 1. PNP'S PLAN FOR 2009 (PHUONG NAM PRINT COMPANY)

#### A. OBJECTIVES OF 2009

1	Revenue:	VND 26,943,428,450
2	Net revenue:	VND 24,494,025,864
3	Gross profit:	VND 3,118,039,228
4	Operating expense:	VND 2,183,436,163
5	Pre-tax profit:	VND 934,603,065

#### B. Operations orientation:

- Phuong Nam Print Company will remain a unit mainly specializing in printing all of high quality (including the types of key products such as books, magazines, packaging, calendars, advertisement publications, etc.)
- Keep on maintaining relationship with existing customers, segment and exploit qualified goods step by step.
- Co-operate with publishing house or bookstores to produce the lines of beautiful books to secure the award of national nice book to improve the competitive position

#### C. Implementing solutions:

- Complete personnel structure of departments; fully supplement workforce with appropriate ability and knowledge.
- Set up production processes, information map for all employees to perform properly in accordance with the functions and tasks assigned.
- Build professional sales team; Train and improve skills for factory's workers.
- Build relationship and have projects to attract potential customers
- Promote full-package service to increase the value of goods and increase profit
- Implement cooperative publication for magazine products; promote paper supplying service

### 2. PNF'S PLAN FOR 2009 (PHUONG NAM FILM)

#### A. OBJECTIVES OF 2009

1	Revenue:	VND 28,138,563,142
2	Net revenue:	VND 24,349,617,199
3	Gross profit:	VND 5,946,146,479
4	Operating expense:	VND 3,494,044,510
5	Pre-tax profit:	VND 2,560,553,969

#### B. Operations orientation:

- Complete targets, plans for 2009; continue leading the sector of disc production business in Vietnam.
- Promote cooperative production activities, operate copyright exploitation, maintain production of programs which Phuong Nam Film has exclusive right and strengths in order to supply to the market with CDs, movies, art performances close to market's needs.
- Improve and develop reputation of Phuong Nam Film brand.

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**C. Implementing solutions:**

- Continue to improve and expand publishing, develop agency system
- Promote copyright business and exploitation activities and products import. Maintain producing programs which are PNF's strength or exclusive right
- Develop and professionalize marketing.
- Carry out deployment of management model and new personnel structure.
- Train and upgrade knowledge for employees
- Invest in products promoting-store, technical equipment, websites, and transportation vehicle to meet the company's demands and business goals

**3. PNB'S PLAN FOR 2009 (PHUONG NAM BOOK COMPANY)****A. OBJECTIVES OF 2009**

1 Revenue:	<b>VND 28,006,000,000</b>
2 Net revenue:	<b>VND 27,720,050,000</b>
3 Gross profit:	<b>VND 5,924,743,506</b>
4 Operating expense:	<b>VND 4,915,246,080</b>
5 Pre-tax profit:	<b>VND 1,002,665,426</b>

**B. Operations orientation:**

- Produce and exclusively release: more than 1.5 million books
- 1. Cooperatively publishing: accounted for 29% of total revenue
- 2. Republished books: accounted for 32% of total revenue
- 3. Exclusively released books: accounted for 39% of total revenue

**C. Implementing solutions:**

- Publish and exploit good and new books
- Open branch in Hanoi, open two more bookstores in Hanoi
- Step up copyrights exploitation speed, find more resources, and expand collaborators and transaction locations
- Strengthen sales support: train books selling staff, collect ideas on book display in the PNC system
- Promote marketing activities for more efficiency; Implement programs of the press, writers and readers at Book Café as an important bridge among PNB and media partners and their readers.

**4. PNSC'S PLAN FOR 2009 (PHUONG NAM STATIONERY COMPANY)****A. OBJECTIVES OF 2009**

1 Revenue:	<b>VND 45,125,000,000</b>
2 Net revenue:	<b>VND 41,063,750,000</b>
3 Gross profit:	<b>VND 6,545,918,000</b>
4 Operating expense:	<b>VND 5,153,954,843</b>
5 Pre-tax profit:	<b>VND 1,456,139,457</b>

**B. Operations orientation:**

- Strengthen initial achievements
- Expand market to central area and step to northern area

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- Take advantage of seasonal selling
  - Production quantity for 2009 :
    - + 96 page notebooks: planned quantity : **10,000,000** pieces
    - + 200 page notebooks: planned quantity : **660,000** pieces
    - + Other stationery: planned quantity : **960,000** pieces

**C. Implementing solutions:**

- Develop horizontal distribution network (survey and open distribution agents where no available), invest deeply with existing distribution agents to exist to maintain the results achieved in 2008
- Review and cut down staff for maximizing efficiency
- Comply with ISO14001 standard for the first six months
- Complete products' production process, control closely finished-products processed by third parties
- Purchase machinery and equipment for the packing division

**5. PNBC'S PLAN FOR 2009 (PHUONG NAM BRAND JOINT STOCK COMPANY)**

**A. OBJECTIVES OF 2009**

1 Revenue:	<b>VND 19,507,133,836</b>
2 Net revenue:	<b>VND 15,459,917,584</b>
3 Gross profit:	<b>VND 8,560,552,353</b>
4 Operating expense:	<b>VND 7,313,033,171</b>
5 Pre-tax profit:	<b>VND 1,247,519,182</b>

**B. Operations orientation:**

- Negotiate with Warner Bros to distribute products under Tom & Jerry and Batman brand
- Go through expense items and minimize expense
- Implement media and PR program to promote the brand
- Conduct telephone selling and home delivery

**C. Implementing solutions:**

- Get ISO certificate in the second quarter of 2009
- Implement process and procedures of professional managing system (Content Management System -CMS)
- Structure personnel properly according to business plan

**6. RETAIL SYSTEM'S PLAN FOR 2009**

**A. OBJECTIVES OF 2009**

1 Revenue:	<b>VND 266,958,170,000</b>
2 Net revenue:	<b>VND 252,600,452,044</b>
3 Gross profit:	<b>VND 72,863,541,108</b>
4 Operating expense:	<b>VND 49,531,805,615</b>
5 Pre-tax profit:	<b>VND 23,905,191,296</b>

**B. Operations orientation:**

- Expand and upgrade service quality of retail system:

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- + Implement system expansion plan: upgrade, improve and expand two bookstores (Phan Thiet Bookstore & the Bookstore in Pharmaceutical Department – Le Duan); develop five new bookstores
  - + Improve PNC's bookstore identification series
  - + Strengthen internal training to improve service quality, make the difference against competitors
  - Improve Purchasing Center's operations to meet the PNC's bookstore requirements
  - Implement online direct sales projects.

Above are the contents of the company's operations plan for 2009 which are presented to the Meeting of Shareholders.

*Sincerely,*

**On behalf of the Board of Directors  
Chairman**

Received:

- *PNC's Shareholders*
- *Filing*

**PHAN THI LE**