APATIN INTEGRATION

Kris Hoornaert
Timeline of Apatin Integration & Post Merger Integration Support (Phase 1 = vertical integration)

- **Sept 11**: Signing Announcement
- **Oct 4**: Completion
- **Oct 6**: Internal Kick-off meeting for Corporate/Region
  Aim: Align Corp/Zone operators in order to prepare integration approach
- **Oct 9**: First visit to Apatin of PMI + CE Management Team
  Aim: get to know each other
- **Oct 21**: First Kick-off meeting at Apatin
  Launch of workstreams
  - Supply
  - Demand
  - Finance & IT
  - Legal and HR
  Start of vertical integration
- **Nov 15**: Coordination meeting
  Finalisation of team charters for all workstreams
- **Dec 18**: Steering Committee

PMI offers a structured approach to integrate Companies in INTB
### Outputs of Integration Process (Status)

<table>
<thead>
<tr>
<th>Finance &amp; Planning</th>
<th>IT &amp; Processes</th>
<th>Supply</th>
<th>Demand</th>
<th>HR/Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance sheet</td>
<td>Plan to adapt infrastructure to INTB needs has been finalised</td>
<td>6 supply streams for which KPI's are in place:</td>
<td>Market insights – KPI reporting</td>
<td>Gap analysis of the current organisation has led to the “To be” organisation with roles and profiles</td>
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<tr>
<td>Conversion Serbian Gaap to IFRS</td>
<td>Business processes “as is” and “to be” have been defined</td>
<td>Engineering Manufacturing Technical compliance Technology development Procurement Customer service</td>
<td>Market/Brand research</td>
<td>Recruitment of new people is ongoing</td>
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<tr>
<td>Monthly INTB reports</td>
<td>ERP roadmap and implementation plan have been defined</td>
<td>Projects:</td>
<td>Go to market plan has been developed</td>
<td>Training programs are set up</td>
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<tr>
<td>Budget 2004</td>
<td>.....</td>
<td>Additional PET/Q-pack capacity Extension of brewhouse Additional CCT’s (vertical fermenters)</td>
<td>Brand/media spendings</td>
<td>New Supervisory Board installed</td>
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<tr>
<td>Strategic plan 2005-2007</td>
<td>.....</td>
<td>.....</td>
<td>Media plans under investigation</td>
<td>.....</td>
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<tr>
<td>Alignment with corporate treasury, tax, risk mgt</td>
<td>.....</td>
<td>Projects:</td>
<td>Sales strategy</td>
<td>.....</td>
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<tr>
<td>Autonomy grid</td>
<td>.....</td>
<td>.....</td>
<td>Distribution strategy</td>
<td>.....</td>
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</tbody>
</table>

#### Additional Details:
- ERP roadmap and implementation plan have been defined.
- Business processes “as is” and “to be” have been defined.
- 6 supply streams for which KPI’s are in place.
- Projects:
  - Additional PET/Q-pack capacity
  - Extension of brewhouse
  - Additional CCT’s (vertical fermenters)
- Go to market plan has been developed.
- Brand/media spendings.
- Media plans under investigation.
- Sales strategy.
- Distribution strategy.
- Gap analysis of the current organisation has led to the “To be” organisation with roles and profiles.
OBSERVATIONS

- NEVER ENDING PROCESS
- CHANGE MANAGEMENT PROCESSES
- INTENSIVE (BOTH SIDES)
- LANGUAGE / CULTURAL BARRIER
- NEED TO INTEGRATE IN THE NETWORK

• BUT WE ARE GETTING THERE!
Majority of the vertical integration of Apatin into INTB is on track and going forward the focus will be more on specific initiatives in different functional areas.

Strategic plan for the next 3 years has been put together and some specific action plans have been developed.
Volume index Apatin vs 03

Index Apatin beer volumes vs 2002/2003 since acquisition