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PETROM IS INTRODUCING SAP AS ITS MAIN ENTERPRISE SOFTWARE APPLICATION

- **Petrom significantly contributes to the development of highly qualified jobs in Romania**
- **The leading Enterprise Resource Planning System SAP is implemented at Petrom**
- **With investment of around 50 Mio € currently this is one of the largest IT projects in Romania**
- **Around 5 Mio € of the investment are allocated on training and building up the local know how**

Petrom, the largest oil and gas producer in South Eastern Europe, is introducing the leading Enterprise Resource Planning (ERP) System SAP as its main business software application. One integrated ERP system is necessary to fulfill the requirements of international markets such as following the International Financial Reporting Standards (IFRS).

“With an investment of around 50 Million Euros and team of approximately 100 local and international experts this SAP implementation is currently one of the largest IT projects in entire Romania. We expect a clear improvement in the efficiency of our operations through the standardization and harmonization of processes and integration of all our data in one system. Implementing SAP is an important step in modernizing our company and applying international standards.”, stated Reinhard Pichler, the CFO of Petrom. The SAP implementation at Petrom started in June and will continue until end of 2007 before the full functionalities are installed across Petrom. The investment in the application is supported by extensive efforts on training and qualifying the Petrom employees for the new system. Through the establishment of an internal SAP Competence Center and integration of local consultants into the project team Petrom is supporting the development of highly qualified jobs on the Romanian market.

As the worldwide market leader in enterprise software applications SAP is providing and supporting international standards for business processes and solutions. Therefore introducing SAP is one of the premises for Petrom developing its leading position in the oil and gas market in South Eastern Europe. The application will be introduced to support all the core processes in finance, controlling, material management, sales and distribution as well as human resources area.

The main benefits of the SAP implementation are the establishment of standardized, harmonized processes and having all the business data in one integrated system. “Petrom is consolidating its data from approximately 100 local IT systems to a single



one, SAP. This results in increased transparency, real time reporting possibilities and faster information flow with higher quality of data, which all support the efficiency of Petrom's operations", stated Christian Ogris the CIO of Petrom. Also the commercial customers and suppliers of Petrom benefit from the improvements. The standardized processes and one integrated system contribute to faster handling of material and monetary transactions and provide consistent and instant information on current balance with Petrom. Furthermore the central customer and vendor data management is reducing redundant data and eases the contact with Petrom.

Petrom is the first company in Romania to introduce IS Oil, the specific SAP solution for the oil and gas industry. IS-Oil is the solution of choice for most of the global leading oil and gas companies. This part of the SAP application is likewise for the first time customized to the Romanian market and laws especially for the implementation at Petrom. Combining this with the involvement of several local companies and the majority of project team members coming from Romania, Petrom is making a significant contribution to the development of the Romanian SAP consulting market.

In parallel to the SAP implementation Petrom has started a large training initiative to qualify its internal resources for the new application. As the first phase an internal SAP Competence Center (SAP CC) was established within Petrom's IT organization in August 2005. The department consists of around 50 employees who were mainly recruited from inside Petrom and are coming from all of Romania. Currently the main task of the department is the preparation and implementation of the SAP application. With the Go Live waves the focus of SAP CC will shift to optimal support for the end users and Business Divisions Refining, Marketing, Exploration and Production, Gas and Chemicals.

The second level of trainings considers the future end users. Under a "train the trainer"-concept the SAP CC is supported by external experts to train the future end users. Currently already around 1000 employees have been trained to use the new system and the intensive training program continues over the coming months for further new SAP end users. The trainings are offered in Romanian and English language, based on detailed training manuals and focusing on hands-on training with computers which are connected to a SAP training system. Petrom is investing around 50 Million Euros to this SAP implementation of which about 5 Million Euros are used to develop the local know how for the leading enterprise software application SAP.

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