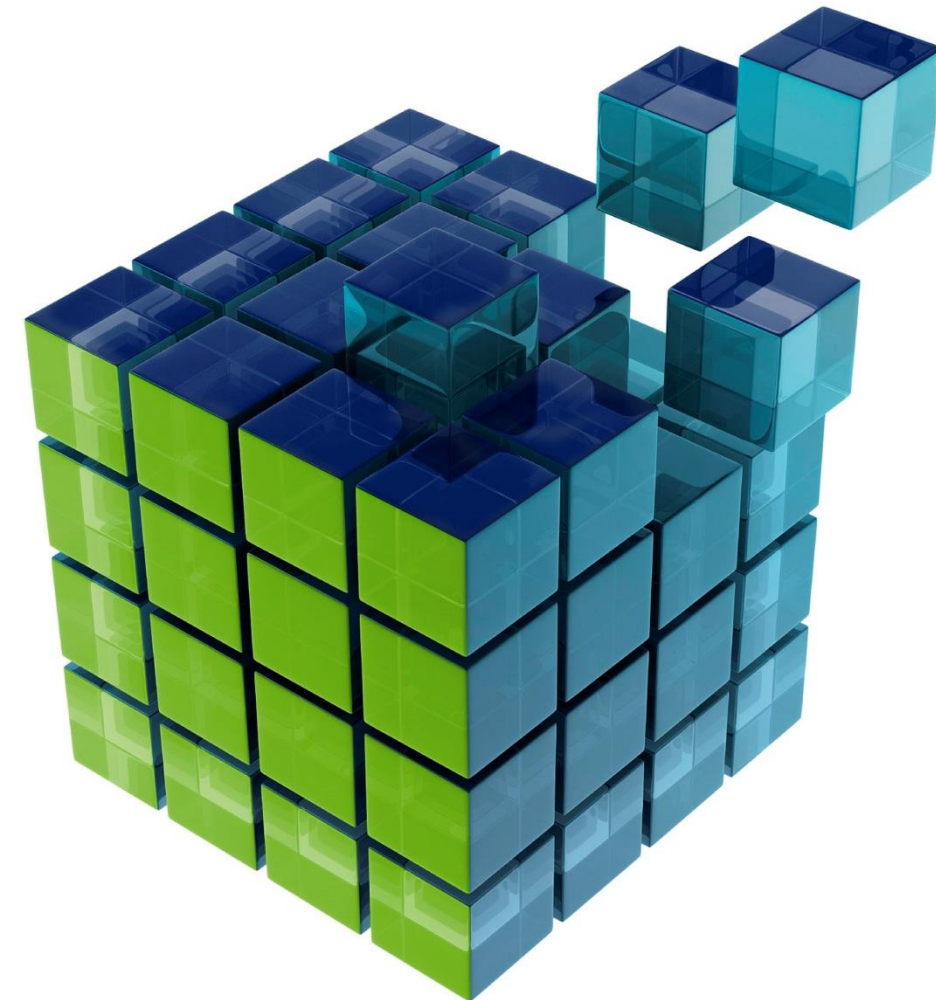


How shared services can deliver
significant business benefits
In emerging markets

Mattijs Backx

Vice President Global Business Service Centres, JT International



Outline

- Relevance of Emerging Markets
- Shared Services @ JT International
- Challenges of dealing with emerging markets
- Importance of global model, value add services and perception

JT International at a Glance

- \$12Bn Revenues
- \$4.3Bn adjusted EBITDA (23% CAGR since 2000)
- 27,000 Employees
- 25 Factories & 6 R&D Centers
- Brands sold in 120 countries
- JTI holds 3 out of top 5 global brands



Rapid growth in emerging markets (organic and acquisitions)

Shared Services @ JT International

- » **Accounts Payable**
- » **T&E**
- » **Accounts Receivable**
- » **General Ledger**
- » **Fixed Assets**
- » **Commercial Payments**
- » **Cash Management**
- » **Treasury Back Office**
- » **Master Data**
- » **VAT Reporting**
- » **Intercompany**
- » **Document Management**
- » **Global Consolidation**





Mission

*To Enable The Business
To Focus on The Business*

Vision

*To Be A World Class Business
Partner*

We **share the same values** to achieve
our global mission and vision

We delight our customers through
consistent quality of service delivery

We measure BSC performance to ensure

Global BSC Mission & Vision

People • Partnership • Productivity





Global BSC Mission & Vision

People • Partnership • Productivity

Mission

To Enable The Business
To Focus on The Business

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We share the same values to achieve our global mission and vision

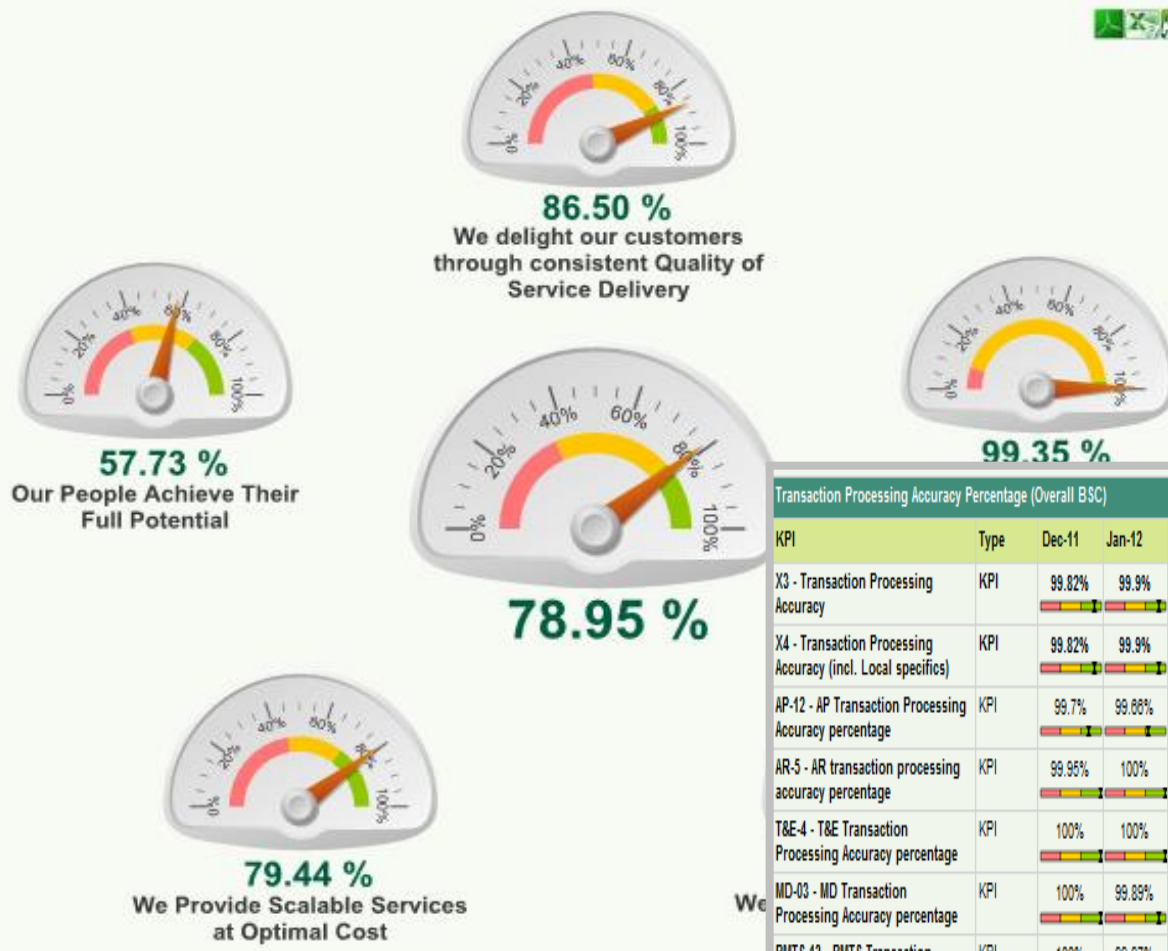
We delight our customers through consistent quality of service delivery

We measure BSC performance to ensure it is continuously improving

We drive end-to-end process efficiency

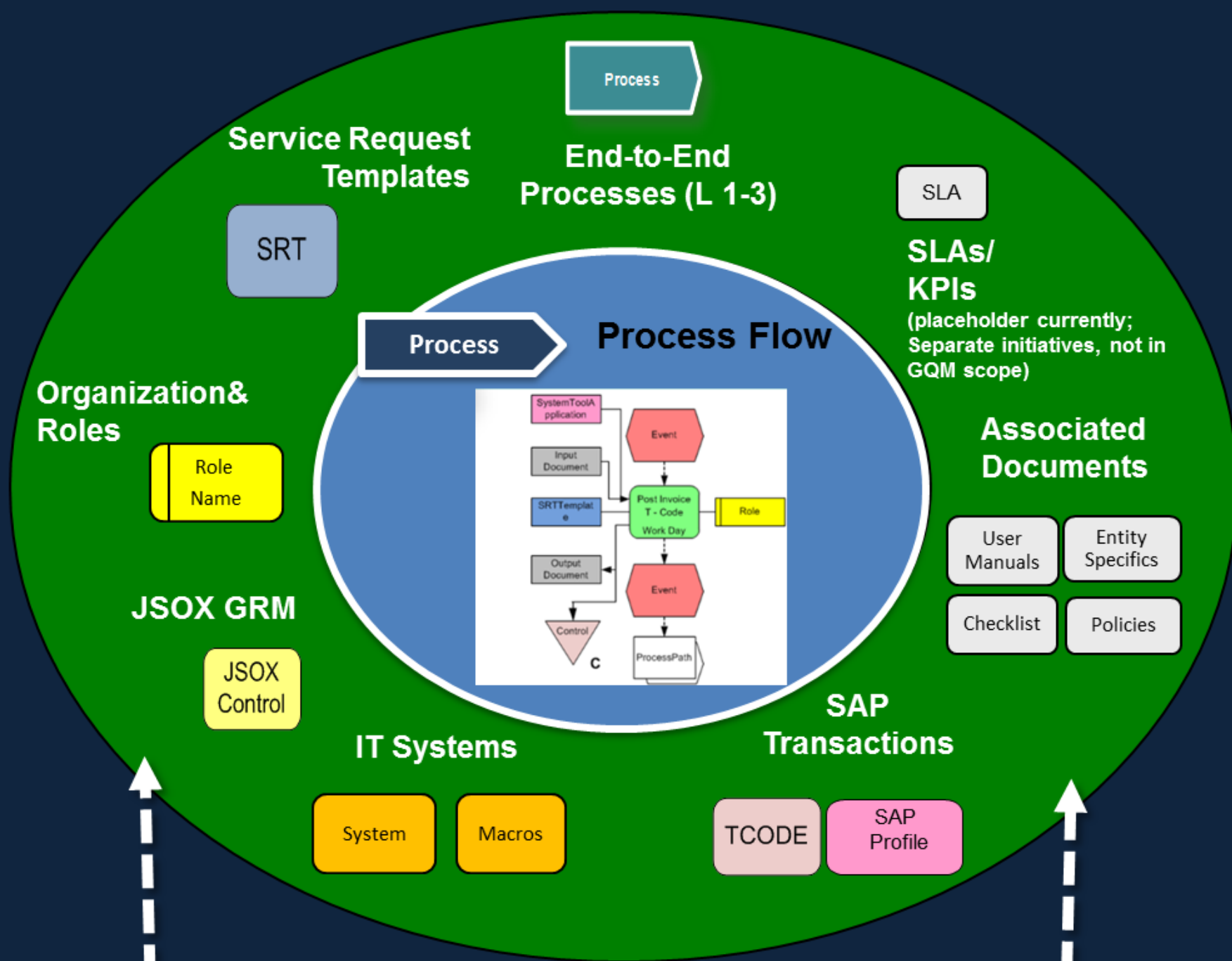
We provide scalable services at optimal cost

Our people achieve their full potential



Transaction Processing Accuracy Percentage (Overall BSC)

| KPI | Type | Dec-11 | Jan-12 | Feb-12 | Mar-12 | Apr-12 | May-12 | Jun-12 | Jul-12 | Aug-12 | Sep-12 | Oct-12 | Nov-12 | Dec-12 | Green Range | Amber Range | Red Range |
|--|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|-------------|-----------|
| X3 - Transaction Processing Accuracy | KPI | 99.82% | 99.9% | 99.84% | 99.93% | 99.93% | 99.89% | 99.79% | 99.88% | 99.89% | 99.93% | 99.88% | 99.89% | 99.9% | 100% - 99.5% | 99.5% - 99% | 99% - 95% |
| X4 - Transaction Processing Accuracy (incl. Local specifics) | KPI | 99.82% | 99.9% | 99.84% | 99.93% | 99.93% | 99.89% | 99.79% | 99.88% | 99.89% | 99.93% | 99.88% | 99.89% | 99.9% | 100% - 99.5% | 99.5% - 99% | 99% - 95% |
| AP-12 - AP Transaction Processing Accuracy percentage | KPI | 99.7% | 99.86% | 99.14% | 99.68% | 99.71% | 99.34% | 99.41% | 99.53% | 99.89% | 99.77% | 99.38% | 99.38% | 99.59% | 100% - 99.5% | 99.5% - 99% | 99% - 95% |
| AR-5 - AR transaction processing accuracy percentage | KPI | 99.95% | 100% | 99.98% | 99.98% | 100% | 99.98% | 99.48% | 99.98% | 99.93% | 99.99% | 99.78% | 99.98% | 100% | 100% - 99.5% | 99.5% - 99% | 99% - 95% |
| T&E-4 - T&E Transaction Processing Accuracy percentage | KPI | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% - 99.5% | 99.5% - 99% | 99% - 95% |
| MD-03 - MD Transaction Processing Accuracy percentage | KPI | 100% | 99.89% | 100% | 99.94% | 99.84% | 99.45% | 99.84% | 99.93% | 99.85% | 99.87% | 99.9% | 99.91% | 99.7% | 100% - 99.5% | 99.5% - 99% | 99% - 95% |
| PMTS-13 - PMTS Transaction Processing Accuracy percentage | KPI | 100% | 99.97% | 99.93% | 100% | 100% | 99.98% | 99.95% | 99.92% | 99.92% | 99.97% | 99.93% | 99.95% | 99.9% | 100% - 99.5% | 99.5% - 99% | 99% - 95% |
| DM_KL - DM Transactions processing accuracy percentage | KPI | 99.88% | 99.87% | 99.72% | 99.98% | 99.9% | 99.94% | 99.75% | 99.8% | 99.55% | 99.94% | 99.94% | 99.9% | 99.8% | 100% - 99.5% | 99.5% - 99% | 99% - 95% |
| I/C-3 - I/C transaction processing accuracy percentage | KPI | 97.75% | 98.03% | 98.32% | 98.91% | 99.39% | 100% | 98.73% | 100% | 100% | 99.35% | 98.79% | 98.04% | 99.25% | 100% - 99.5% | 99.5% - 99% | 99% - 95% |
| GL-06 - GL Transaction Processing Accuracy percentage | KPI | 99.59% | 99.97% | 100% | 99.99% | 99.93% | 99.97% | 99.97% | 99.97% | 99.99% | 99.9% | 99.95% | 99.98% | 99.98% | 100% - 99.5% | 99.5% - 99% | 99% - 95% |
| FA-2 - FA Transaction Processing Accuracy percentage | KPI | 100% | 100% | 99.88% | 99.3% | 100% | 100% | 99.81% | 98.98% | 94.2% | 100% | 99.71% | 99.74% | 99.81% | 100% - 99.5% | 99.5% - 99% | 99% - 95% |
| CM-6 - CM transaction Processing Accuracy percentage | KPI | 99.94% | 100% | 100% | 100% | 100% | 100% | 99.99% | 99.97% | 99.98% | 99.98% | 100% | 99.99% | 100% | 100% - 99.5% | 99.5% - 99% | 99% - 95% |



Control Definitions

Financial Controls Group

Microsoft Sharepoint

Wikipages, Excel, PDF...

HOW'S YOUR PROJECT COMING ALONG?



IT'S A STEAMING PILE OF FAILURE.



www.dilbert.com scottadams@aol.com

IT'S LIKE FIFTEEN DRUNKEN MONKEYS WITH A JIGSAW PUZZLE.



3-15-07 © 2007 Scott Adams, Inc./Dist. by UFS, Inc.

HOW'S YOUR PROJECT COMING ALONG?



FINE.



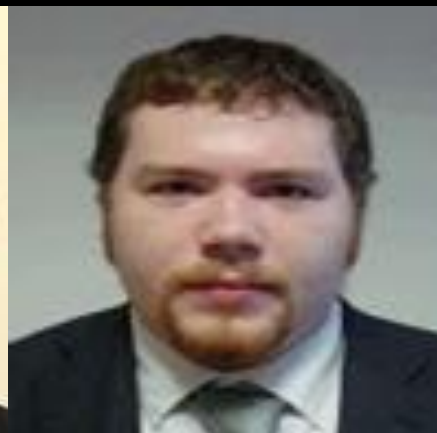






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**Permanent Roles within
JTI outside BSC**





13
18-Month Assignments outside BSC

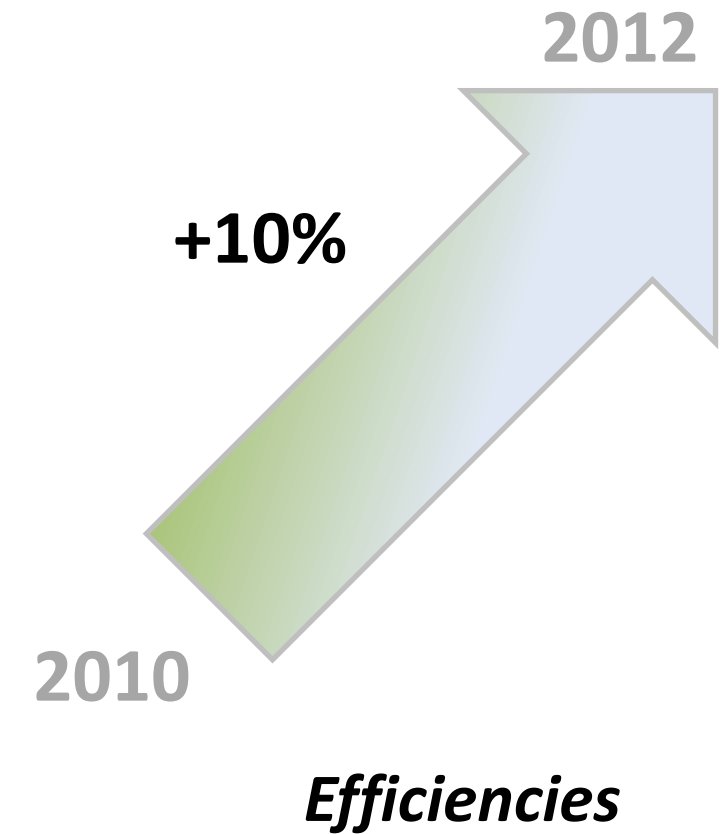
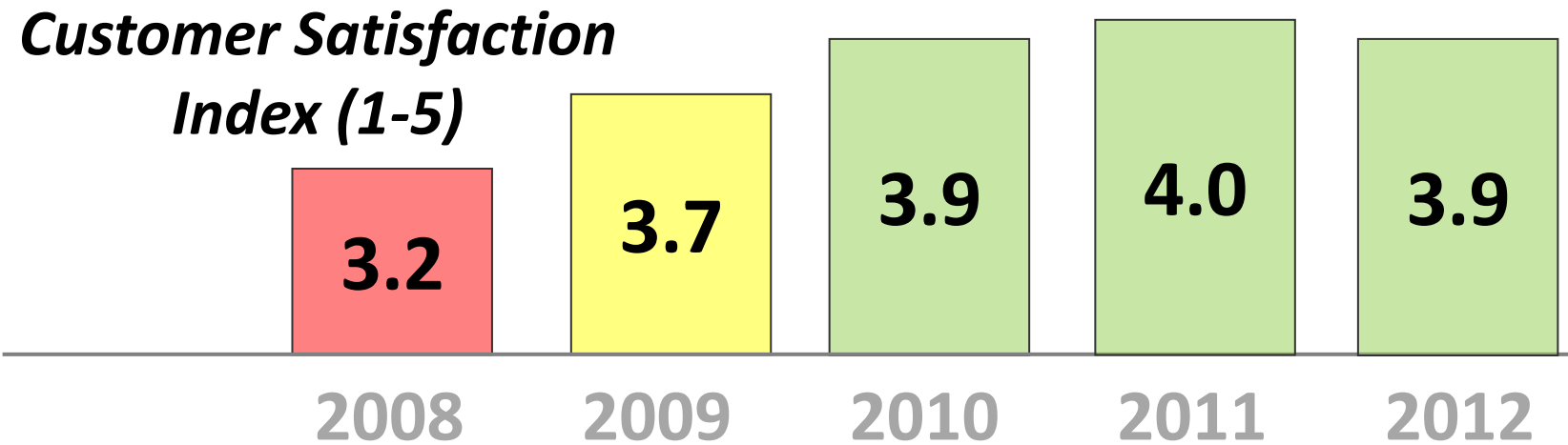
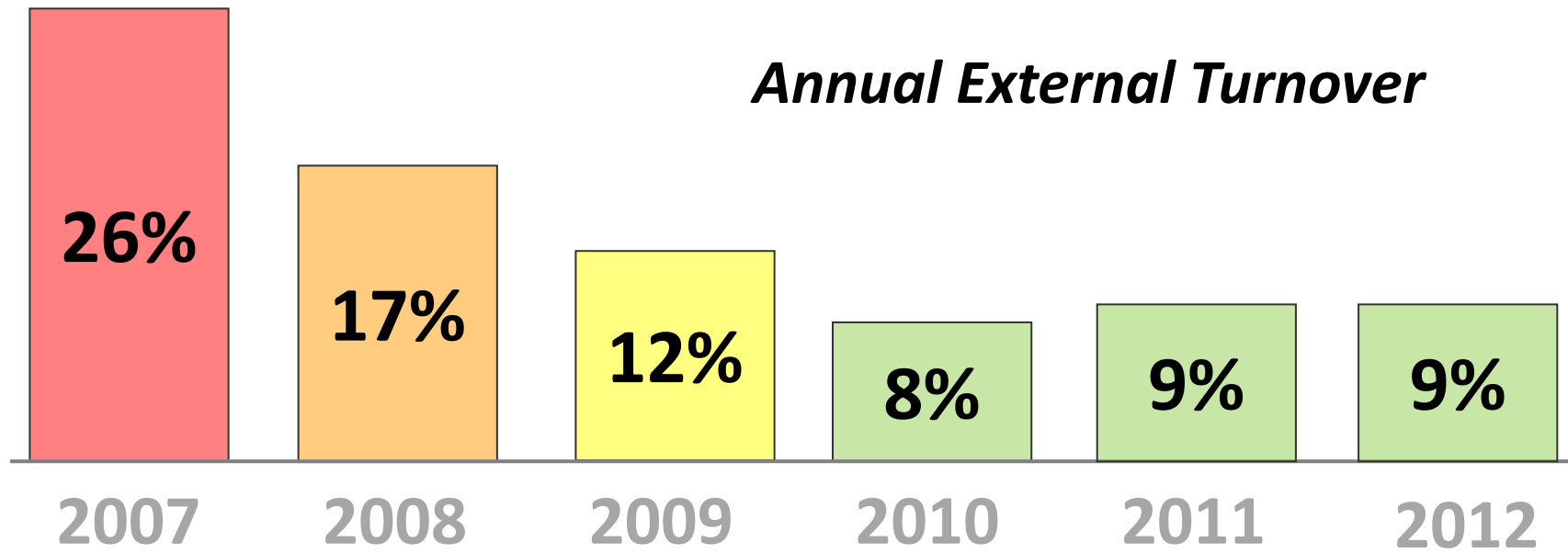




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Internal BSC
Promotions/Opportunities

Impact of Global Model





Paradigm Shift

- | | | |
|-----------------------|------------------------|------------------------|
| » Accounts Payable | » Commercial Payments | » Intercompany |
| » T&E | » Cash Management | » Document Management |
| » Accounts Receivable | » Treasury Back Office | » Global Consolidation |
| » General Ledger | » Master Data | |
| » Fixed Assets | » VAT Reporting | |

40%

- New Market Entry
- Business Consultancy
- PMO
- Governance
- Talent Pool

60%

Kuala Lumpur (Malaysia)
50 Staff

Where is this?



Key Messages

Shared Services and Emerging Markets

- Develop & Leverage Global Model
- Provide Value Add Services
- Manage Internal Perception
- Emerging Markets is a relevant topic