The Cognos Disclosure Management (CDM) journey at Lion

September 2014

Growing sociability and wellbeing in our world

Our business

CORE PURPOSE
Growing sociability and wellbeing in our world

VALUES
Integrity, Achieving Together, Sociability, Wellbeing, Passion

VISION
To be the leading and most trusted branded beverage & dairy company in our world

BEER, SPIRITS & WINE

PERFORMANCE

Operating EBIT[1]
$633.3m

Sales revenue
$2,327m

[1] Excluding corporate costs

BRANDS

OPERATIONS

DAIRY & DRINKS

PERFORMANCE

Operating EBIT[1]
$92.1m

Sales revenue
$2,536m

BRANDS

OPERATIONS

7,000 People in Australia and New Zealand

41 Total number of sites

5 Craft brewery

41 Liquor outlets

Wineries

6 Major breweries

Juice processing plants

2 Dairy foods plants

6 Cheese manufacturing sites

10 Milk processing plants

History

1840
LD Nathan established as a trading company in NZ

1900
Dairy Farmers Milk Co-operative formed

1988
Lion Nathan is formed when New Zealand's largest retailer, LD Nathan & Co, merges with brewer, wine and spirit manufacturer and hotel operator, Lion Breweries

1998
Kirin acquires 45% interest in Lion Nathan (LN)

2007
Kirin acquires National Foods

2009
Kirin Group acquires remaining LN shares and obtains 100% ownership. Lion Nathan National Foods is formed

2011
We become Lion. Operating as one company with three businesses:
• Lion Beer, Spirits and Wine Australia
• Lion Beer, Spirits and Wine NZ
• Lion Dairy & Drinks

2012
Lion acquires Little World Beverages and Emersons

Agenda

Program Oscar – transforming Finance in Lion

From spreadsheets to CDM

How did we do it?

Benefits realised after first use
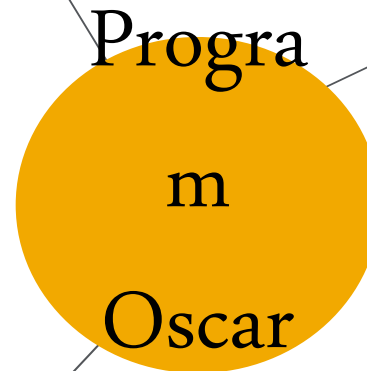
What did we learn on the journey?

What is Program Oscar at a glance?

3 year transformation

- Finance led program

- Transform the way we work

- Covers processes, systems, capability and roles & responsibilities

- Phase I to be completed at the end of 2014

Program Oscar

5 key opportunities

- Enhance data integrity and reduce unnecessary risk

- Reduce process and system complexity

- Harmonise ways of working across Finance

- Increase time for creating value

- Develop 'one Finance team' that is even more engaged and capable than now

Primary user impacts

- Majority of Finance will experience significant changes
- The rest of business will also be touched

What are the major changes Oscar will deliver?

Significant changes from program Oscar

1. New **Chart of Account**
2. New **Lion Business Glossary**
3. New **reporting processes**
4. New **consolidation processes**
5. New **planning processes**
6. New **disclosure management processes**
7. New **tax processes**

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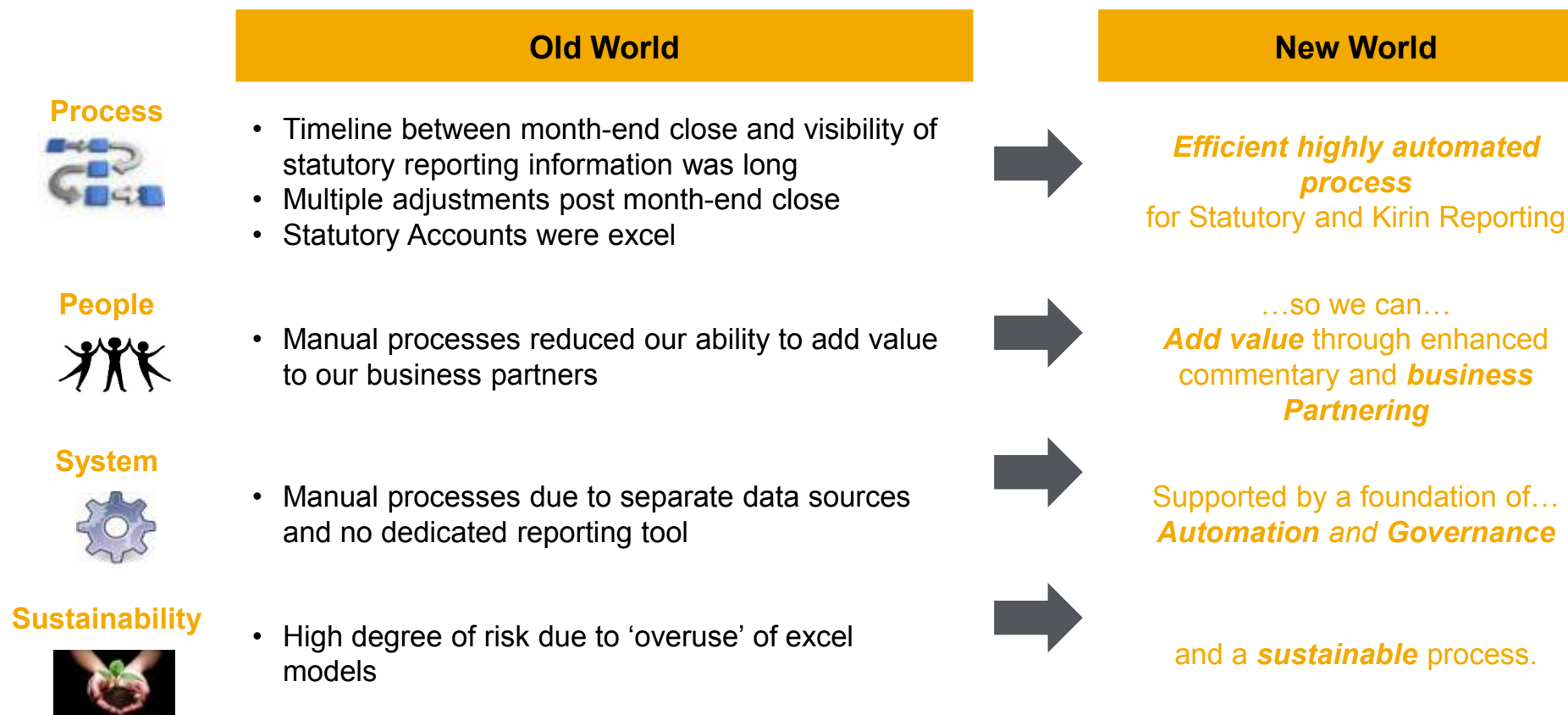
From spreadsheets to CDM

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6. New Disclosure Management process

Old World	New World
Process • Timeline between month-end close and visibility of statutory reporting information was long • Multiple adjustments post month-end close • Statutory Accounts were excel	*Efficient highly automated process* for Statutory and Kirin Reporting
People • Manual processes reduced our ability to add value to our business partners	…so we can… *Add value* through enhanced commentary and *business Partnering*
System • Manual processes due to separate data sources and no dedicated reporting tool	Supported by a foundation of… *Automation and Governance*
Sustainability • High degree of risk due to 'overuse' of excel models	and a *sustainable* process.

Timeline for System/Software selection process

Our final selection process was rigorous and was conducted over a 8 week timeline

Vendor Selection Process	June	July	August
1. RFP and Functional Requirements to Vendor		29th	
o **Confirmation of participation – July 9th 2012** o **Reference site visit details – July 16th 2012**		9th / 16th	
2. RFP Vendor response collation		2nd – 20th	
3. RFP Vendor response to Lion – 20th July		20th	
4. RFP Vendor Presentations 24th – 26th July (Sydney)		24th – 26th	
5. Vendor Presentations Q&A			27th – 10th
6. Reference Site Visits			30th – 10th
7. Collation and Vendor Reference Site Feedback			13th – 24th
8. Final and Preferred Vendor Selection (TBC)			27th

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What did we learn on the journey?

How did we do it?

6 week project implementation 1 week post implementation support

Key activities

Team resources

Business resources

Agenda

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How did we do it?

Benefits realised after first use

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Feedback after first use

AUTOMATION
- **Automated process flow**
- Reports are **integrated** with the system
- **Reports were easy to automate**

EFFICIENCY
- **Portability**
- **One depository** for all report information
- **Reduced overtime**
- All **completed in house**

INSIGHTS
- Focus on **reporting insights** rather than completing the numbers
- **Earlier review**

GOVERNANCE
- Improved **audit trail** for our reporting
- Reduced opportunity for **human error** due to report validations
- **System based controls**

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What did we learn on the journey?

Key learnings

Establish the right team with the right capabilities

Aligned systems are key to fully exploit the benefits

Do your pre-work before engaging the implementation partner

Engage via capability training – keep it simple

Questions?