BUSINESS PROCESS RE-ENGINEERING PROPOSAL
TO UNITED TRACTORS – SPARE PARTS DIVISION

March 2, 2011

STATEMENT OF CONFIDENTIALITY AND EXCEPTIONS

The contents of this document shall remain the confidential property of SAP and may not be communicated to any other party without the prior written approval of SAP. This document must not be reproduced in whole or in part. It must not be used other than for evaluation purposes only by United Tractors except with the prior written consent of SAP and then only on condition that SAP's and any other copyright notices are included in such reproduction. No information as to the contents or subject matter of this proposal or any part shall be given or communicated in any manner whatsoever to any third party without the prior written consent of SAP.

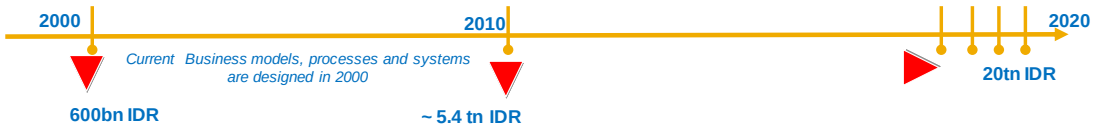
The furnishing of this document is subject to contract and shall not be construed as an offer or as constituting a binding agreement on the part of SAP to enter into any relationship. SAP provides this document as guidance only to estimate costs and time-scales of the predicted delivery project. This will be subject to confirmation prior to any contractual or delivery commitment by SAP.

SAP warrants that to the best of its knowledge those who prepared this response have taken all reasonable care in preparing it and believe its contents to be true as at the date of this document. SAP cannot however warrant the truth of matters outside of its control and accordingly does not warrant the truth of all statements set out in this document to extent that such statements derive from facts and matters supplied by other persons to SAP. The statements in this document are qualified accordingly.

Table of Contents

PROJECT OBJECTIVES, SCOPE AND DELIVERABLES

The purpose towards which this endeavor is directed is to reengineer United Tractors business processes for operational excellence in its journey towards vision 2020. As United Tractor's business continues to grow, the processes and operational model which enable its strategy needs to be agile and flexible to meet current and future business requirements.



The existing processes, models and enabling systems of parts business are designed in 2000 , and UT parts business has grown multifold in the past ten years. In the past few years, United Tractors has encountered instances in which its current processes and operation models appear not to work effectively. The current status of key performance indicators and its target towards UT vision 2020 are given in the table below

KPI	Current	Target
• WC ratio to sales	52%	25%
• Inventory Days	120 days	60 days
• Planning Accuracy	56%	85%
• Supply Lead Time	4 days	2 days
• AR Days	215 days	105 days
• Operating Cycle	95 days	45 days
• Service Level	80%	95%
• Operating Cost	2.5%	1.5%

The proposed program is a business reengineering engagement, to redefine Parts Business Processes for effectively supporting parts business growth in 2020 (IDR 20 T), while achieving operation excellence.

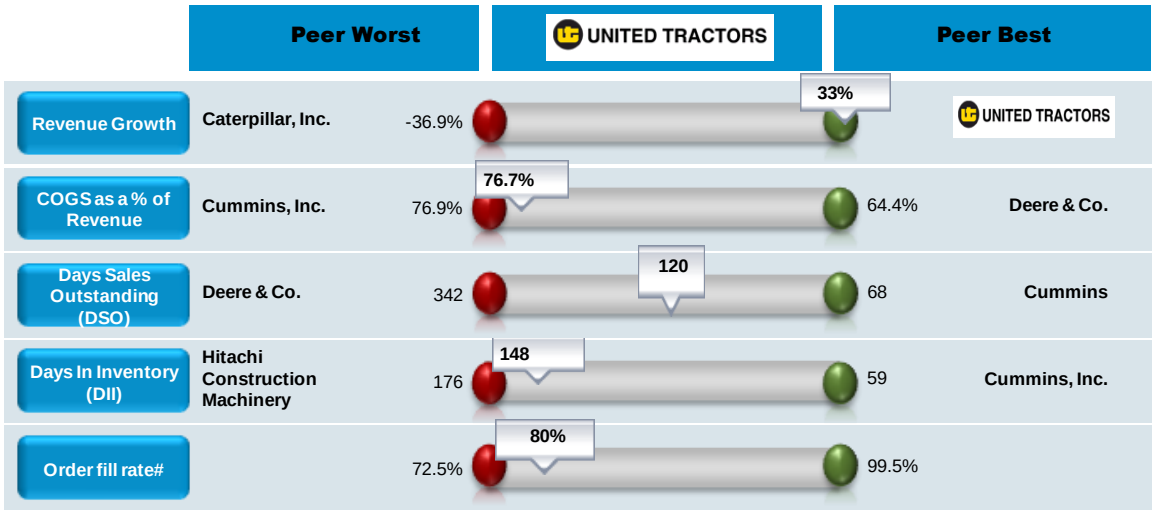
PROJECT OBJECTIVES

The objective of this proposed engagement is to

1. Re engineer and Design To Be processes to enable the current and future business needs of UT parts business
2. Propose a high level road map towards the enablement of reengineered processes

SAP Initial Assessment

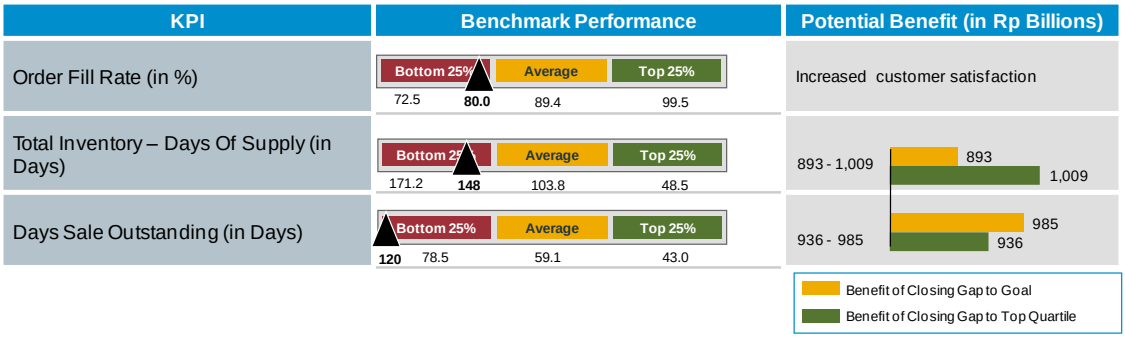
SAP did an initial high level assessment and understands the pain points and challenges of United Tractor' Parts Business towards the vision of 2020. Market analysis and United Tractors key performance comparison is given below



Peer Group Comparison for Key Financial Indicators

*United tractors figures relate to Parts Business
Peer Set includes – Caterpillar, Komatsu, Cummins, Deere & Co. and Hitachi Construction Machinery
All peers have more than 90% of their revenues from comparable business
#Order fill rate is based on SAP benchmarking database

SAP peer analysis and benchmarking shows where United Tractor stands with respect to it's peers on the relevant KPIs towards its stated vision 2020. The value potential for United Tractor by Freeing Up its Working Capital estimated between IDR 1.9 Tn – 2.0 Tn

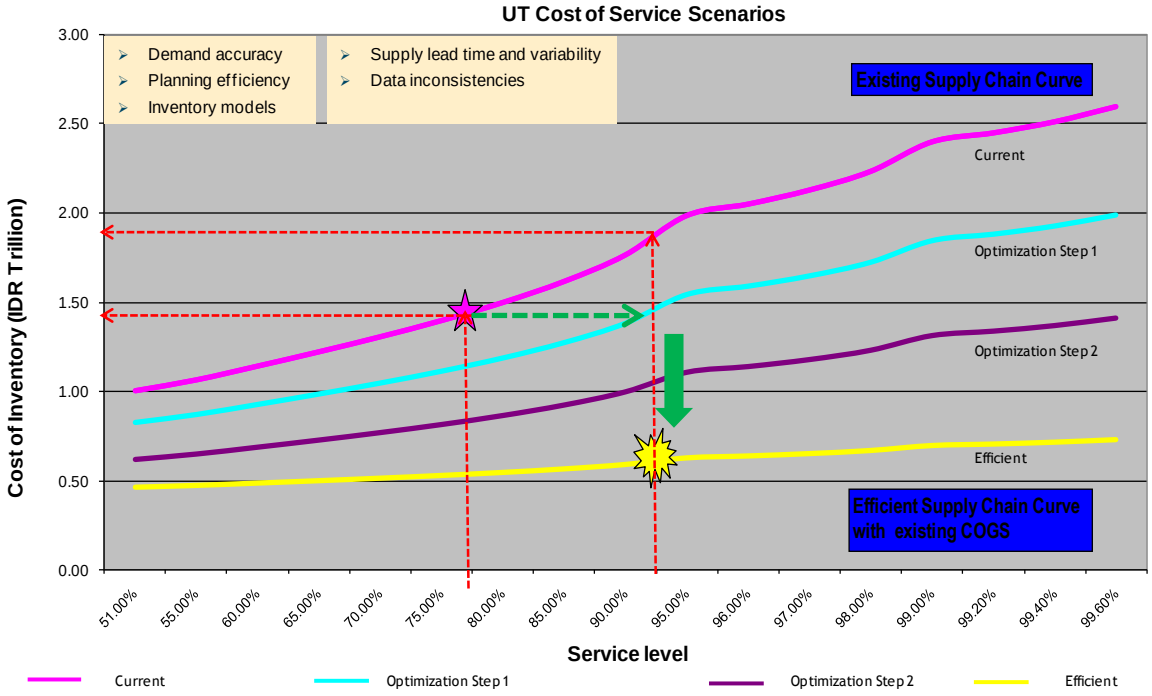


Benchmarking Results and Value Potential

1) Working capital benefits totals may not add up exactly from subtotals displayed on this page as they are calculated based on exact, not rounded numbers
2) All currency in this report is in IDR
3) Peers included in the analysis are in Automotive (Suppliers), Automotive (Service & Parts) and Wholesale Distribution (Industrial) industry

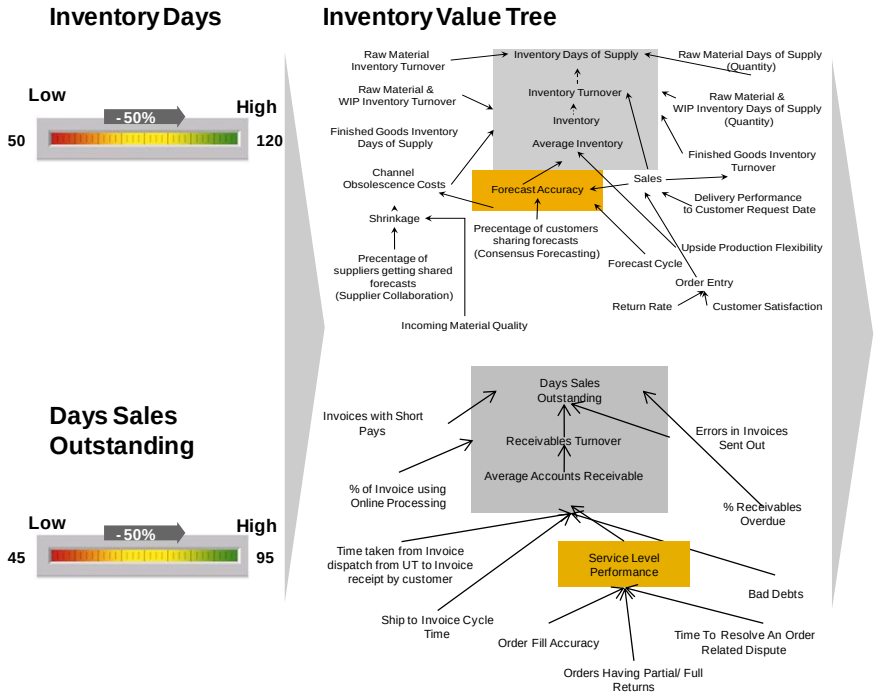
How to Shift United Tractors Cost Curve

Apart from analysing UT key performance Indicators with respect to market and benchmarking, SAP also did an internal assessment and analysed UT parts business supply chain performance towards its stated vision of 2020. SAP developed UT cost of service curve (Based on the data recieved from United Tractor) with multiple scenarios to evaluate the options of its journey towards vision 2020.



The approach taken was to Define, Assess, Analyze diagnose Value Enablers – To base line a hypothesis for going forward. SAP

- Defined the UT' high level value tree for Days Sales Outstanding (DSO) and Days In Inventory (DII)
- Identified the value enablers relevant for United Tractors
- Modeled the UT supply chain cost of service curve with contribution of selected value levers towards overall supply chain performance
- Developed scenarios say for example improving demand accuracy by 10% and evaluating the options to move towards its stated vision 2020 for operational excellence
- Defined Base line Hypothesis



Some examples of the key value enablers and value levers need to be assessed as given in the table below:

Value Enablers	Value Levers	Initial Assessment
■ **Improve Forecast Accuracy**	■ Better **demand modeling**, global demand visibility ■ Faster recognition of **changing demand patterns** ■ **Better forecasting** of fast and slow moving parts ■ **Rule based demand Planning** - Historic, Maintenance schedules, Promo, Causals, MTBR / MTBF, MTTR, ECM and New parts planning ■ **Reduce obsolete stock** due forecasts for end-of-life and newly introduced parts	■ **Data**: Control of what should be forecasted. For eg Promotion sales, Maintenance cycle etc. ■ **Method**: fine tune Statistical forecasting models - using multiple statistical models and model selection (with adaptive best-model-fit proposal handling multiple demand types / product category segments of parts including seasonal, sporadic and slow moving parts). ■ **Frequency and Accuracy**: Forecasts are dynamic and needs to be updated frequently to deal with short term demand adjustments & imbalances. ■ **Blended/Composite Forecast:** Need Ability to generate Combination of leading indicator forecasting (using BOMs, usage rates , MTBF etc) and statistical forecastin

Value Enablers	Value Levers	Initial Assessment
▪ **Improve Planning Accuracy** ▪ **Reduction Planning cycle time** ▪ **Optimize Cycle Inventory & SS**	▪ Single view of **Forecast and Planning** ▪ correct **inventory plan & optimal distribution of inventory** within the supply chain plan to reach target service levels ▪ Reduce global inventory levels & inventory related costs through network planning ▪ Free-up of warehouse space through identification of excess stock ▪ Reduce obsolescence through efficient use of remanufactured parts and part supersession ▪ Increased efficiency through automated decision support (e.g. stocking/ destocking decision)	▪ **Data**: Alignment from Budgetary Planning to S&OP to Material & distribution level - Data inconsistencies ▪ **Methods:** Lack of Multi-echelon safety stock planning - Capability for calculation of the optimal safety stock by utilizing service level / EOQ, demand and supply variability. ▪ **Monitoring / Reporting Frequency** :Lack of control on stock violation – Events to trigger workflow messages directed to responsible personnel with an automated escalation process. ▪ **Multi-dimensional inventory classification:** planning and allocation are not based on defined product Category, types/attributes, Customer, Supplier segments ▪ **Inventory pooling** : lack of consolidation/share of common items at designated BOD locations.

Based on initial analysis, SAP developed a base line hypothesis for UT's supply chain operations transformation in 3 phases increasing UT's business capability maturity in each phase. The BPR proposal is structured based on the baseline hypothesis. During the BPR engagement SAP will conduct assessment, analysis, and revalidation of UT's business transformation. The baseline hypothesis will be confirmed and translated into Business Capability Roadmap.

Process Maturity Evolution

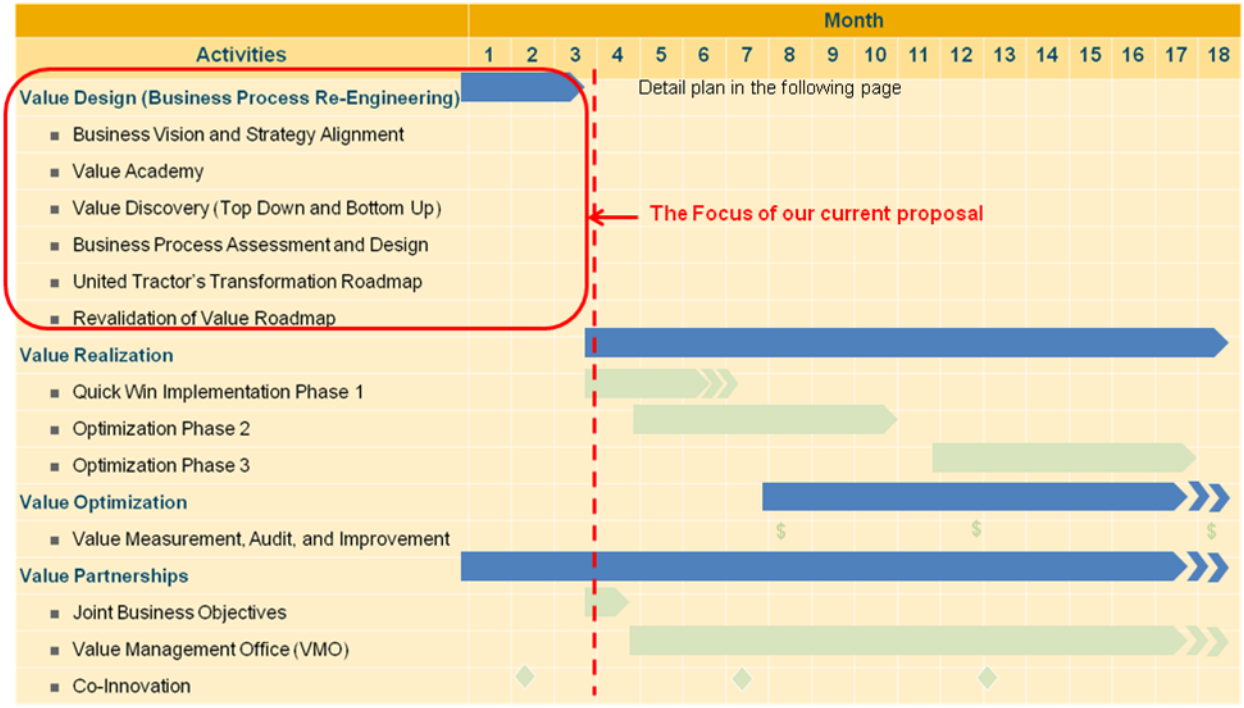
Cross Functional Process Integration

	Optimization Phase 1 – Quick Win	Optimization Phase 2	Optimization Phase 3
Biz Goals	• Visibility and Standard Process Integration	• Promise with Integrity and Enhanced Integration	• Collaboration and Extend Optimization
Planning	• Improve Demand Management • Improve Product Mix Decision and inventory models for segments • Integrate Demand and Supply Planning • Extend visibility across Value Chain Network • One Plan for the entire Supply Chain	• Enable Statistical forecasts • Constraints based supply planning • Co-Product and Cross Plant Planning • Location Based Planning • Consolidated View of One Plan (S&OP) • Automatic exception management/ alerts	• Collaborative Planning Forecasting & Replenishment CPFR • Extend One Plan to align with Financial Targets
Scheduling	• Simplified Location structures • Visibility of schedules (Pump Repairs) • Simplification of logistics scheduling	• Integrated and coordinated constraint based planning and scheduling • Dynamic routing • Align all schedules • Automatic exception management/ alerts	• Automatic re-scheduling to changes • Alerts of scheduling failures
Order Fulfillment	• Simplification and Standardization of Order fulfillment processes • Improve global available to promise through increased end to end visibility	• Sense and Respond to event changes • Automatic exception management/ alerts • Enhanced customer delivery Failure alerts for improving the customer service • 360° view of customer	• Customer Self Service (Web Channel) • Electronic transaction (EDI, etc.) • Use of Telephonic and web channels for order fulfillment • **Mobility capability**
Master Data	• More Complete Product category & BOM • Customer segments • Supplier segments • Improve data integrity & consistencies	• Improve data integrity & consistencies	

Baseline Hypothesis of Process Improvements

PROJECT APPROACH

High Level Proposed Project plan

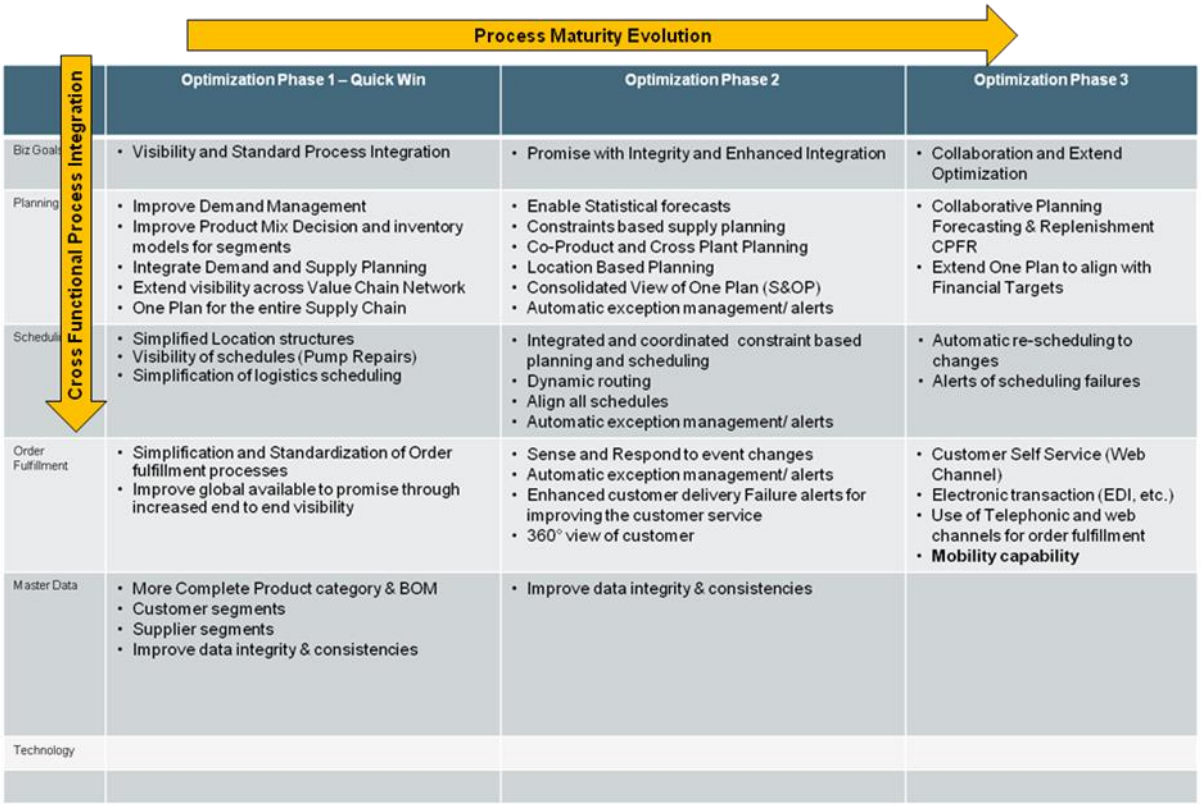


The above figure depicts a total of 18 months of transformation project timeline for United Tractors. The 18 months consist of:

- 3 months Business Process Re-Engineering exercise (Phase 0),
- 15 months of transformation implementation which are proposed to be done in 3 phases:
  - Phase 1 – Quick Win to achieve visibility and simplification of processes
  - Phase 2 – to achieve Promise with Integrity
  - Phase 3 – Collaborate and Extend

The focus of this proposal is the first 3 months of Business Process Re-Engineering (BPR) phase 0. The overall 18 months timeline and the 3 optimization phases (Phase 1 to 3) are indicative based on our baseline hypothesis of the transformation requirement for UT as depicted in the figure below. The timeline, phased approach, and the scope of business transformation within each phase will be re-validated during the Business Process Re-Engineering exercise (Phase 0)

Our Baseline Hypothesis



During the BPR exercise, we will:

- Develop clear understanding and revalidate UT's business vision and strategy
- Define Top Down and Bottom Up Value Tree (Value Definition and Target) for UT
- Conduct As-Is Assessment against business strategy
- Re-Design UT's business process to realize the vision, strategy, and business value
- Reconfirm and Validate our baseline hypothesis on the phases of transformation to deliver value to UT
    - What are the quick wins (Phase 1)
    - What is the business capability to be delivered in phase 2 and
    - What is the business capability in phase 3
- Finalized Business Transformation Roadmap based on the recommended phased transformation approach (including ROI model)

SCOPE

Scope for the Business proces Engineering engagement is given below

In Scope

Line of business

United Tractors Parts division

Geography

Current geography of business - Indonesia

Project Location

United Tractor, Parts Business Jakarta

Business Areas

- Strategic Planning
- Sales and operations planning
- Demand planning
- Inventory planning
- Warehouse management
- Logistics and transportation management
- Supply Planning and Management
- Order to cash - Accounts Receivable

Scope exclusions

Line of business

- United Tractors OEM division
- United Tractors Service division
- Export Business
- Other UT entities

Geography

Geography outside Indonesia

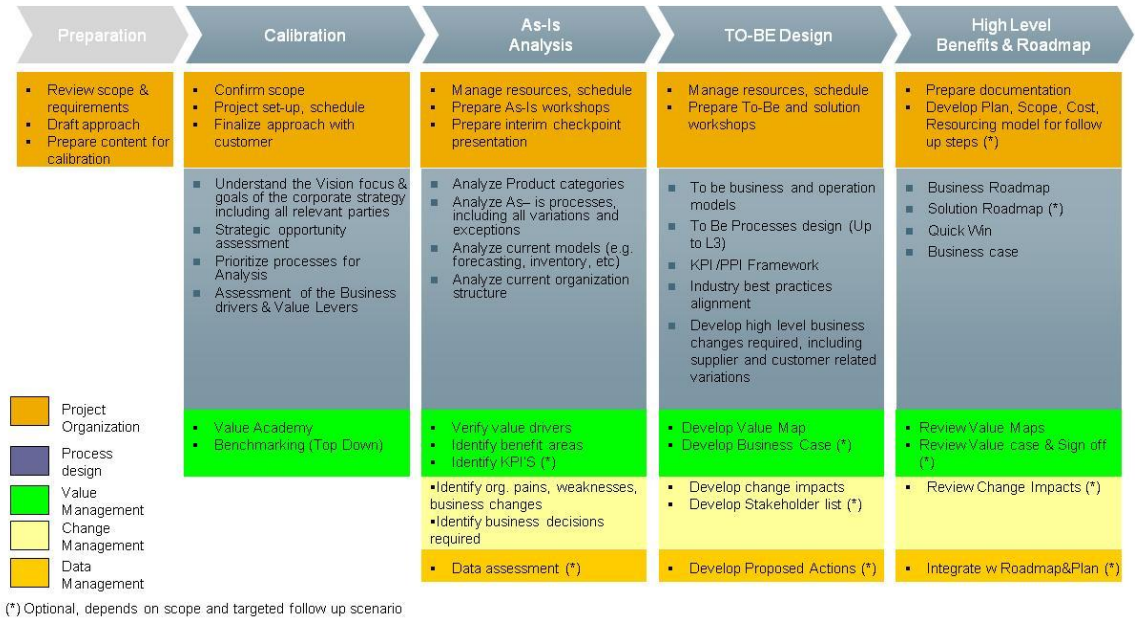
Business Areas

Warranty Management

Financial Management

PROJECT APPROACH

The following figure depicts the BPR phases and activities by work streams.



HIGH LEVEL PROJECT TIMELINE

Activity	Week #												
	1	2	3	4	5	6	7	8	9	10	11	12	13
Project Prep & Planning													
Callibration													
As-Is Analysis													
To-Be Design													
Roadmap & Benefits													

PROJECT DELIVERABLES

The Project Deliverables provided below is based on SAP's initial observation of the Customer's existing requirements. These requirements will need to be further validated by both parties and shall be subject to SAP's standard professional services agreement and a mutually negotiated SOW

1. Project Charter
2. Revalidation of Vision and Strategy
3. Value Tree
    a. Top Down
    b. Bottom UP
4. As-Is Assessment
5. To Be Design
    a. Up to Level 3 Processes (not mapped to SAP solution configuration)
    b. Organization Structure
    c. KPI Framework
        i. KPI defnition
        ii. RACI Model
        iii. List of enablers
6. Organization Change Management(OCM) Plan
7. Roadmap for Next Phases (including Business Case):
    a. Quick Win – Visibility and Simplification of Process
    b. Promise with Integrity
    c. Collaborate and Extend

PROJECT ASSUMPTIONS:

The Project Scope Document, and the fees set forth therein, are based on the following assumptions:

- The proposed engagement shall be based out of United Tractor, Jakarta only. For understanding the variations in requirements at other locations, the process owners from such locations need to be available with required data, for discussions, at the project site
- UT Business process owners across geography have to be made accountable for signing off business inputs and validating target design within specified timelines as defined in the project charter
- The estimate assumes internal resources will be provided by UT, as indicated in the Proposed Project Team structure and requested as requirement for the project changes
- The estimate is only valid for resources provided by SAP.
- Estimates are based on Scope of work as identified and dependent on the agreed project timeline.

- All sign off of the deliverables will be done within Two (2) work days of submission of the deliverables, failing which impact the BPR timeline.
- It is very critical to adhere to the time line to complete the project on time and cost. Any deviation in the dates to be specified in the project plan will affect the completion date, thus extending the project.
- Any change in the scope will follow the change request procedure.
- UT will be committed to the Project's success and will ensure that issues that may affect progress are resolved promptly.
- The BPR will focus on meeting the most critical business needs, and standardizing process. As such, UT needs to support a culture of teamwork, in which not every desire of every user will, by definition, be satisfied during the BPR.
- The Project Team must be committed with adequate time allocated to the Project. Key team members must be full-time available. Experienced people must be assigned to the project.
- UT BPR team members are empowered to make decisions
- A Steering Committee of Senior Company management will be in place to guide and advise the Project Team.
- Policy decisions will be made within strict turn around guidelines, normally, whenever possible, within Three (3) to Five (5) working days.
- All deliverables will be developed on industry standard Microsoft Windows-based PCs using appropriate Microsoft Office applications (Word, Excel, and PowerPoint).
- There will be a dedicated team of process owners from the various business segments assigned to the project. These individuals will be responsible for participating in the workshops and signing off of the deliverables.
- The schedule is based on SAP best estimate on the time required to perform the activities. There may be instances or constraints that are beyond SAP's control which may have an impact on the project schedule. SAP may then require changes to the project schedule. The new schedule will be mutually agreed and duly approved by the steering committee along with any price impacts.
- SAP's proposed timelines are dependent on the availability of the process owners. SAP will not be responsible for any delays caused by the unavailability of the Authority's staff to participate in the project. Any such delay, which may result in additional effort from SAP will be subjected to change control.
- To ensure smooth progression of the project, each decision has to be taken within the stipulated dateline. UT is expected to sign-off various deliverables at the specified milestones before the next phase is allowed to proceed. Adherence of the above procedure ensures that the BPR will be completed within the proposed time-line. If no response is received within the stipulated dateline, it will be assumed that the issues and documents submitted are accepted.
- UT agrees that any change to or UT's failure to fulfil any of the assumptions set forth above may affect SAP's ability to provide timely and efficient services hereunder and that SAP's fees and the time-line as set forth shall be subject to change which will be presented to the steering committee and approved by it.

RESOURCING PLAN AND EFFORT ESTIMATION

VALUE DESIGN (BUSINESS PROCESS RE-ENGINEERING) TEAM MEMBERS

SAP is fully committed to achieve successful transformation and deliver significant business value to United Tractors. In addition to the Project team members, selected SAP Senior Leadership team will be engaged with UT to ensure joint commitment for UT success. The table below shows SAP proposed full SAP team members to support UT.

Team / Functional Area	Name	Company	# of Year Experience	Full Time	Part Time
Senior Management	Scott Russell	SAP	30+		
Senior Management	Scott Hunter	SAP	30+		X
Senior Management	Mike Bramwell		20+		
Steering Member	Waqas Siddiqi	SAP	13		
Project Advisor / Risk Manager	Lalit Jagtiani	SAP	20+		X
Business Transformation Principal (PMO/VMO) – Project Director	TBC	SAP	16	X	
Value Consultant (VMO)	TBC	SAP	14	X	
Principal Supply Chain Consultant 2	TBC	SAP	10	X	
Principal Supply Chain Consultant 3	TBC	SAP	10	X	
Senior Business Consultant 1	TBC	SAP	8	X	
Senior Business Consultant 2	TBC	SAP	11	X	
Senior Business Consultant 3	TBC	SAP	10	X	
Organization Change Management Principal Consultant	TBC	SAP	8		X
Value Academy 1	TBC	SAP	20+		X
Value Academy 2	TBC	SAP	20+		X
Enterprise Information Principal Consultant	TBC	SAP	10-15		X

TBC: To be Confirmed upon agreement to start the BPR engagement.

PROPOSED UT RESOURCES

SAP's BPR approach is a based on collaboration with United Tractors. The table below depicts the resources required from United Tractors.

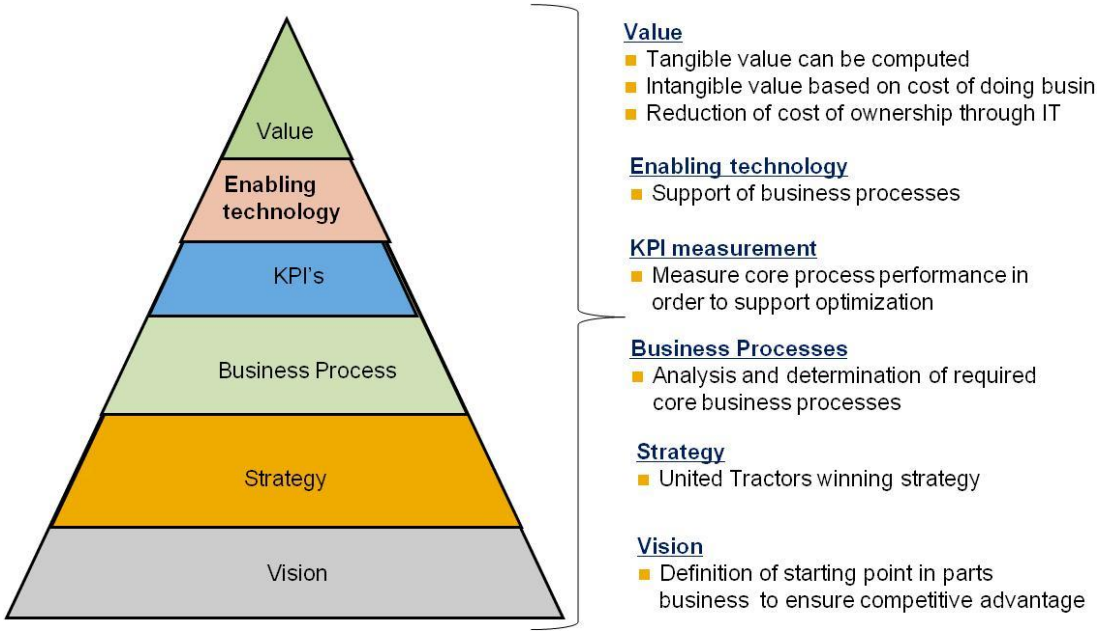
SAP Resources	Proposed UT Resource
Business Transformation Principal (PMO/VMO)	1. Project Manager (Pak Asep) 2. Demand Planning (Forecasting) Expert(s) 3. Inventory Management Expert(s)
Value Consultant (VMO)	1. Operational Finance Lead 2. Operations Finance Senior Analyst (will eventually be responsible for Value Tracking)
Principal Supply Chain Consultant	1. Sales and Marketing Lead 2. Customer Service Lead 3. Finance A/R 4. Finance Controller (Credit Management)
Principal Supply Chain Consultant	1. Warehousing Expert(s) 2. Transportation Experts (s) 3. Supply Planning and Management 4. Procurement Execution Expert(s)
Senior Business Consultant Industry Expert	
Senior Business Consultant Industry Expert	
Senior Business Consultant Industry Expert	
OCM Principal Consultant	1. Change Champion 2. Corporate Communication 3. HR Leader (Strategic Talent Assessment) - Part Time
Value Academy Industry Expert Value Academy Industry Expert	All the above resources plus relevant stakeholders and team members
	1. Project Administrative

SAP VALUE PROPOSITION

WHAT MAKES SAP BUSINESS TRANSFORMATION SERVICES THE RIGHT CHOICE, RIGHT NOW.

SAP Business Transformation Consulting is the right choice, because:

1 SAP's ***Value Based Business Process Transformation*** helps our clients to make decisive improvement in achieving their business goals.



United Tractor's (UT) Business Process Re-Engineering must begin with a clear understanding of **Business Vision**. SAP understands that UT has a high revenue growth trajectory from Rp. 5.2 Trillion today to Rp. 20 Trillion by the end of year 2020. It is UT's Strategic vision to be the Best/ World Class in Spare Parts Operations. We believe that being the Best in Spare Parts will create a differentiator for UT as an enterprise (becoming partner or vendor of choice), which in turns will generate revenue uplift for other divisions (example: OEM, Service).

A **Business Strategy** validation and development process will address the "HOW" to achieve the stated business vision. The alignment and clear definition of the vision and strategy must be established as the foundation of the business process transformation. It is also at the upmost importance to communicate the vision and strategy throughout the organization. This addresses "Why" such transformation is required and the "rationale" of the need.

Business Process Redesign is the most challenging part of any business transformation. The first step during business process re-design is to translate the business vision and strategy into Business Capability and Maturity required to realize the vision. The new business capability model is the reference model that will be used as a benchmark to assess "As-Is" processes, and as a target for the "To-Be" process re-design. Without a clear understanding of the future business process capability, the new to-be process design may not support or achieve the strategic objective of the enterprise.

To ensure the value realization, a well defined and structured **KPI** framework and **RACI** model must be included in the new process design. For each process, we must clearly define the following:

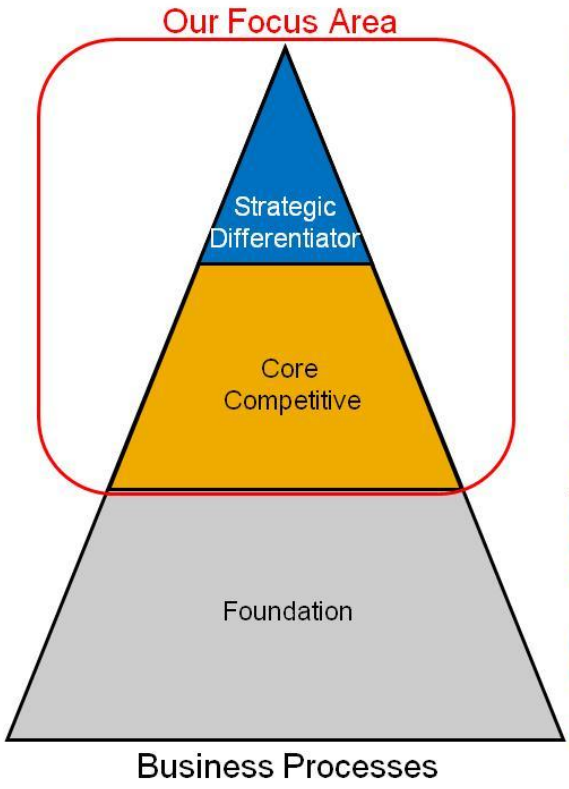
- What is the KPI to measure the achievement of business results? What is current measurement, and what is the target? It is imperative to start the measurement at the beginning of the transformation to establish the baseline business result and enable UT to measure true business value delivered.
- What is the definition of the KPI and how is it measured? It is important to leverage systematic data sources for KPI measurement to ensure accuracy and speed of measurement and monitoring of business result.
- What are the PPIs (Process Performance Indicators) to measure the effectiveness of the new business processes to support the achievement of business results/ value.
- R – who is (are) **Responsible** for executing the process?
- A – who is **Accountable** for the result and effectiveness of the process?
- C – who must be **Consulted** before decisions are made?
- I – who should be **Informed** after decisions are made or the process execution is completed?

An effective and efficient RACI model will result in strong process governance, while an unclear RACI model will result in inefficiency of UT's business processes.

Based on the understanding of UT's business vision and re-validation of UT's business strategy, we will develop a Top Down view of Business **Value** Potential. This Top Down view enables us to prioritize potential improvement areas. A Bottom Up Value definition will be developed based on the identified areas of improvement. The results will be a consolidated Value Tree that links UT's business strategy, transformation initiatives, and execution/ realization of the process re-design.

A pure business process transformation typically can realize approximately 60% of value potential. Complementing business process transformation with **technology** or **solution enablement** will further enhance the value realization for United Technology. Though Business Process Re-design will focus primarily on the improvement of business process to support the business strategy, SAP Business Process Transformation approach also ensures the alignment and "feasibility" or the solution enablement to support the process. In addition, our visibility of SAP's product roadmap and SAP's Co-Innovation programs will further enhance the value and competitiveness for our Strategic Customers through early adoption of innovative solution.

2 SAP Business Process Design Strategy that optimize Competitive Advantage and minimizes the Total Cost of Ownership and Total Cost of Implementation



Strategic Differentiator:
- United Tractor Winning Strategy/ Game Changer
- Unique Design for UT
- Area to Invest and Innovate (Co-Innovation)

Core Competitive:
- Core Service to Customers
- Drive towards EFFECTIVENESS
- Increase EFFICIENCY through continuous improvement
- Leverage Industry Best Practice

Foundation Processes:
- Non-Strategic and Non-competitive processes
- Drive towards efficiency
- Leverage common processes (harmonized business process)
- Potential for transaction shared service
- Leverage standard solution for fast implementation
- Lower TCI and TCO

SAP's Business Process Design Strategy consists of different approaches for different types of processes, aligning with the strategic value and importance of the processes to the organization. We classify the business processes into three main categories:

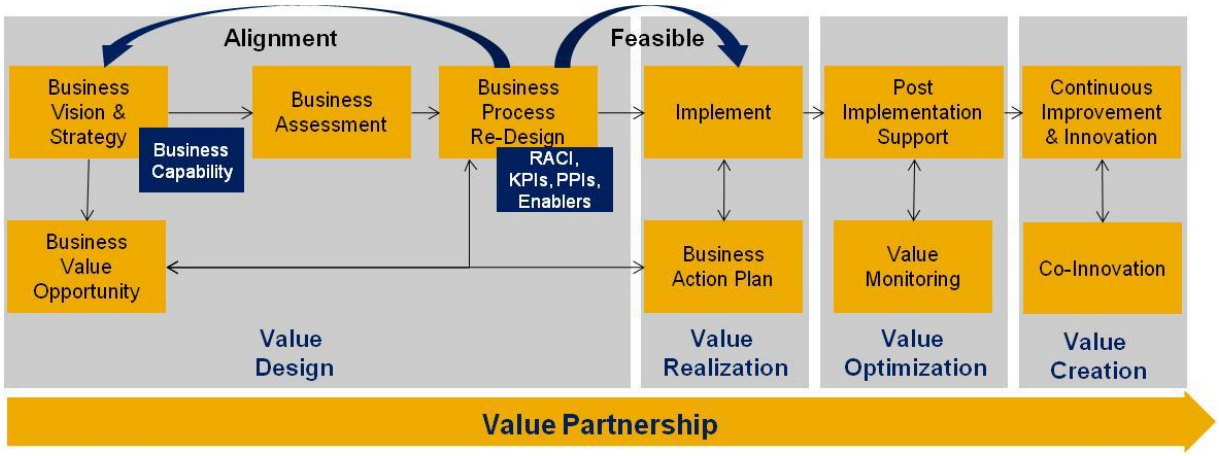
- Foundation Processes
  These processes are required to run a business but provides no strategic value to the company. For example: Payroll, Accounts payable, Personal administration, etc. Being best in class in these processes will not provide any competitive advantage for the company. The investment in re-designing these processes should be minimized. These processes should be designed with the goal towards EFFICIENCY. United Tractor can further extract business value through the establishment of transaction based shared service. Therefore, we would recommend designing these processes towards harmonization and standard processes across United Tractor's divisions.

- Core Competitive
  These are processes required to serve UT's customers. We must first be EFFECTIVE in serving our customers. These processes are competitive processes since UT's competitors are also conducting the same processes to serve the customers. After effectiveness is achieved, UT must continue to drive towards EFFICIENCY. The more efficient (leaner) these processes, the more competitive UT will become as compared to its competitors. Most of the Supply Chain improvement areas we discussed in our proposal are classified as Core Competitive processes.

- Strategic Differentiator
  These processes are the game changer or winning strategy for UT. They need to be uniquely designed for UT. This is the area of innovation and UT's investment. SAP

will partner with UT in designing these strategic processes and complementing it with SAP Co-Innovation Programs. An example of ideas for Innovation for United Tractors is Mobility Capability. Most of UT's customers are located in remote locations, such as mines, forest, etc. By deploying mobility solutions to UT's field operations, we can increase customer satisfactions, while improving UT's operational efficiency. For example: the field service can view available inventory across UT's network, reserve the inventory, and/or place order immediately in real time basis from their mobile devices (mobility solutions).

3 End to End Value Management Approach from Strategy to Execution



The end2end Value Partnership starting with the value Design, continuing with Value Realization, Value Optimization and finalizing with the Value Creation enables the holistic value-based understanding of our approach.

Value Design and Value Realization need to be integrated. At the same time they are interlinked. Starting with the sequenced steps of Value Design, Business Value & Strategy are linked with Business Value Opportunity. Business Assessment potentially ensures Business Process Re-Design.

In order to ensure feasibility of Business Process Redesign, RACI structure is required within the processes, In order to enable Implementation of re-designed Business Processes; a Business Action Plan of Value Realization is generated. Implementation follows the target to generate expected added values.

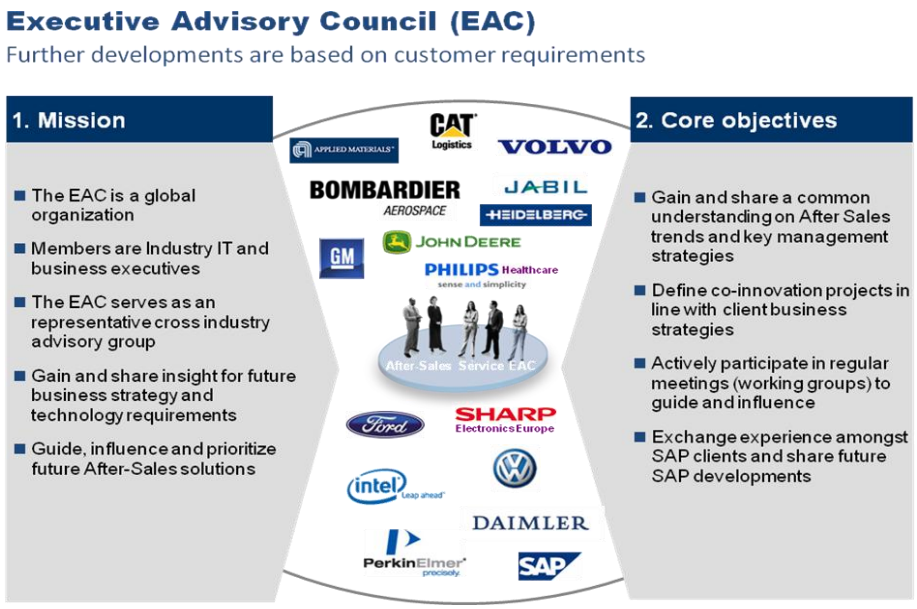
Value Monitoring ensures the Post Implementation Support while running Value Optimization. Continuous Improvement is guaranteed in order to make sure that the Value expected/assumed in the beginning, will surely be created and measured.

Constant continuous improvement and evolutionary innovation based on continuous exchange with and between customer base enables optimization which does not end at the end of the implementation.

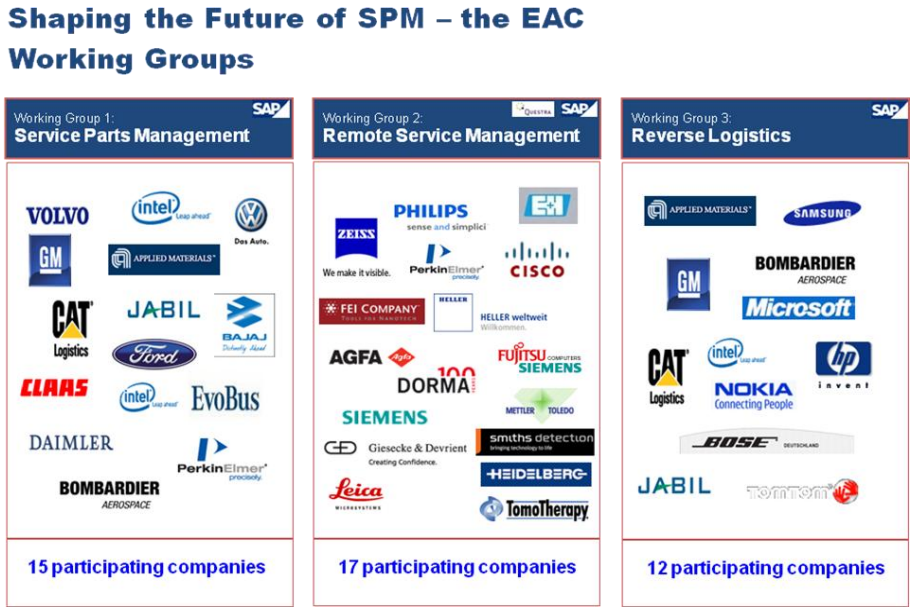
After BPR the follow-up with clearly defined implementation is highly recommended as resulting requirements can be implemented by the same partner right away. Customer process knowledge of implementation partner can be guaranteed this way and the partnership can be continued on a stable basis. This flow is the basis for strategic business processes for competitive advantage and the possibility to establish and implement stable processes for the future in a joint, collaborative and revolutionary approach.

4 Co-Innovation

SAP continues to innovate with our customers to enhance our best practices, and provide addition al competitive advantage to our customers. Specifically in Service and Parts Industry, we have established an Executive Advisory Council to develop innovative and creative concepts in the areas of Service Parts Management, Remote Service Management, and Reverse Logistics.



Through these Executive Advisory Councils for every industry, SAP uses the knowledge exchange with customer to create and further on develop solutions that are adapting to changing situations of the customer environment. The EACs are working groups run by customer top management and membership is based on invitation by members.



In the EAC there are different groups differentiated. In the area of Reverse Logistics the evaluation and set-up of sophisticated KPIs is established. These have been collected (200 KPIs) and now are determined in detail and supported to be utilized in a required focus level (20-30 KPIs).

RENUMERATION

PHASE 0- BUSINESS PROCESS RE-ENGINEERING

Based on the proposed project objectives, activities, deliverables and resourcing for the 3 month Business Process Re-Engineering exercise (Phase 0), SAP proposed a fixed fee engagement of

Financial Investment	Price (IDR)
SAP Services:	**IDR 9.850.000.000,00-**

Indonesian Rupiah Nine Billion Eight Hundred Fifty Million Only.

GENERAL TERMS AND CONDITION

- The above prices are fixed price for SAP Services only and are exclusive of any travel and other logistics including visa / work permits of SAP Resources . We envisage that an expense of Eur 100,000 will be incurred during the span of this engagement for airfare and hotel accommodation of the consultants. All such expenses will be charged to UT at actual.
- SAP Global travel policy will apply. The hotel and airfare will be as per SAP Standards
- The above prices are for Phase 0 only.
- The prices are exclusive of VAT and other Taxes
- Payment will be made within 30 days from the date of Invoice.

SERVICES PAYMENT SCHEDULE

The payment schedule for the services will be on the basis as determined in the following SAP payment schedule.

Project Phase	Percentage	Fees (IDR)
Signing of Agreement	25%	2.462.500.000
As-is Analysis Phase Sign-off	25%	2.962.500.000
To be Design Sign-off	25%	2.962.500.000
High Level Business and Roadmap Sign-off	25%	2.962.500.000
Total	**100%**	**9.850.000.000**

SAP PAYMENTS:

The payments will be made to:

P.T SAP Indonesia

Wisma Kyoei Prince 22nd Floor
Jalan Jenderal Sudirman Kav. 3
Jakarta - 10220
Indonesia
Toll free: 001 80 365 7943
Tel: (62) 21 5724289
Fax: (62) 21 5724292

APPENDIX

BUSINESS TRANSFORMATION SERVICES – QUICK FACTS

Summary

The Business Transformation Services group, part of the SAP® Consulting organization, tailors the SAP Services portfolio of service offerings to deliver sustained long-term benefits as well as quick wins to boost productivity and efficiency. Our consultants work with you to tune your business processes and IT landscape to meet new opportunities and challenges so you can take your competitiveness to a new level.

Customer Challenges

- Adapt to changing market requirements
- Identify and pursue growth opportunities in emerging markets
- Foster innovation while keeping tight control on cost
- Align IT strategy with business objectives
- Increase business efficiency through IT-enabled process improvement

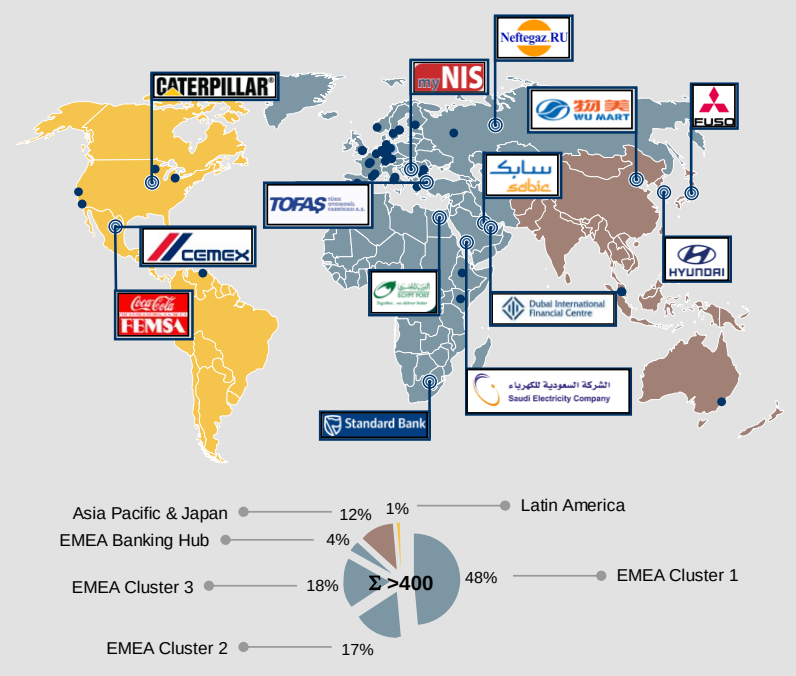
Services Offered

- Business process strategy analysis – Identify potential for optimization, integration, and innovation in mission-critical processes
- Business process design – Model and configure your business processes, making them faster and more efficient, transparent, and flexible
- Business value assessment – Evaluate the business benefits of SAP solutions, aiding in IT decision making and project monitoring
- IT strategy development – Harmonize your business goals and IT strategy and enhance the flexibility of your IT landscape
- Organizational change management – Support organizational transitions in your company with an individualized, holistic set of activities

Business Benefits

- Respond more quickly to customers, business partners, and competitors
- Increase competitiveness by advancing the value chain and restructuring organizations
- Safeguard IT decisions with hard business evidence, implementing value-oriented IT projects
- Optimize IT support of business processes by managing IT with a focus on value and the market
- Improve focus on targeted management of organizational adjustments, encouraging buy-in of changes
- Identify opportunities to reduce total cost of ownership
- Reduce project risk through end-to-end project support

SAP BTS – GLOBAL PRESENCE



SAP BTS – SERVING MARKET LEADERS ACROSS ALL INDUSTRIES

Cat Logistics Achieves Cutting-Edge Service Parts Management Leveraging SAP® Software

QUICK FACTS

Caterpillar Logistics Services Inc.

- Location: Morton, Illinois
- Industry: Transportation and logistics
- Products and services: Logistics services
- Employees: 10,101
- Web site: www.catlogistics.com
- SAP® solutions and services: SAP Service and Asset Management, working with the SAP Service Parts Planning for Automotive package and SAP Supply Network Collaboration, SAP Extended Warehouse Management, and SAP Customer Relationship Management applications

"SAP brought a genuine desire to make sure the software not only met the needs of Cat Logistics but was also a best-in-class solution for the industry as a whole."

Kevin Nelson
Development Manager
Caterpillar Logistics Services Inc.

RG 1xxxx (09/12)

Challenges and Opportunities

- Provide continued support for increasingly sophisticated global operations
- Eliminate costly legacy systems

Objectives

- Move away from in-house software development
- Provide the functionality and power to manage complex service parts supply chain

Implementation Highlights

- Joined forces with Ford Motor Company to develop new application with SAP
- Successfully implemented extended warehouse management functionality at 2 locations and have plans for the rest of the network

Why SAP

- Long-term stability of SAP as a company, along with its industry knowledge and global perspective
- Planned upgrades and product migration
- Robust technology advances

Benefits

- Improvement in warehouse functionalities and productivity such as pick to clean, pick to fill, and integrated yard management
- Improvement in fill rates
- 15% to 25% reduction in inventory
- 20% to 30% reduction in support costs
- More time for IT staff to spend on customer service and integration

CAT Logistics

BAJAJ AUTO
Simplifying Spare Parts Planning & Distribution

QUICK FACTS

Bajaj Auto Ltd.
Headquarters: Pune, India
Products and Services: Automotive
Revenues: RS 90,49 billion (USD 1,93 billion)
Employees: ~2,500 +
Website: www.bajajauto.com

SAP Solution and Services:
SAP ERP including Spare Parts Planning (SPP), BI and Netweaver

"SPP has helped us to cope with complex spare parts planning and distribution for both domestic and export market and has helped increase sales and reduce stress associated with manual methods"

Rajib Kumar Jena
Senior Manager, Management Information Services
Bajaj Auto Limited

BAJAJ

Key Challenges

- Improve material availability
- Improve service level to customers
- Reduce high levels of spares inventory
- Improve ability to handle complex spare parts planning and distribution

Implementation Best Practices

- Used SCOR methodology to define process model
- Applied learning from pilot implementation to subsequent phase
- Tight collaboration among corporate IT, operations and marketing

Financial and Strategic Benefits

- Achieved pay-back on investment
- Higher spare parts sale and market share
- Improved inventory management
- Greater customer satisfaction
- Higher vendor engagement level
- Improved ability to react to changes in demand and throughout the supply chain

Why SAP

- Ability to meet core business needs
- Ability of the solution to handle both distribution and inventory management
- Ease of integration with existing ERP application
- Easily configurable and reliable solution

Low Total Cost of Ownership

- On-time, within-budget implementation
- Simplification of existing IT landscape
- No dedicated maintenance support staff required

Operational Benefits

- Improved material availability by 35-40%.
- Achieved higher service level to exports market by 45-70%.
- Improved productivity of production planning controllers by 80%
- Reduced inventory obsolescence rate
- Improved forecasting accuracy in domestic market by 40%

SAMPLE CONSULTANT PROFILES

Ujjal

Business Transformation Principal
SAP Business Transformation Services.
APICS

Ujjal brings over 20 years of experience of business and consulting experience across enterprise applications, information platform, business development, practice lead, program management , business operations , instance consolidation and organizational change management having proven track record in value-based consulting initiatives across multiple industries verticals and corporation in Automotive , Hi-Tech , Utility , Telco , CPG , Apparels , Professional Services , IM&C and Discreet Manufacturing Industry space . In his last assignment as Principal with SAP Solution Excellence , Ujjal lead solution and strategy space for some complex and large projects in India, US & Asia Pacific .

As Strategic Advisor for Unilever Ujjal lead composite integration teams in business solution space of Inventory & Collaboration Hubs, Financial Consolidation, Sales & Distribution , Supply Chain Management, Business Intelligence, Customer Relationship Management for Unilever Fusion and Unity programs..

Prior to that Ujjal architected M&M "Dealer Business Management" solution for their automotive dealers and designed "Secondary Sales Business" solution for leading CPG accounts in India for their Distributor Business Management in domain of Collaborative solutions for Supply Chain Logistics . He was involved in expert Advisory roles for HLL, ABB, ITC, Infosys, Dabur, Tata-Telecom, 3-Com/Palm Inc. & Lead- managed Colgate-Palmolive Instance Consolidation project for Asia-PAC region . He continues to play the trusted-advisory role for some top global accounts and companies in this segment. He also assessed and designed optimal strategies including , Trade Promos , Incentive and Commission Management, Derivatives & Hedge in Commodity Trading , Network , Distribution and supply planning. His recommendations have been widely presented and accepted at C-level executives in many client companies.

Prasanth

Lead Management Consultant
SAP Business Transformation Services.

Years of Experience: Prasanth brings over Seventeen years of experience in strategic planning, supply chain management, business consulting and advisory services with special focus on business transformation.

Areas of Coverage: Prasanth specializes in operations management with focus on value realization through business transformation that is specific to Automotive and Industrial Machinery companies.

Professional Background: Prasanth is lead management consultant at SAP and has been a key member of the business transformation initiatives involving operations, supply chain and IT strategy for the key manufacturing clients of SAP.

Prasanth successfully led engagements with global fortune 100 on strategy, sales and operations planning, global supply chain reengineering and information system & technology planning in USA, & Asia pacific. He developed a framework for business transformation for a global OEM and was instrumental in the institutionalization of this across the organization.

He started his career with the Indian space research program as lead program manager and played a pioneering role in establishing geo stationary launch vehicle program of India, right from strategic planning to realization of space systems for the launch vehicle programs. Prior to Joining SAP, He worked with Tata consultancy services as lead management consultant , Business Transformation, USA

Education: Prasanth holds a Bachelor degree in Mechanical engineering and Master degree in Business Administration (MBA) from Indian Institute of Technology (IIT), Madras, India. He is an APICS certified CPIM professional

Joachim

Joachim Dugge
SAP Business Transformation Services.

Years of Experience: Joachim has ten years of leadership and extensive consulting experience in Supply Chain Management (SCM) for various topics and industry environments including automotive, metals industry, chemicals, consumer goods, paper , automotive and electronics with special focus on business transformation.

Areas of Coverage:
Joachim's experience is concentrated in analysis, modeling and optimization of SCM processes with value realization focus on Supply Chain Planning and Execution. He integrates Best Practice business processes into a synchronized, transparent, optimum supply chain. Joachim has experience in program management, change management , organizational design, training and process design, especially also in the area of Service Parts Planning. Joachim is ready to integrate into foreign cultural environment.

Professional Background:
Operative leadership and team lead for various Supply Chain programs/projects in different Industries, e.g. Automotive, Window production, Chemicals, Metals, Pulp and paper ,Consumer goods, Beverages ,Electronics,

Education:
Joachim earned a Master of Business Administration (Diplomkaufmann, University of Hamburg) and he is PMI PMP certified. He fluently speaks German and English; he has basic knowledge of Spanish and French language.

Pradeep

Pradeep Jadhav
SAP Business Transformation Services.

Experience: Pradeep brings over thirteen years of experience in management consulting, program management and advisory services with focus on supply chain strategy and planning. In his consulting engagements, he has worked with business heads in analyzing business issues and charting out strategies which have been presented and accepted by C-level executives.

Areas of Coverage: Pradeep specializes in all areas of supply chain strategy and planning. He is proficient in using sophisticated decision support systems and advanced quantitative modeling techniques to solve complex supply chain problems. He also specializes in process and workflow design across the supply chain areas.

Professional Background: Pradeep has worked with top clients in USA, Europe, China and India in a variety of industries, such as:

- Auto
- Telecommunications
- Consumer durables
- Pharmaceuticals

Education:
Pradeep has earned his bachelor's in engineering from Indian Institute of Technology and his masters in business management from Indian Institute of Management.