PRESS RELEASE
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LUKOIL INTRODUCES GLOBAL PLANNING SYSTEM BASED ON SAP SOFTWARE

LUKOIL has completed the implementation of a global planning system based on SAP software solutions. This system includes planning and budgeting modules, both short and long term, tools for assessment and approval of the investment projects, and for elaboration of the LUKOIL Group Investment Program.

The planning system encompasses over 70 LUKOIL Group Russian and overseas companies operating worldwide.

The system allows 2,000 employees from the Company's subsidiaries and the Corporate Center to share a common information space for planning and budgeting, using unified templates and algorithms. It also assesses the feasibility of investment projects in compliance with the corporate standards and methodology.

The system provides for coordination and approval of separate investment projects, investment programs and business budgets, within approved policies and procedures. A common database for investment projects, approved plans and budgets serves the basis for further monitoring of the implementation of these projects, and for operational analysis of the subsidiaries' performance.

Successful completion of this project became possible due to a centralized IT approach, performed by OOO LUKOIL-INFORM, the only contractor.

The project was implemented through joint efforts of the corporate center, business segments planning and economic departments and the Company's subsidiaries.

The system provides new opportunities for increasing efficiency of the LUKOIL Group investment projects portfolio; it helps reduce time for the preparation of plans and budgets and improves the quality of the information for decision-making.

The application of this global integrated information system will enhance transparency of the Company's operations and improve the quality of the corporate governance.

Press Centre PJSC "LUKOIL"
Phone:
E-mail: media@lukoil.com