



PRESS RELEASE
Milan, 20th October 2008

Inventory levels reduced by 15% and forecasting accuracy improved by 22%: these are some of the first results achieved by Chiesi. The Group improves its Sales & Operations Planning with TXT e-solutions

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TXT e-solutions, a leader in Demand & Supply Chain Management solutions, and **Chiesi Farmaceutici**, an international manufacturer in pharmaceuticals with 22 worldwide affiliates and sales totaling € 656 million in 2007, are presenting the first results obtained by Chiesi following the implementation of an extended Sales & Operations Planning project involving the entire Chiesi Group.

The Chiesi Group's growth has been achieved overtime both through incremental sales as well as through acquisitions and has fueled the need for the process standardization effort that took place as part of a significant process re-engineering project based on Sales & Operations Planning (S&OP).

Corrado Snaiderbaur Chiesi's Corporate Demand Manager explains, "The Implementation of TXT was an indispensable prerequisite for S&OP. For successful S&OP," Snaiderbaur continued, "you need systems, processes and people: We began by redefining our processes, we then involved our teams and finally selected TXT e-solutions as our preferred technology and they have proven extremely reliable in delivering the S&OP process we had mapped out."

More specifically, Chiesi's implementation in all its subsidiaries included TXTDEMAND and TXTPLAN two solutions which are part of the TXTPERFORM suite for Demand & Supply Chain Management. The two solutions - now at an advanced stage of implementation - respectively support collaborative demand forecasting and replenishment planning. These are complex issues in an industry regulated by minimum production lots, where organization's product portfolios are large to accommodate national variances and for which expiry dates must be managed.

"We needed a system," Snaiderbaur added, "that would enable us to effectively manage forecasts, safety stocks, minimum orders, and products approaching their expiry date, while having visibility of stocks in all affiliates. The implementation of the two TXT solutions, together with our own effort to revise our processes has turned out to be a winning combination. The figures demonstrate the project's success - so much so that in



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the two pilot countries (England and Germany), we have achieved an average inventory reduction of about 15%.”

“The forecasting process too has improved,” Snaiderbauer added, “we have obtained really significant results with a 22% increase in forecasting accuracy and a 30% improvement in the MAPE (Mean Absolute Percentage Error) index.”

“The achievement of the implementation of an S&OP process requires a structured approach and the right mix of process innovation and technological solutions,” concluded Diego Martini, Italy Sales Director for TXTPERFORM. “We are delighted that the adoption of TXTDEMAND and TXTPLAN, and Chiesi’s great skills and drive for innovation, is generating such important benefits for a company of their calibre. This confirms the synergy of the two groups’ competences and the reliability of the TXT solution to support a process such as Sales & Operations Planning and which delivers such major benefits.”

TXT e-solutions is an international software products and solutions vendor and leader in “Strategic Enterprise Solutions” in the industrial and media sectors. The principal business areas in which it operates are *Demand & Supply Chain Management* (DSCM) with TXTPerform offer and *Media & Channel Integration* with TXT Polymedia company (100% subsidiary). The company is listed on the Star segment of the Italian Stock Exchange (TXT IM). TXT has approximately 560 employees. The Company has headquarters in Milan, with offices throughout Italy, in Paris, Lyon, Barcelona, Chemnitz (Dresden), Halle (Leipzig), Bussum, London, Wynyard and New York.

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