



PRESS RELEASE
London, 26th January, 2010

**Chiesi sees further benefits from its Sales and Operations'
Planning project and reduces inventory by 15%
following European rollout**

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TXT e-solutions, a leader in Demand & Supply Chain Management solutions, and Chiesi Farmaceutici, an international pharmaceutical manufacturer with revenues of 749M€ in 2008 are pleased to announce the additional business benefits realized by the S&OP project throughout Europe. These were achieved by a strong commitment by the teams towards process re-design and the implementation of the Sales & Operations Planning solution from TXT; this has now over 80 users.

Within a year of the 2007 roll-out of S&OP in Germany and the UK, Chiesi saw inventory levels reduced by 15% and a 30% improvement in MAPE (Mean Absolute Percentage Error). In its second year and following the successful roll out to France and Spain, Chiesi reports a further 15% reduction in inventory and additional 20% improvement in MAPE across all live regions. This is bringing significant ROI to the company and continued value to the project.

Corrado Snaiderbaur, Corporate Demand Manager at Chiesi comments "Right from the start, I knew that TXT's technology, together with our commitment to S&OP practices, would yield significant results for the business, but I must say those results have exceeded my expectations. Not only have we obtained those benefits extraordinarily fast, in the first year of implementation, but also these results have been replicated in other countries in the second year: the project is generating continuous improvement rather than just a "quick win", and this is experienced by all our main European affiliates. Our plan is to soon involve all subsidiaries at a global level".

Chiesi approached S&OP with the following objectives: Process formalisation, synchronized demand and supply, as well as reduced stock outs and obsolescent inventory through greater forecast accuracy.

Snaiderbaur explains "The results obtained in terms of reduced inventory are certainly linked to an increase in forecast accuracy. In fact, we have improved the MAPE index by an average of 20% across countries with a peak of 41% in some places. Moreover, with the help of S&OP and a formalised calculation of MAPE we have put in place a structured safety stock policy based on forecast accuracy: visibility of forecast accuracy by item allows us to define safety stocks at an SKU



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level. The subsequent reduction in working capital specifically inventory value, the latter being a key financial KPI of the S&OP project has brought outstanding benefits to Chiesi, and have strengthen the level of executive commitment as well as contributed to S&OP becoming part of our DNA".

Stefano Lena, VP of Global Sales, TXT e-solutions comments "We are delighted with the impressive results Chiesi has achieved. Today more than the ever, Pharma and CPG companies are looking at the efficiency of their supply chain as a source of competitive advantage. With this in mind TXT's S&OP solution, as recognised by analysts such as AMR Research and Gartner can play an important enabling role. In this specific case, the right technology and competencies, along with Chiesi in-depth level of process knowledge, enthusiasm and commitment were the key ingredients of this success."

ABOUT TXT GROUP

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); advanced software systems for the Aerospace & Defence and Banking & Finance industries with the TXT Next offer. The company is listed on the Star segment of the Italian Stock Exchange (TXT IM). TXT has approximately 600 employees. The Company has headquarters in Milan, with offices throughout Italy, in Paris, Lyon, Barcelona, Chemnitz (Dresden), Halle (Leipzig), London, Wynyard and New York.

For Further Details Please Contact:

TXT e-solutions

UK Marketing
Sharon Tilly

Tel. +44 (0) 20 8834 1094

sharon.tilly@txtgroup.com

TXT e-solutions SpA

Corporate Communication Manager
Mariateresa Rubino

Tel. +39 0225771.247

mariateresa.rubino@txtgroup.com