

The Right Chemistry for EDI

Chemical Company Cognis uses crossgate for Invoice Management

Starnberg, March 13, 2007 – **crossgate AG, the expert for B2B integration and cross-automation, has been able to gain another customer from the chemical industry. The contents of the recently signed contract are the digitalisation and centralised management – including workflow – of all incoming, paper-based invoices. The migration to EDI (Electronic Data Interchange) is planned to be implemented in several stages. The service provider crossgate will take over the individual coordination with the customers and partners.**

The Cognis Group, which emerged from the chemical sector of Henkel KGaA in August 1999, is a worldwide provider of innovative special chemicals and of ingredients for foodstuff. The company employs more than 8,000 persons and operates production sites, as well as research and service centres in approximately 30 countries. Up to now, incoming invoices have been processed completely manually in Germany. The documents were merely scanned for the purpose of archiving. This procedure has now been thoroughly reorganised with the help of crossgate.

After the scheduled activation of the system in summer 2007, approximately 80,000 invoices will be received and scanned per year by crossgate. The data will be extracted via OCR software. The digitised image of the invoice will be stored in an audit proof archive. The exported data will be transferred electronically to the SAP system of Cognis. An automated workflow has been defined for invoice approval, which transfers the invoice via the SAP system and the Intranet to all persons involved. The accounting department receives the document including all approvals and potential comments, which are integrated into the file.

Christoph Lüders, Director of Purchase to Pay of Cognis Germany: "We were searching for a new solution for electronic processing in accountancy. With crossgate, we have now opted for a service provider who optimises the processes considerably and makes an important contribution to reducing the costs on the administrative sector." crossgate is billing the services on the basis of transactions according to the number of documents which were actually scanned and transferred.

In the medium term, it is planned to migrate suppliers with a large volume of invoices to EDI step by step, which will enable them to transfer their invoices electronically – via crossgate – to Cognis. This will lead to a considerable reduction of both effort and costs.

crossgate AG (formerly indatex SCI GmbH) – the company:

The crossgate AG, based in Starnberg, has been the supplier of Europe's largest centralized transaction platform, the Business Integration Platform™ (B.I.P.), for six years now. The focus of the company is on the innovative integration of critical and inter-company business processes, as well as transaction-based process handling. crossgate combines industry and process know-how for more than 34.000 companies in the automotive and manufacturing industries, logistics, and retailing with great technological problem-solving ability in IT. The list of customers includes established names like Audi, Bermbo, CeramTec, Fiege, Hartmann, Lanxess, Philips, voestalpine Automotive, VW und Zumtobel.

The principal shareholders of crossgate are the DAH-Beteiligungsgesellschaft of the family of the SAP founder Dietmar Hopp, the Otto Wolff Industrieberatung und Beteiligungen GmbH and the Al-Jomaih Group. There are over 200 employees in five locations in Germany and subsidiaries in Milan (crossgate Italia S.P.A.), New York and Dublin / Ireland. The founder and CEO of crossgate is Stefan Titel. More information at www.crossgate.de

Cognis – the company:

Cognis is a worldwide supplier of innovative specialty chemicals and nutritional ingredients, with a particular focus on the areas of wellness and sustainability. The company employs about 8,000 people, and it operates production sites and service centers in 30 countries. Cognis has dedicated its activities to a high level of sustainability and delivers natural source raw materials and ingredients for food, nutrition and healthcare markets, and the cosmetics, detergents and cleaners industries. Another main focus is on products for a number of other industries, such as coatings and inks, lubricants, textiles, as well as agriculture and mining. The company holds a 50-percent stake in the joint venture Cognis Oleochemicals, one of the world's leading manufacturers of oleochemicals.

Cognis is owned by private equity funds advised by Permira, GS Capital Partners, and SV Life Sciences. In 2005, Cognis recorded sales of 3.18 billion euros and an Adjusted EBITDA (earnings before interest, income taxes, depreciation, amortization and exceptional items) of 356 million euros.

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