

*Press contacts:*

**Capgemini**

*Jennie Laird*

*Tel.: + 44 (0) 870 904 5720*

*Email: jennie.laird@capgemini.com*

**Danfoss A/S**

*Ole Steen Andersen*

*Tel.: + 45 74 88 21 46*

*Email: OSA@danfoss.com*

## **Danfoss and Capgemini UK plc close frame agreement for Business Process Outsourcing of Danfoss' finance & accounting transactional processing**

**London, July 27, 2005** - Denmark's leading components producer, Danfoss has selected Capgemini UK plc ("Capgemini") as its Business Process Outsourcing (BPO) partner for Finance and Accounting (F&A) processes in Europe. The €20-million frame agreement was signed for seven years (with flexibility for 10 years) after Danfoss conducted a year-long evaluation process to review both in-house and outsourcing models.

In the agreement, which commenced early-July, a combined team from both parties will migrate finance and accounting transactional processes related to accounts receivable, accounts payable, general ledger and cash & bank from 26 different locations in Europe into the Capgemini Group BPO centre in Krakow, Poland. The centre in Krakow is a cornerstone in Capgemini Group's integrated global Rightshore™ network of BPO centres and is one of only a handful of centres in the world that can deliver high-quality multi-languages F&A processing.

The key decision criteria for Danfoss in choosing Capgemini were the ability to provide the experience and know-how to safeguard the transfer of processes from such a diverse geographic spread of locations into one consolidated centre, and also the ability to work closely with Danfoss leaders in delivering a sustained transformation. Optimisation of SAP and OCR are some of the approaches, which will be used to deliver sustained improvements.

"Danfoss will gain the benefits of this BPO program in the form of significant reductions in operating costs whilst driving through greater visibility, consolidation and accountability and bringing about a shift from a country-based organization to one that is process-led. We are very happy to be working with Danfoss and look forward to a long and mutually beneficial relationship with our new partner," says Hubert Giraud, Global Head of BPO in the Capgemini Group.

"Danfoss aims to sharpen the focus on its core business. Finance and accounting transactional processing is not Danfoss' core business. Also, we realised we did not have the critical mass in-house to get the full benefits from a consolidated solution. So, we decided to look for an external long-term

partner in business. Capgemini has the expertise and has shown the commitment and flexibility to be this partner,” says Ole Steen Andersen, Group CFO of Danfoss.

#### **About Danfoss**

Danfoss is a leading producer of high-technological solutions for Refrigeration & Air-Conditioning, Heating and Motion Controls headquartered in Nordborg in Southern Denmark. With approximately 18,000 employees world-wide and a €2.2-billion revenue in 2004, Danfoss has cemented its position in global markets as a supplier of high-quality products, which improve quality of life and make modern living possible

#### **About the Capgemini Group**

Capgemini, one of the world's foremost providers of Consulting, Technology and Outsourcing services, has a unique way of working with its clients, which it calls the Collaborative Business Experience. Through commitment to mutual success and the achievement of tangible value, Capgemini helps businesses implement growth strategies, leverage technology, and thrive through the power of collaboration. Capgemini employs approximately 60,000 people worldwide and reported 2004 global revenues of 6.3 billion euros.

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