

## Upheaval in International Group Accounting

In recent years, international accounting has clearly gained weight. Since 2005 or 2007, all capital market-oriented groups have to create consolidated financial statements in accordance with IFRS specifications. The requirements placed on accounting have clearly increased through the conversion to IFRS. The IAS/IFRS insist on comprehensive note specifications, segment reporting, a statement of stockholders' equity, as well as a capital flow statement for a complete annual report.

However, the requirements for consolidated financial statements in accordance with IFRS are currently undergoing a radical period of transition. A number of relevant regulations have been extensively revised by the improvement project, the convergence project, and by the business combinations project. Existing options and inconsistencies are dropped in favor of an increasing convergence between IFRS and US-GAAP.

A company can only face this challenge with an efficient consolidation solution. Data that has been entered for consolidation purposes can also be made available for management reporting. As a result, it serves to integrate internal and external reporting. As a complete solution partner, cundus AG offers consolidation and reporting solutions that are selected according to customer requirements and are individually tailored to their industry, process and organizational structure.

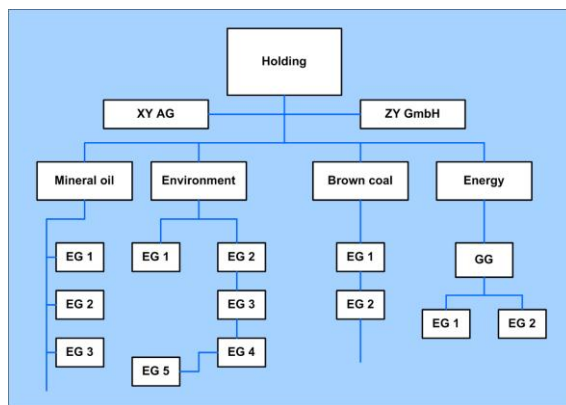
### Overview of Group Consolidation Steps

- Consolidation of debts
- Elimination of interim results
- Consolidation of costs and revenue
- Latent taxes
- Capital consolidation
- Minority interests through balancing items for minority shareholders

cundus simplifies the demanding consolidation process with integrated complete solutions for group accounting.

## Company Globalization Versus Unified and Timely Reporting in the Group

As a result of the globalization of markets and production locations, many companies have a number of sales and production locations throughout the world.



The creation of subsidiaries and plants abroad makes it more difficult to create high-quality consolidated financial statements on time. In groups that are widely distributed in terms of geography, specifications must be communicated, intercompany differences must be clarified, and reporting data must be collected and validated before the actual consolidation can begin.

Successful group controlling requires timely and unified group reporting in addition to legal consolidation data. Management consolidation therefore becomes considerably more important as a result of required segment reporting.

Consolidation solutions from cundus consider not just the management view and legal consolidation, but also a customer-specific form and an effective design of the consolidation processes. For example, solutions considerably accelerate the data collection, consolidation and reporting process by minimizing typical error sources for a consolidation in the widely distributed MS Excel environment. This optimized process enables fast closing at group level. Expert staff who are involved with administrative tasks are relieved, resulting in more time for the actual consolidation and analysis of the data, thereby achieving higher-quality consolidated financial statements.

Consolidation solutions provide an overview at any time of the consolidation status, for example, with a central "status and tracking monitor" with an integrated traffic light function. From the red or green colors or corresponding icons, the parent company can recognize where information is still missing, or where differences have occurred. Extensive validation rules ensure the quality of the consolidation. These rules are easily maintained centrally and apply even during decentralized data entry.

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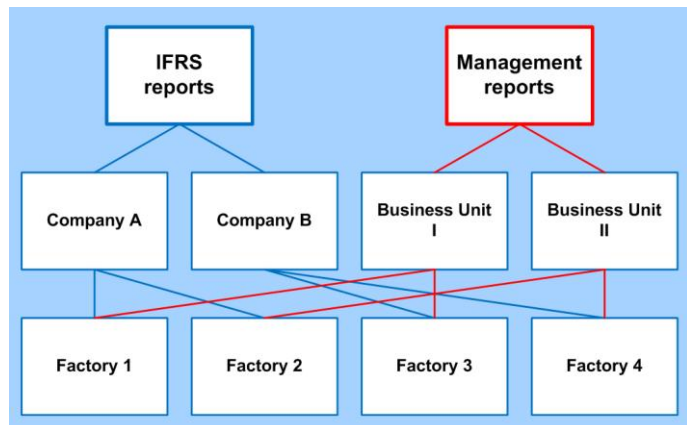
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The solutions from cundus are directly embedded in the context of the company's existing Business Intelligence landscape. As a result, the group accounting information is available in conjunction with the planning, reporting, and analysis systems. Reporting is performed using modern web user interfaces and is therefore promptly available to the group and local management. All persons involved in the process can display and monitor their reports themselves. More in-depth analyses are performed using flexible, multi-dimensional reports (OLAP).

## Customer-Specific Consolidation Solutions as a Central Management Information System



Special features in terms of the organizational and process structure or industry often require standard consolidation solutions from manufacturers to be adapted to special customer requirements.

Consolidation solutions from cundus enable data that has already been collected for the IAS/IFRS consolidated financial statements to be assessed for different purposes, such as for group-internal analyses and reports from a management perspective, or for the HGB [Commercial Code] consolidated financial statements.

Other group-internal reports, such as by country or region, by product group, market segment, cost center or segment can also be made.

## What is Different About the Consolidation Solutions from cundus?

cundus offers an integrated solution offering for group accounting and Business Intelligence. This ranges from the business design through to the technical implementation. Technical support comprises among other things the implementation and modification of the software through to global on-site installation.

The business design includes all relevant aspects such as the technical implementation of individual standards, the consolidation of internal and external accounting, and the optimization of internal processes. Central approaches for accelerating the financial statements include the quality of the reporting data, the reporting channels in the group, as well as inter-company reconciliation and reporting. Here, cundus AG enhances the established consolidation systems from market leaders (such as SAP) with its own, certified software solutions (such as cundus iasNotes: structured management of your IFRS-compliant note specifications in SAP NetWeaver®).

### Consolidation Software

The solution offering from cundus AG focuses on products from SAP AG. SAP SEM®-BCS, SAP® Business Planning and Consolidation and BO™ Financial Consolidation are the solution platforms for sustainable consolidation solutions.

cundus supports you in the decision-making and selection process for one of these consolidation systems based on a concrete, detailed analysis of the information flows in your company and your information needs.

Our consultants have in-depth functional knowledge of accounting in accordance with both IFRS and HGB. By combining functional and excellent technical know-how, we offer consolidation, planning, and reporting solutions from a single source.

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