

# Q4 & FY 2007 Preliminary Results Release



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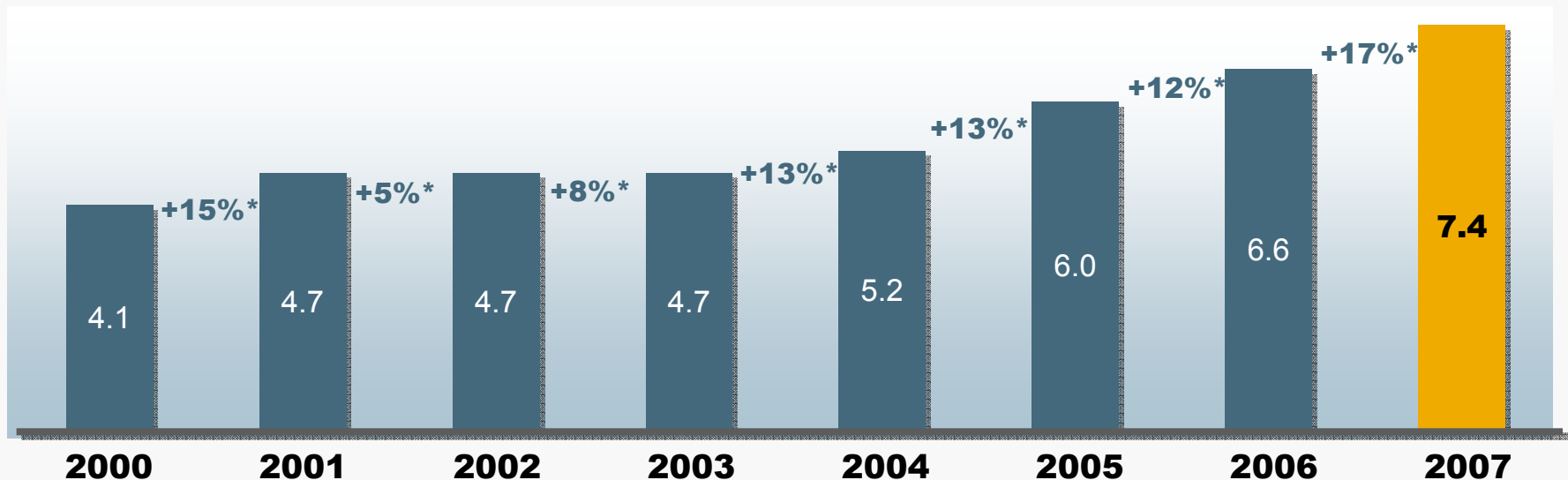
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## Established business drives outstanding results in 2007 and remains the foundation for growth for 2008

- 17%\* growth in software and software related services – Q4 and FY 2007
- 18%\* growth in software revenues – Q4 and FY 2007
- 16 consecutive quarters of double-digit growth\* – an outstanding achievement

### Software & Software Related Service Revenue (€ bn.)



\*at constant currency

## **Highest share and biggest lead over competition ever**

- Global share at 28.4%, 12 percentage points ahead of next biggest competitor
- Market leader in every region and nearly every industry
- Strong competitive win rate in Q4: >80% versus next biggest competitor
  - 111 replacements of Hyperion solutions in 2007
- New customers in 2007:
  - 21% of order entry (2006: 19%)
  - 31% of contracts (2006: 31%)

## **Investing into next generation of growth**

- SAP Business ByDesign investment and go-to-market progress remains on target
- Acquisition of Business Objects provides SAP with a whole new arsenal of products and technology to further penetrate the fast-growing business user segment

## Americas

### Software and software related service revenues Q4 +16%\*, FY +17%\*

- Solid double-digit growth continued despite a much larger base
- Large enterprise business remained robust, while volume business continued to grow
- U.S.: software and software related service revenues Q4 +14%\*, FY +16%\*
  - Remains a value-based market which benefits SAP
  - Hotly contested market, but SAP continues to win
- Latin America – growth in large enterprise and SME
  - Brazil and Mexico are drivers – high double-digit growth\*



### Select Customer Wins

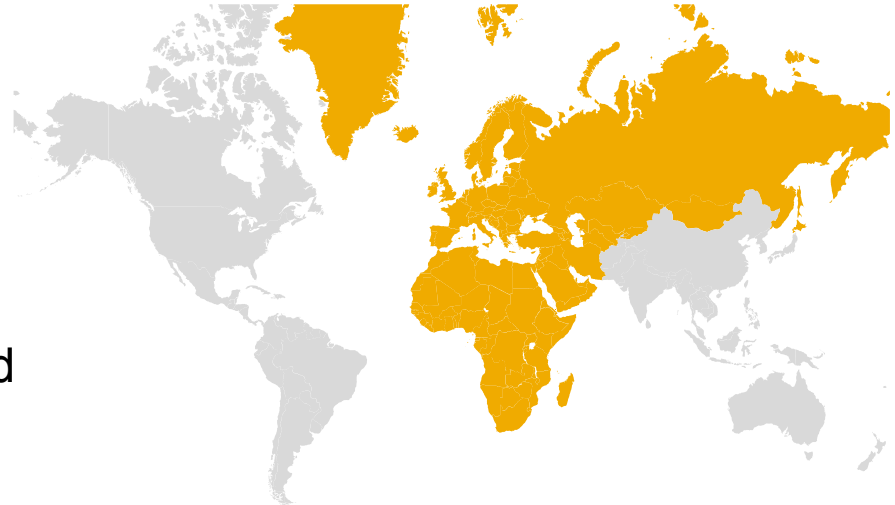
- NA: U.S. Navy, Sara Lee Corporation, Tyco Electronics, Magna Services
- LA: Petrobras, GCC Cemento, COMGAS

\*at constant currency

## EMEA

### Software and software related service revenues Q4 +14%\*, FY +14%\*

- Continued demand from installed base, with significant new customer wins
- Additional purchases remain robust
- Outstanding performances in Russia, France and the Nordics
- Germany: software and software related service revenues Q4 +11%, FY +7%
- Mideast
  - High-opportunity market
  - Acquisition of SAP Arabia to further help penetrate market
  - Key contract wins with Saudi Arabia Airlines and Egyptian government



### Select Customer Wins

- Russia: Informgazinvest, RUSAL
- France: Veolia, Printemps, La Poste
- Nordics: Lego, Nokia, Ericsson

\*at constant currency

## Asia Pacific Japan

### Software and software related service revenues Q4 +32%\*, FY +24%\*

- Remains a growth engine for SAP
- Japan: software and software related service revenues Q4 +22%\*, FY +21%\*
  - 2006 transformation resulted in a very successful 2007
  - New management team brought in value-based delivery model
- Emerging markets
  - China and India momentum continued with high double-digit growth\*
  - Emerging, fast-growing companies need a platform to maintain growth and efficiency
  - SAP has become the platform of choice among the SAP partner ecosystem



### Select Customer Wins

- China Tobacco Guangdong Industrial, China National Chemical Corp., Aluminum Corp. of China
- JP: Sharp, YAMAHA, Toyota Tsusho
- India: Tata Motors, United India Insurance Company Ltd

\*at constant currency

## **Balanced growth across established and focus industries**

- Industry focus drives established business success
- Oil & Gas, Consumer Products, Utilities, Banking and Retail top performers
- SAP winning in focus industries – Retail, Public Sector and Banking

## **Global market leader in 20 out of 24 industries**

- Success stems from nearly two decades of building industry solutions
- 16 industry value networks help drive new innovation



# Industry Success Helps Drive Growth – SAP Winning in Focus Industries



## Banking

- High double-digit growth in 2007
- Selected customer wins: Lloyds TSB, Nationwide, Muenchener Hypothekbank, Standardbank
- Establish SAP banking platform as platform of choice for customers of all sizes
  - Strategic partnerships with Mysis, Sungard, Callataÿ & Wouters and CSC

## Public Services

- Continued double-digit growth in 2007
- Selected customer wins: Bundesamt fuer Informationsmanagement, U.S. Navy, Egypt Post, Ministry of Finance Singapore, Metropolitan Police, Ministry of Finance & Economy Greece
- U.S. Postal goes live with landmark HR system - provides HR services to nearly 700,000 employees

## Retail

- Strong double-digit growth in 2007 – license revenues more than doubled in last three years
- SAP is the clear leader worldwide
- Top retail wins throughout 2007: Wal-Mart, Marks & Spencer, Edeka, Best Buy, X5, Woolworth, Printemps, Metro

## Large enterprise – another year of success

- 11 Global Enterprise Agreements at the end of 2007 demonstrates SAP's edge in strategic partnerships with large customers
- Balanced Q4 order entry structure
  - % deals >5 mln: 24% (21%)
  - % deals <1 mln: 41% (41%)

## Continued success in SME

- SAP remains the clear leader with 36% market share
- SME was ~30% of order entry in 2007
- Added 7,400 new customers (i.e., 31 customers per working day), thereof 6,500 through the indirect channel
  - SAP Business All-in-One: 11,350 customers (+18%); ~1,100 partners
  - SAP Business One: 17,780 customers (+37%); ~1,350 partners
- Continued strength in indirect channel growth for 2007: +31%
- SAP Business ByDesign: 150+ customers; 50+ partners

# Migration to SAP ERP Is Just the First Step in Generating Revenues from the Installed Base



Percent of Order Entry  
(Existing Customers)

100%

50%

0%

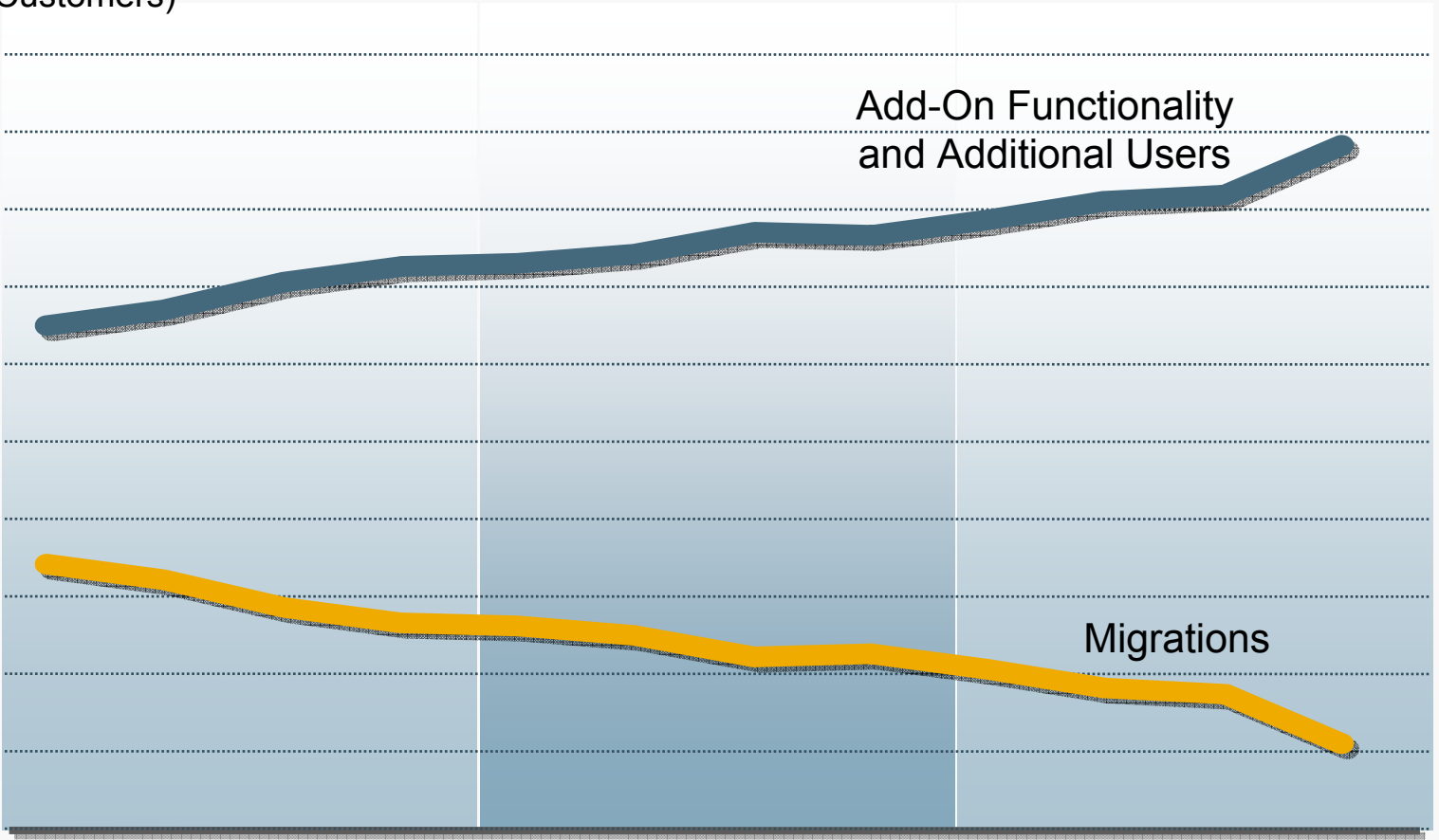
2005

2006

2007

Add-On Functionality  
and Additional Users

Migrations

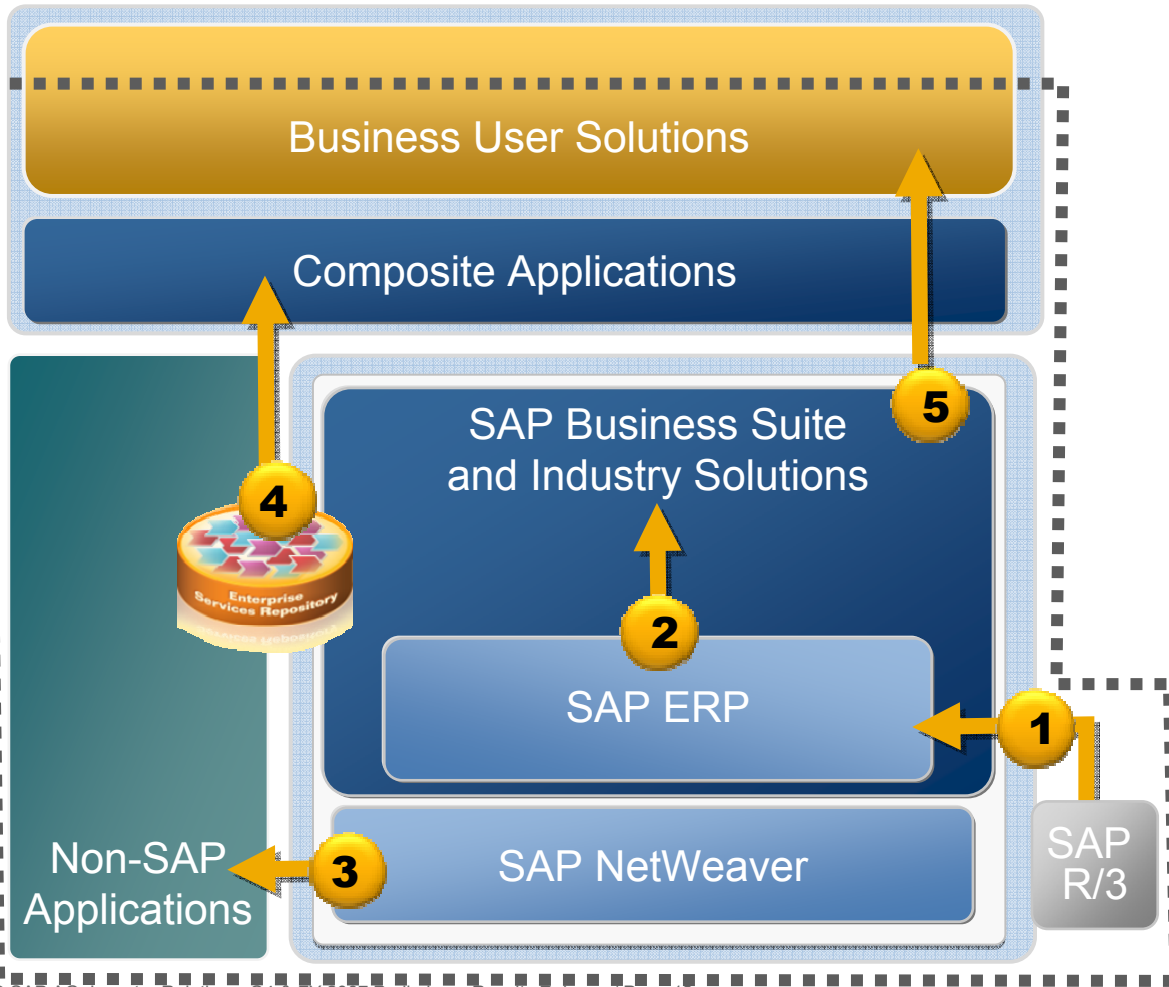


Data based on rolling four quarter average

# Future Growth Opportunities in the Established Business



## Platform Adoption Creates Up-Sell Opportunities in SAP's Large Customer Base



- 1** Migration to SAP ERP
- 2** SAP Business Suite and Industry Solutions
- 3** Technology platform SAP NetWeaver
- 4** SAP business process platform
- 5** Business user solutions

Established Business



## 2008 – Next Steps

- Fully establish volume processes
- Additional country rollout
  - Currently Germany, UK, France, US, China – additional 15+ countries in 2008
- Continue to build partner network
  - Reseller
  - Complementary content providers



- Business performance optimization is the fastest-growing segment in the market
- Most complete portfolio in the market – nine packages already launched
- Combined customer base provides excellent opportunity for cross-selling
- Large SME opportunity

## **Further growth in the established business**

- Continue to drive adoption of SAP ERP 6.0 and SAP NetWeaver
- SAP CRM 2007 a major innovation: built on enterprise SOA principles, new user interface, additional functionality, important features accessible through iPhone and BlackBerry
- Expand large enterprise business – up- and cross-selling, competitive replacements and new names in strategic industries

## **SME market offers vast “greenfield” opportunities**

- Grow volume business across the full SME solution portfolio, including SAP Business ByDesign
- Volume readiness

## **Successful integration and leverage of the acquisition of Business Objects**