

Fourth-Quarter and Full-Year 2007

Preliminary Results Release

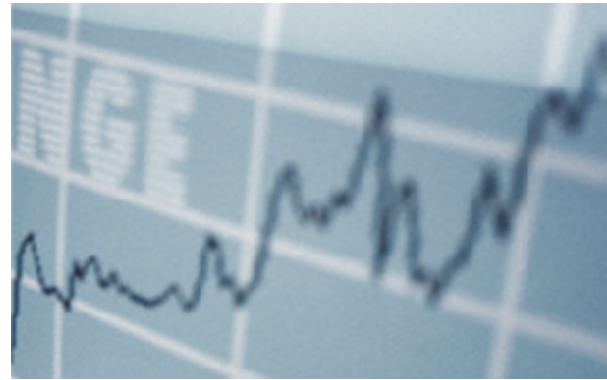


Werner Brandt
CFO, Member of the Executive Board
SAP AG

Frankfurt, Germany
January 30, 2008

Any statements contained in this document that are not historical facts are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “project,” “predict,” “should” and “will” and similar expressions as they relate to SAP are intended to identify such forward-looking statements. SAP undertakes no obligation to publicly update or revise any forward-looking statements. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. The factors that could affect SAP’s future financial results are discussed more fully in SAP’s filings with the U.S. Securities and Exchange Commission (“SEC”), including SAP’s most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.

Agenda



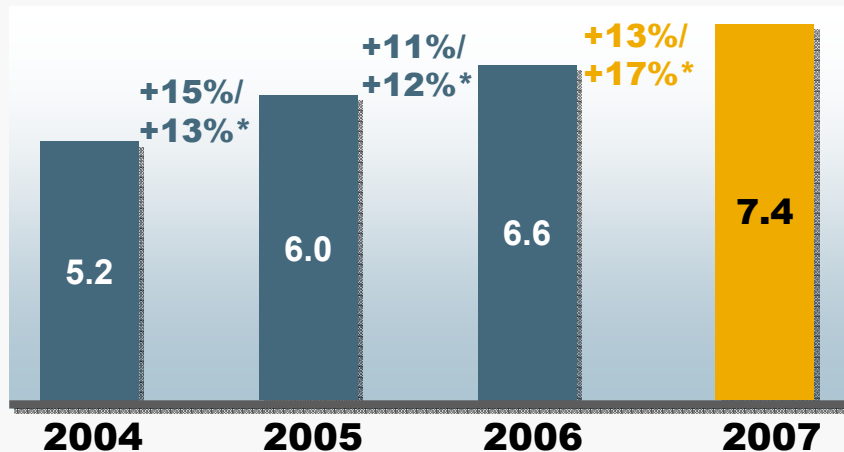
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- 1. Full-Year 2007 Financial Highlights**
2. Operating Expense and Margin Analysis
3. Balance Sheet, Cash Flow, Share Buy Back, and Headcount Analysis
4. Outlook 2008

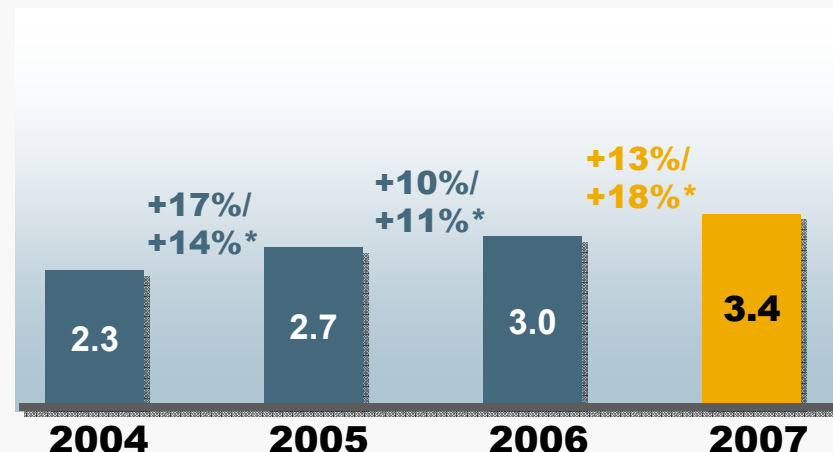
Full-Year 2007 Financial Highlights



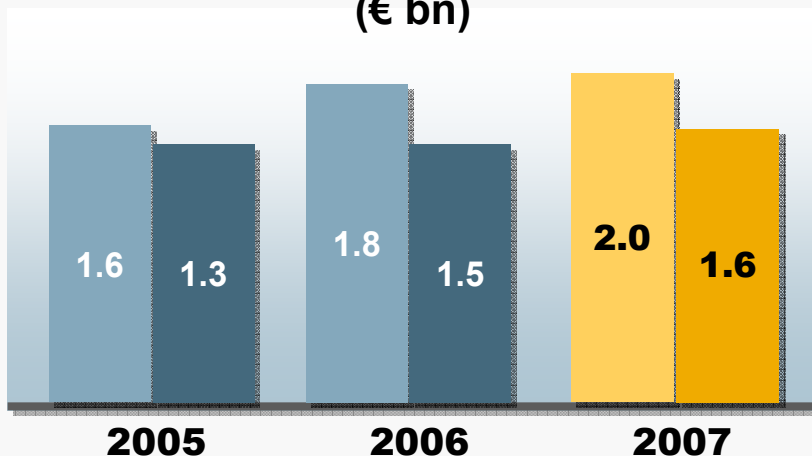
SW & SW-Related Serv. Revenue (€ bn)



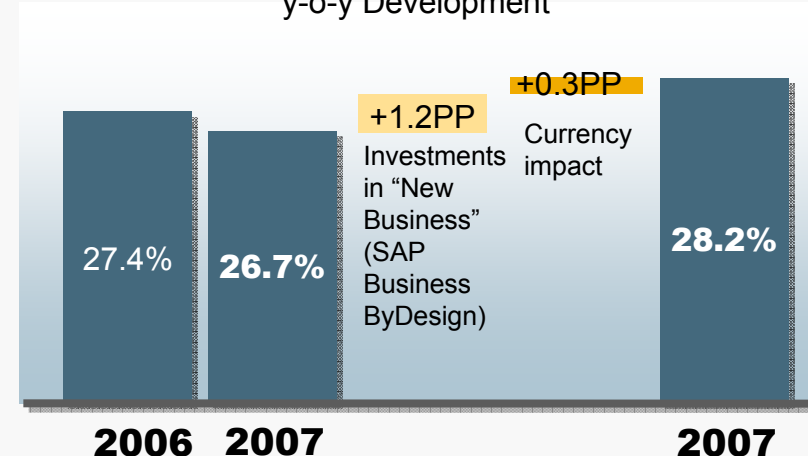
Software Revenue (€ bn)



Operating Cash Flow/Free Cash Flow (€ bn)



Operating Margin y-o-y Development



Group Sales by Revenue Type – Full-Year 2007



	FY 2007 € millions	FY 2006 € millions	Δ %	Δ %*
Software	3,408	3,003	13	18
Support	3,838	3,464	11	15
Subscriptions and other softw. rel. serv.	182	129	41	46
SW & SW-related serv.	7,428	6,596	13	17
Consulting	2,223	2,249	-1	3
Training	410	383	7	11
Other services	113	96	18	23
Professional services	2,746	2,728	1	4
Other revenue	71	69	3	7
Total revenue	10,245	9,393	9	13

Strong growth rates in all software-related revenue line items

First time in history that SAP reached above €10bn in total revenue

* % currency adjusted – actuals 2007 converted with the exchange rates of 2006

Currency Impacts in 2007




	FY 07 € millions	FY 06 € millions	Currency impact € millions
Software revenue	3,408	3,003	-124
Software and software-related service revenue	7,428	6,596	-260
Total revenue	10,425	9,393	-366
Total operating expenses	-7,510	-6,815	+237
Operating income	2,735	2,578	-129
Operating margin	26.7%	27.4%	-0.3*

* percentage points

Income Statement – Full-Year 2007



	FY 07 € millions	FY 06 € millions	 %
Total revenue	10,245	9,393	9/13*
Operating income	2,735	2,578	6
Other non-operating income/expense, net	-1	-12	N/A
Financial income, net	125	122	2
Income from continuing operations before income taxes	2,859	2,688	6
Income taxes	-920	-805	14
Minority interests	-2	-2	0
Income from continuing operations	1,937	1,881	3
Income from discontinued operations, net of tax	-14	-10	40
Net income	1,923	1,871	3
EPS basic from continuing operations (in €)	1.60	1.53	5
EPS basic from discontinued operations (in €)	-0.01	-0.01	0

* % currency adjusted – actuals 2007 converted with the exchange rates of 2006

Financial income, net	FY 07 € millions	FY 06 € millions
Interest income, net	135	120
Other financial income and gains/losses from investments	-10	2
	125	122

Effective tax rate	FY 07	FY 06
	32.2%	29.9%

Effective tax rate for 2006 was positively impacted by a non-recurring tax benefit of approximately €85m, which reduced the 2006 tax rate by 3.2 PP

Acquisition-related charges	FY 07 € millions	FY 06 € millions
	61	43

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Gross Margin Analysis – Full-Year 2007



	FY 2007 € millions	FY 2006 € millions	Δ %	Impact of accelerated investments
SW & SW related serv. revenue	7,428	6,596	+13	
SW & SW related serv. cost	-1,308	-1,091	+20	
- SW & SW related serv. margin in %	82.4	83.5	-1.1 *	-50bp
Professional serv. and other serv. revenue	2,746	2,728	+1	
Professional serv. and other serv. cost	-2,092	-2,073	+1	
- Professional serv. gross margin in %	23.8	24.0	-0.2 *	-50bp
SW & SW related service, professional serv. and other serv. revenue	10,174	9,324	+9	
SW & SW related service, professional serv. and other serv. costs	-3,400	-3,164	+7.5	
- Gross margin in %	66.6	66.1	+0.5 *	-50bp

* in percentage points

Cost Analysis – Full-Year 2007

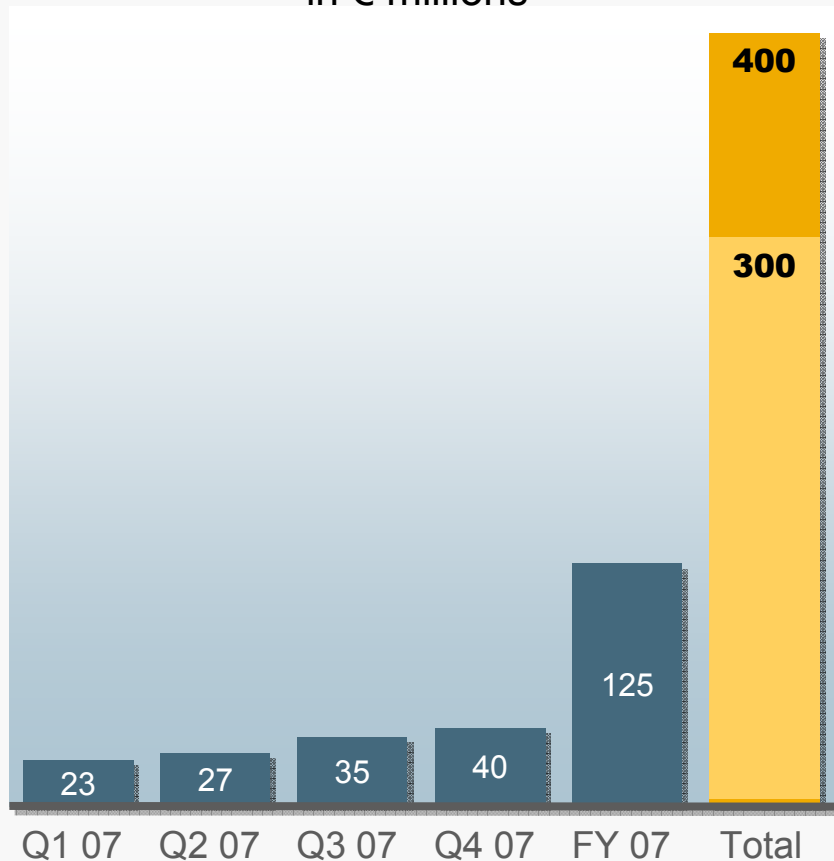


	FY 2007 € millions	FY 2006 € millions	Δ %	Impact of accelerated investments
Research & Development - as % of total revenue	-1,457 14.2	-1,335 14.2	+9 0.0 *	30bp
Sales & Marketing - as % of total revenue	-2,165 21.1	-1,908 20.3	+13 +0.8 *	40bp
General & Administration - as % of total revenue	-505 4.9	-464 4.9	+9 0.0 *	
Other operating income/expenses	+17	+56	-70	
Total operating expenses	-7,510	-6,815	+10	
Total revenue	10,245	9,393	+9	

* in percentage points

SAP Business ByDesign Incremental Investments

in € millions



- In 2007, **€125m** accelerated investments to build up business around SAP Business ByDesign (“New Business”)
- Spending was **in line** with internal expectations
- SAP will continue to invest in the “new business” (SAP Business ByDesign) in order to address **additional growth opportunities** in new, untapped segments in the midmarket
- €300 – €400m incremental spending, thereof €175m to €225m in 2008

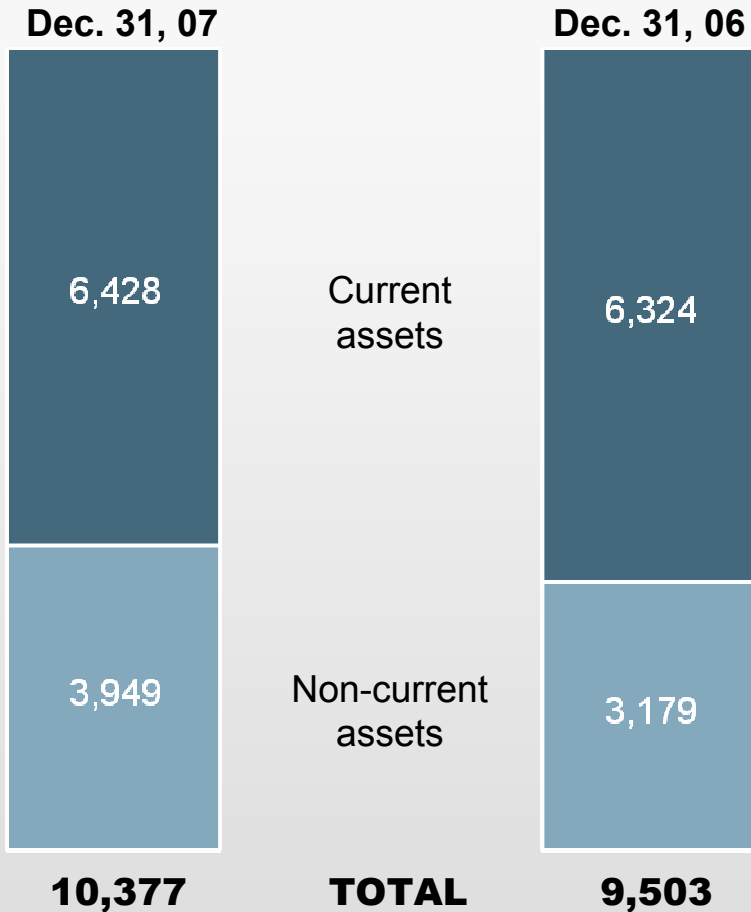
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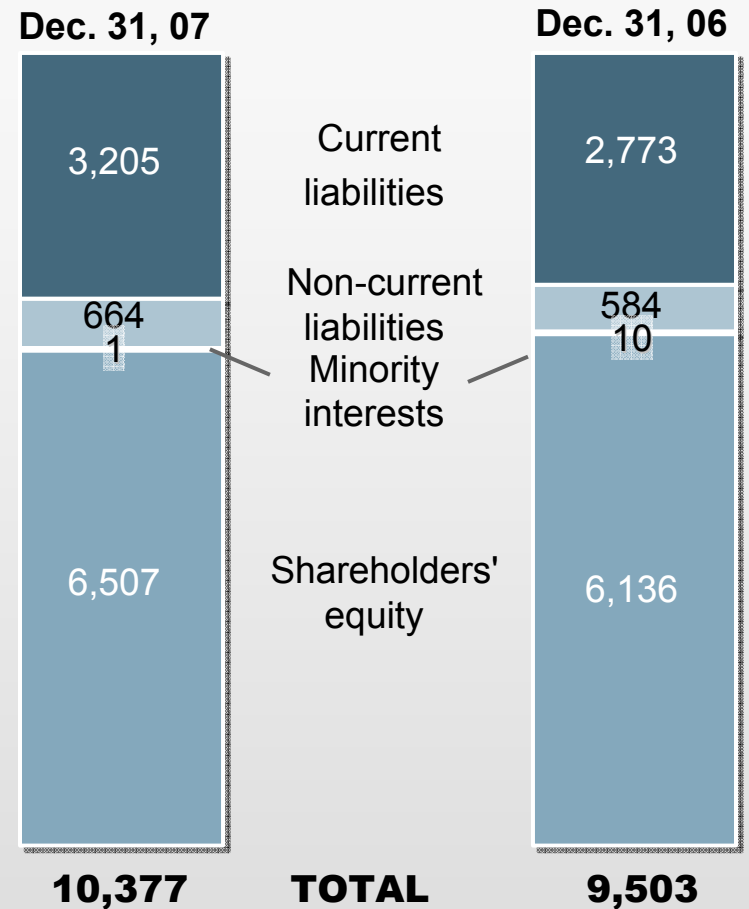
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Assets



Shareholders' Equity & Liabilities



in € millions

Balance Sheet & Cash Flow Analysis



	12/31/07	12/31/06	Δ %
Days sales outstanding (DSO)	66 days	68 days	-2 days
Equity ratio	63%	65%	-2*

* percentage points

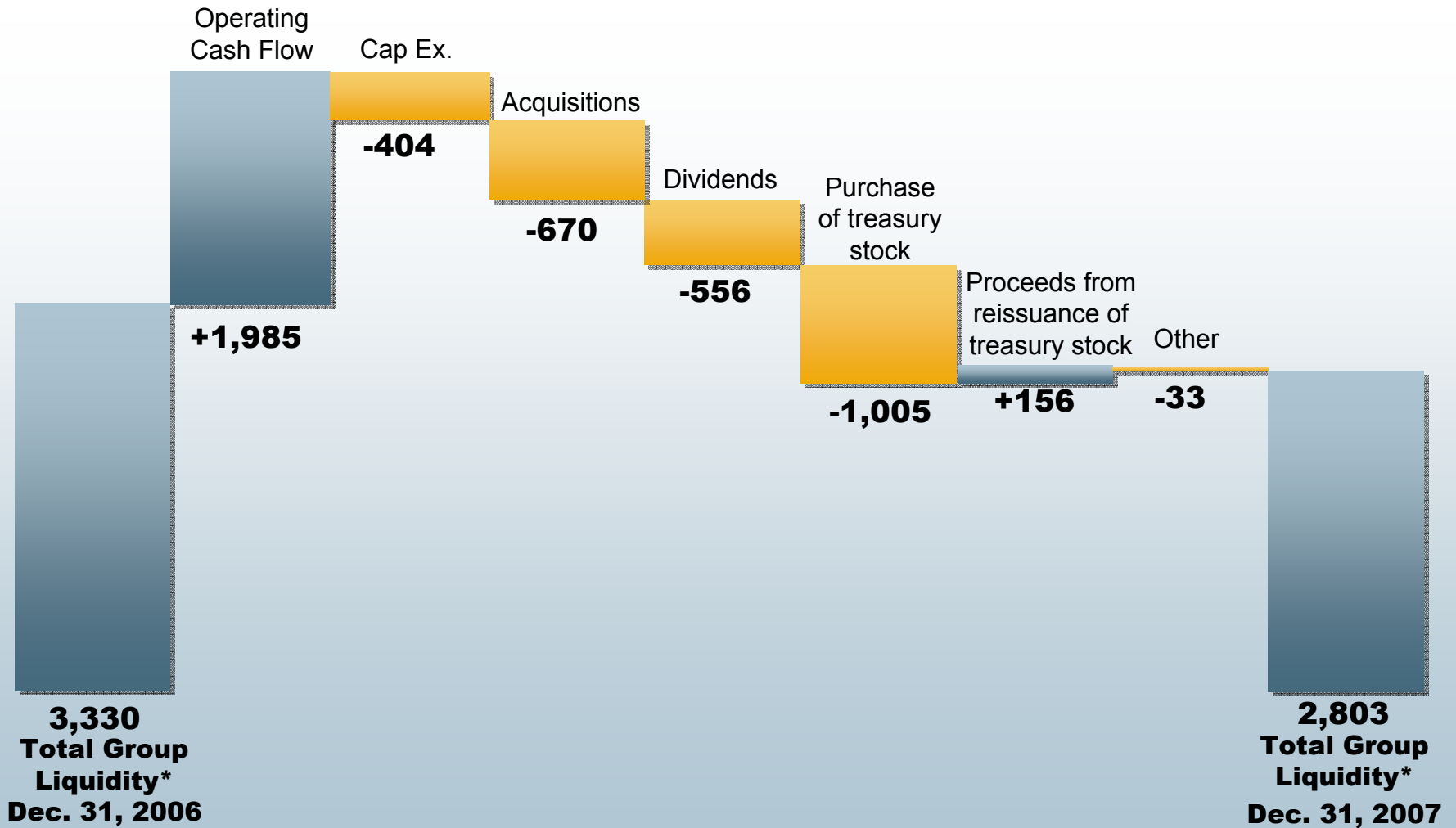
in € millions	FY 2007	FY 2006	Δ %
Operating cash flow	1,985	1,855	+7
– Capital expenditure	-404	-365	+11
Free cash flow	1,581	1,490	6
Free cash flow as a % of total revenue	15%	16%	-1*

* percentage points

Development of Total Group Liquidity

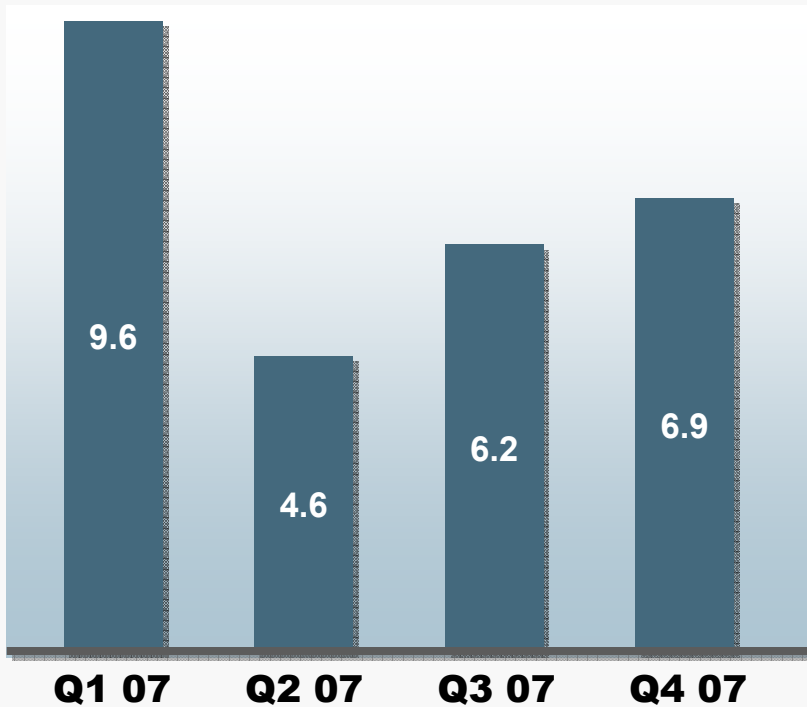


in € million

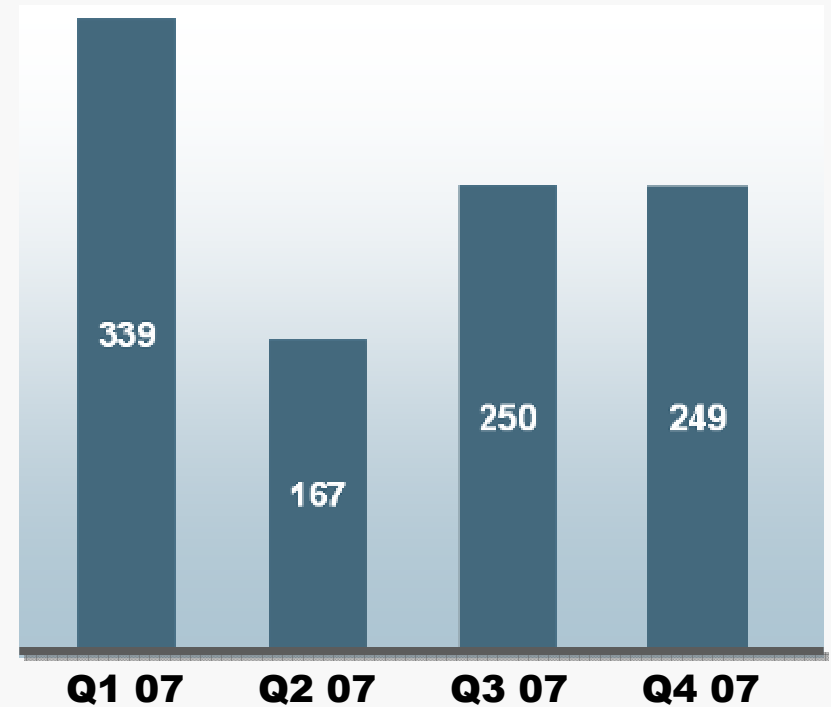


* Total Group Liquidity includes: cash and cash equivalents, short-term investments and restricted cash

Share Buy Back
Number of shares in million



Share Buy Back
In € million





- In 2007, SAP bought back 27.3 million shares for a total amount of €1,005m
- On Dec 31, 2007 treasury stock stood at ~48.1 mill. shares with an average price of €36.07 and a total value of €1,734m

Headcount* as of Dec 31, 2007

Continuing Operations Only



	12/2007	9/2007	12/2006	 % seq. Dec/Sep	 % yoy 07/06
Group	43,861	42,601	39,198	3	12
– EMEA	23,654	23,229	22,339	2	6
– Americas	10,629	10,396	9,109	2	17
– Asia Pacific Japan	9,578	8,976	7,750	7	24
SW and SW-rel. services	5,831	5,716	5,243	2	11
Prof. svs. and other svs.	12,785	12,470	11,518	3	11
R&D	12,951	12,532	11,801	3	10
Sales & Marketing	8,282	8,035	7,050	3	17
General & Administration	2,797	2,674	2,472	5	13
Infrastructure	1,215	1,174	1,114	3	9
	FY 2007				
Net new hires	4,663				

* in full time equivalents

Headcount* Development FY 2007

Continuing Operations Only



EMEA

+ 1,315 net new hires in FY 07

Americas

+ 1,520 net new hires in FY 07

APJ

+ 1,828 net new hires in FY 07
(thereof + 1,021 in India and + 476 in China)

Headcount* Increase in FY 2007

■ Research & Development	1,150
– thereof offshore locations	66%
■ Software & Software-rel. Service	588
– thereof offshore locations	40%
■ Sales & Marketing	1,232
■ G&A, Infrastructure	426
■ Professional Service & other Serv.	1,267
➔ Total headcount increase	4,663

* in full-time equivalents

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The Company provided the following outlook for the full-year 2008

- The Company expects full-year 2008 Non-GAAP Software and Software Related Services Revenue, which excludes a non-recurring deferred support revenue write-down from the acquisition of Business Objects of approximately €180 million, to increase in a range of 24% – 27% at constant currencies (2007: €7.428 billion). SAP's business, excluding the contribution from Business Objects, is expected to contribute 12 – 14 percentage points to this growth
- The Company expects the full-year 2008 Non-GAAP operating margin at constant currencies, which excludes a non-recurring deferred support revenue write-down from the acquisition of Business Objects and acquisition related charges, to be in the range of 27.5% – 28.0% (2007 Non-GAAP operating margin: 27.3%)
The 2008 Non-GAAP operating margin outlook includes accelerated investments of €175 to €225 million (2007: €125 million) in order to build a business around the new SAP Business ByDesign solution to address new, untapped segments in the midmarket
- The Company is projecting an effective tax rate of 31.0% to 31.5% (based on U.S. GAAP income from continuing operations) for 2008

	Guidance Format 2007	Guidance Format 2008
Top-Line Guidance	<p>Growth of software and software-related service revenue</p> <ul style="list-style-type: none"> ■ U.S. GAAP ■ At constant currencies 	<p>Growth of software and software-related service revenue</p> <ul style="list-style-type: none"> ■ Non-GAAP (excl. non-recurring deferred support revenue write-down) ■ At constant currencies
Operating Margin Guidance	<p>U.S. GAAP operating margin</p> <ul style="list-style-type: none"> ■ U.S. GAAP 	<p>Non-GAAP operating margin</p> <ul style="list-style-type: none"> ■ Non-GAAP (excl. non-recurring deferred support revenue write-down and acquisition related charges) ■ At constant currencies

APPENDIX

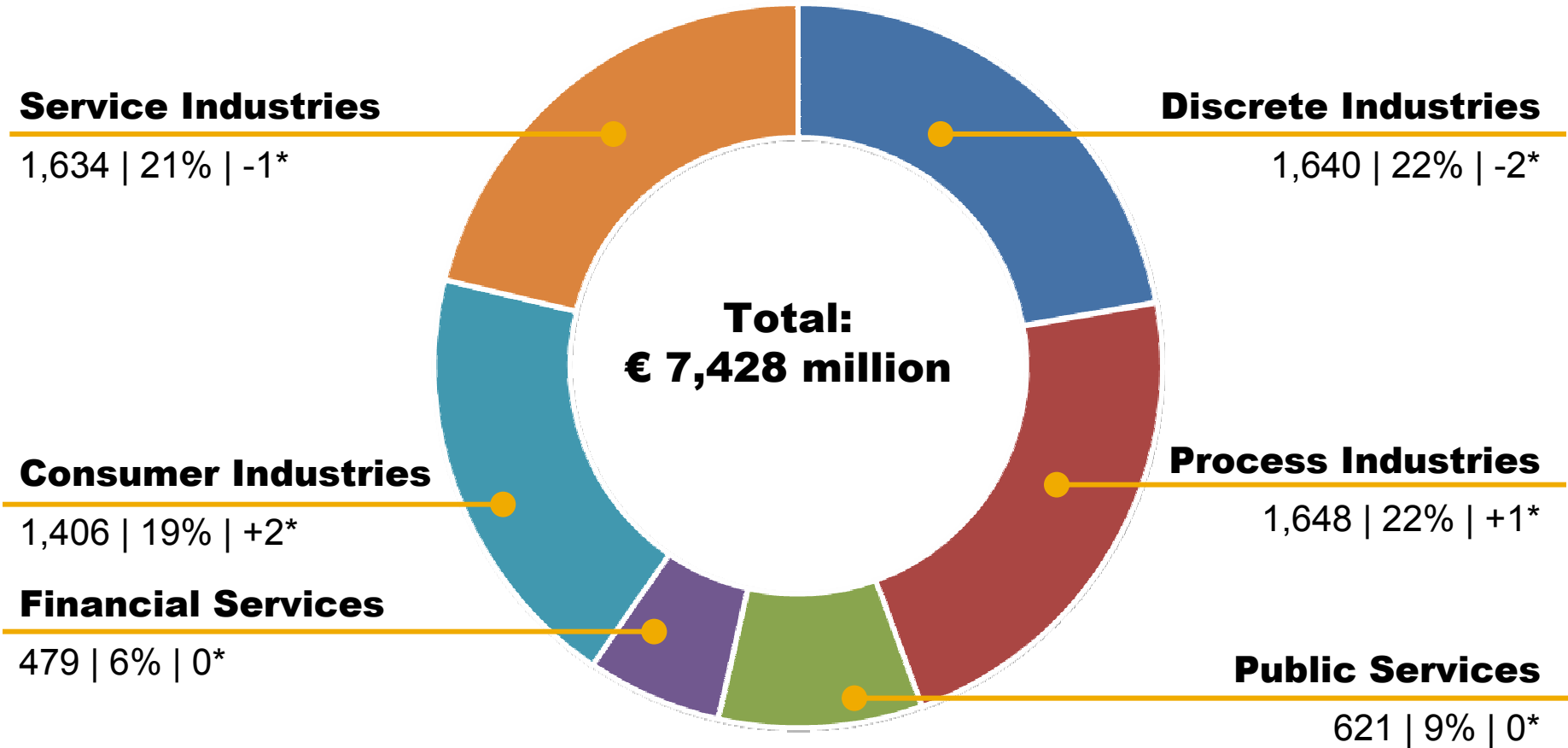
U.S. GAAP operating income will be adjusted for

- Support revenues not to be recorded under U.S. GAAP as a result of fair value accounting for support contracts assumed in the Business Objects acquisition and
- Acquisition-related charges, which include:
 - Amortization expense of intangibles
 - acquired in business combinations (based on the purchase price allocated to the intangibles in the Purchase Price Allocation)
 - acquired in standalone acquisitions of intellectual property (based on the individual purchase price)
 - Expense from purchased in-process research and development
 - Restructuring expenses that meet both of the following conditions
 - incurred in connection with a business combinations
 - accounted for under SFAS 146 in SAP's Non-GAAP financial statements

Software and Software-Related Service Revenue by Industry – Full-Year 2007



in € million | in percent of sw & sw rel. serv. revenue | change compared to FY 2007



* in percentage points

Non-GAAP Measures (1/3)



1) All numbers in this document are based on U.S. GAAP (except for numbers identified as Non-GAAP measures in footnote number 2). As required under U.S. GAAP, discontinued operations are reported separately in the income statement for all periods presented. Consequently, all revenue numbers and all income numbers, unless labeled "from discontinued operations", only reflect revenue and income from continuous operations.

2) Non-GAAP Financial Measures

This document discloses certain financial measures, such as Non-GAAP revenues, Non GAAP operating income, Non-GAAP operating margin, free cash flow, and constant currency period-over-period changes in revenue and operating income, that are not prepared in accordance with U.S. GAAP and are therefore considered non-GAAP financial measures. Our non-GAAP financial measures may not correspond to non-GAAP financial measures that other companies report. The non-GAAP financial measures that we report should be considered as additional to, and not as substitutes for or superior to, revenue, operating income, cash flows, or other measures of financial performance prepared in accordance with U.S. GAAP. This footnote explains and reconciles our non-GAAP financial measures to the nearest U.S. GAAP measure.

NON-GAAP REVENUES, NON-GAAP OPERATING INCOME AND NON-GAAP OPERATING MARGIN

We believe that it is of interest to investors to receive certain supplemental historical and prospective financial information used by our management in running our business – in addition to financial data prepared in accordance with U.S. GAAP. Beginning in 2008 we intend to use both Non GAAP revenues and Non GAAP operating income and margin as defined below consistently in our planning, forecasting, reporting, compensation and external communication:

Non-GAAP revenue: Revenues in this document identified as "Non-GAAP revenue" have been adjusted from the respective U.S. GAAP numbers by including the full amount of Business Objects support revenues that would have been reflected by Business Objects had it remained a stand-alone entity but are not permitted to be reflected as revenues under U.S. GAAP as a result of fair value accounting for Business Objects support contracts in effect at the time of the Business Objects acquisition.

Under U.S. GAAP we will record at fair value the Business Objects support contracts in effect at the time of the acquisition of Business Objects. Consequently, our U.S. GAAP support revenues, our U.S. GAAP software and software related service revenues and our U.S. GAAP total revenues for periods subsequent to the Business Objects acquisition will not reflect the full amount of support revenue that Business Objects would record for these support contracts absent the acquisition by SAP. Adjusting revenue numbers for this one-time revenue impact provides additional insight into our ongoing performance because the support contracts are typically one-year contracts and renewals of these contracts are expected to result in revenues that are not impacted by the business combination-related fair value accounting.

We believe that our Non-GAAP revenue numbers have limitations, particularly as the eliminated amounts may be material to us. We therefore do not evaluate our growth and performance without considering both Non-GAAP revenues and U.S. GAAP revenues. We caution the readers of this document to follow a similar approach by considering our Non-GAAP revenues only in addition to, and not as a substitute for or superior to, revenues or other measures of our financial performance prepared in accordance with U.S. GAAP.

Non-GAAP operating income / Non GAAP operating margin: Operating income and operating margin in this document identified as "Non-GAAP operating income" or "Non-GAAP operating margin" have been adjusted from the respective operating income and operating margin numbers as recorded under U.S. GAAP by including the full amount of

Business Objects support revenues to be included in Non-GAAP revenue, and by excluding acquisition-related charges. Acquisition related charges in this context comprise:

- Amortization expense of intangibles acquired in business combination and standalone acquisitions of intellectual property
- Expense from purchased in-process research and development
- Restructuring expenses as far as incurred in connection with a business combinations and accounted for under SFAS 146 in SAP's U.S. GAAP financial statements

Although acquisition-related charges include recurring items from past acquisitions, such as amortization of acquired intangible assets, they also include an unknown component, relating to current-year acquisitions. We cannot accurately assess or plan for that unknown component until we have finalized our purchase price allocation. Furthermore acquisition-related charges may include one-time charges that are not reflective of our ongoing operating performance.

We believe that our Non-GAAP financial measures described above have limitations, particularly as the eliminated amounts may be material to us. We therefore do not evaluate our growth and performance without considering both Non-GAAP operating income and margin numbers and U.S. GAAP operating income and margin numbers. We caution the readers of this document to follow a similar approach by considering our Non-GAAP operating income and margin numbers only in addition to, and not as a substitute for or superior to, revenues or other measures of our financial performance prepared in accordance with U.S. GAAP.

The Non-GAAP revenues and Non GAAP operating income and margin data reported in this document reconcile to the nearest U.S. GAAP measure as follows:

	GAAP measure	Business Objects support revenues not recorded under US-GAAP	Acquisition related charges	Non-GAAP measures
Software and software related service revenue	7,428	-	-	7,428
Total revenue	10,245	-	-	10,245
Total operating expenses	-7,510	-	61	-7,449
Operating income	2,735	-	61	2,796
Operating margin	26.7 %			27.3%

Non-GAAP Measures (2/3)



FREE CASH FLOW:

We believe that free cash flow is a widely accepted supplemental measure of liquidity. Free cash flow measures a company's cash flow remaining after all expenditures required to maintain or expand the business have been paid off. We calculate free cash flow as operating cash flow from continuing operations minus additions to long-lived assets excluding additions from acquisitions. Free cash flow should be considered in addition to, and not as a substitute for or superior to, cash flow or other measures of liquidity and financial performance prepared in accordance with U.S. GAAP.

Free cash flow reconciles to the nearest U.S. GAAP measure as follows:

Reconciliation for twelve months ended December 31

In € millions

	2007	2006
Net cash provided by operating activities from continuing operations	1,985	1,855
Additions to long-lived assets excluding additions from acquisitions	-404	-365
Free cash flow	-1,581	1,490

CONSTANT CURRENCY PERIOD-OVER-PERIOD CHANGES

We believe it is important for investors to have information that provides insight into our sales growth. Revenue measures determined under U.S. GAAP provide information that is useful in this regard. However, both growth in sales volume and currency effects impact period-over-period changes in sales revenue. We do not sell standardized units of products and services, so we cannot provide relevant information on sales volume growth by providing data on the growth in product and service units sold. To provide additional information that may be useful to investors in breaking down and evaluating sales volume growth, we present information about our revenue growth and various values and components relating to operating income that are adjusted for foreign currency effects. We calculate constant currency year-over-year changes in revenue and operating income by translating foreign currencies using the average exchange rates from the previous (comparator) year instead of the report year.

We believe that data on constant currency period-over-period changes have limitations, particularly as the currency effects that are eliminated constitute a significant element of our revenues and expenses and may severely impact our performance. We therefore limit our use of constant currency period-over-period changes to the analysis of changes in volume as one element of the full change in a financial measure. We do not evaluate our growth and performance without considering both constant currency period-over-period changes on the one hand and changes in revenues, expenses, income, or other measures of financial performance prepared in accordance with U.S. GAAP on the other. We caution the readers of this document to follow a similar approach by considering data on constant currency period-over-period changes only in addition to, and not as a substitute for or superior to, changes in revenues, expenses, income, or other measures of financial performance prepared in accordance with U.S. GAAP.

Constant currency year-over-year changes in revenue and operating income reconcile to the respective unadjusted year-over-year changes as follows:

Reconciliation of constant currency period-over-period changes for three months ended December 31

	Percentage change from 2006 to 2007 as reported	Constant currency percentage change from 2006 to 2007	Currency effect
	%	%	Percentage points
Software revenue	14	18	-4
Support revenue	10	14	-4
Subscription and other software related service revenue	47	53	-6
Software and software related service revenue	13	17	-4
Consulting revenue	0	4	-4
Training revenue	5	9	-4
Other service revenue	7	15	-8
Professional services and other service revenue	1	5	-4
Other revenue	56	69	-13
Total revenue	10	14	-4
Software revenue by region:			
EMEA region	12	14	-2
Americas region	9	17	-8
Asia Pacific Japan region	40	44	-4
Software revenue	14	18	-4
Software and software related service revenue by region:			
Germany	11	11	0
Rest of EMEA region	15	17	-2
EMEA region	13	14	-1
United States	2	14	-12
Rest of Americas region	23	24	-1
Americas region	7	16	-9
Japan	15	22	-7
Rest of Asia Pacific Japan region	36	38	-2
Asia Pacific Japan region	28	32	-4
Software and software related service revenue	13	17	-4
Total revenues by region:			
Germany	8	8	0
Rest of EMEA region	12	14	-2
EMEA region	10	12	-2
United States	3	15	-12
Rest of Americas region	16	17	-1
Americas region	6	15	-9
Japan	7	15	-8
Rest of Asia Pacific Japan region	27	29	-2
Asia Pacific Japan region	19	24	-5
Total revenue	10	14	-4
Operating Income	2	7	-5

¹ Based on customer location

Non-GAAP Measures (3/3)



Reconciliation of constant currency period-over-period changes for twelve months ended December 31

	Percentage change from 2006 to 2007 as reported	Constant currency percentage change from 2006 to 2007	Currency effect
	%	%	Percentage points
Software revenue	13	18	-5
Support revenue	11	15	-4
Subscription and other software related service revenue	41	46	-5
Software and software related service revenue	13	17	-4
Consulting revenue	-1	3	-4
Training revenue	7	11	-4
Other service revenue	18	23	-5
Professional services and other service revenue	1	4	-3
Other revenue	3	7	-4
Total revenue	9	13	-4
Software revenue by region¹:			
EMEA region	14	15	-1
Americas region	8	16	-8
Asia Pacific Japan region	28	32	-4
Software revenue	13	18	-5
Software and software related service revenue by region:			
Germany	7	7	0
Rest of EMEA region	17	19	-2
EMEA region	13	14	-1
United States	6	16	-10
Rest of Americas region	18	22	-4
Americas region	9	17	-8
Japan	10	21	-11
Rest of Asia Pacific Japan region	25	26	-1
Asia Pacific Japan region	19	24	-5
Software and software related service revenue	13	17	-4
Total revenue by region:			
Germany	5	5	0
Rest of EMEA region	13	15	-2
EMEA region	10	11	-1
United States	4	13	-9
Rest of Americas region	12	15	-3
Americas region	6	14	-8
Japan	4	14	-10
Rest of Asia Pacific Japan region	22	24	-2
Asia Pacific Japan region	15	20	-5
Total revenue	9	13	-4
Operating Income	6	11	-5

¹ Based on customer location

3) Core Enterprise Applications Vendor Share

Beginning in the first quarter of 2007, the Company began using software and software related service revenues for defining Core Enterprise Application Vendor Share because the Company believes that this is the most important indicator for vendor share oriented analysis with the realignment of its income statement structure. Prior to the first quarter of 2007, the Company had been using software revenues for defining Core Enterprise Application Vendor Share.

The Company provides share data based on the vendors of Core Enterprise Applications solutions, which account for approximately \$36.7 billion in software and software related service revenues as defined by the Company based on industry analyst research. For 2007, industry analysts project approximately 7% year-on-year growth for core Enterprise Applications vendors. For its quarterly share calculation, SAP assumes that this approximate 7% growth will not be linear throughout the year. Instead, quarterly adjustments are made based on the financial performance of a sub set (approximately 25) of Core Enterprise Application vendors.