

SAP AG

The World's Leading Provider
of Business Application Software



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THE BEST-RUN BUSINESSES RUN SAP



Safe Harbor Statement

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



SAP

- 1. SAP Overview and H1 2008 Highlights**
2. Executing On SAP's Growth Strategy
3. Summary

SAP – The World's Leading Provider of Business Application Software



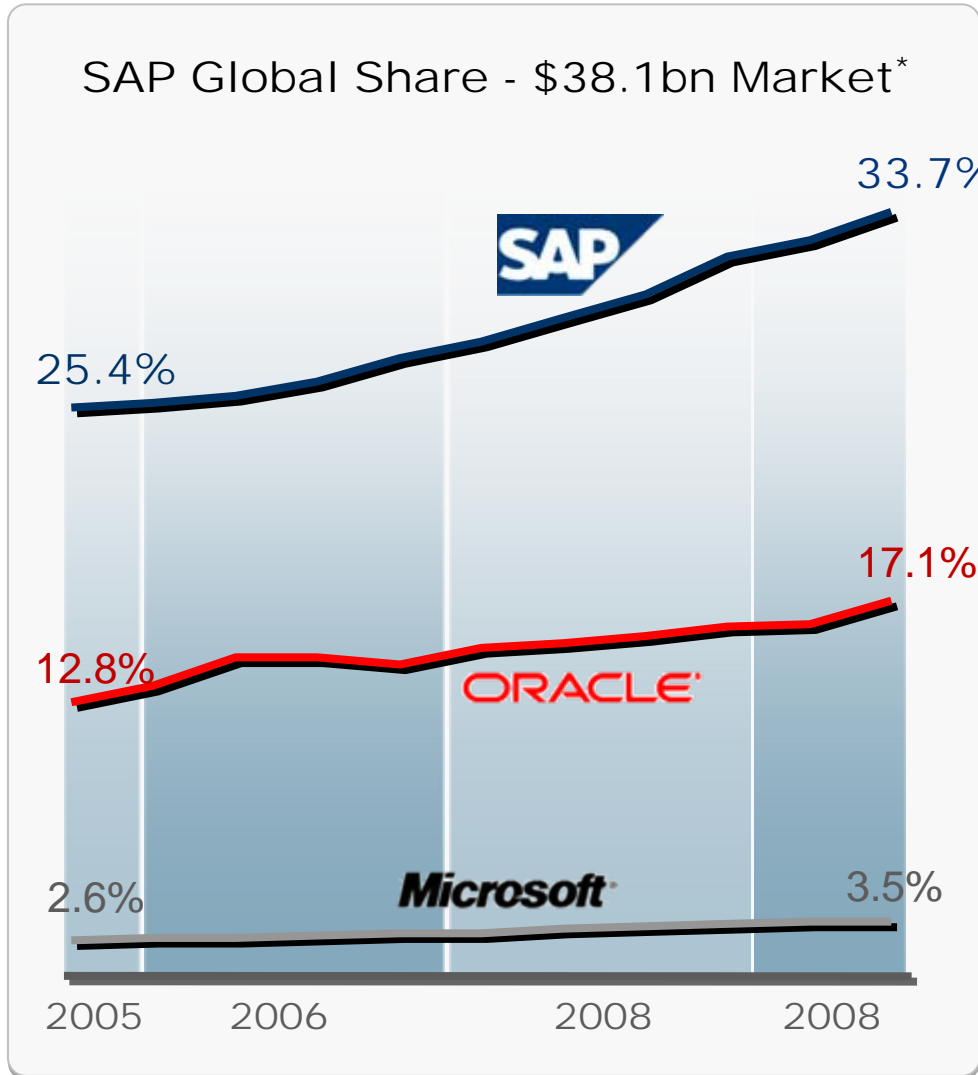
The world's leading provider of business application software

- ~75,000+ customers in 120+ countries
- Broad global reach provides regional balance and a greater addressable market
- Sustained double digit organic growth along with continued peer group share gains

Robust growth with most diversified product portfolio enabled by a fully integrated technology platform

- Leading product and technology innovation with 15,000+ developers
- First to market with next generation enterprise SOA architecture – multi year lead over peers
- Deepest industry functionality with more than 25 industry solutions

SAP Gained Share For The 10th Consecutive Quarter Globally



Q2 2008:

■ **+1.1 PP (sequentially)**

Year on year 7.7 PP

■ **+4.5 PP (organically)**

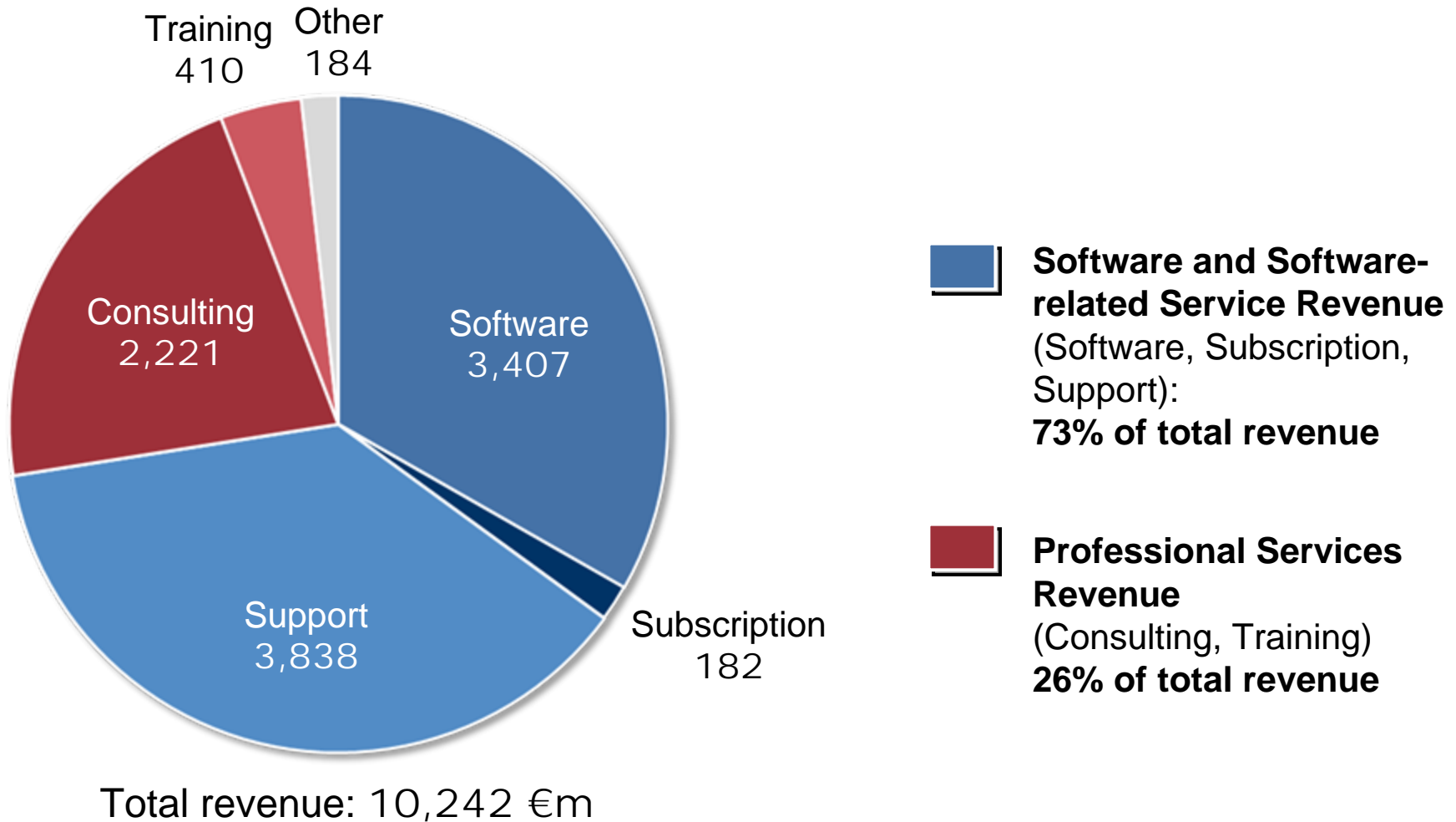
■ **+3.2 PP (acquisition)**

SAP Global Market Share in \$ 38.1bn Relevant Core Enterprise Application Software and Software Related Services (SSRS) Market

* Relevant Enterprise Application Software & Software Related Services Market

Full-Year 2007 Revenue Breakdown

SAP Has a Strong Recurring Revenue Base



* All figures from continuing operations in €million

Broad Global Reach Provides Regional Balance



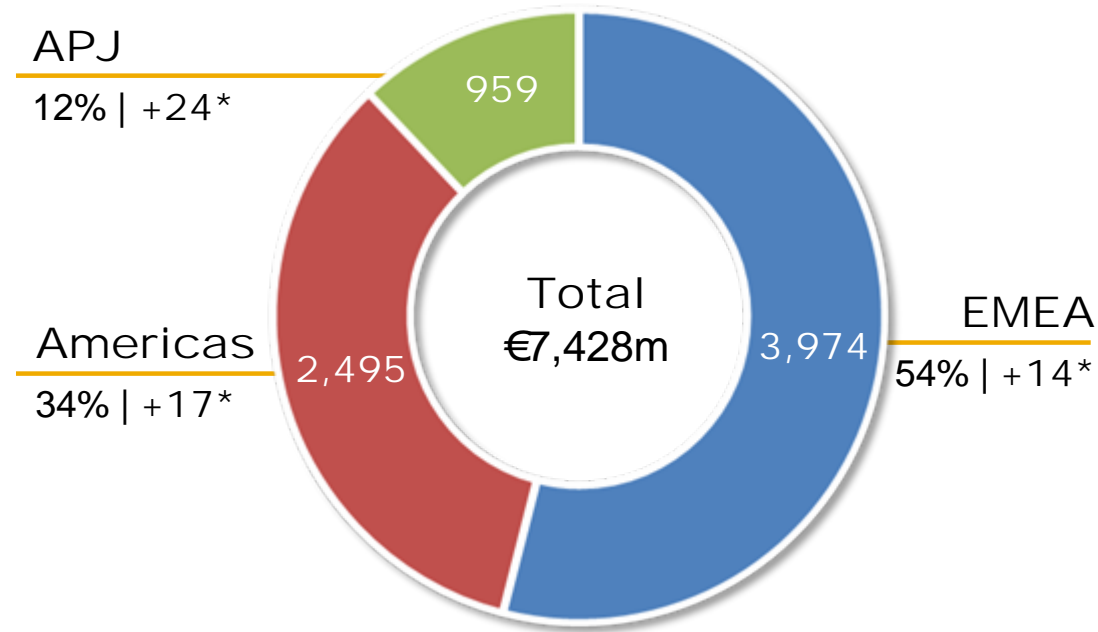
FY 2007:

Double-digit growth in all regions

■ **EMEA:** Outstanding performances in Russia, France, Germany and the Nordics

■ **Americas:** Brazil and Mexico were drivers – high double-digit growth*

■ **APJ:** Remains a growth engine for SAP, including robust Japan



in € million | in percent of Software and software related service revenue | change compared to FY2006

SAP Offers the Deepest Industry Functionality



Balanced growth across established and focus Industries

- Oil & Gas, Consumer Products, Utilities, Banking and Retail top performers

Banking

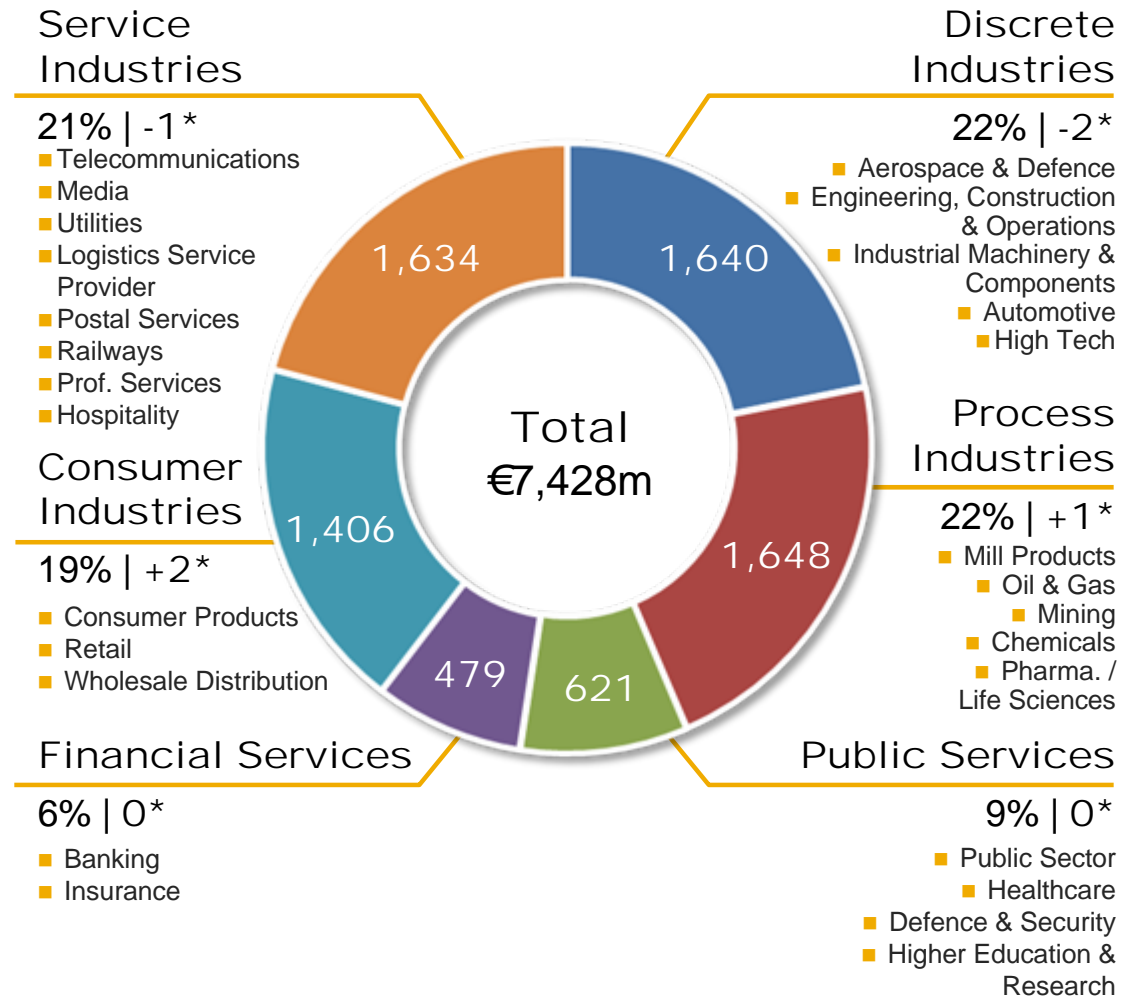
- Selected customer wins: Bank of America, Nationwide, Lloyds TSB, ATB Financial

Public Services

- U.S. Postal goes live with landmark HR system - provides HR services to nearly 700,000 employees. Other customers include State of Hessen, City of Paris, MIT, NASA.

Retail

- Strong double-digit growth in 2008, license revenues more than doubled in last three years



in € million | in percent of SSRS revenue | change compared to FY2006

* at constant currency

Growth Opportunities – Large Enterprise and SME



Go-to-market		Customer segment	
Large Accounts	Direct	Large Enterprises (> 2,500 employees) ~\$30 billion market	Established Business
	Hybrid	Upper Midsize (500 - 2,500 employees) ~\$15 billion market	
SME	TCE	Lower Midsize (100 - 500 employees) ~\$15 billion market	New Business
	Solely indirect	Small Businesses (5 - 100 employees) ~\$15 billion market	Established Business



SAP Business Suite
SAP ERP 6.0



SAP ERP 6.0
SAP Business All-in-One



SAP Business ByDesign

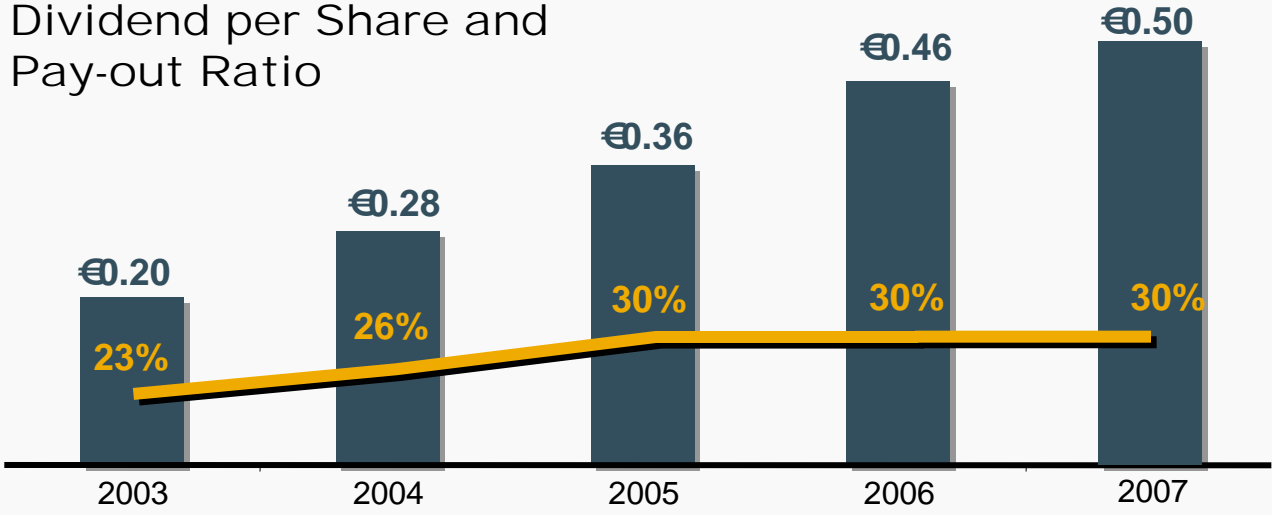


SAP Business One

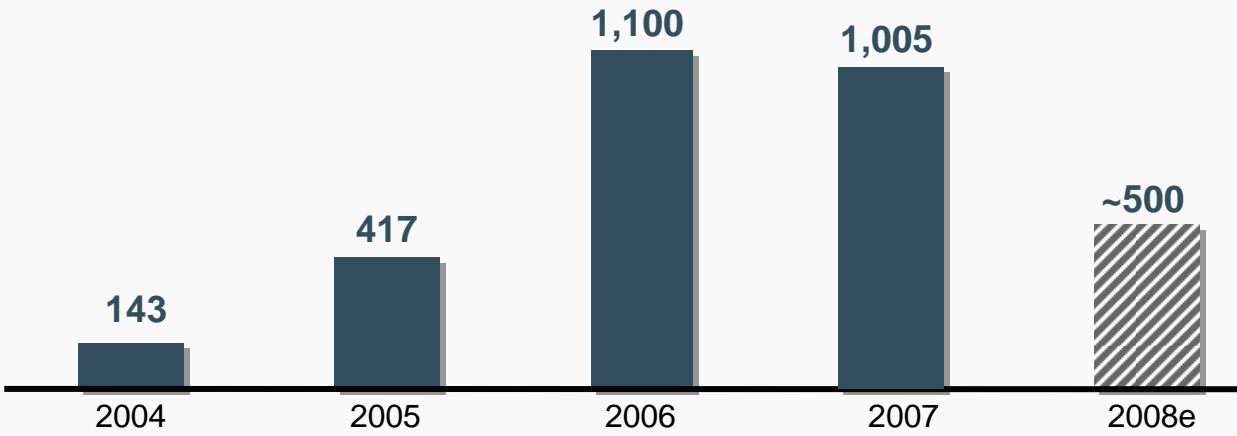
Dividend and Share Buy-Back Policy



Dividend per Share and Pay-out Ratio



Share Buy-Backs (in € million)



Financial Highlights

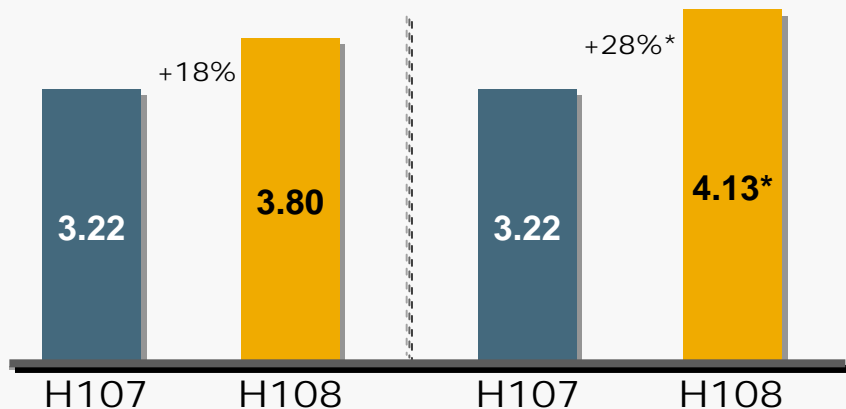
Half Year 2008



SW & SW-Related Serv. Revenue (€bn)

U.S. GAAP

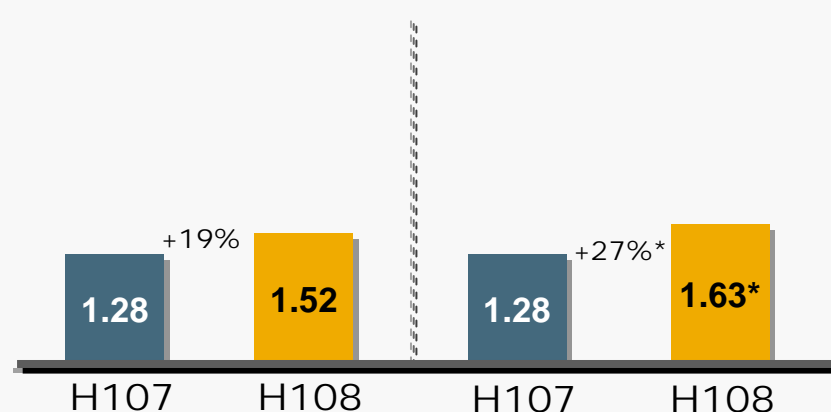
Non-GAAP



Software Revenue (€millions)

U.S. GAAP

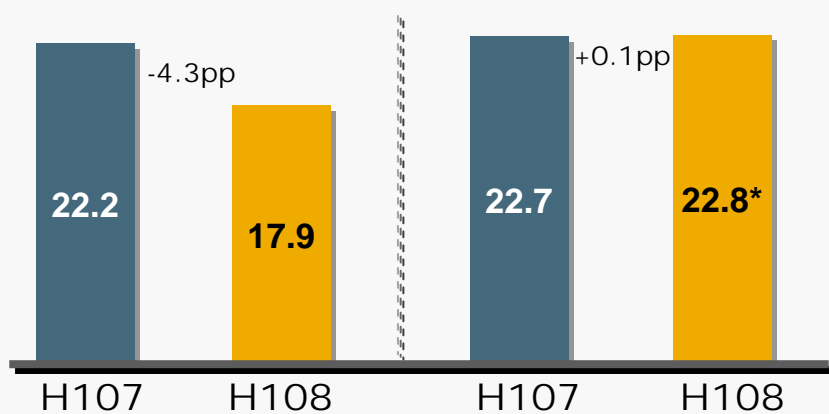
Non-GAAP



Operating Margin (in %)

U.S. GAAP

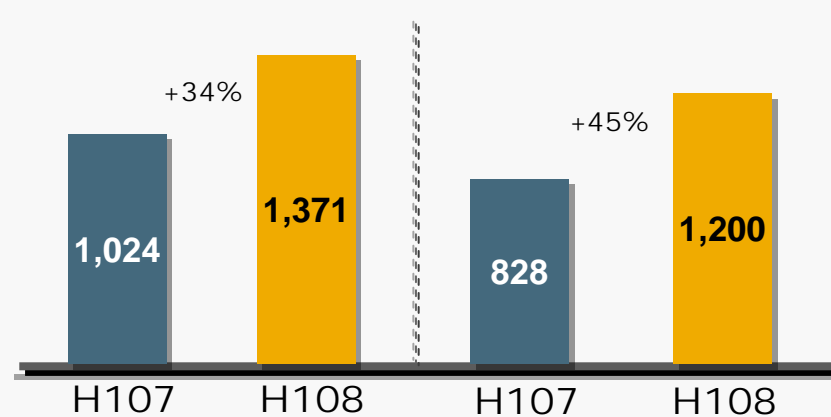
Non-GAAP



Cash Flow (€millions)

Operating Cash Flow

Free Cash Flow

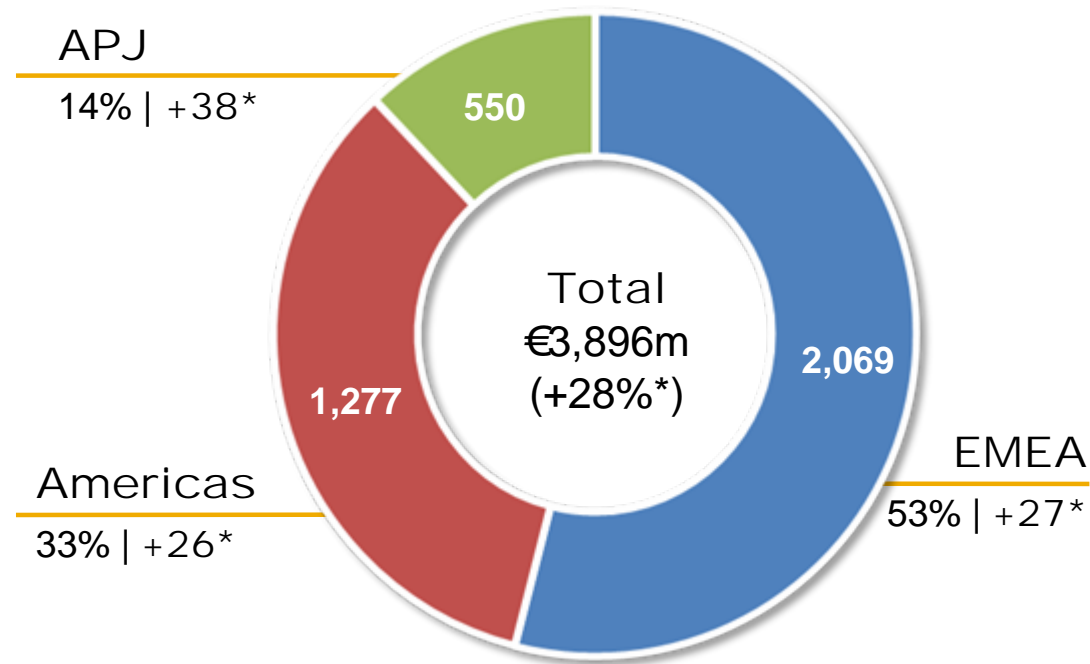


*at constant currencies (according to guidance format)

H1 2008:

Double-digit growth in all regions

- **SAP organic** growth was 12%* in Q1 and 16%* in Q2
- **Business Objects added** 12%* in Q1 and 16%* in Q2
- **APJ** remains growth engine, followed by EMEA and Americas
- **BRIC** countries continue to grow rapidly



Non-GAAP software and software-related service revenue in € million | in percent total | change compared to H12008

* at constant currency

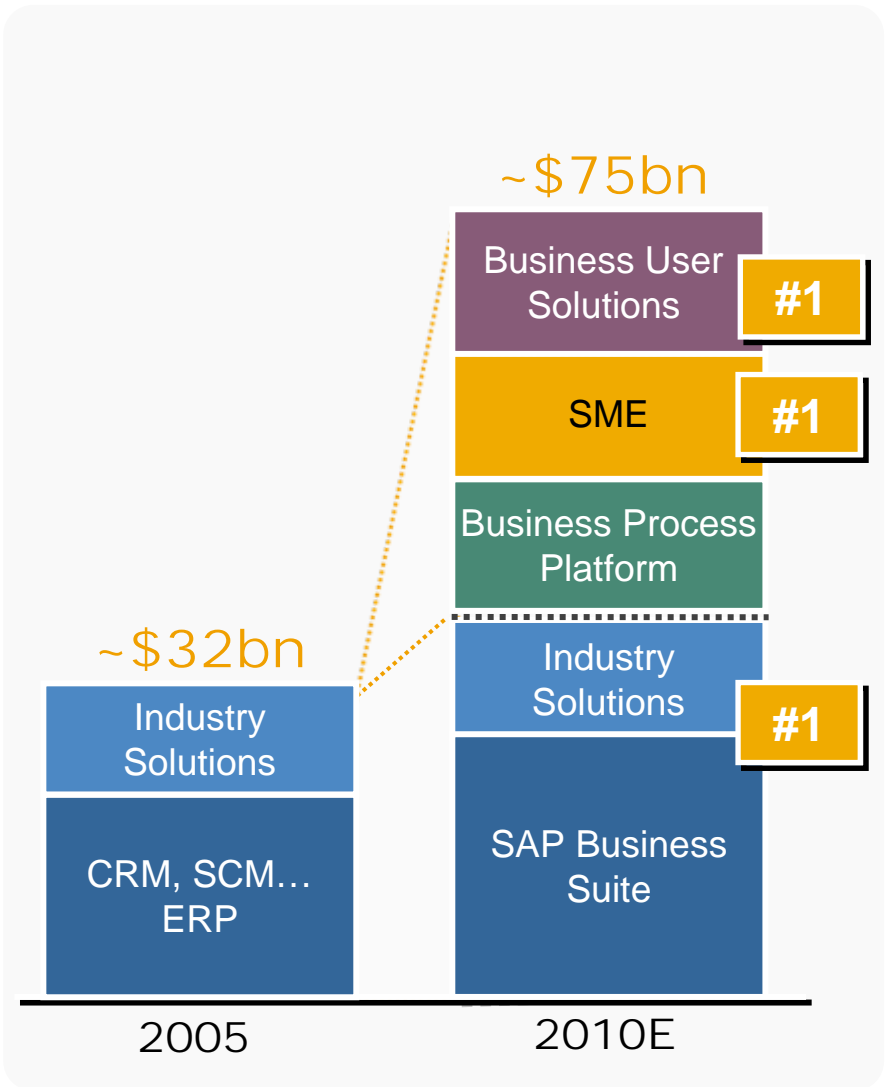
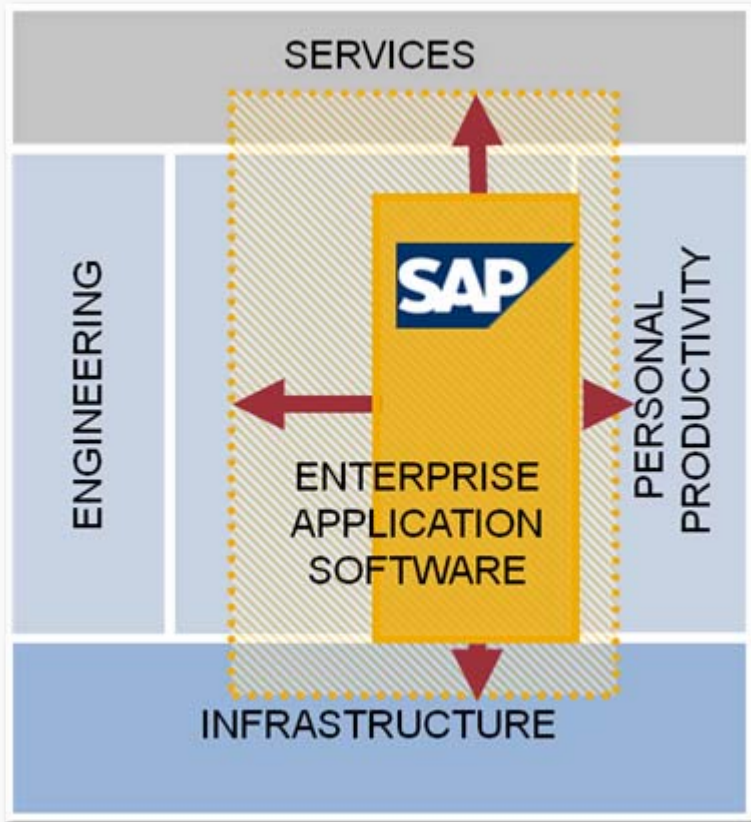
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Executing on SAP's Growth Strategy



Product Offering for Large Customers Expanded



Business User Solutions

✓ 11,500+ ERP6.0 customers, thereof ~7,200 productive (+500 p.m.)

SME

✓ Three successfully shipped enhancement packages (EhP) prove SAP's unique technology of non-disruptive software delivery

Business Process Platform

✓ Rapid growth in focus industries

Industry Solutions

✓ SAP CRM 2008 successfully shipped

SAP Business Suite



Any SAP customers intending to implement or upgrade any time in the next 12 to 18 months should look no further than [SAP] CRM 2008."

AMR Research

Continuous Innovation

EhP

EhP

EhP

SAP Business Suite

ERP

CRM

PLM

SCM

SRM

SAP NetWeaver 7.0

Stable Core

Enterprise SOA Delivered, Mass Adoption of Business Process Platform is Under Way



Business User Solutions

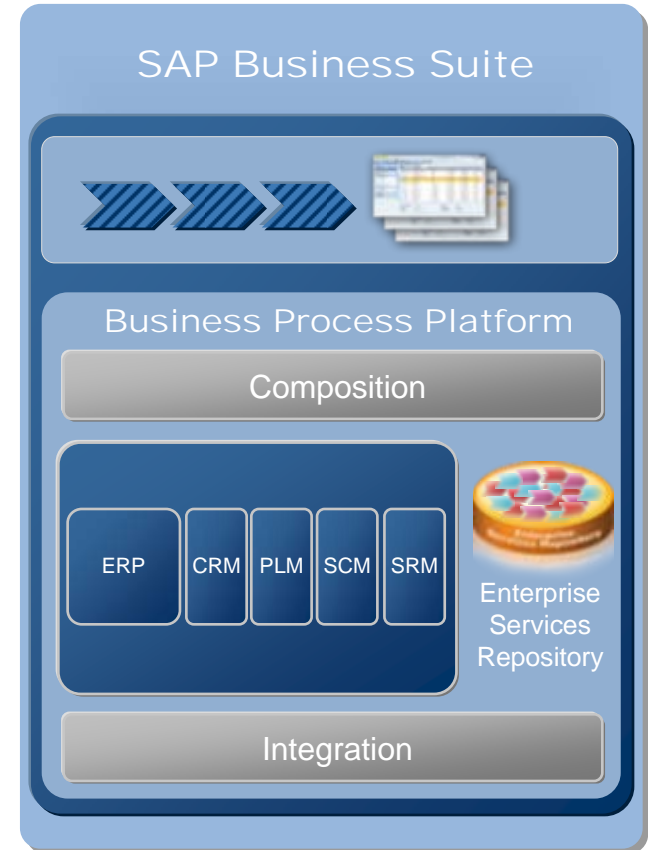
SME

Business Process Platform

Industry Solutions

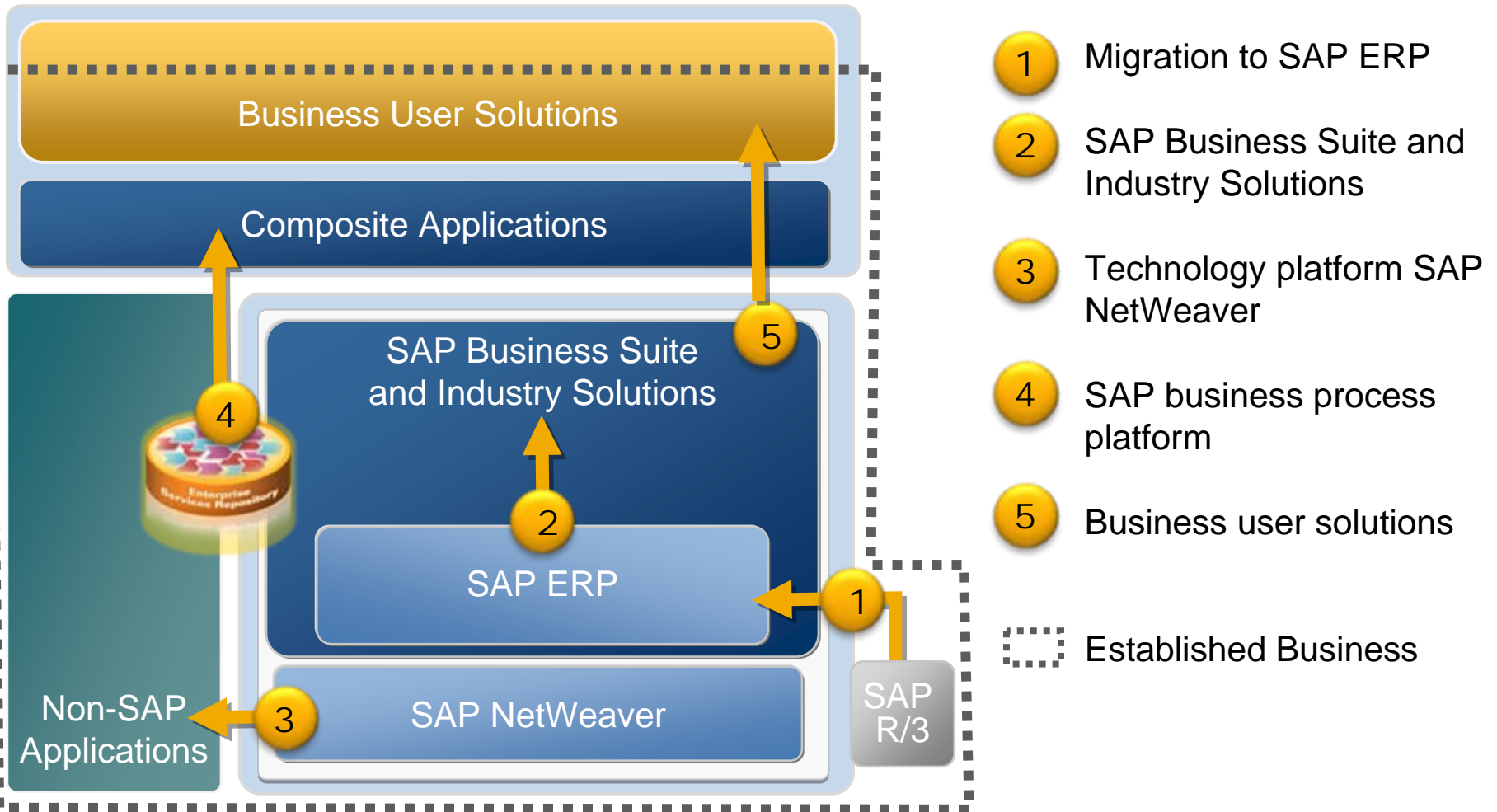
SAP Business Suite

- ✓ Product portfolio transformed
 - SAP Business Suite on business process platform
 - SAP Business All-in-One on business process platform
- ✓ Composition
 - SAP NetWeaver Composition Environment available
- ✓ Enterprise SOA
 - Road map completed
 - 170+ reference accounts
 - 2,000+ enterprise services available
- ✓ Momentum in SAP NetWeaver
 - 42,800+ productive systems (+1,000 p.m.)
 - 20% increase* in total software revenue to €1.05bn
 - Standalone software revenue grew* 49% to €404m



*rolling four quarter basis year over year

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



Market Leader in the Fast-Growing Business User Segment



Business User Solutions

SME

Business Process Platform

Industry Solutions

SAP Business Suite

#1



Leader and Pioneer in Enterprise Applications
~US\$10 bn Software and Software Related Services Revenues



#1

Leader and Pioneer in Business Intelligence
~US\$1.25 bn Software and Software Related Services Revenues



#1 17% of the ~US\$15 bn market (growing at 9% – 12%*)

Governance, Risk, and Compliance

Enterprise Performance Management

Business Intelligence

* based on IDC analysis

Product Portfolio for Small and Midsize Enterprises Completed



Business User Solutions	SAP Business One	SAP Business ByDesign	SAP Business All-in-One
SME	Single Business Application	Complete, Adaptable	Configurable and Extensible
Business Process Platform	<ul style="list-style-type: none"> 19,850 customers (+2,100 HY1/2008) 	<ul style="list-style-type: none"> 150 customer engagements New business model Focus on 6 key markets 5,500 registrations 	<ul style="list-style-type: none"> 12,200 customers (+880 HY1/2008) New release based on business process platform, including CRM
Industry Solutions			
SAP Business Suite	<ul style="list-style-type: none"> +2,110 partners (VAR) 		

SAP is the undisputed market leader with 36% share

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SAP Is Well Positioned For Further Profitable Growth



- Established business expected to continue to deliver double-digit growth (software and software related services revenues at constant currencies)
 - Strong customer base migration to SAP ERP 6.0 provides a foundation for further up-selling opportunities
 - Rapid SAP NetWeaver adoption delivers revenues today and provides a base for accelerated ecosystem related revenue contribution in the future
- Additional growth opportunities from new businesses
 - Acquisition of Business Objects expands SAP's product portfolio, creates access to new buying centers and improves competitiveness in battleground industries
- Top-line growth accompanied by expansion of Non-GAAP operating margin
 - Expected Non-GAAP operating margin growth in 2008: 120 – 170 basis points (at constant currencies), target range 28.5% - 29.0%, expected to reach upper end*

*) Based on SAP's full-year 2008 business outlook as published on July 29th, 2008



Appendix

Income Statement Overview

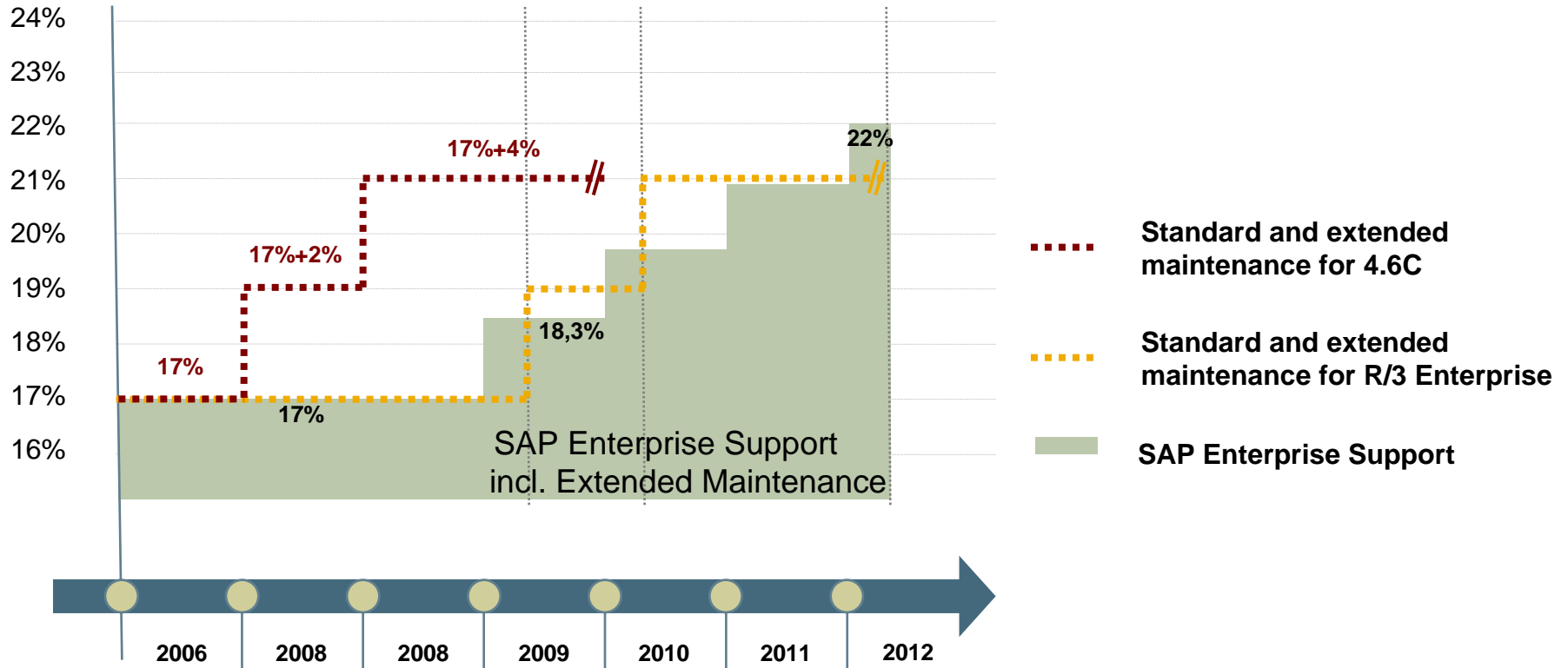
Half Year 2008: US-GAAP vs. Non-GAAP



	US-GAAP			Non-GAAP				
	H1 2008 € millions	H1 2008 € millions	Δ %	H1 2008 € millions	H1 2008* € millions	H1 2008 € millions	Δ % Non-GAAP	Non-GAAP constant currency
Software revenue	1,520	1,278	19	1,520	1,626	1,278	19	27
SSRS revenue	3,797	3,219	18	3,896	4,128	3,219	21	28
Total revenue	5,318	4,583	16	5,417	5,739	4,583	18	25
Operating income	952	1,017	-6	1,200	1,309	1,041	15	26
Operating margin (in %)	17.9	22.2	-4.3pp	22.2	22.8	22.7	-0.5pp	0.1pp
Net income	650	759	-14	834		774	8	

* % currency adjusted – actual 2008 converted with the exchange rates of 2008

- Next-generation support offering “Enterprise Support” leads to graduated support fee increase 2009 – 2012 for the majority of SAP’s customer base
- Extension of maintenance for R/3 4.6c and R/3 Enterprise

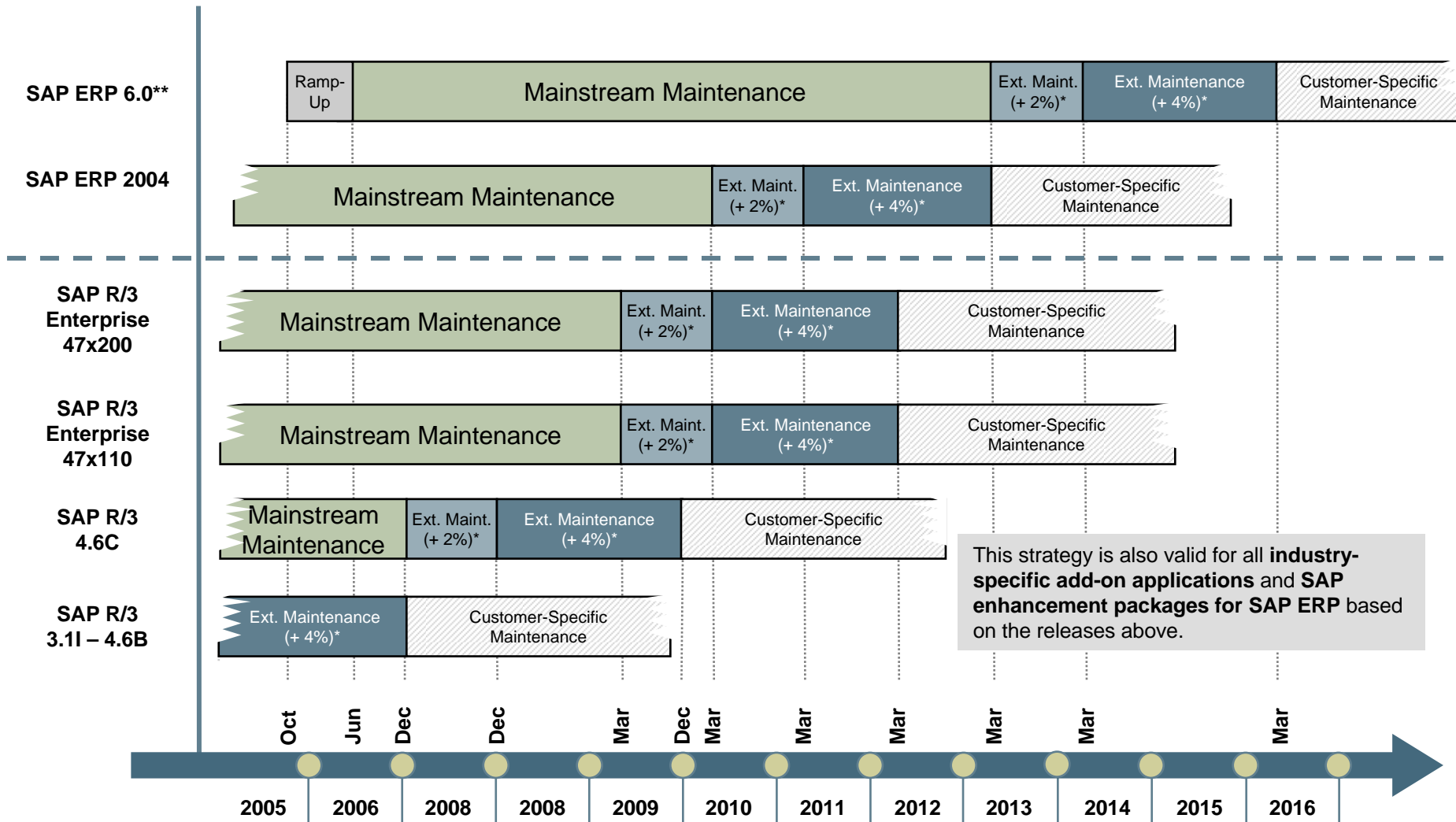


SAP® Enterprise Support Services Compared to the Retired SAP Standard Support Option



	SAP Enterprise Support	SAP Standard Support
Extended maintenance for SAP® R/3® 4.6C and SAP R/3 4.7 included, providing additional time to implement end-to-end solution operations		
Continuous quality checks (CQCs) as proactive technical quality assessments during implementation, operation, and upgrades		
Support advisory center (7x24) as a direct communication channel to SAP, handling important inquiries concerning consulting, support, and scheduling CQCs		
Service level agreement covering priority one and two customer messages along with top priority one issues (like a go-live showstopper)		
SAP Solution Manager, enterprise edition, with extended functionality for deployment, operation, and continuous improvement and innovation of SAP solutions		Standard edition
Advanced innovation support for SAP enhancement packages and support packages to activate additional functionality and avoid conflicts with customer-specific code and modifications		
End-to-end quality management standards and support for customer centers of expertise to establish a single source of truth and validate customer developments related to data integrity, performance, and transactional security		
Continuous improvement and innovation like software upgrades, technology updates, legal changes, and access to source code		
Problem resolution with global message processing for customer messages of priority one and 24x7 access to the SAP Notes service		
Knowledge transfer as part of the community using the SAP Service Marketplace extranet and with specialized offerings for SAP Customer Competence Center locations		
Quality management with implementation tools and methodology, the standard edition of the SAP Solution Manager application management solution, and monitoring by the SAP EarlyWatch® Alert service		

Release and Maintenance Strategy SAP ERP



This strategy is also valid for all **industry-specific add-on applications** and **SAP enhancement packages for SAP ERP** based on the releases above.

* Overall payment is SAP Standard Support / SAP Enterprise Support fee plus additional fee of 2% or 4% of the maintenance base per year.

** SAP ERP 6.0 is the application release formerly known as SAP ERP 2005. Potential maintenance extension for SAP ERP 6.0 pending partner negotiations.

