

SAP

The Market Leader in
Business Applications



Werner Brandt
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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 “believe,” “estimate,” “intend,” “may,” “will,” “expect,” and “project” and similar expressions as they relate to the Company are intended to identify such forward-looking statements. The Company 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 the Company’s future financial results are discussed more fully in the Company’s filings with the U.S. Securities and Exchange Commission (the “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.

The background of the slide is a photograph of two business professionals, a woman and a man, walking from left to right. They are dressed in professional attire (suits). The image is intentionally blurred to convey a sense of motion and a fast-paced business environment. The background wall is made of large, light-colored rectangular panels.

SAP

The Market Leader

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



The world’s leading provider of business application software

- ~76,000 customers in 120 countries
- Broad global reach provides regional balance and a greater addressable market
- Undisputed market leader
- Recognized global brand

Strongest product portfolio based on an open technology platform

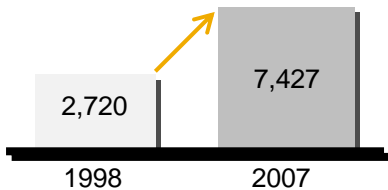
- Leading product and technology innovation with ~15,000 developers
- First to market with next generation enterprise SOA architecture
- Deepest industry functionality with 24 industry solutions

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



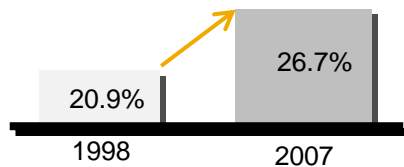
SSRS Revenue*

CAGR: 11.8%



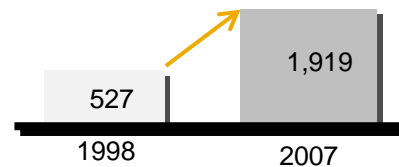
Operating Margin*

+5.8pp



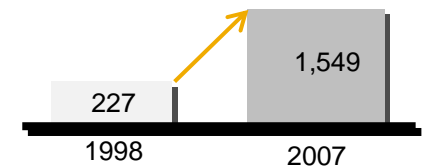
Net Income*

CAGR: +15.4%

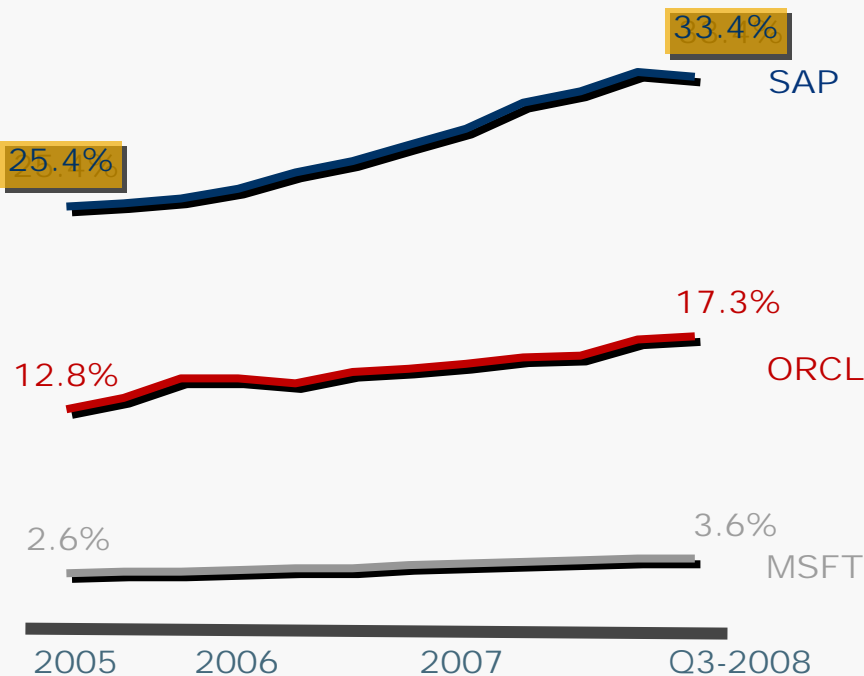


Free Cash Flow

CAGR: +23.9%



SAP Global Share - \$38.7bn Market**



Strong financial performance and market leadership

- Long-term revenue growth, margin expansion and strong cash flow generation
- Steadily increasing market share – increase of 6.5pp year on year
 - **+3.3pp** from organic growth
 - **+3.2pp** from acquisition of Business Objects

* Based on US-GAAP; in EUR million, unless stated otherwise

** Relevant Core Enterprise Application Software & Software Related Services Market

A blurred photograph of two business professionals, a woman in a grey suit and a man in a dark suit, walking from left to right in a modern office hallway. The background is a light-colored wall with a grid pattern. The floor is also light-colored with a grid pattern.

The Market Leader

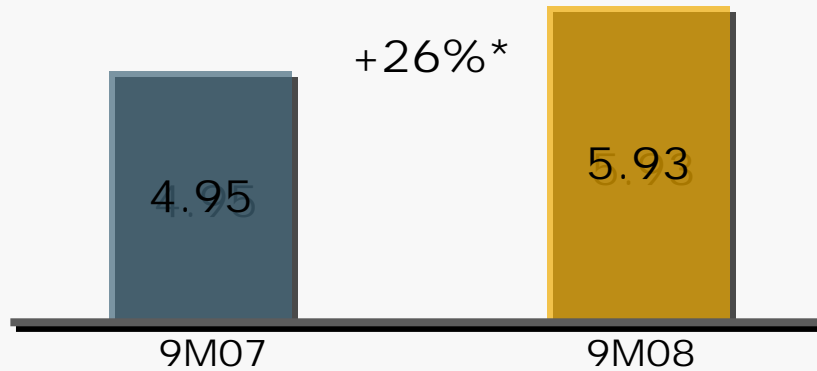
Nine Months 2008 Performance

Financial Highlights

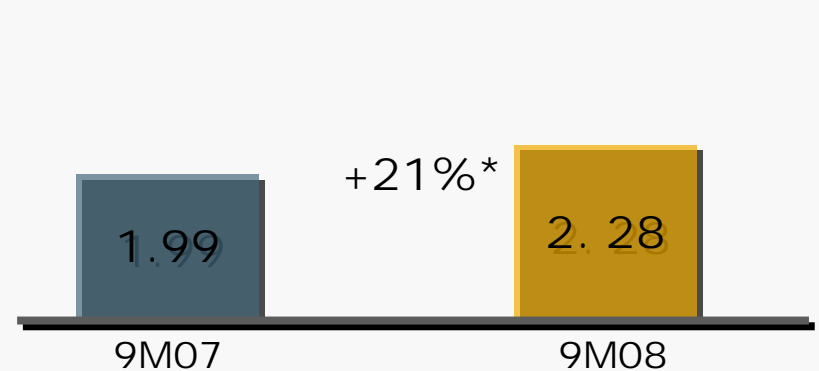
Nine Months 2008 – Non-GAAP



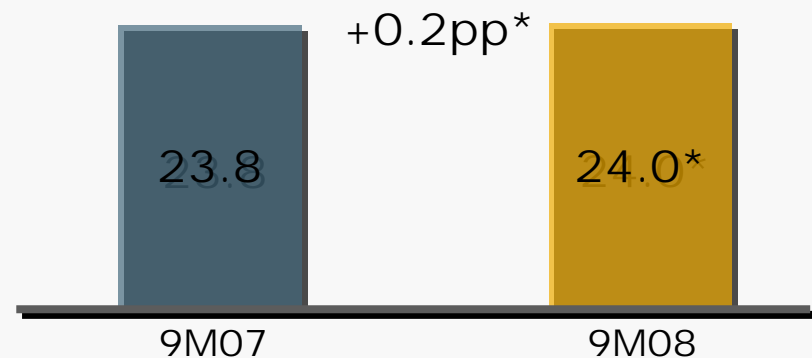
SW & SW-Related Serv. Revenue (€ bn)



Software Revenue (€ bn)

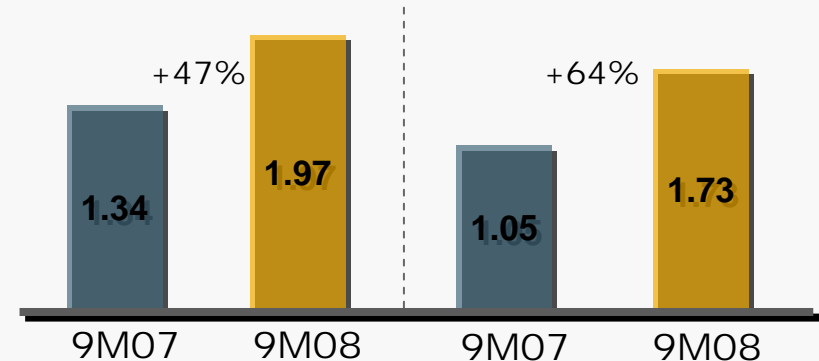


Operating Margin (in %)



Cash Flow (€ bn)

Operating Cash Flow Free Cash Flow

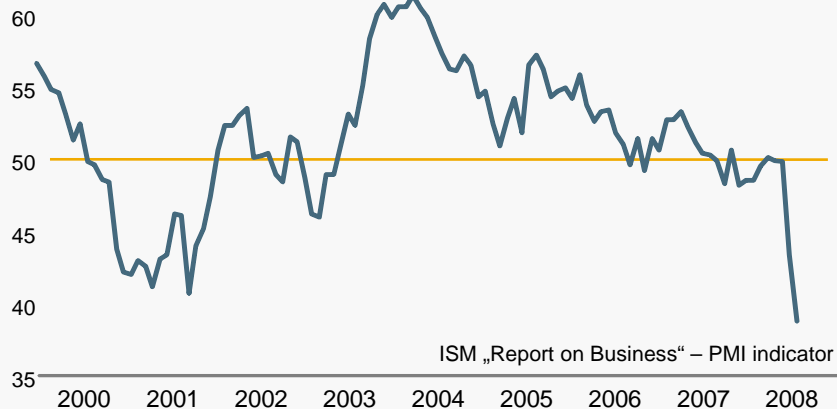


A Challenging Global Macroeconomic Environment

Acceleration of financial crisis in the 2nd half of September



Deterioration of macroeconomic environment



- Acceleration of the financial crisis in the 2nd half of September 2008 resulted in rapid deterioration of the macroeconomic environment
 - SME business affected most
- Significant number of deals did not close at the end of Q3 2008
- SAP delivered its 19th consecutive quarter of double digit growth in SSRS revenues*
 - Strong contribution from Business Objects solutions
- SAP updated its 2008 outlook in October to reflect its focus on protecting margin and earnings in an uncertain economic environment

Americas (+26%)*

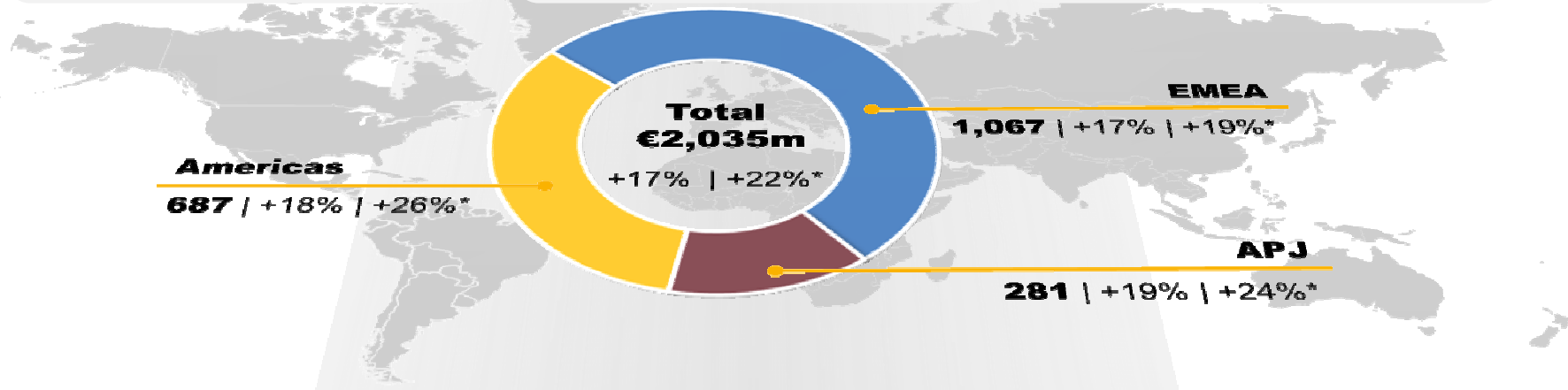
- U.S.: +23%*
- Good demand from new customers
- High win rates
- Strong sales of Business Objects products
- Continued strength in Latin America and Canada, Brazil performed well
- Crisis felt most in the U.S.

EMEA (+19%)*

- Germany: +20%*
- High win rates
- Business Objects performed well
- Pockets of strength – Germany, southern Europe, Nordics
- Softness in Russia, UK and France

APJ (+24%)*

- Japan: +11%*
- Customers still spending
- Quarter driven by large enterprise deals
- Drop in growth rates for SME due to financial crisis
- China and India continued to perform well
- Softness in SME business



* Year-over-year software and software-related service (SSRS) revenue growth, non-GAAP, at constant currencies

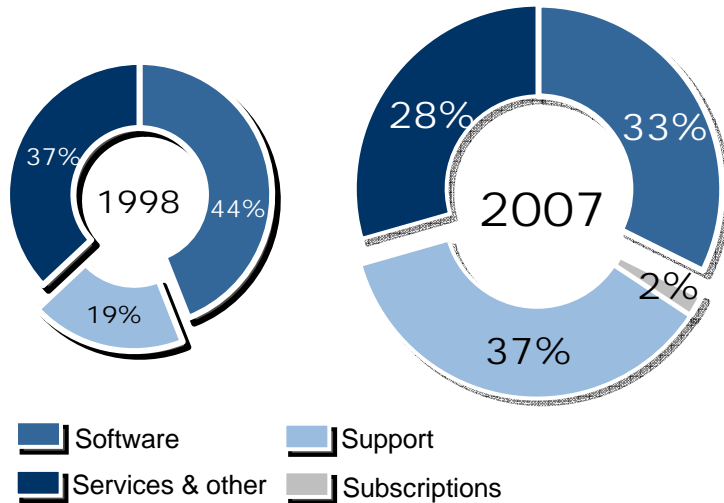
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Challenging Environment SAP is Prepared

Strong Recurring Revenue Streams and Careful Expense Management



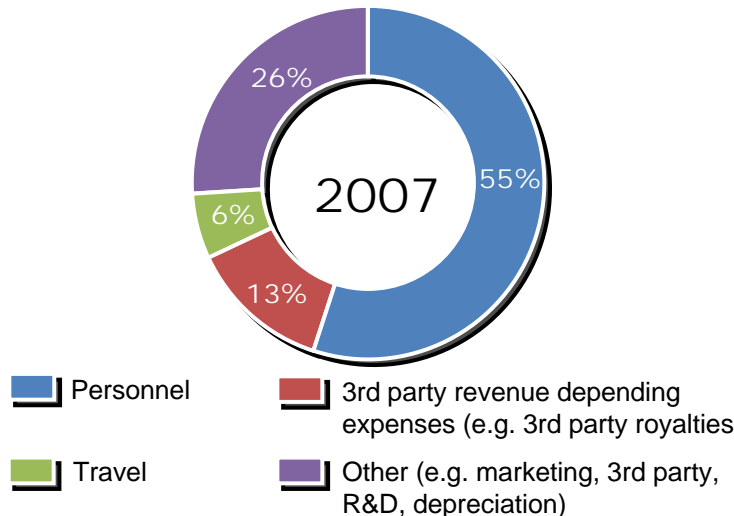
Total revenue breakdown in %



SAP has a stable revenue base

- Share of recurring support and subscription revenues around 40% in 2007 (9M2008: ~44%)
- Steadily increasing share of recurring revenues provides stability
- Diversified revenue streams across geographies and industries
- SAP expects to take market share in a tough environment

Operating expenses by category in %



SAP will manage its cost base carefully to protect profitability

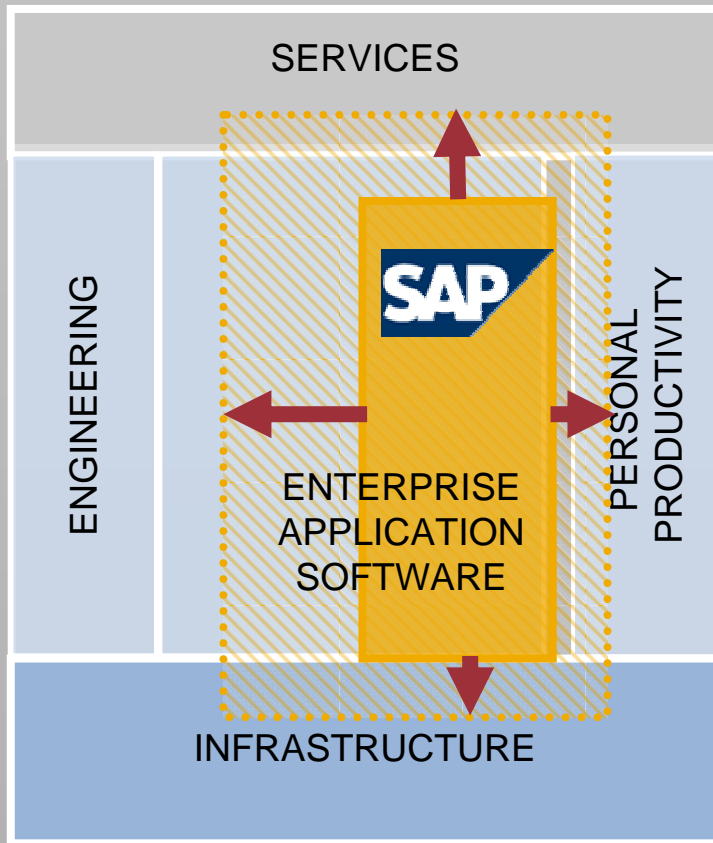
- Best possible balance between profitability and innovation
- In October 2008 SAP updated its FY 2008 outlook reflecting focus on margin protection

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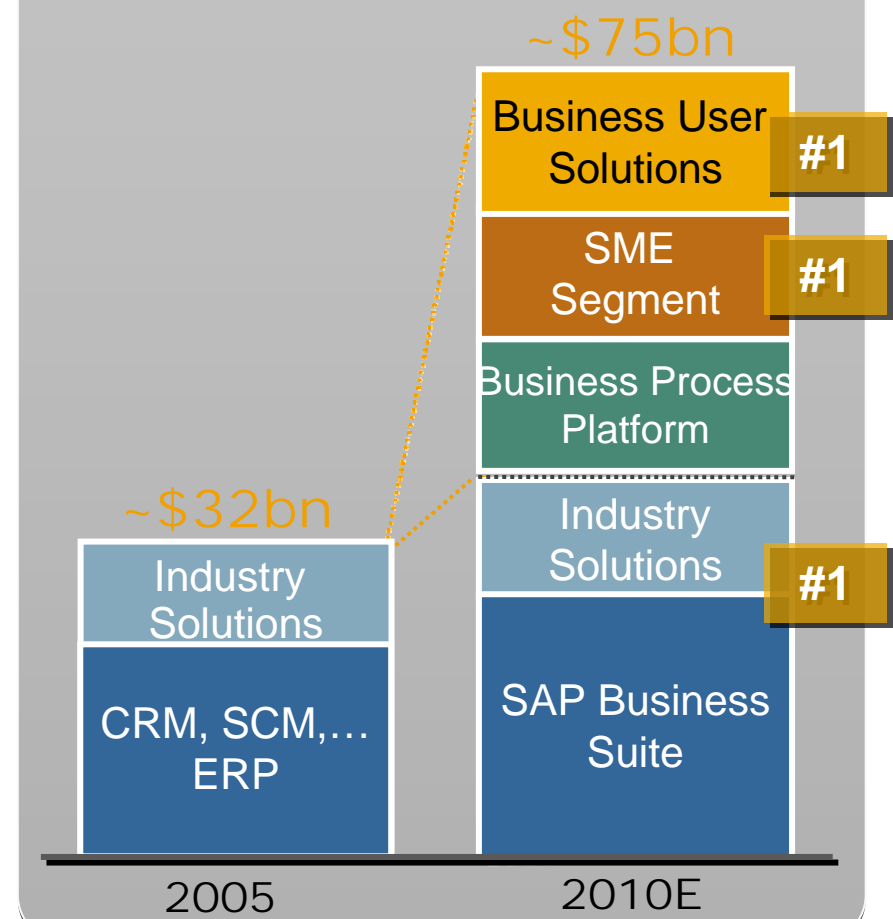
SAP is Prepared
To Turn Challenge
into Opportunity



Expanding SAP's Reach



Doubling SAP's Addressable Market



Business User Solutions

✓ 12,800+ ERP6.0 customers, thereof ~8,200 productive (+500 p.m.)

SME

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

Business Process Platform

✓ SAP CRM 2007 successfully shipped

Industry Solutions

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 2007."

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

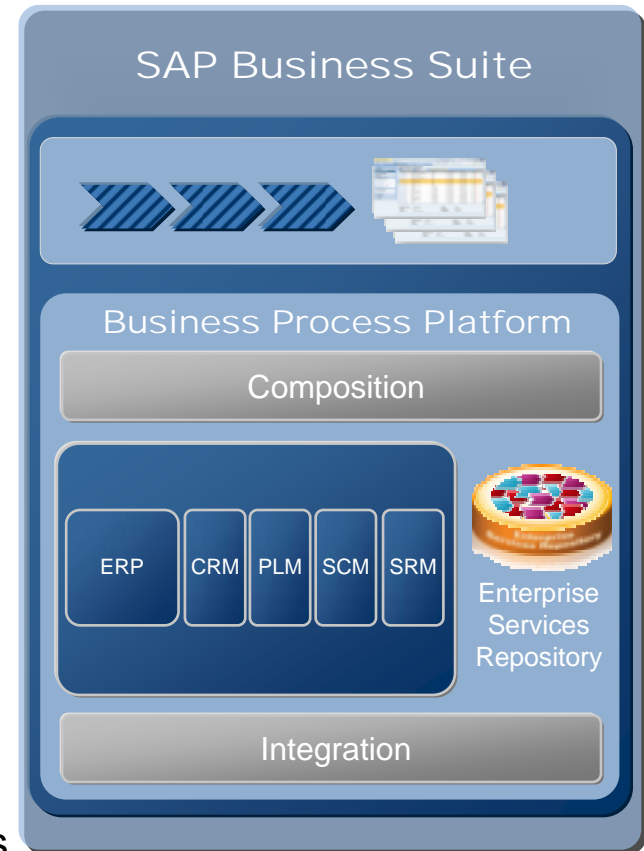
SME

Business Process Platform

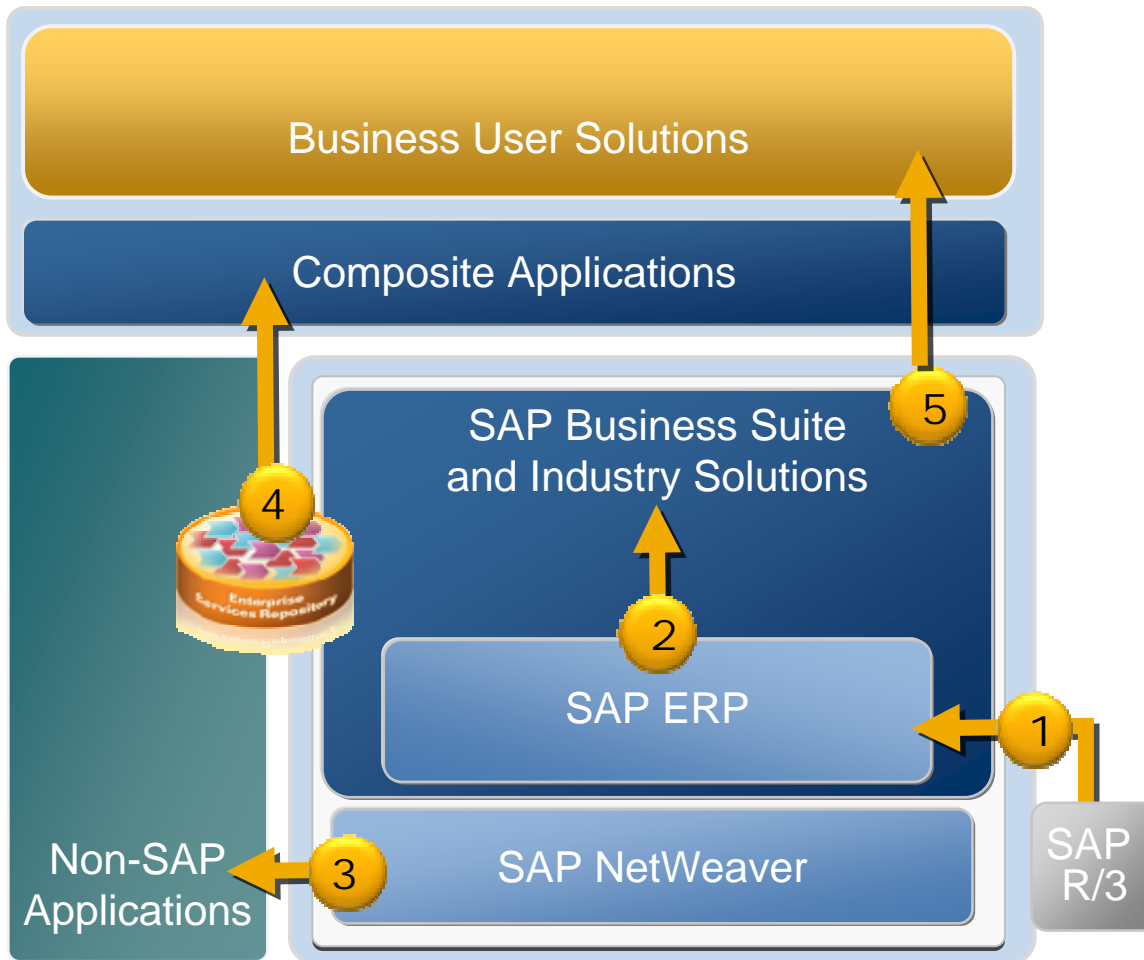
Industry Solutions

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
 - 46,700+ productive systems (+1,000 p.m.)
 - Total SAP NetWeaver software revenue was **more than €1.0bn***
 - Standalone software revenue grew 26%* to **~ €400m**



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

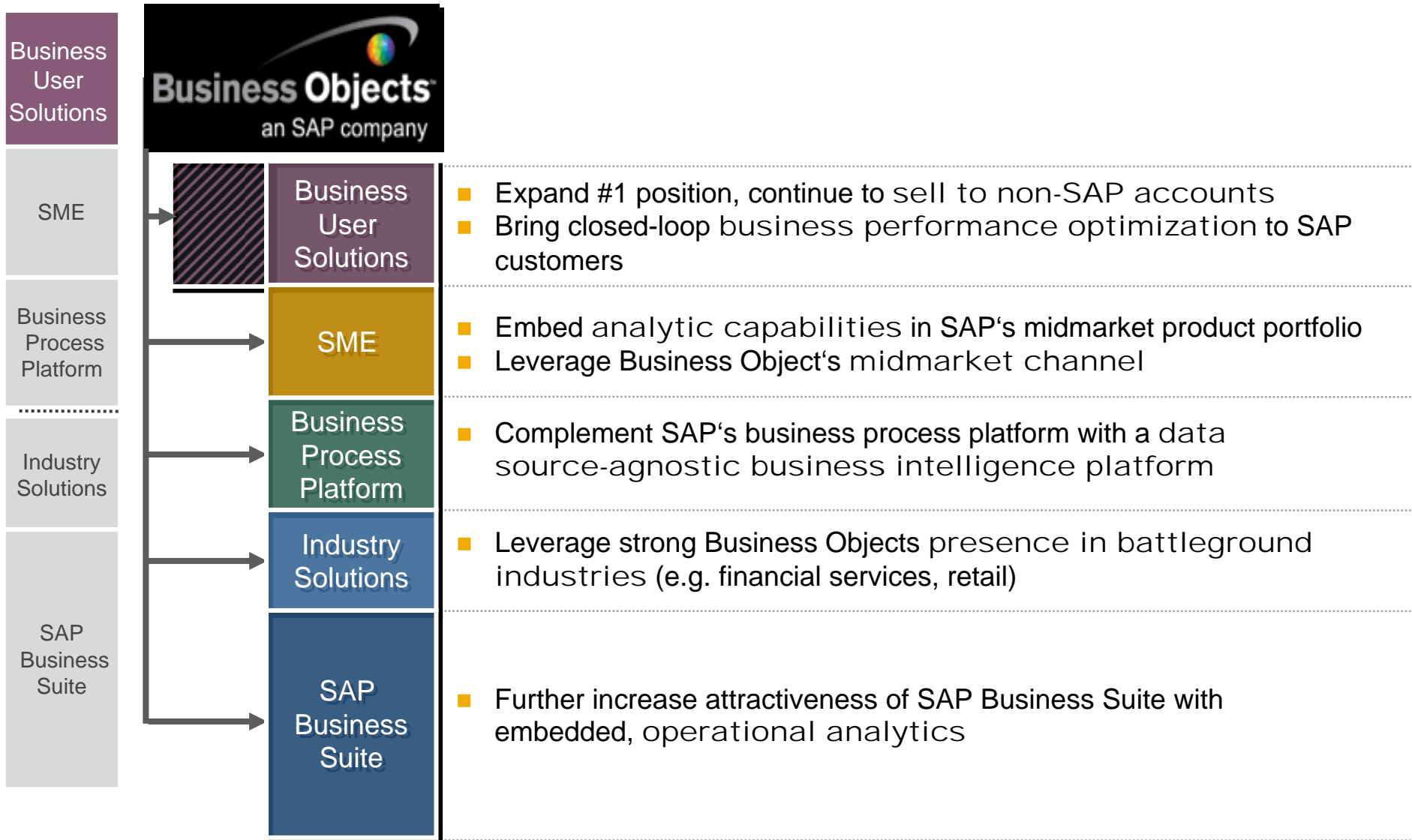
Product Portfolio for Small and Midsize Enterprises Completed



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"> 21,000+ customers +5,170 customers yoy 	<ul style="list-style-type: none"> New On-Demand business model Focus on six key markets to concentrate on profitability New release shipped with significant improvements 8,000+ registrations 	<ul style="list-style-type: none"> 12,750+ customers 2,200+ customers yoy +21% customer growth yoy New release based on business process platform, including new CRM
Industry Solutions	<ul style="list-style-type: none"> +33% customer growth yoy 		
SAP Business Suite			
<ul style="list-style-type: none"> +2,300 partners (VAR) 			

SAP is the undisputed leader in SME-market

SAP Business Objects Strengthens the Entire SAP Product Portfolio





BI remains to be a top priority for CEO's

- Even if budgets get cut, BI remains at the top of the wish list
- CEO's can gain quick insight into their businesses through transparent analytics that can assess risk, compliance and new business opportunities
- BI products can be packaged in much smaller deals, providing for quick implementations and faster ROI



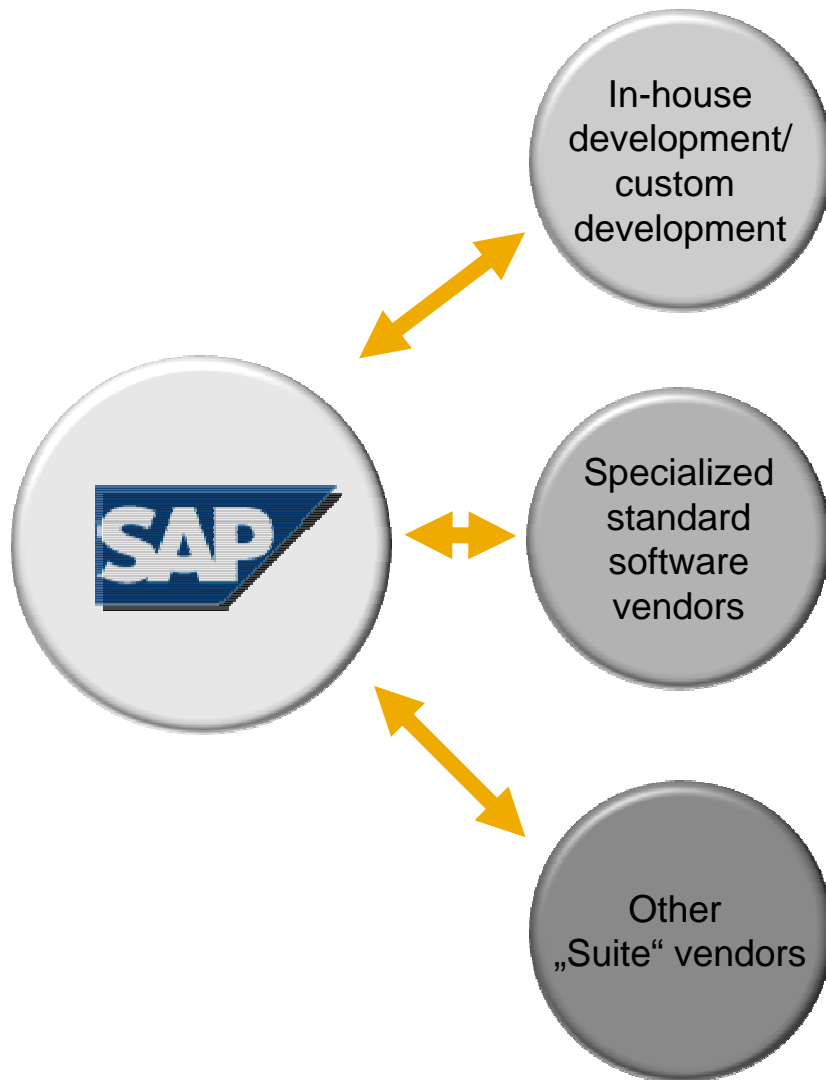
SAP continues to build out SAP Business Objects' product line

- The next major release of SAP BusinessObjects XI solutions will include:
 - Innovations that address the needs of business users and will target enterprise, midmarket, volume, and the OEM customer base
 - Support embedded analytics for SAP Business Suite and performance optimization applications

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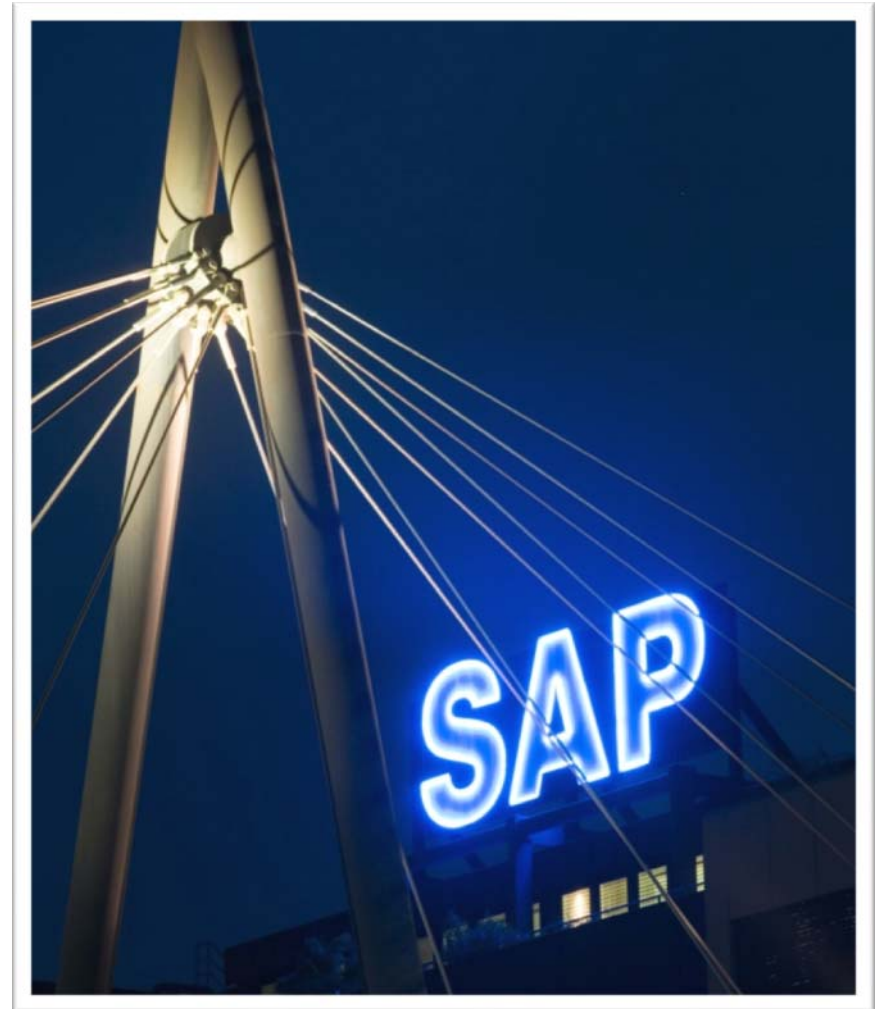
Summary

SAP Can Emerge From the Downturn With an Even Stronger Competitive Position



- **Low total cost of ownership**
- **Short time-to-value** & value engineering
- **Low-risk** implementations
- High **vendor reliability** and financial stability
- Tight **out-of-the-box integration**, within and between companies
- Highest **support quality** and most comprehensive support concept
- Excellent customer access and relationship of trust / **strategic vendor**
- Unmatched **industry expertise** and multi-industry capability
- Leading SOA **architecture** and high solution flexibility, unique enhancement package technology
- Open business process platform with **consistent technology and semantics**
- Broadest **ecosystem** of partners

- SAP expects 2009 to be a challenging year for the world economy
- SAP will seek the best possible balance between profitability and innovation
- SAP's solution portfolio is more competitive than ever
- SAP can emerge from the downturn stronger than before



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