Third Quarter and Nine Months 2009

Preliminary Results Release

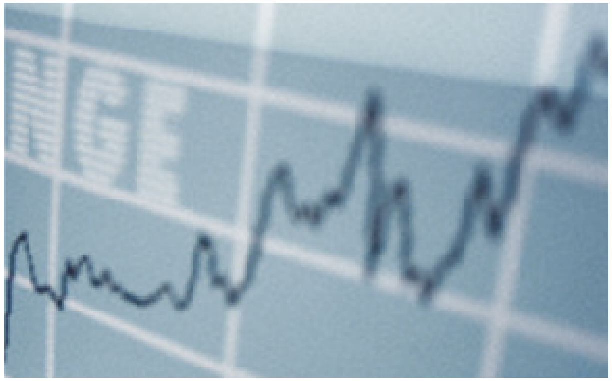
SAP AG
Walldorf, Germany
Wednesday, October 28, 2009

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.

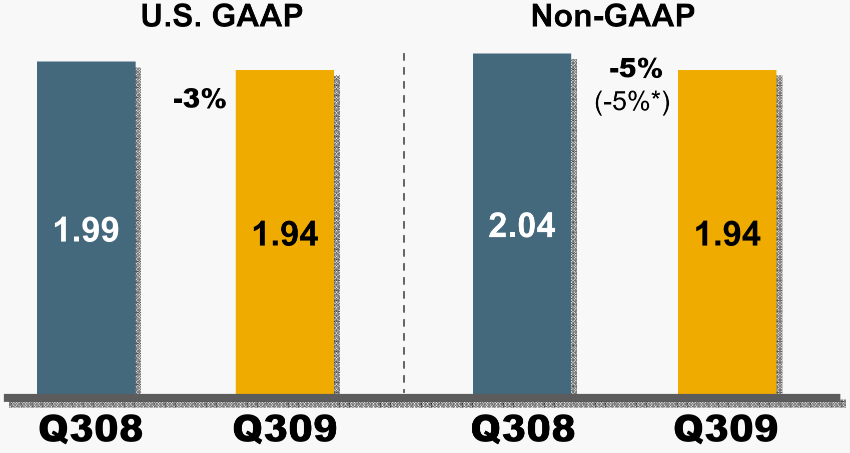
Agenda



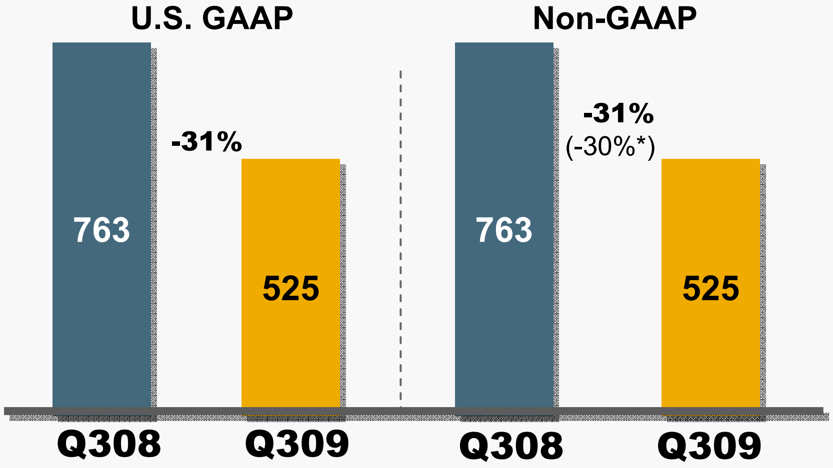
1. **Income Statement**
2. Balance Sheet and Cash Flow
3. Headcount
4. Outlook

Key Figures
Third Quarter 2009

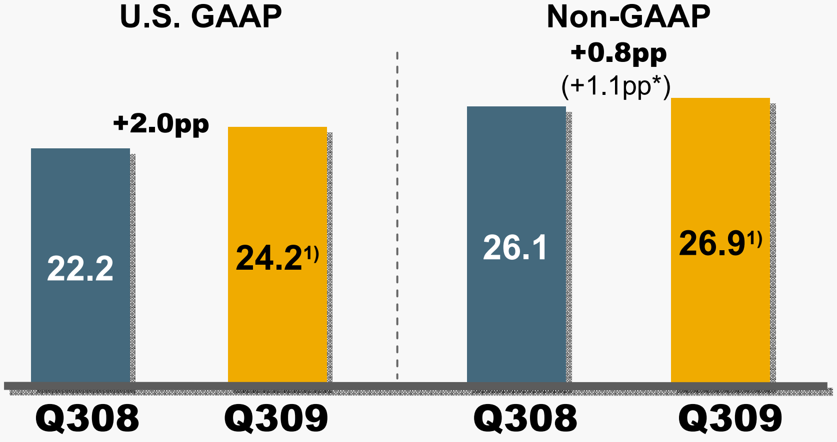
SW & SW-Related Serv. Revenue (€ bn)



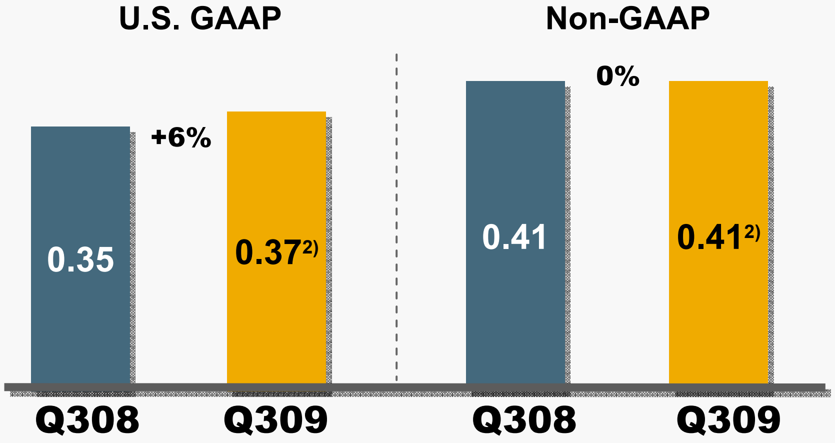
Software Revenue (€ millions)



Operating Margin (%)



Basic EPS from Cont. Operations (€)



* at constant currencies

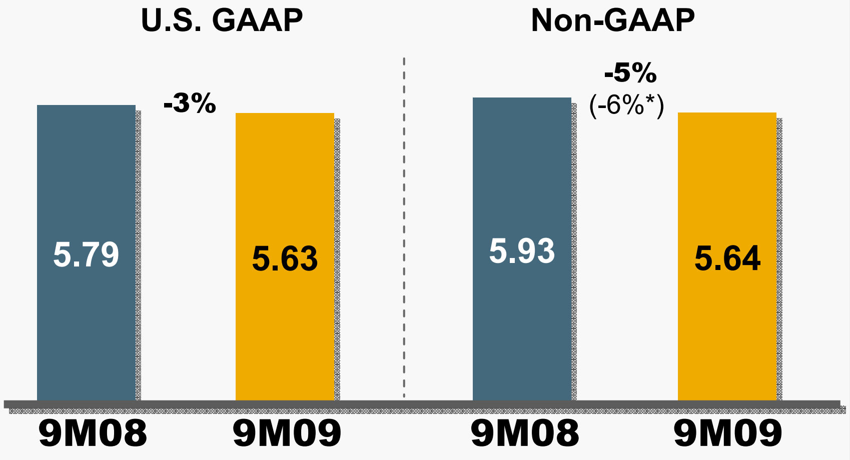
1) includes negative effect of 0.8pp from Q3 2009 restructuring charges of €21 million

2) includes negative effect of 0.01€ from Q3 2009 restructuring charges of €21 million

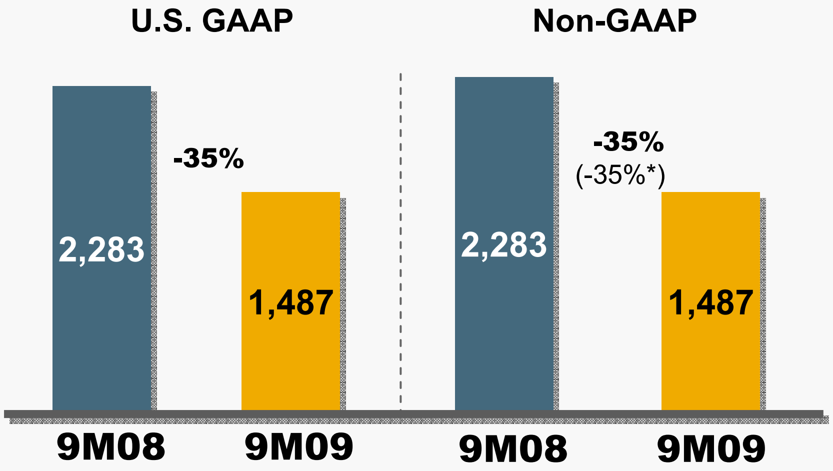
Key Figures

Nine Months 2009

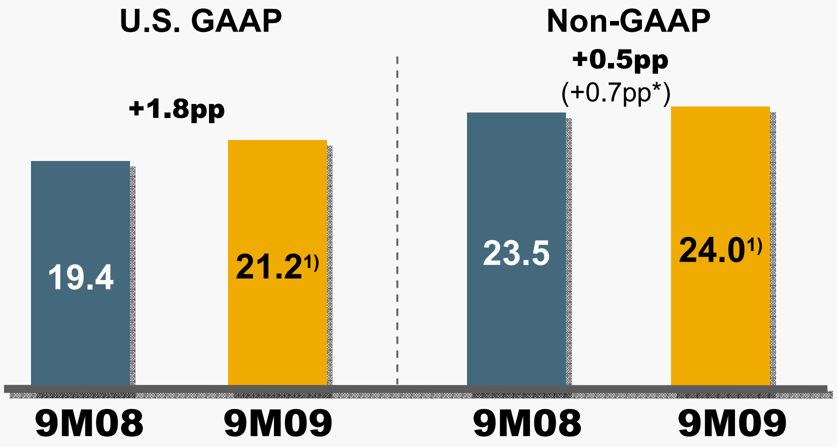
SW & SW-Related Serv. Revenue (€ bn)



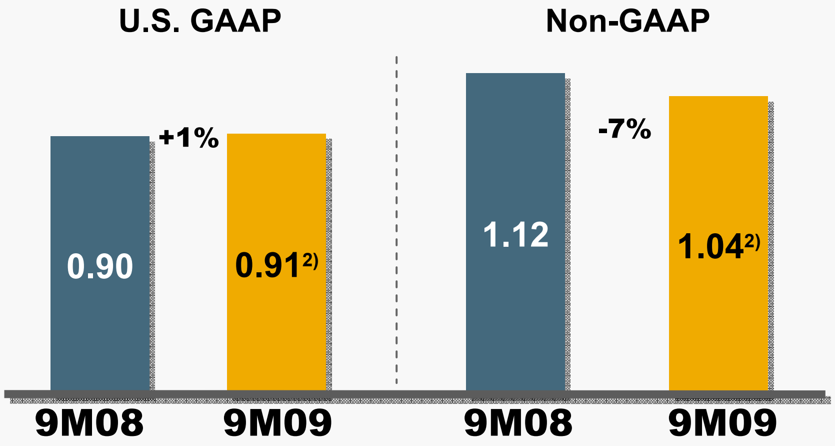
Software Revenue (€ millions)



Operating Margin (%)



Basic EPS from Cont. Operations (€)



* at constant currencies

1) includes negative effect of 2.5pp from 9M 2009 restructuring charges of €186 million

2) includes negative effect of 0.11€ from 9M 2009 restructuring charges of €186 million

Income Statement Overview

Third Quarter 2009 (U.S. GAAP and Non-GAAP)

	U.S. GAAP			Non-GAAP			
€ millions, unless otherwise stated	**Q3 2009**	**Q3 2008**	Δ%	**Q3 2009**	**Q3 2008**	Δ%	Δ% constant currencies
Software revenue	525	763	-31	525	763	-31	-30
Support revenue	1,333	1,167	14	1,333	1,208	10	10
Subscription & other softw.-rel. serv. rev.	79	64	23	79	64	23	22
SSRS revenue	**1,937**	**1,994**	**-3**	**1,937**	**2,035**	**-5**	**-5**
Consulting revenue	484	617	-22	484	617	-22	-22
Training revenue	60	105	-43	60	105	-43	-43
Other service revenue	20	26	-23	20	26	-23	-23
Professional & other services revenue	**564**	**748**	**-25**	**564**	**748**	**-25**	**-25**
Other revenue	**7**	**19**	**-63**	**7**	**19**	**-63**	**-63**
Total revenue	**2,508**	**2,761**	**-9**	**2,508**	**2,802**	**-10**	**-10**
Operating expenses	**1,902**	**2,147**	**-11**	**1,834**	**2,071**	**-11**	**-12**
Income from continuing operations	**436**	**410**	**6**	**488**	**497**	**-2**	**N/A**
Basic EPS from continuing op. (€)	**0.37**	**0.35**	**6**	**0.41**	**0.41**	**0**	**N/A**

Income Statement Overview

Nine Months 2009 (U.S. GAAP and Non-GAAP)

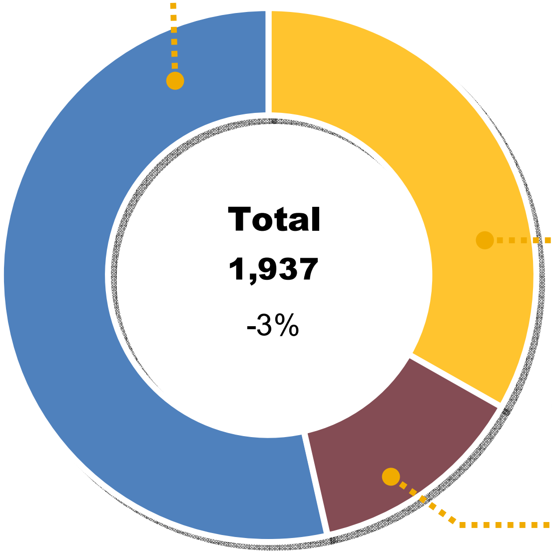
€ millions, unless otherwise stated	U.S. GAAP			Non-GAAP			
	9M 2009	**9M 2008**	**∆%**	**9M 2009**	**9M 2008**	**∆%**	**∆%** constant currencies
Software revenue	1,487	2,283	-35	1,487	2,283	-35	-35
Support revenue	3,922	3,324	18	3,933	3,464	14	12
Subscription & other softw.-rel. serv. rev.	223	184	21	223	184	21	17
SSRS revenue	**5,632**	**5,791**	**-3**	**5,643**	**5,931**	**-5**	**-6**
Consulting revenue	1,554	1,832	-15	1,554	1,832	-15	-17
Training revenue	202	323	-37	202	323	-37	-38
Other service revenue	67	77	-13	67	77	-13	-14
Professional & other services revenue	**1,823**	**2,232**	**-18**	**1,823**	**2,232**	**-18**	**-20**
Other revenue	**27**	**56**	**-52**	**27**	**56**	**-52**	**-54**
Total revenue	**7,482**	**8,079**	**-7**	**7,493**	**8,219**	**-9**	**-10**
Operating expenses	**5,896**	**6,513**	**-9**	**5,695**	**6,288**	**-9**	**-11**
Income from continuing operations	**1,077**	**1,068**	**1**	**1,238**	**1,339**	**-8**	**N/A**
Basic EPS from continuing op. (€)	**0.91**	**0.90**	**1**	**1.04**	**1.12**	**-7**	**N/A**

U.S. GAAP Revenue Breakdown by Region

Third Quarter 2009

€ millions | yoy percent change

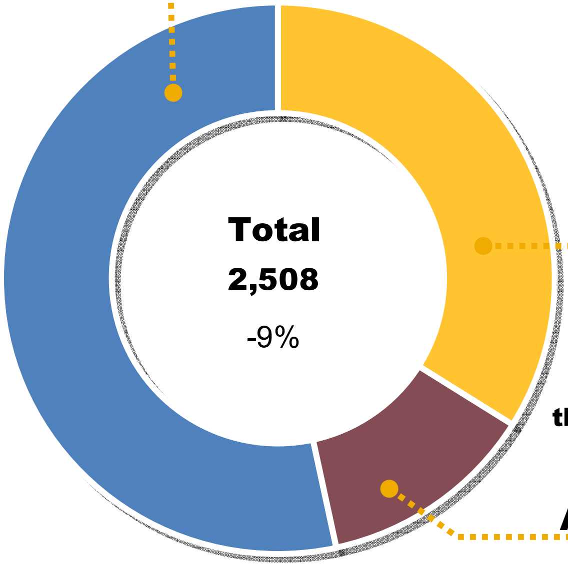
Software and software-related service revenue by region*



Total
1,937
-3%

EMEA	**1,037**	-1%
thereof Germany:	342	-13%
thereof rest of EMEA:	695	6%
Americas	**643**	-3%
thereof United States:	476	-2%
thereof rest of Americas:	167	-6%
Asia Pacific Japan	**257**	-8%
thereof Japan:	89	-9%
thereof rest of APJ:	168	-7%

Total revenue by region*



Total
2,508
-9%

EMEA	**1,339**	-7%
thereof Germany:	481	-15%
thereof rest of EMEA:	858	-2%
Americas	**850**	-11%
thereof United States:	628	-12%
thereof rest of Americas:	222	-6%
Asia Pacific Japan	**319**	-12%
thereof Japan:	102	-15%
thereof rest of APJ:	216	-11%

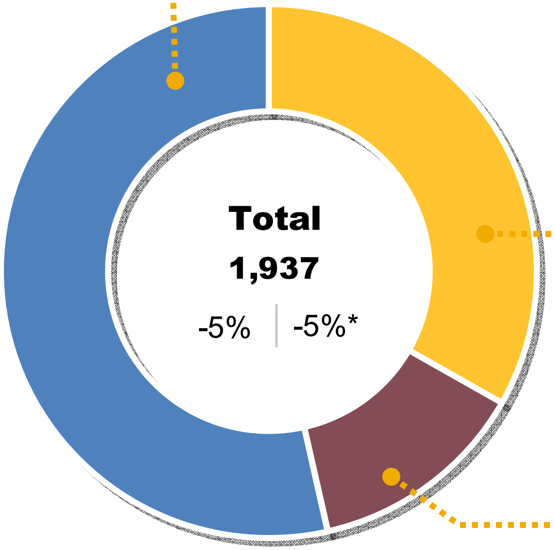
* By location of customers

Non-GAAP Revenue Breakdown by Region

Third Quarter 2009

€ millions | yoy percent change | yoy percent constant currency change

Software and software-related service revenue by region**



Total

1,937

-5%	-5%*

EMEA

1,037	-3%	-1%*

thereof Germany:

342	-13%	-13%*

thereof rest of EMEA:

695	3%	6%*

Americas

643	-6%	-7%*

thereof United States:

476	-6%	-9%*

thereof rest of Americas:

167	-7%	-1%*

Asia Pacific Japan

257	-9%	-12%*

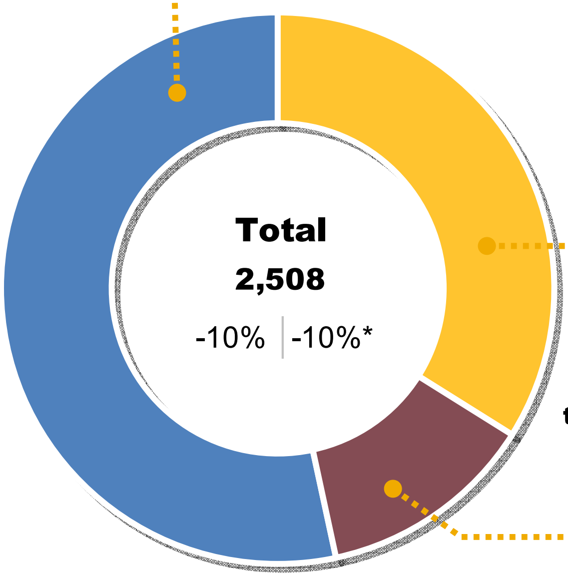
thereof Japan:

89	-10%	-25%*

thereof rest of APJ:

168	-8%	-6%*

Total revenue by region**



Total

2,508

-10%	-10%*

EMEA

1,339	-8%	-7%*

thereof Germany:

481	-15%	-15%*

thereof rest of EMEA:

858	-4%	-1%*

Americas

850	-13%	-14%*

thereof United States:

628	-15%	-18%*

thereof rest of Americas:

222	-7%	-1%*

Asia Pacific Japan

319	-13%	-16%*

thereof Japan:

102	-16%	-30%*

thereof rest of APJ:

216	-11%	-10%*

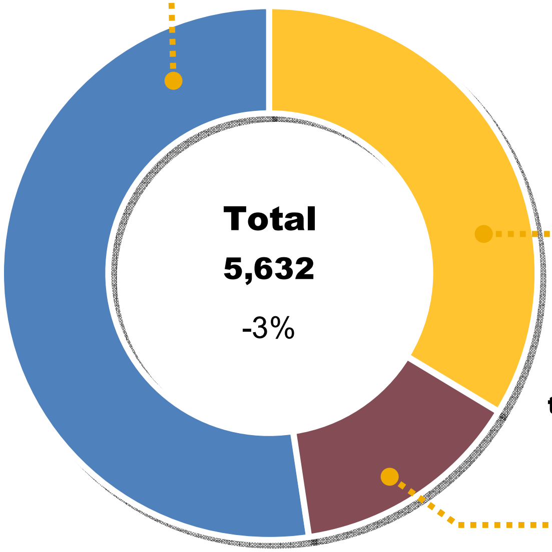
* At constant currencies
** By location of customers

U.S. GAAP Revenue Breakdown by Region

Nine Months 2009

€ millions | yoy percent change

Software and software-related service revenue by region*



EMEA

2,950 -4%

thereof Germany:

948 -10%

thereof rest of EMEA:

2.002 -1%

Americas

1,896 0%

thereof United States:

1.417 3%

thereof rest of Americas:

479 -8%

Asia Pacific Japan

786 -4%

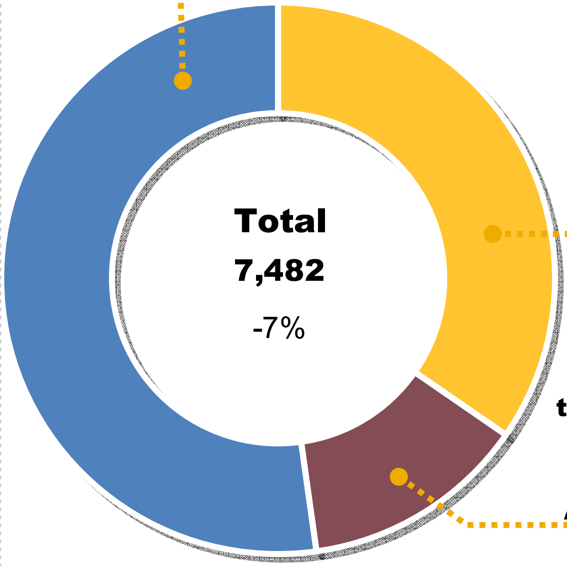
thereof Japan:

292 7%

thereof rest of APJ:

494 -10%

Total revenue by region*



EMEA

3,907 -8%

thereof Germany:

1.376 -11%

thereof rest of EMEA:

2.531 -7%

Americas

2,588 -6%

thereof United States:

1.941 -6%

thereof rest of Americas:

647 -6%

Asia Pacific Japan

987 -8%

thereof Japan:

348 0%

thereof rest of APJ:

639 -11%

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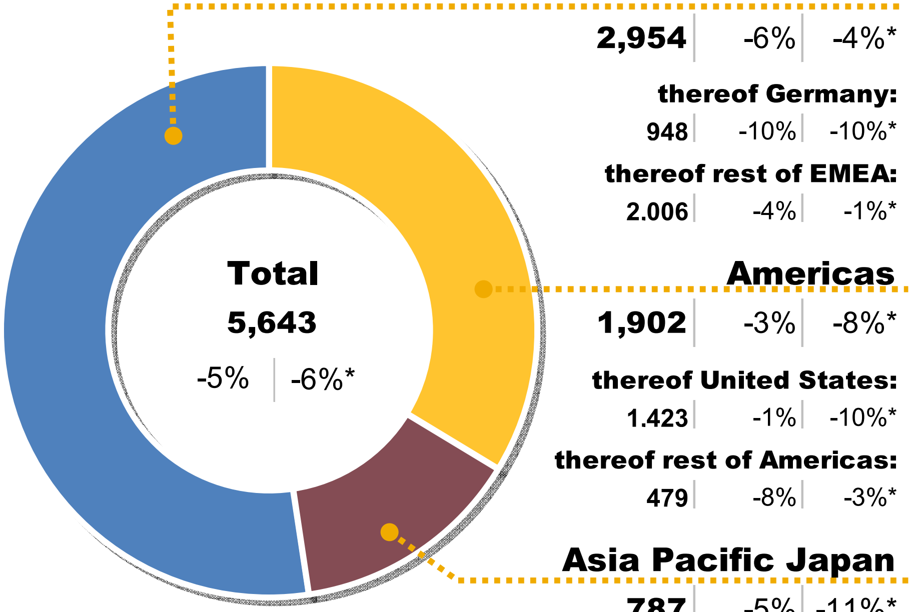
* By location of customers

Non-GAAP Revenue Breakdown by Region

Nine Months 2009

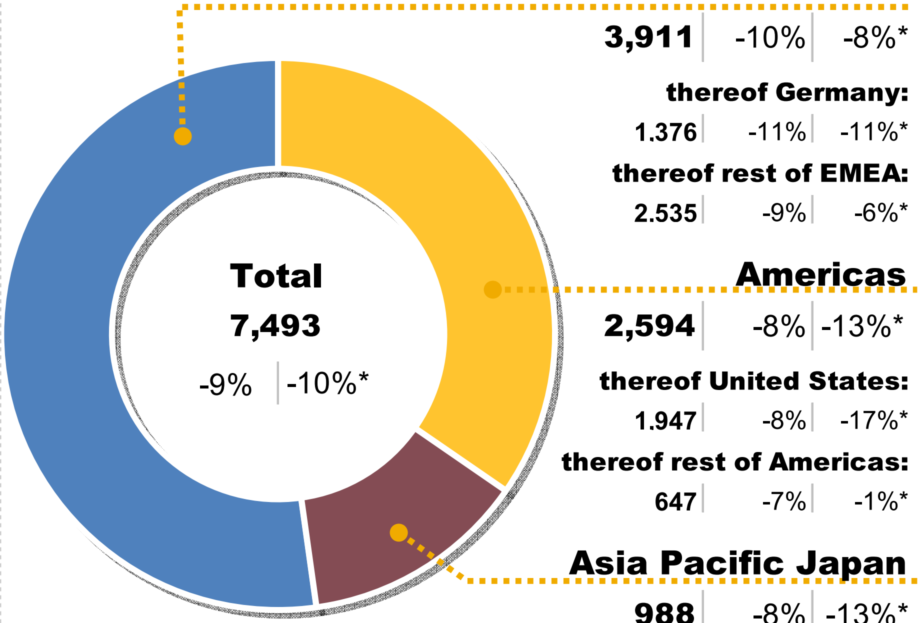
€ millions | yoy percent change | yoy percent constant currency change

Software and software-related service revenue by region**



EMEA	**2,954**	-6%	-4%*
thereof Germany:	**948**	-10%	-10%*
thereof rest of EMEA:	**2.006**	-4%	-1%*
Americas	**1,902**	-3%	-8%*
thereof United States:	**1.423**	-1%	-10%*
thereof rest of Americas:	**479**	-8%	-3%*
Asia Pacific Japan	**787**	-5%	-11%*
thereof Japan:	**292**	6%	-14%*
thereof rest of APJ:	**494**	-11%	-9%*

Total revenue by region**



EMEA	**3,911**	-10%	-8%*
thereof Germany:	**1.376**	-11%	-11%*
thereof rest of EMEA:	**2.535**	-9%	-6%*
Americas	**2,594**	-8%	-13%*
thereof United States:	**1.947**	-8%	-17%*
thereof rest of Americas:	**647**	-7%	-1%*
Asia Pacific Japan	**988**	-8%	-13%*
thereof Japan:	**348**	-1%	-19%*
thereof rest of APJ:	**639**	-12%	-10%*

* At constant currencies
** By location of customers

Margin Analysis

Third Quarter 2009 (U.S. GAAP and Non-GAAP)

	U.S. GAAP			**Non-GAAP**		
€ millions, unless otherwise stated	**Q3 2009**	**Q3 2008**	**∆%**	**Q3 2009**	**Q3 2008**	**∆%**
SSRS revenue	1,937	1,994	-3	1,937	2,035	-5
SSRS cost	-412	-381	8	-366	-332	10
SSRS margin in %	**78.7**	**80.9**	**-2.2pp**	**81.1**	**83.7**	**-2.6pp**
PSOS revenue	564	748	-25	564	748	-25
PSOS cost	-436	-583	-25	-436	-583	-25
PSOS margin in %	**22.7**	**22.1**	**0.6pp**	**22.7**	**22.1**	**0.6pp**
SSRS & PSOS margin in %	**66.1**	**64.8**	**1.3pp**	**67.9**	**67.1**	**0.8pp**
Research and development	-381	-398	-4	-380	-395	-4
- as a percentage of total revenue	**15.2**	**14.4**	**0.8pp**	**15.2**	**14.1**	**1.1pp**
Sales and marketing	-515	-634	-19	-497	-611	-19
- as a percentage of total revenue	**20.5**	**23.0**	**-2.5pp**	**19.8**	**21.8**	**-2.0pp**
General and administration	-136	-156	-13	-134	-155	-14
- as a percentage of total revenue	**5.4**	**5.7**	**-0.3pp**	**5.3**	**5.5**	**-0.2pp**
Restructuring charges	-21	0	N/A	-21	0	N/A
- as a percentage of total revenue	**0.8**	**0.0**	**0.8pp**	**0.8**	**0.0**	**0.8pp**
Operating margin in %	**24.2**	**22.2**	**2.0pp**	**26.9**	**26.1**	**0.8pp**

SSRS: Software and software-related services
PSOS: Professional services and other Services

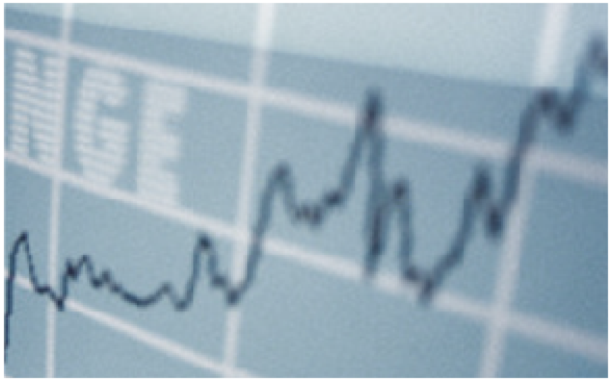
Margin Analysis

Nine Months 2009 (U.S. GAAP and Non-GAAP)

€ millions, unless otherwise stated	U.S. GAAP 9M 2009	9M 2008	∆%	Non-GAAP 9M 2009	9M 2008	∆%
SSRS revenue	5,632	5,791	-3	5,643	5,931	-5
SSRS cost	-1,192	-1,166	2	-1,053	-1,024	3
SSRS margin in %	**78.8**	**79.9**	**-1.1pp**	**81.3**	**82.7**	**-1.4pp**
PSOS revenue	1,823	2,232	-18	1,823	2,232	-18
PSOS cost	-1,423	-1,731	-18	-1,421	-1,731	-18
PSOS margin in %	**21.9**	**22.4**	**-0.5pp**	**22.1**	**22.4**	**-0.3pp**
SSRS & PSOS margin in %	**64.9**	**63.9**	**1.0pp**	**66.9**	**66.3**	**0.6pp**
Research and development	-1,118	-1,236	-10	-1,116	-1,218	-8
- as a percentage of total revenue	**14.9**	**15.3**	**-0.4pp**	**14.9**	**14.8**	**0.1pp**
Sales and marketing	-1,589	-1,912	-17	-1,534	-1,848	-17
- as a percentage of total revenue	**21.2**	**23.7**	**-2.5pp**	**20.5**	**22.5**	**-2.0pp**
General and administration	-393	-477	-18	-391	-476	-18
- as a percentage of total revenue	**5.3**	**5.9**	**-0.6pp**	**5.2**	**5.8**	**-0.6pp**
Restructuring charges	-186	0	N/A	-186	0	N/A
- as a percentage of total revenue	**2.5**	**0.0**	**2.5pp**	**2.5**	**0.0**	**2.5pp**
Operating margin in %	**21.2**	**19.4**	**1.8pp**	**24.0**	**23.5**	**0.5pp**

SSRS: Software and software-related services
PSOS: Professional services and other Services

Agenda



1. Income Statement
2. **Balance Sheet and Cash Flow**
3. Headcount
4. Outlook

Balance Sheet (U.S. GAAP)

September 30, 2009

Assets

€ millions	09/30/09	12/31/08
Cash and cash equivalents, short-term investments*	3,040	1,662
Accounts receivable, net	2,097	3,128
Other current assets	896	992
Current assets	**6,033**	**5,782**
Goodwill	5,019	5,009
Intangible assets, net	944	1,127
Property, plant and equipment, net	1,372	1,405
Other noncurrent assets	1,006	874
Noncurrent assets	**8,341**	**8,415**
Total assets	**14,374**	**14,197**

Shareholders' Equity & Liabilities

€ millions	09/30/09	12/31/08
Financial liabilities	1,506	2,574
Deferred income	1,050	611
Other current liabilities	2,248	2,649
Current liabilities	**4,804**	**5,834**
Financial liabilities	726	36
Provisions	509	497
Other noncurrent liabilities	503	595
Noncurrent liabilities	**1,738**	**1,128**
Total liabilities	**6,542**	**6,962**
Total equity	**7,832**	**7,235**
Total shareholders' equity & liabilities	**14,374**	**14,197**

* incl. restricted cash

Balance Sheet, Cash Flow, Liquidity Analysis

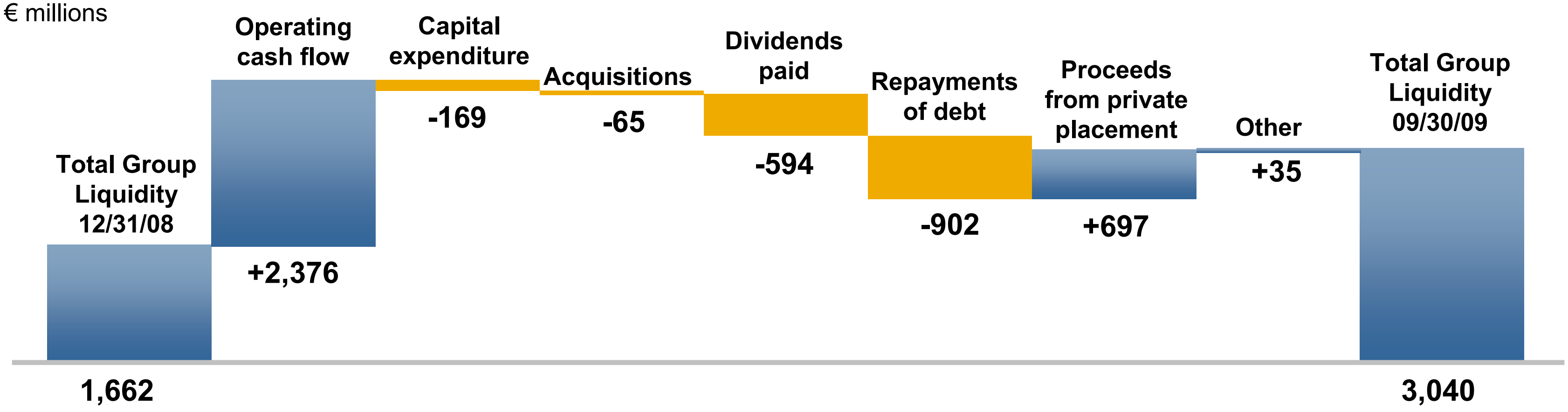
September 30, 2009

	09/30/09	12/31/08	∆
Net liquidity (€ millions) [1]	925	-659	N/A
Days sales outstanding (DSO)	78 days	71 days	7 days
Equity ratio	54%	51%	3pp

€ millions, unless otherwise stated	9M 2009	9M 2008	∆%
Operating cash flow from continuing operations	2,376	1,970	21%
- Capital expenditure	-169	-244	-31%
Free cash flow	2,207	1,726	28%
Free cash flow as a percentage of total revenue	29%	21%	8pp
Cash conversion rate [2]	221%	184%	37pp

Total Group Liquidity[3] Development

€ millions



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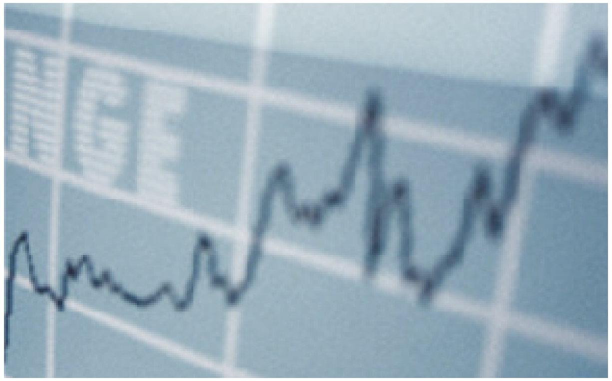
[1] Defined as cash and cash equivalents + restricted cash + short-term investments less bank loans and overdrafts

[2] Defined as operating cash flow from cont. ops. as a % of income from cont. ops.

[3] Defined as cash and cash equivalents + restricted cash + short-term investments

Agenda



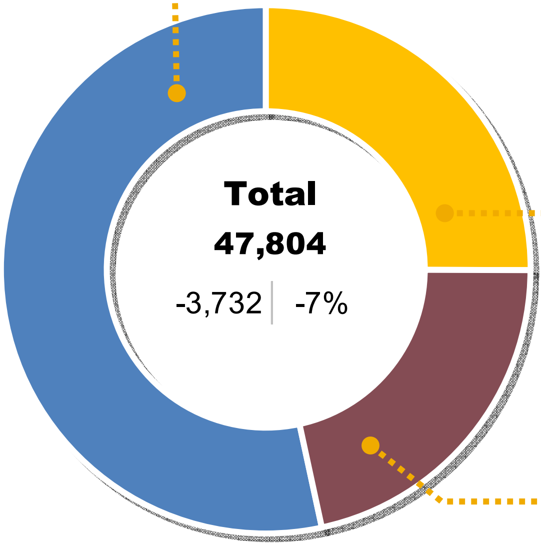
1. Income Statement
2. Balance Sheet and Cash Flow
3. **Headcount**
4. Outlook

Headcount

September 30, 2009 – Continuing Operations Only

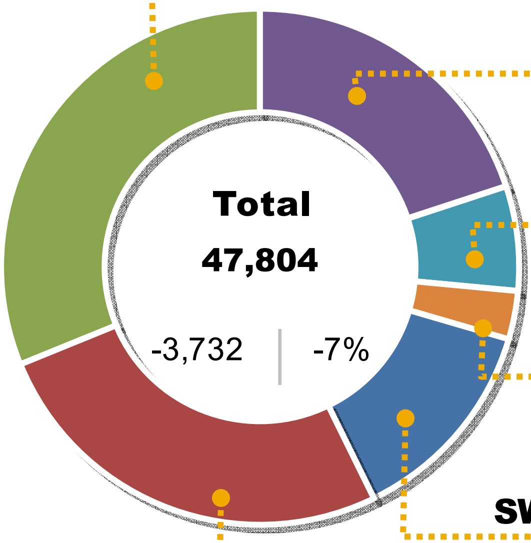
in full-time equivalents | ∆9M | %9M

Headcount by Region



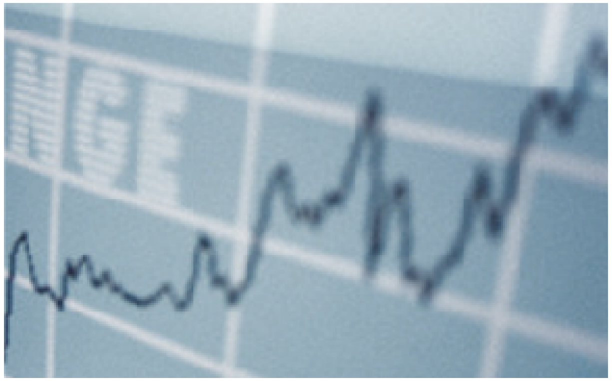
EMEA		
25,527	-1298	-5%
thereof Germany:		
15.043	-539	-3%
thereof rest of EMEA:		
10.484	-759	-7%
Americas		
11,973	-1,484	-11%
thereof United States:		
8.154	-1.060	-12%
thereof rest of Americas:		
3.819	-424	-10%
Asia Pacific Japan		
10,304	-950	-8%
thereof Japan:		
1.189	-224	-16%
thereof rest of APJ:		
9.115	-726	-7%

Headcount by Functional Area



Research and development		
14,888	-659	-4%
Sales and marketing		
9,545	-1156	-11%
General and admin.		
3,116	-128	-4%
Infrastructure		
1,446	-89	-6%
SW and SW-rel. services		
6,319	-138	-2%
Prof. svs. and other svs.		
12,490	-1,561	-11%

Agenda



1. Income Statement
2. Balance Sheet and Cash Flow
3. Headcount
4. **Outlook**

Outlook 2009

SAP is providing the following outlook for the full-year 2009.

The Company continues to expect its full-year 2009 Non-GAAP operating margin, 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 25.5% – 27.0% at constant currencies. This includes one-time restructuring charges of €200 million expected to result from the reduction of positions, which negatively impacts the Non-GAAP operating margin outlook by approximately 2 percentage points. The 2009 Non-GAAP operating margin outlook is now based on the assumption that 2009 Non-GAAP software and software-related service revenues, which exclude a non-recurring deferred support revenue write-down from the acquisition of Business Objects, will be in a range of a decline of 6% – 8% at constant currencies (2008: €8.623 billion).

SAP updated its outlook for the 2009 tax rate to 27.0% - 28.0% from the previously expected 2009 tax rate of 29.5% to 30.5% (based on U.S. GAAP income from continuing operations) for 2009 (2008: 30.0%).

APPENDIX

Migration from U.S. GAAP to IFRS

Financial Reports in 2009

	Q1/2009	Q3/2009	Q3/2009	Q4/2009	2010 and beyond
Press Release	U.S. GAAP & IFRS*	U.S. GAAP & IFRS*	U.S. GAAP & IFRS*	U.S. GAAP & IFRS*	IFRS
Quarterly Report	IFRS & U.S. GAAP**	IFRS & U.S. GAAP**	IFRS & U.S. GAAP**	n.a.	
Annual Report	n.a.	n.a.	n.a.	IFRS	
Annual Report on Form 20-F	n.a.	n.a.	n.a.	IFRS	
Guidance	Non-GAAP, derived from U.S. GAAP				Non-IFRS, derived from IFRS

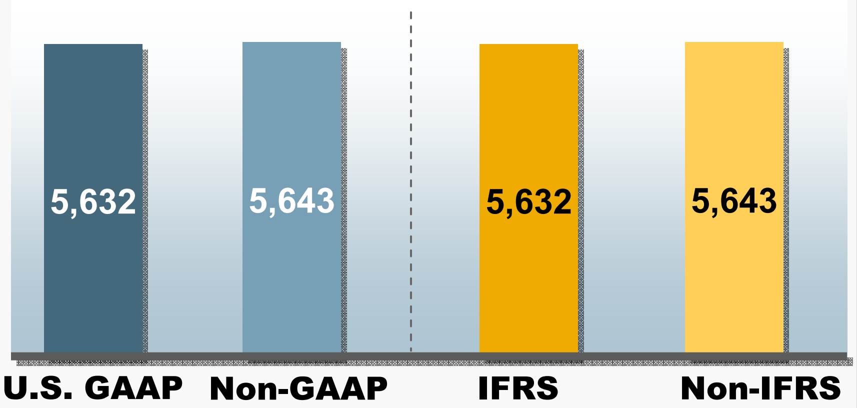
* IFRS: only balance sheet & income statement plus comments on major U.S. GAAP/IFRS differences

** full IFRS statements (incl. notes) plus U.S. GAAP-data from press release

U.S. GAAP/Non-GAAP versus IFRS/Non-IFRS

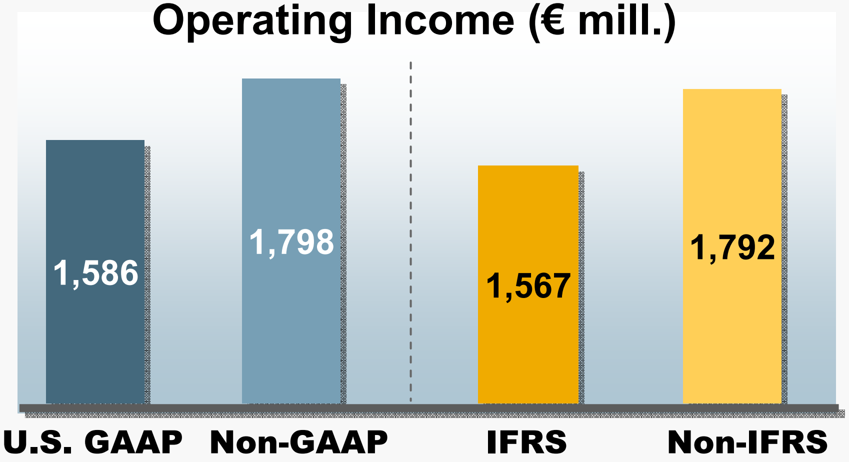
9M 2009

SW & SW-Related Serv. Revenue (€ mill.)



9M 2009

Operating Income (€ mill.)



Revenues

- There are no differences between U.S. GAAP and IFRS resp. Non-GAAP / Non-IFRS in 9M 2009.

Operating Income

- Small differences between U.S. GAAP and IFRS, including
  - Discontinued Operations
  - Differences in accounting for certain acquisition related charges
  - Valuation of provisions
- Non-IFRS operating income is adjusted for discontinued operations and (like Non-GAAP) for the deferred revenue write-down and acquisition related charges.
  After these adjustments the difference between Non-GAAP and Non-IFRS operating income, resulting mainly from the valuation of provisions, is small.

Note:
There may be more significant U.S. GAAP / IFRS resp. Non-GAAP / Non-IFRS differences in future periods but such differences are not expected to be material

Explanation of Non-GAAP Measures (1/5)

Explanations of Non-GAAP Measures

This document discloses certain financial measures, such as non-GAAP revenues, non-GAAP expenses, non-GAAP operating income, non-GAAP operating margin, non-GAAP net income, non-GAAP earnings per share, free cash flow, constant currency revenue and operating income measures as well as U.S. dollar-based non-GAAP revenue numbers 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. Our non-GAAP financial measures included in this document are reconciled to the nearest U.S. GAAP measure in the tables on the pages F5 to F11 above.

We believe that it is of interest to investors to receive certain supplemental historical and prospective non-GAAP financial information used by our management in running our business and making financial, strategic and operational decisions – in addition to financial data prepared in accordance with U.S. GAAP – to attain a more transparent understanding of our past performance and our future results. Beginning in 2008, we use these non-GAAP measures as defined below consistently in our planning, forecasting, reporting, compensation and external communication. Specifically,

- Our management uses these non-GAAP numbers rather than U.S. GAAP numbers as the basis for financial, strategic and operating decisions.
- The variable remuneration components of our board members and employees that are tied to our company's growth and operating performance are based on SAP's achievement of its targets for non-GAAP operating income, cash flow conversion ratio and non-GAAP operating margin at constant currencies. These targets are monitored on a yearly basis and changed if necessary.
- The annual budgeting process involving all management units is based on non-GAAP revenues and non-GAAP operating income numbers rather than U.S. GAAP numbers.
- All monthly forecast and performance reviews with all senior managers globally are based on these non-GAAP measures rather than U.S. GAAP numbers.
- Both, company-internal target setting and guidance provided to the capital markets are based on non-GAAP revenues and non-GAAP income measures rather than U.S. GAAP numbers.

We believe that our non-GAAP measures are useful to investors for the following reasons:

- The non-GAAP measures provide investors with insight into management's decision-making since management uses these non-GAAP measures to run our business and make financial, strategic and operating decisions.
- The non-GAAP measures provide investors with additional information that enables a comparison of year-over-year operating performance by eliminating certain direct effects resulting from acquisitions.

Explanation of Non-GAAP Measures (2/5)

Our non-GAAP financial measures reflect adjustments based on the following items, as well as the related income tax effects:

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 which 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 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 do not reflect the full amount of support revenue that Business Objects would have recorded 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. The support contracts are typically one-year contracts, and we expect customers will renew them, which would result in revenues from support fees. However, we cannot provide absolute assurance that these contracts will in fact be renewed.

Non-GAAP operating expense:

We exclude acquisition-related charges, which are defined as follows:

- Amortization expense/impairment charges of intangibles acquired in business combinations and certain standalone acquisitions of intellectual property;
- Expense from purchased in-process research and development;
- Restructuring expenses and settlements of preexisting relationships as far as incurred in connection with a business combinations; and
- Acquisition-related third-party costs (since the mandatory adoption of SFAS 141R and the revision of IFRS 3) as of January 1, 2009, which requires expensing these costs. The previous version of SFAS 141 and IFRS 3 required capitalization.

Non-GAAP operating income, non-GAAP operating margin, non-GAAP net income and non-GAAP earnings per share:

Operating income, operating margin, net income and earnings per share in this document identified as non-GAAP operating income, non-GAAP operating margin, non-GAAP net income and non-GAAP earnings per share have been adjusted from the respective operating income, operating margin, net income and earnings per share numbers as recorded under U.S. GAAP by adjusting for the above mentioned non-GAAP revenues and non-GAAP expenses.

We include these non-GAAP revenues and exclude these non-GAAP expenses for the purpose of calculating non-GAAP operating income, non-GAAP operating margin, non-GAAP net income and non-GAAP earnings per share when evaluating the continuing operational performance of the Company because these expenses generally cannot be changed or influenced by management after the acquisition other than by disposing of the acquired assets. As management at levels below the Executive Board has no influence on these expenses we generally do not consider these expenses for purposes of evaluating the performance of management units. As we believe that our Company-wide performance measures need to be aligned with the measures generally applied by management at varying levels throughout the Company we exclude these expenses when making decisions to allocate resources, both, on a Company level and at lower levels of the organization.

Explanation of Non-GAAP Measures (3/5)

In addition, we use these non-GAAP measures to gain a better understanding of the Company's comparative operating performance from period-to-period and as a basis for planning and forecasting future periods. Considering that management at all levels of the organization is heavily focused on our non-GAAP measures in our internal reporting and controlling, we believe that it is in the interest of our investors that they are provided with the same information.

We believe that our non-GAAP financial measures described above have limitations, which include but are not limited to the following:

○ The eliminated amounts may be material to us.

○ Without being analysed in conjunction with the corresponding U.S. GAAP measures the non-GAAP measures are not indicative of our present and future performance, foremost for the following reasons:

- The additional insight into our potential future financial performance that our non-GAAP revenue numbers are intended to provide assumes that Business Objects customers renew their maintenance contracts. Projections of our future revenues made based on these numbers would be overstated if such maintenance renewals do not occur.
- While our non-GAAP income numbers reflect the elimination of certain acquisition-related expenses, no eliminations are made for the additional revenues that result from the acquisitions.
- The acquisition-related one-time charges that we eliminate in deriving our non-GAAP income numbers are likely to recur should SAP enter into material business combinations in the future.
- The acquisition-related amortization expense that we eliminate in deriving our non-GAAP income numbers are recurring expenses that will impact our financial performance in future years.
- While our non-GAAP revenue numbers are adjusted for a one-time impact only, our non-GAAP expenses are adjusted for both one-time and recurring items. Additionally, the revenue adjustment for the fair value accounting for Business Objects support contracts and the expense adjustment for one-time and recurring acquisition-related charges do not arise from a common conceptual basis as the revenue adjustment aims at improving the comparability of the initial post-acquisition period with future post-acquisition periods while the expense adjustment aims at improving the comparability between post-acquisition periods and pre-acquisition periods. This should particularly be considered when evaluating our non-GAAP operating income and non-GAAP operating margin numbers as these combine our non-GAAP revenues and non-GAAP expenses despite the absence of a common conceptual basis.

We believe, however, that the presentation of the non-GAAP measures in conjunction with the corresponding U.S. GAAP measures provide useful information to management and investors regarding present and future business trends relating to our financial condition and results of operations. We therefore do not evaluate our growth and performance without considering both non-GAAP measures and U.S. GAAP measures. We caution the readers of this document to follow a similar approach by considering our non-GAAP measures 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.

Explanation of Non-GAAP Measures (4/5)

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 and to intangibles, 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.

Constant Currency Period-Over-Period Changes

We believe it is important for investors to have information that provides insight into our sales. Revenue measures determined under U.S. GAAP provide information that is useful in this regard. However, both 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 by providing data on the changes in product and service units sold. To provide additional information that may be useful to investors in breaking down and evaluating changes in sales volume, we present information about our revenue 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 results 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 periodover-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.

Explanation of Non-GAAP Measures (5/5)

U.S. Dollar-Based Non-GAAP Revenue Measures

Substantially all of our major competitors report their financial performance in U.S. dollars. Thus changes in exchange rates, particularly in the U.S. dollar to euro rates, affect the financial statements of our competitors differently than our euro-based financial statements. We therefore believe that U.S. dollar-based revenues for SAP provide investors with useful additional information that enables them to better compare SAP's revenue growth with SAP's competitors' revenue growth irrespective of movements in exchange rates.

Our U.S. dollar non-GAAP revenues are determined as if SAP's reporting currency was the U.S. dollar. In fact, the reporting currency of our U.S. GAAP and IFRS consolidated financial statements as filed in Germany and in the U.S. with the U.S. Securities and Exchange Commission is the euro. Additionally, our U.S. dollar non-GAAP revenue numbers have been adjusted from the respective U.S. GAAP revenues by the same support revenue fair value adjustment than our non GAAP revenues explained above.

SAP's management uses our U.S. dollar non-GAAP revenues to gain a better understanding of SAP's operating results compared to SAP's major competitors.

We believe that our U.S. dollar non-GAAP revenues have limitations, particularly because the impact of currency exchange rate fluctuations and the eliminated amounts may be material to us. We therefore do not evaluate our growth and performance without considering both non-GAAP revenues and euro-based U.S. GAAP revenues. We caution the readers of this document to follow a similar approach by considering our U.S. dollar 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 and reported in Euros.

U.S. GAAP – IFRS
Significant Differences with Impact on Income

U.S. GAAP - IFRS Significant Differences with Impact on Income

Acquisition-related restructuring expense

In certain circumstances, U.S. GAAP requires that restructuring expense incurred in connection with a business combination be shown as an assumed liability, and therefore it does not normally affect income. However, this restructuring expense must be shown as a current expense under IFRS. After the application of SFAS 141 and the revision to IFRS 3 the accounting has been aligned under both U.S. GAAP and IFRS. Therefore, we do not expect material differences going forward.

Acquired in-process research and development

Under U.S. GAAP, all in-process research and development acquired in connection with a business combination must be amortized immediately. Under IFRS, if certain criteria are met, it must be shown as an asset and, once completed and ready for market, amortized over its normal useful life. After the application of SFAS 141 and the revision to IFRS 3 the accounting has been aligned under both U.S. GAAP and IFRS. Therefore, we do not expect material differences going forward.

Discontinued Operations

SAP's U.S. GAAP income statement shows the revenue and income of our TomorrowNow subsidiary's activities separately because we discontinued its operation. IFRS does not allow us to show them separately because TomorrowNow is not a material operation. This leads to the only difference between our presentation of revenue under U.S. GAAP and IFRS.

Provisions for litigation costs

Under U.S. GAAP, we report attorneys' fees and other legal costs associated with litigation and claims when we incur them. Under IFRS, where appropriate and except to the extent it is virtually certain that we will recover them, we include an estimated amount for the litigation costs in a provision we create for the litigation.

Deferred taxes

Where differences between our IFRS financial statements and our U.S. GAAP financial statements arise out of tax-relevant transactions that result in temporary differences between the financial statements and our tax accounts, they also result in differences in the deferred tax in our IFRS financial statements and our U.S. GAAP financial statements.

Explanation of Non-IFRS Measures (1/2)

Explanation of Non-IFRS Measures

Since 2007, we have been required by German and European law to prepare consolidated financial statements in accordance with IFRS. We have not, however, discontinued preparing financial statements under U.S. GAAP but have prepared consolidated financial statements under both U.S. GAAP and IFRS.

Despite the adoption of IFRS, our focus has continued to be on our U.S. GAAP financial figures and non-GAAP measures derived from them:

○ The non-GAAP numbers have continued to be the key performance measures in our internal management reporting, planning, and forecasting, and in the variable compensation for our management and employees.

○ We have maintained the focus of our external communication (for example, our business outlook) on U.S. GAAP numbers and non-GAAP numbers derived from them.

We plan to fully migrate to IFRS and discontinue the preparation of U.S. GAAP financial information with effect from the end of 2009. During 2009, we plan to continue to report our financial information according to both IFRS and U.S. GAAP. Our press release for Q4/2009 will be the last document in which we will provide U.S. GAAP financial information. In our annual report as well as our annual report on Form 20-F for fiscal year 2009 and all quarterly and annual reports thereafter, we plan to include only IFRS financial statements, and we plan to base our business outlook for 2010 and years thereafter on non-IFRS numbers derived from IFRS numbers. Concurrently with this change in our external financial communication, we will modify our internal management reporting, planning and forecasting, and variable compensation plans to align to the non-IFRS numbers we provide in our external communication.

To give investors an insight into what our migration from U.S. GAAP/non-GAAP to IFRS/non-IFRS will mean for SAP's key performance measures, the section titled *Reconciliations: U.S. GAAP / IFRS / Non-GAAP / Non-IFRS* shows a reconciliation from our U.S. GAAP and non-GAAP numbers to their most comparable IFRS and non-IFRS numbers. Note: Our non-GAAP and non-IFRS numbers are not prepared under a comprehensive set of accounting rules or principles. For more information on our non-GAAP measures, which also applies to our non-IFRS numbers subject to the additional explanations below, see the section titled *Explanation of Non-GAAP Measures*.

Our non-GAAP measures and our non-IFRS measures have been adjusted from the respective U.S. GAAP and IFRS numbers by:

○ Including the full amount of Business Objects support revenue that Business Objects would have recognized had it remained a stand-alone entity but which we are not permitted to recognize as revenue under U.S. GAAP and IFRS as a result of fair value accounting for Business Objects support contracts in effect at the time of the Business Objects acquisition, and

○ Excluding acquisition-related charges

Explanation of Non-IFRS Measures (2/2)

However, the adjustment amounts for acquisition-related charges differ between our non-GAAP measures and our non-IFRS measures, due to differences between U.S. GAAP and IFRS. Specifically:

○ Certain acquisition-related restructuring costs are accounted for as liabilities assumed in a business combination under U.S. GAAP while being charged to expense under IFRS. Consequently, these costs are eliminated only in our non-IFRS numbers.

○ Purchased in-process research and development is charged to expense immediately under U.S. GAAP while being capitalized and amortized over the expected life under IFRS. Consequently, the immediate charge to expense is only eliminated in our non-GAAP measures while the amortization is only eliminated in our non-IFRS measures.
After the application of SFAS 141 and the revision to IFRS 3 the accounting has been aligned under both U.S. GAAP and IFRS. Therefore, we do not expect material differences in acquisition-related restructuring costs and purchased in-process research and development going forward.
Additionally, our non-IFRS measures have been adjusted from the respective IFRS numbers for the results from our discontinued TomorrowNow operations. Under U.S. GAAP, we present the results of operations of the TomorrowNow entities as discontinued operations. Under IFRS, results of discontinued operations may only be presented as discontinued operations if a separate major line of business or geographical area of operations is discontinued. Our TomorrowNow operations were not a separate major line of business and thus did not qualify for separate presentation under IFRS.

We believe that this additional adjustment is useful to investors for the following reasons:

○ Despite the migration from U.S. GAAP to IFRS, SAP will continue to view the TomorrowNow operations as discontinued operations and thus will continue to exclude potential future TomorrowNow results from its internal management reporting, planning, forecasting, and compensation plans. Therefore, adjusting our non-IFRS measures for the results of the discontinued TomorrowNow operations provides insight into the financial measures that SAP will use internally once SAP has fully migrated to IFRS.

○ By adjusting the non-IFRS numbers for the results form our discontinued TomorrowNow operations, the non-IFRS number is more comparable to the non-GAAP measures that SAP uses currently, which makes SAP's performance measures before and after the full IFRS migration easier to compare.