

## Consolidated Income Statements

### SAP-Group 4th quarter

PRELIMINARY and UNAUDITED

(in EUR millions)

	2004	2003	Δ
Software revenue	1.003	931	8%
Maintenance revenue	739	673	10%
Product revenue	1.742	1.604	9%
Consulting revenue	560	520	8%
Training revenue	79	76	4%
Service revenue	639	596	7%
Other revenue	20	15	33%
<b>Total revenue</b>	<b>2.401</b>	<b>2.215</b>	<b>8%</b>
Cost of product	-230	-265	-13%
Cost of service	-510	-437	17%
Research and development	-288	-315	-9%
Sales and marketing	-442	-418	6%
General and administration	-102	-99	3%
Other income/expenses, net	4	-8	-150%
<b>Total operating expense</b>	<b>-1.568</b>	<b>-1.542</b>	<b>2%</b>
<b>Operating income</b>	<b>833</b>	<b>673</b>	<b>24%</b>
Other non-operating income/ expenses, net	15	24	-38%
Financial income, net	5	-3	N/A
<b>Income before income taxes</b>	<b>853</b>	<b>694</b>	<b>23%</b>
Income taxes	-310	-272	14%
Minority interest	-1	-2	-50%
<b>Net income</b>	<b>542</b>	<b>420</b>	<b>29%</b>
<b>Basic earnings per share (in €)</b>	<b>1.74</b>	<b>1.35</b>	<b>29%</b>

## Consolidated Income Statements

### SAP-Group 4th quarter

PRELIMINARY and UNAUDITED

#### additional information (in EUR millions)

	2004	2003	Δ
<b>Pro forma EBITDA reconciliation:</b>			
Net income	542	420	29%
Minority interest	1	2	-50%
Income taxes	310	272	14%
<b>Net income before income taxes</b>	<b>853</b>	<b>694</b>	<b>23%</b>
Financial income, net	-5	3	N/A
Other non-operating income/expenses, net	-15	-24	-38%
<b>Operating Income</b>	<b>833</b>	<b>673</b>	<b>24%</b>
Depreciation & Amortization	57	63	-10%
<b>Pro forma EBITDA <sup>2)</sup></b>	<b>890</b>	<b>736</b>	<b>21%</b>
as a % of Sales	37%	33%	
<b>Pro forma operating income reconciliation:</b>			
<b>Operating Income</b>	<b>833</b>	<b>673</b>	<b>24%</b>
LTI/STAR	9	83	-89%
Settlement of stock-based compensation programs	0	1	-100%
Total stock-based compensation	9	84	-89%
Acquisition-related charges	9	8	13%
<b>Pro-forma operating income excluding stock-based compensation &amp; acquisition-related charges <sup>1)</sup></b>	<b>851</b>	<b>765</b>	<b>11%</b>

## Consolidated Income Statements

### SAP-Group 4th quarter

PRELIMINARY and UNAUDITED

#### additional information (in EUR millions)

	2004	2003	Δ
<b>Financial income, net</b>	<b>5</b>	<b>-3</b>	<b>N/A</b>
- thereof Impairment-related charges	-2	0	N/A
<b>Income before income taxes</b>	<b>853</b>	<b>694</b>	<b>23%</b>
Income taxes	310	272	14%
<b>Effective Tax Rate</b>	<b>36%</b>	<b>39%</b>	
<b>Pro forma Net income reconciliation:</b>			
<b>Net income</b>	<b>542</b>	<b>420</b>	<b>29%</b>
Stock-based compensation, net of tax	5	57	-91%
Acquisition-related charges, net of tax	5	4	25%
Impairment-related charges, net of tax	2	0	N/A
<b>Pro forma net income excluding stock-based compensation, acquisition-related charges, and impairment-related charges <sup>1)</sup></b>	<b>554</b>	<b>481</b>	<b>15%</b>
<b>Pro forma EPS reconciliation:</b>			
<b>Earnings per share (in €)</b>	<b>1.74</b>	<b>1.35</b>	<b>29%</b>
Stock-based compensation	0.02	0.19	-91%
Acquisition-related charges	0.02	0.01	25%
Impairment-related charges	0.00	0.00	N/A
<b>Pro forma EPS excluding stock-based compensation, acquisition-related charges and impairment-related charges (in €) <sup>1)</sup></b>	<b>1.78</b>	<b>1.55</b>	<b>15%</b>
Weighted average number of Shares (in thousands)	310.639	310.750	

**Consolidated Income Statements**  
**SAP-Group Twelve months ended December 31,**  
**PRELIMINARY and UNAUDITED**

(in EUR millions)

	2004	2003	Δ
Software revenue	2.361	2.147	10%
Maintenance revenue	2.823	2.569	10%
Product revenue	5.184	4.716	10%
Consulting revenue	1.971	1.954	1%
Training revenue	302	299	1%
Service revenue	2.273	2.253	1%
Other revenue	57	56	2%
<b>Total revenue</b>	<b>7.514</b>	<b>7.025</b>	<b>7%</b>
Cost of product	-804	-839	-4%
Cost of service	-1.784	-1.694	5%
Research and development	-1.020	-996	2%
Sales and marketing	-1.523	-1.411	8%
General and administration	-367	-354	4%
Other income/expenses, net	2	-7	N/A
<b>Total operating expense</b>	<b>-5.496</b>	<b>-5.301</b>	<b>4%</b>
<b>Operating income</b>	<b>2.018</b>	<b>1.724</b>	<b>17%</b>
Other non-operating income/ expenses, net	14	36	-61%
Financial income, net	41	17	141%
<b>Income before income taxes</b>	<b>2.073</b>	<b>1.777</b>	<b>17%</b>
Income taxes	-757	-693	9%
Minority interest	-5	-7	-29%
<b>Net income</b>	<b>1.311</b>	<b>1.077</b>	<b>22%</b>
<b>Basic earnings per share (in €)</b>	<b>4.22</b>	<b>3.47</b>	<b>22%</b>

## Consolidated Income Statements

### SAP-Group Twelve months ended December 31,

PRELIMINARY and UNAUDITED

#### additional information (in EUR millions)

	2004	2003	Δ
<b>Pro forma EBITDA reconciliation:</b>			
Net income	1.311	1.077	22%
Minority interest	5	7	-29%
Income taxes	757	693	9%
<b>Net income before income taxes</b>	<b>2.073</b>	<b>1.777</b>	<b>17%</b>
Financial income, net	-41	-17	141%
Other non-operating income/expenses, net	-14	-36	-61%
<b>Operating Income</b>	<b>2.018</b>	<b>1.724</b>	<b>17%</b>
Depreciation & Amortization	210	216	-3%
<b>Pro forma EBITDA <sup>2)</sup></b>	<b>2.228</b>	<b>1.940</b>	<b>15%</b>
as a % of Sales	30%	28%	
<b>Pro forma operating income reconciliation:</b>			
<b>Operating Income</b>	<b>2.018</b>	<b>1.724</b>	<b>17%</b>
LTI/STAR	37	125	-70%
Settlement of stock-based compensation programs	1	5	-80%
Total stock-based compensation	38	130	-71%
Acquisition-related charges	30	26	15%
<b>Pro-forma operating income excluding stock-based compensation &amp; acquisition-related charges <sup>1)</sup></b>	<b>2.086</b>	<b>1.880</b>	<b>11%</b>

**Consolidated Income Statements**  
**SAP-Group Twelve months ended December 31,**  
**PRELIMINARY and UNAUDITED**

**additional information**  
**(in EUR millions)**

	2004	2003	Δ
<b>Financial income, net</b>	<b>41</b>	<b>17</b>	<b>141%</b>
- thereof Impairment-related charges	-5	-14	-64%
<b>Income before income taxes</b>	<b>2.073</b>	<b>1.777</b>	<b>17%</b>
Income taxes	757	693	9%
<b>Effective Tax Rate</b>	<b>37%</b>	<b>39%</b>	
<b>Pro forma Net income reconciliation:</b>			
<b>Net income</b>	<b>1.311</b>	<b>1.077</b>	<b>22%</b>
Stock-based compensation, net of tax	24	88	-73%
Acquisition-related charges, net of tax	18	15	20%
Impairment-related charges, net of tax	5	14	-64%
<b>Pro forma net income excluding stock-based compensation, acquisition-related charges, and impairment-related charges <sup>1)</sup></b>	<b>1.358</b>	<b>1.194</b>	<b>14%</b>
<b>Pro forma EPS reconciliation:</b>			
<b>Earnings per share (in €)</b>	<b>4.22</b>	<b>3.47</b>	<b>22%</b>
Stock-based compensation	0.08	0.28	-73%
Acquisition-related charges	0.06	0.05	20%
Impairment-related charges	0.01	0.04	-64%
<b>Pro forma EPS excluding stock-based compensation, acquisition-related charges and impairment-related charges (in €) <sup>1)</sup></b>	<b>4.37</b>	<b>3.84</b>	<b>14%</b>
Weighted average number of Shares (in thousands)	310.802	310.781	

**Consolidated Balance Sheets SAP Group**PRELIMINARY and UNAUDITED  
( in EUR millions)**ASSETS**

	12/31/2004	12/31/2003	Δ	Δ
Intangible assets	525	421	104	25%
Property, plant and equipment	999	1.020	-21	-2%
Financial assets	100	168	-68	-40%
<b>FIXED ASSETS</b>	<b>1.624</b>	<b>1.609</b>	<b>15</b>	<b>1%</b>
Accounts receivables	1.929	1.771	158	9%
Inventories and other assets	546	516	30	6%
Liquid assets/Marketable securities	3.207	2.097	1.110	53%
<b>CURRENT ASSETS</b>	<b>5.682</b>	<b>4.384</b>	<b>1.298</b>	<b>30%</b>
DEFERRED TAXES	177	265	-88	-33%
PREPAID EXPENSES	71	68	3	4%
<b>TOTAL ASSETS</b>	<b>7.554</b>	<b>6.326</b>	<b>1.228</b>	<b>19%</b>

**SHAREHOLDERS' EQUITY AND LIABILITIES**

	12/31/2004	12/31/2003	Δ	Δ
<b>SHAREHOLDERS' EQUITY</b>	<b>4.601</b>	<b>3.709</b>	<b>892</b>	<b>24%</b>
MINORITY INTEREST	22	59	-37	-63%
RESERVES AND ACCRUED LIABILITIES	1.876	1.567	309	20%
OTHER LIABILITIES	731	686	45	7%
DEFERRED INCOME	324	305	19	6%
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>7.554</b>	<b>6.326</b>	<b>1.228</b>	<b>19%</b>
Days Sales Outstanding	71	76		

## **Consolidated Statements of Cash Flows SAP Group** (preliminary and unaudited)

**for the period ended December 31, (in EUR millions)**

	<b>2004</b>	<b>2003</b>
Net income	1.311	1.077
Minority interest	5	7
Net income before minority interest	1.316	1.084
Depreciation and amortization	210	216
Gains on disposal of property, plant and equipment and marketable equity securities, net	-13	-4
Write-downs of financial assets, net	18	15
Impacts of hedging	-7	3
Change in accounts receivable and other assets	-161	55
Change in deferred stock compensation	0	101
Change in reserves and liabilities	427	-36
Change in deferred taxes	21	107
Change in other current assets	-4	20
Change in deferred income	20	-56
<b>Net cash provided by operating activities</b>	<b>1.827</b>	<b>1.505</b>
Acquisition of minorities in subsidiaries	-167	-9
Purchase of intangible assets and property, plant and equipment	-212	-270
Purchase of financial assets	-40	-29
Change in the scope of consolidation		-3
Proceeds from disposal of fixed assets	116	35
Change in liquid assets (maturities greater than 90 days) and marketable securities	-203	-639
<b>Net cash used in investing activities</b>	<b>-506</b>	<b>-915</b>
Dividends paid	-249	-186
Change in treasury stock	-108	-88
Change in bonds, net	19	13
Other changes to additional paid-in-capital	5	-2
Proceeds from line of credit and long-term debt	4	1
Principal payments made on line of credit and long-term debt	-1	-4
Effect of STAR-hedges	-43	-39
<b>Net cash used in financing activities</b>	<b>-373</b>	<b>-305</b>
Effect of foreign exchange rates on cash	-42	-66
<b>Net increase in cash and cash equivalents</b>	<b>906</b>	<b>219</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1.340</b>	<b>1.121</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2.246</b>	<b>1.340</b>

**Full-Year Free Cash Flow (in €millions, unaudited)**  
SAP Group

	<b>FY 2004</b>	<b>FY 2003</b>	<b>% Change</b>
Operating Cash Flow	1,827	1,505	+21
Capital Expenditure	-189	-218	-13
Free Cash Flow	1,638	1,287	+27
Free Cash Flow as a % of Revenue	22%	18%	+4 PP
Total Revenue	7,514	7,025	+7

**Footnote<sup>1</sup>:**

SAP has provided information in 2004 and 2003 using pro forma measures on a consolidated basis and released guidance based on these measures for 2005 and 2004. Management believes that those pro forma measures provide supplemental meaningful information to the investor to fully assess our financial performance of the core operations. Management excludes stock-based compensation expenses because we have no direct influence over the actual expense of these awards once we enter into Stock-Based Compensation Plans.

Eliminated expenses in the pro forma measures are defined as follows:

- Acquisition-related charges include amortization of intangible assets acquired in acquisitions.
- Impairment-related charges include other than temporary impairment charges on minority equity investments.
- Stock-based compensation includes expenses for stock-based compensation as defined under US GAAP (STAR and LTI 2000) as well as expenses related to the settlement of stock-based compensation plans in the context of mergers and acquisitions.

However these measures should be considered in addition to, and not as a substitute for, or superior to, operating income, cash flows, or other measures of financial performance prepared in accordance with generally accepted accounting principles. The pro forma measures used by us may be different from pro forma measures used by other companies.

**Footnote<sup>2</sup>:**

Management believes that pro forma EBITDA and free cash flow are widely accepted supplemental measures of evaluating operating performance and liquidity among companies. However these measures should be considered in addition to, and not as a substitute for, or superior to, operating income, cash flows, or other measures of financial performance prepared in accordance with generally accepted accounting principles.