SAP - Investing in Success

Friederike Edelmann
Investor Relations Manager, SAP AG

Company Overview

Financial and Market Data

Investment Highlights & Information

Company Overview

- Founded in 1972 in Germany
- €45.1 billion market capitalization and €7.5 billion in annual revenues
- Largest business applications software company worldwide and third largest software company overall
- 80% of the Global Fortune 1000 companies run SAP software
- Largest market share in global peer group
- Market leading software solutions with mySAP Business Suite and SAP NetWeaver Open Integrated Software Platform

SAP's Unique Strengths

Leader in products and technology makes SAP a valuable Business Partner to its customers

- The most complete, integrated business software suite, infrastructure and service solutions provides customers a complete end-to-end solution under one vendor

Largest installed customer base provides visibility, leverage and future opportunities

- Unparalleled global spread with 96,000 installations in 120+ countries
- More than 28,000 companies run SAP

Leading provider of industry solutions

- More than 30 years of blending industry expertise
- More than 25 industry solutions provides a strong competitive advantage

SAP's Unique Strengths

Business model geared for long-term growth and success

- Well diversified revenue stream
- Financial stability and proven record of reliability provide opportunities under all economic and industry environments
- Diversified product offering for all business sizes and strong vertical industry solutions

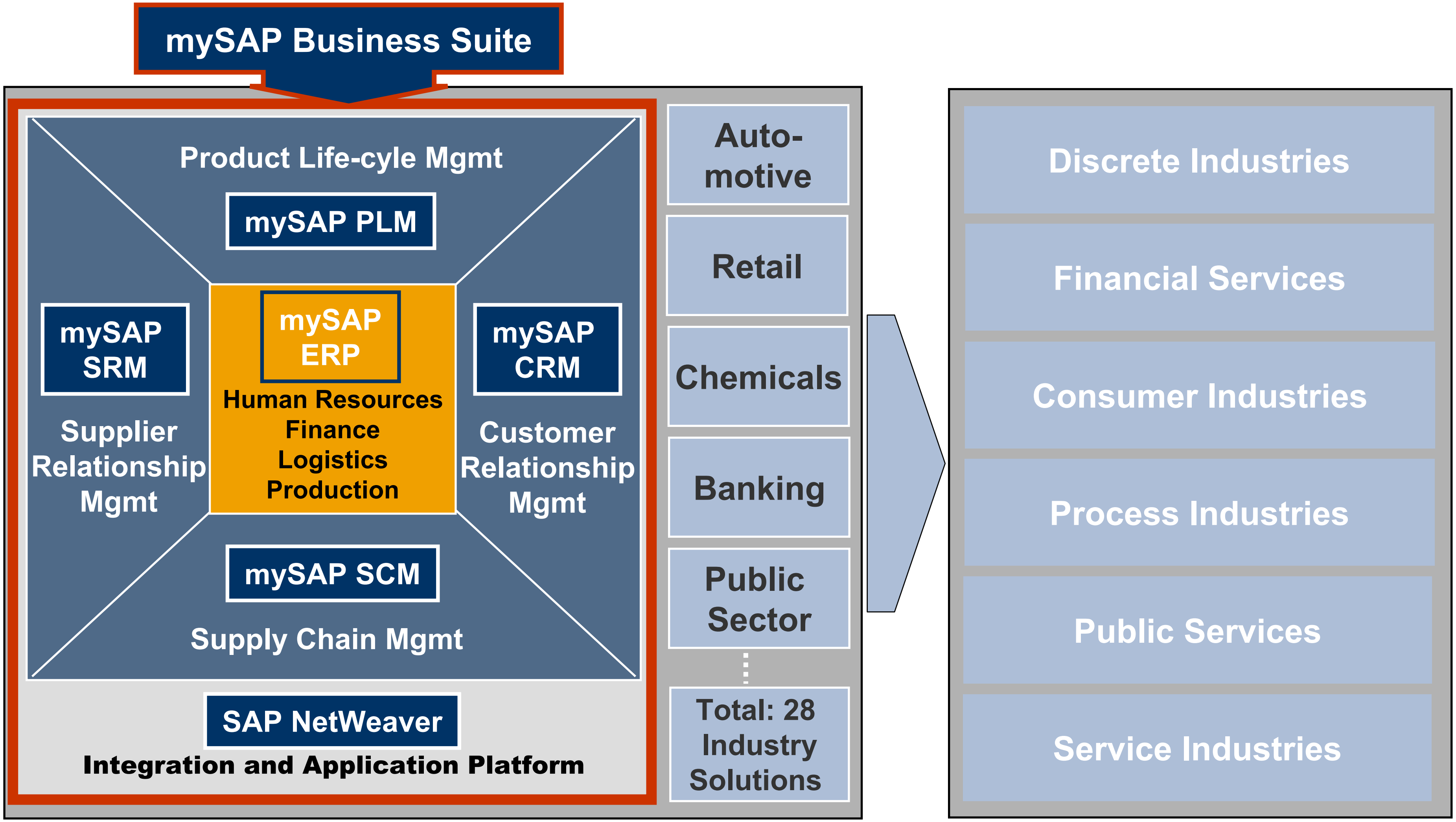
Unique Distribution Power

- Multi-channel and advanced account management program supported by superb brand
- Demonstrated strong ability to generate new customer relationships

Strong Partner Ecosystem

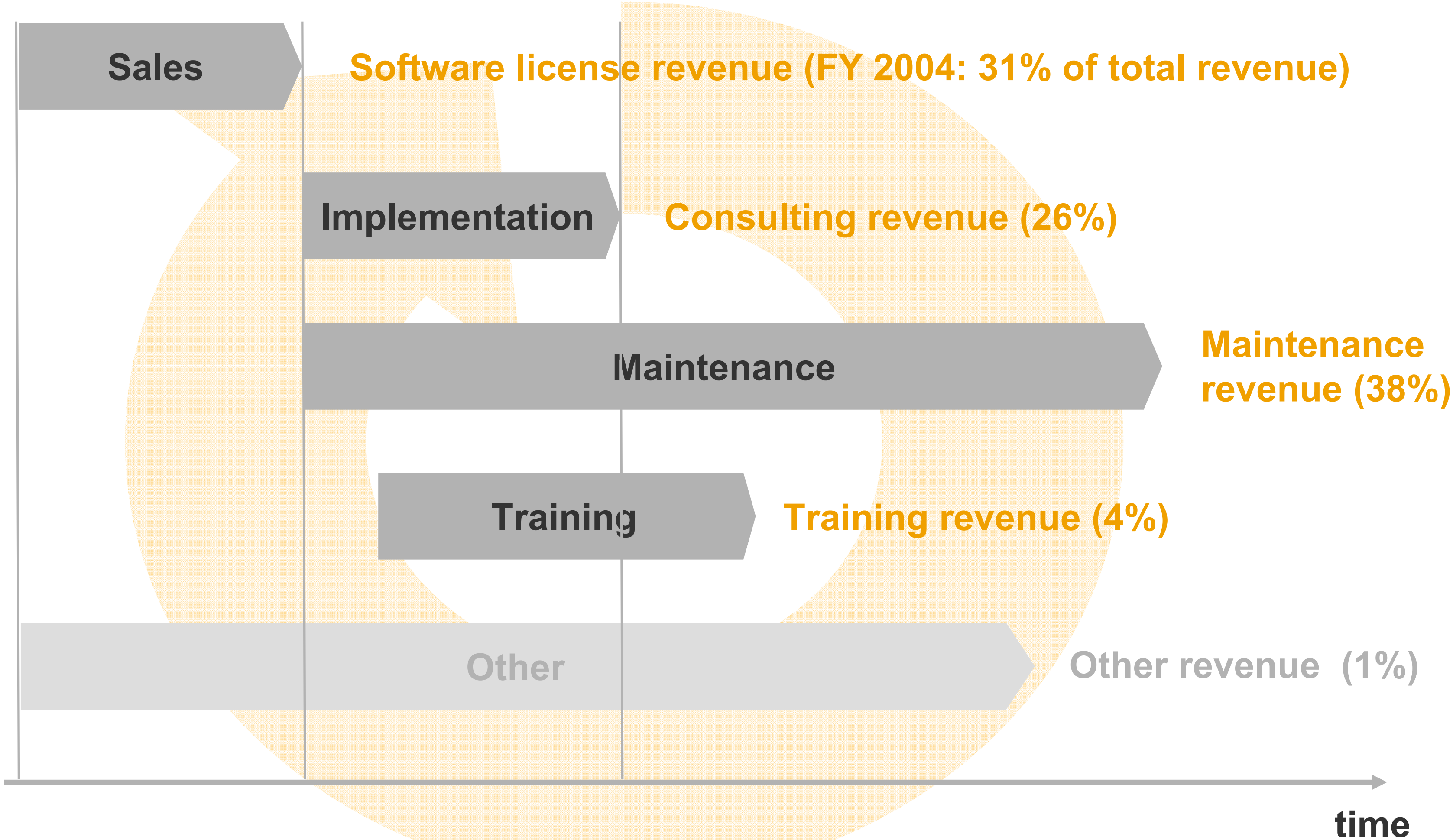
- More than 1,600 partners
- More than 180,000 partner employees certified

Enterprise Application Software



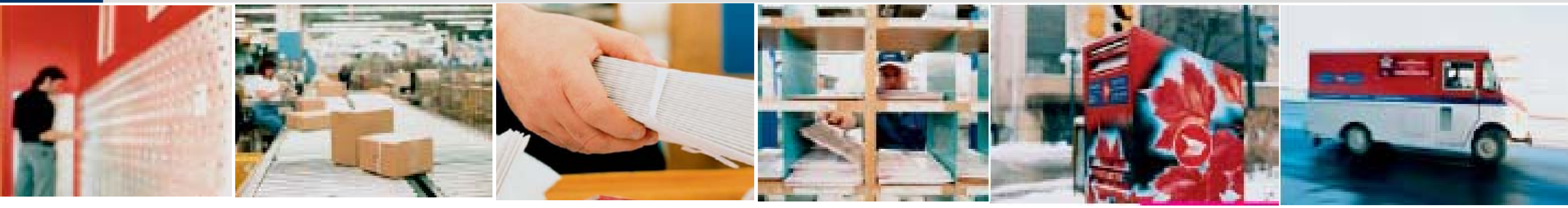
Market size: Approx. $15.4 bn (FY 2004)

SAP`s Business Model



~75% revenue from installed customer base,
~25% revenue from new customers

Customer Case Study: Canada Post



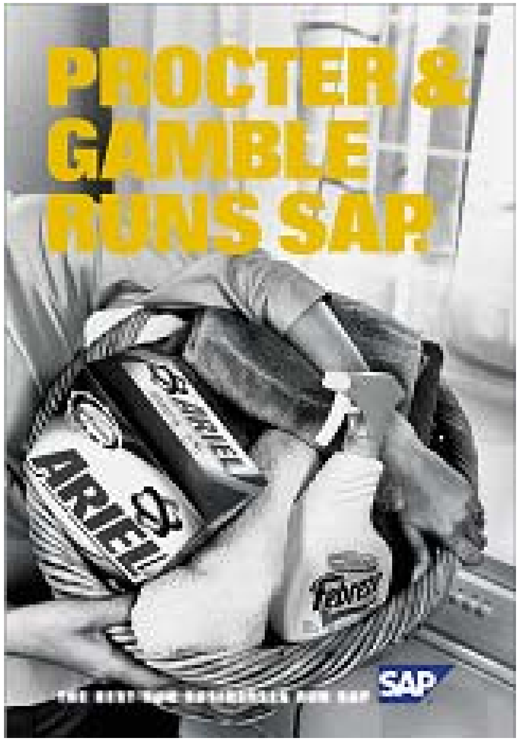
- Redesign of business processes and replacement of more than 100 legacy systems through one integrated SAP solution
- Increase of process efficiency in management and administration by 10%.
- SAP Event Management schedules mailings and adapts them to customer needs (e.g. email vs. regular mail)
- The increase in the Group's results from €40 mn in 2001 to more than €150 mn in 2003 is related to the implementation of SAP software
- HR professionals can focus more on analysis than administration. E.g. Employees can access their personal profiles or check their vacation days online

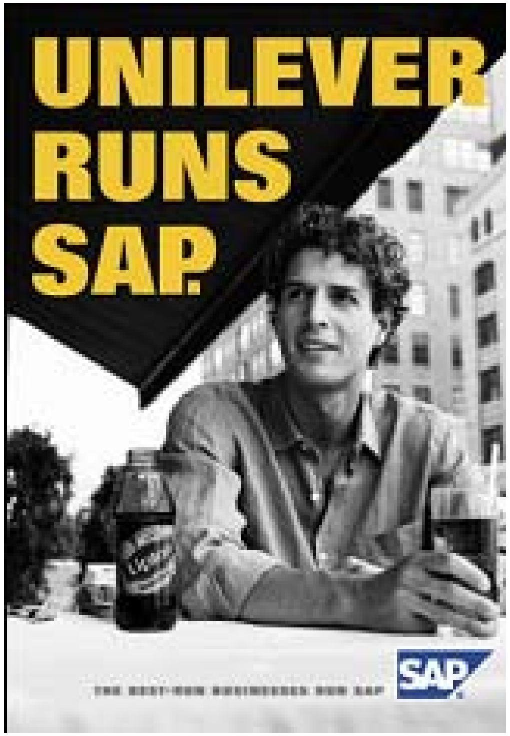
Customer Case Study: CAPUFE

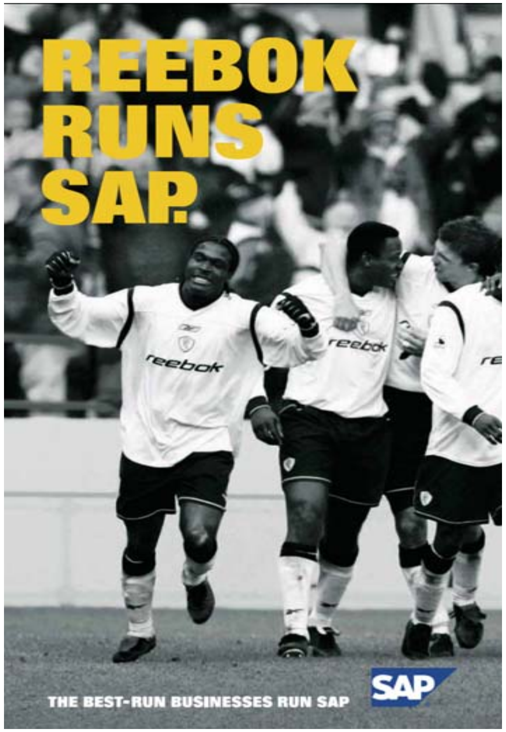
- In 2002, Capufe – the national operator of roads and bridges - had to replace its aging legacy systems
- SAP's HR solution was the only solution to fulfill the requirements of the Mexican government
- Daily toll booth receipts – ca. 90% of Capufe's revenues – are now tallied by the end of each day and immediately earn interests
- Quantitative analysis demonstrates which construction projects have a high economic value and should be prioritized
- Monthly financial closings can now be completed within 5 days – instead of 60.
- Hundreds of paper-based processes were replaced with real-time processes that are communicated over Mexico' s largest fibre-optic network

caminos y puentes

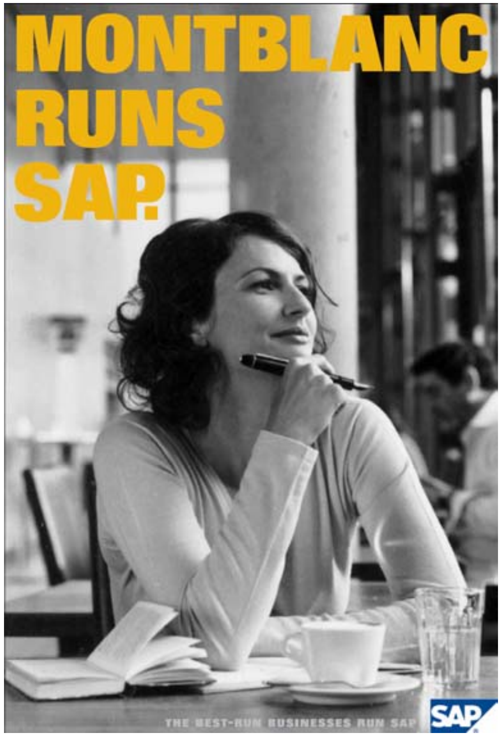
Joint Advertisements with SAP Customers - Large

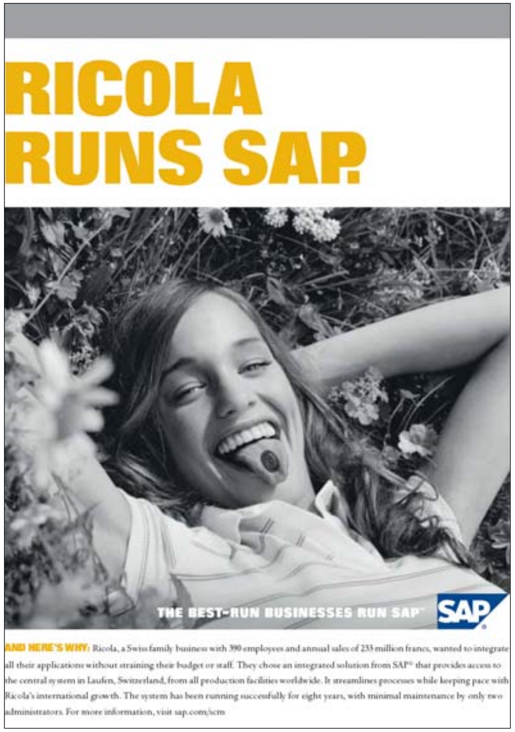


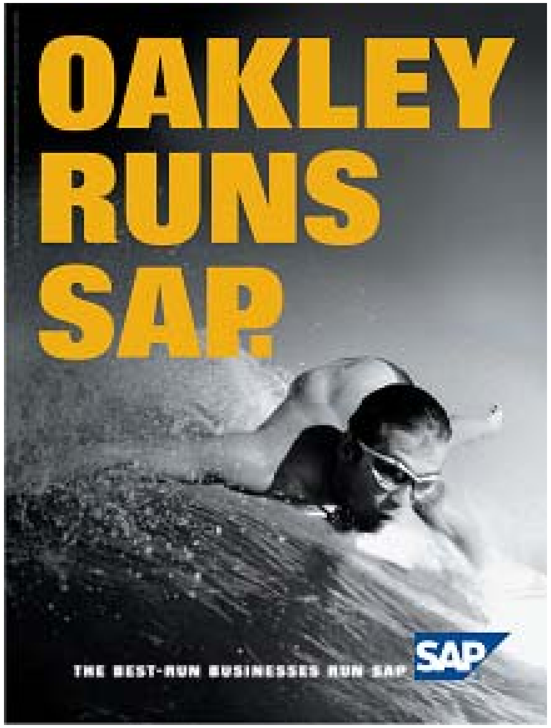




Joint Advertisements with SAP Customers - Midsize







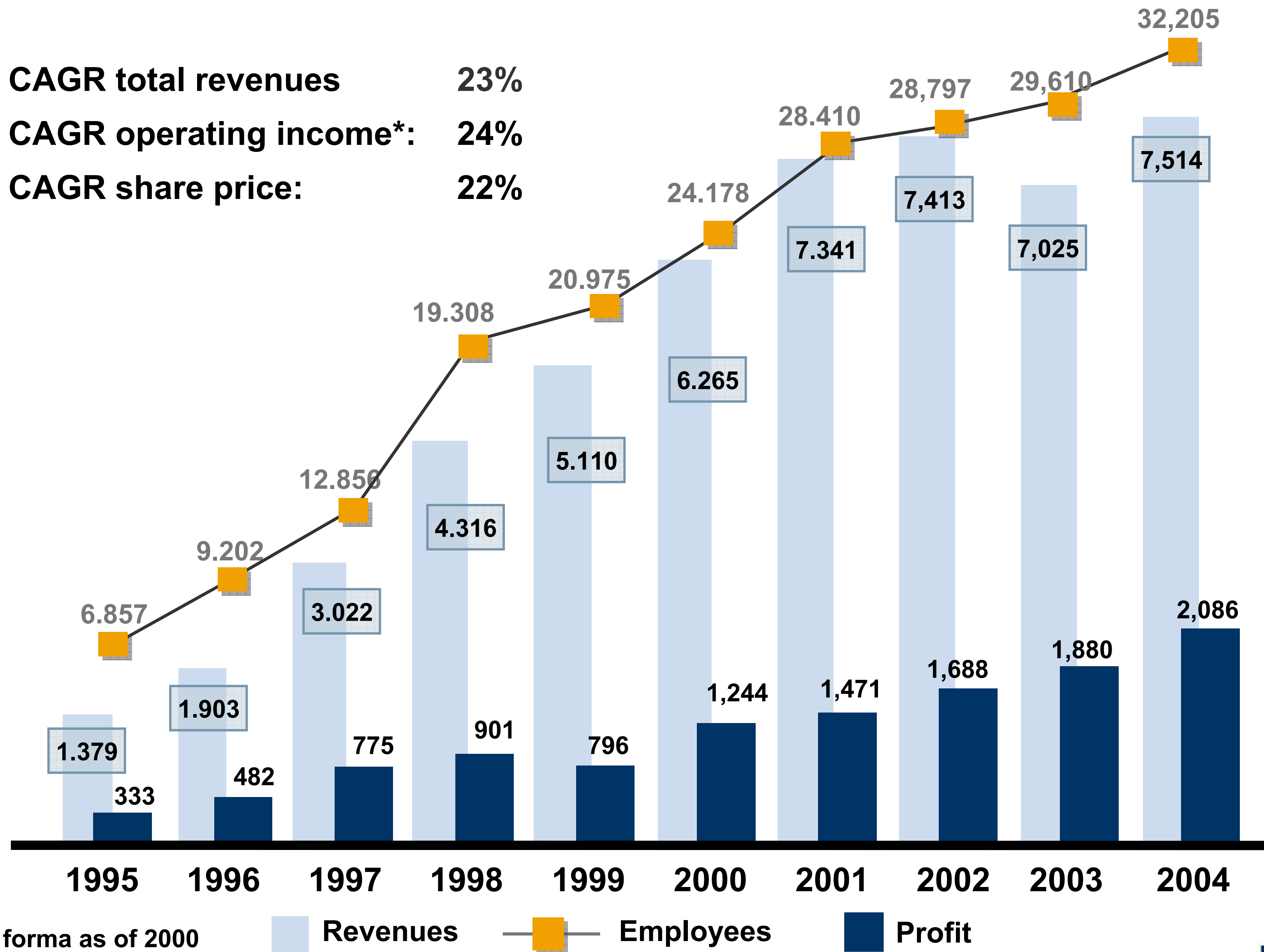
Company Overview

Financial and Market Data

Investment Highlights & Information

SAP's Performance over the Last 10 Years

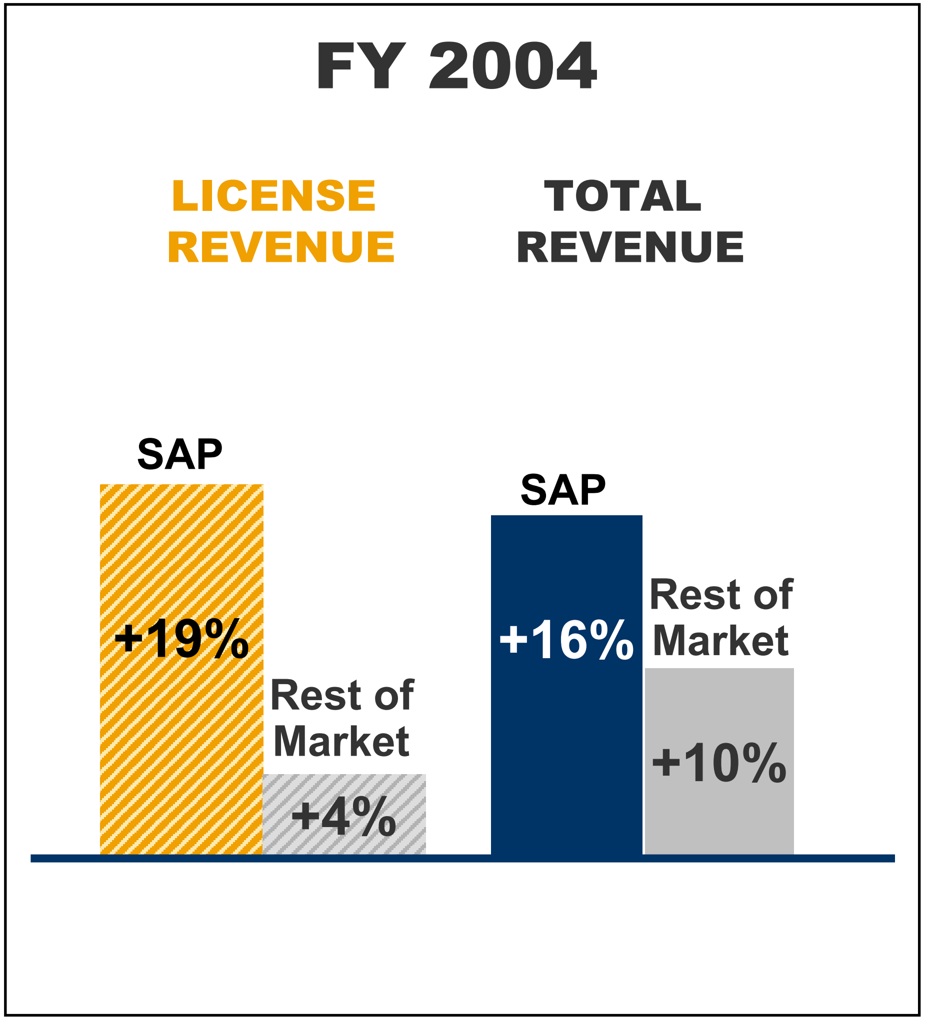
CAGR total revenues 23%
CAGR operating income*: 24%
CAGR share price: 22%

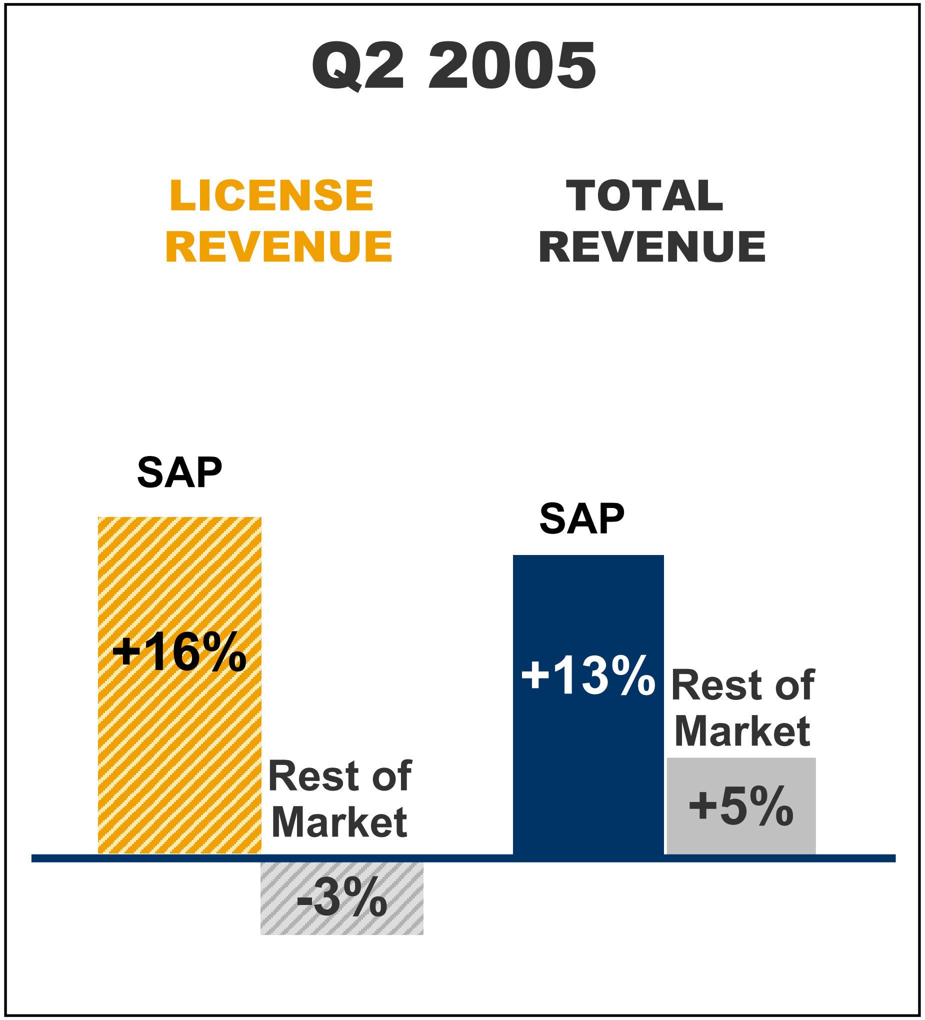


* Pro forma as of 2000

THE BEST-RUN BUSINESSES RUN SAP

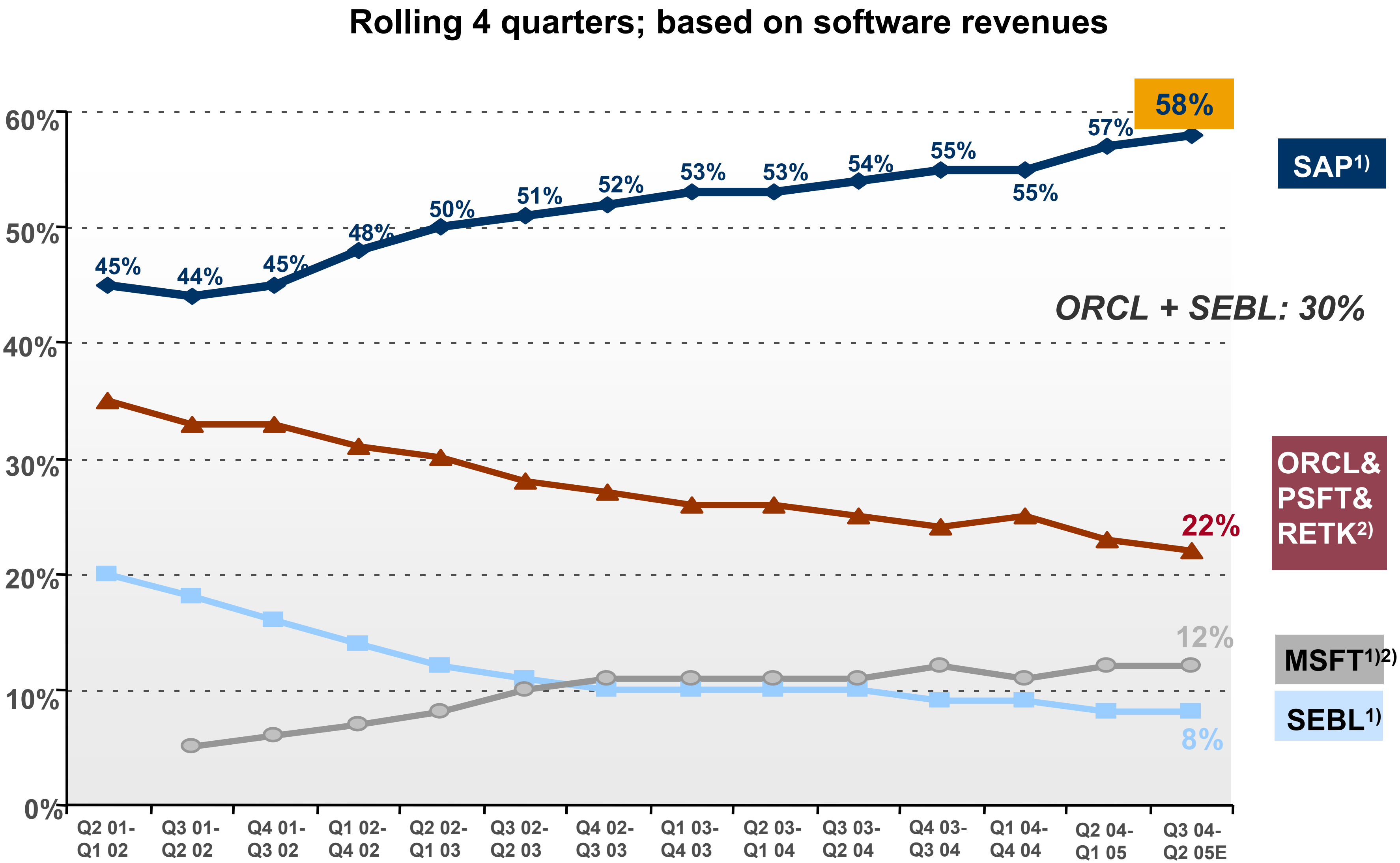
SAP Continued to Outperform the Market





* Source: SAP analysis, market analysis and financial analyst estimates Currency Conversion based on quarterly Euro-Fixings (Frankfurt am Main) Rest of Market defined as a subset of approximately 30 software vendors

Peer Group Shares – Total Software Revenue

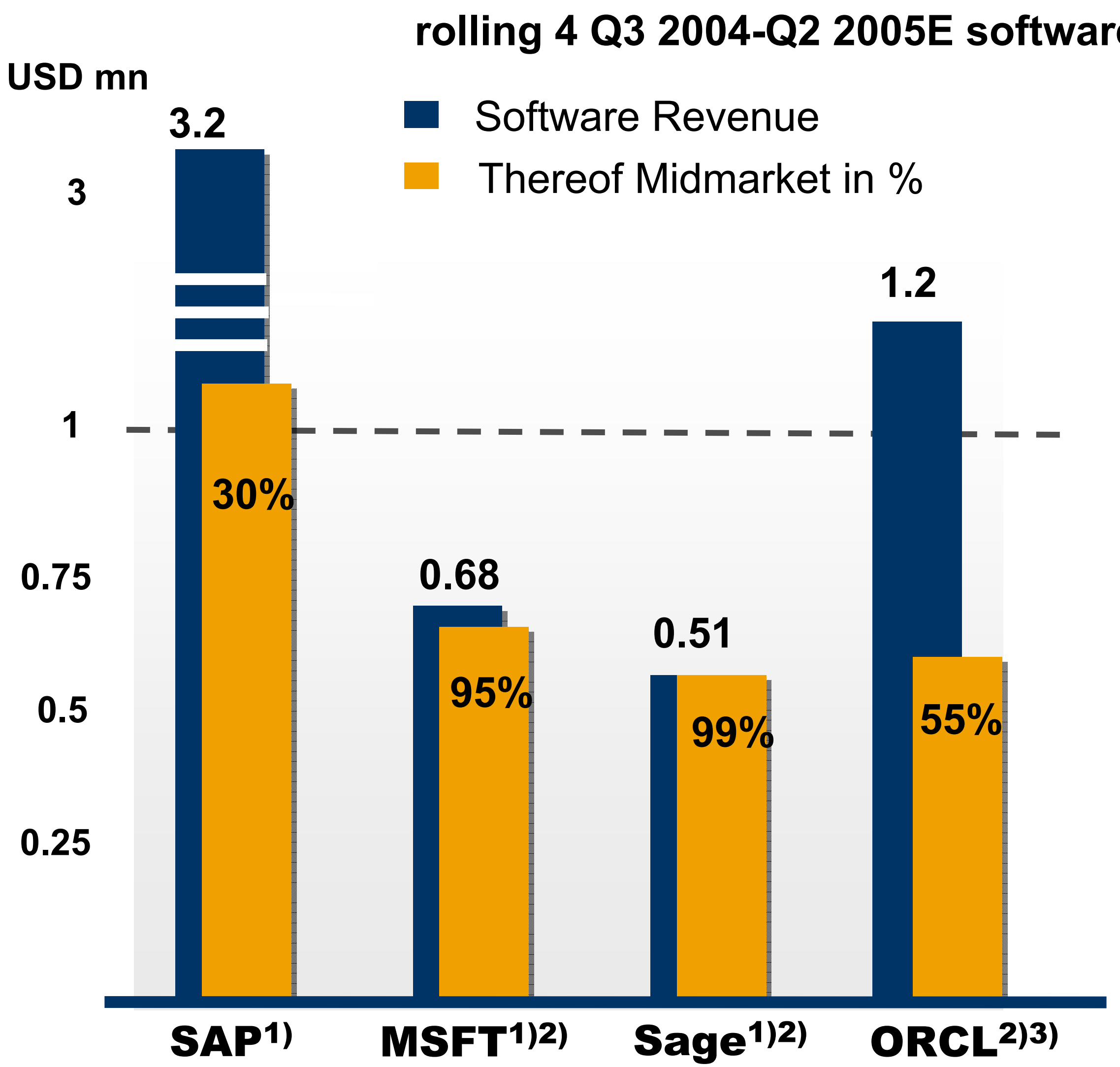


Source: CMI Analysis based on Company Data and Financial Analysts Estimates as of July 14th 2005

1) Forecast by Company Data and Financial Analysts (SEBL, MSFT) and SAP internal estimates

2) Fiscal year is not calendar year - Comparison based on most recent quarter (e.g. SAP Q1 vs. Oracle Q3)

SAP Leading in the Midmarket



mySAP All-in-One

- 6,700 customers (+700 in H1 05)
- 650 partners
- 550 industry specific solutions

SAP Business One

- 7,000 customers (+1,700 in H1 05)
- 950 partners in more than 30 countries

Source: CMI Analysis based on Company Data and Financial Analysts Estimates as of July 14th 2005
1) Forecast by Company Data and Financial Analysts (MSFT, SAGE) and SAP estimates based on Order Entry
2) Fiscal year is not calendar year - Comparison based on most recent quarter (e.g. SAP Q1 vs. Oracle Q3)
3) Oracle including Peoplesoft
Currency conversion based on quarterly Euro-Fixings (Frankfurt am Main)

Future Growth Opportunities

- Further penetration of installed customer base
  - SAP captured only a small percentage of customer "wallet share"
- Continued taking of market share
  - Revenues from new and existing customers
  - Customers' focus on reducing number of vendors by moving towards suite providers offering total service solutions
- Deeper penetration of SMB market
  - A lot of "greenfield" opportunities in SMB
  - Not one SMB vendor has double digit market share
- Fill-in acquisitions & organic growth
  - To enhance the current product offering
- Business Process Platform
  - Adds additional license revenue from customers and partners who are using the platform

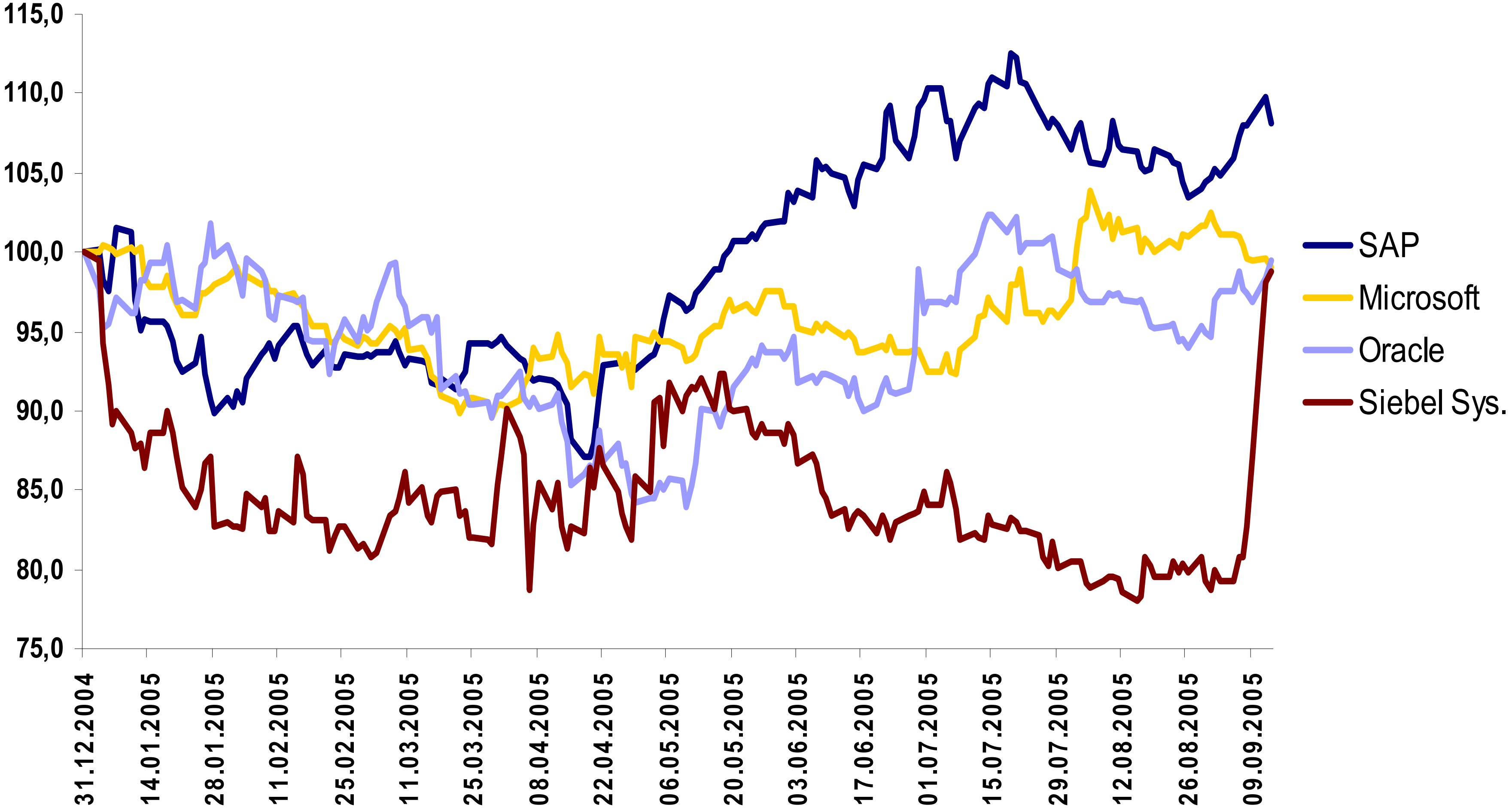
Company Overview

Financial and Market Data

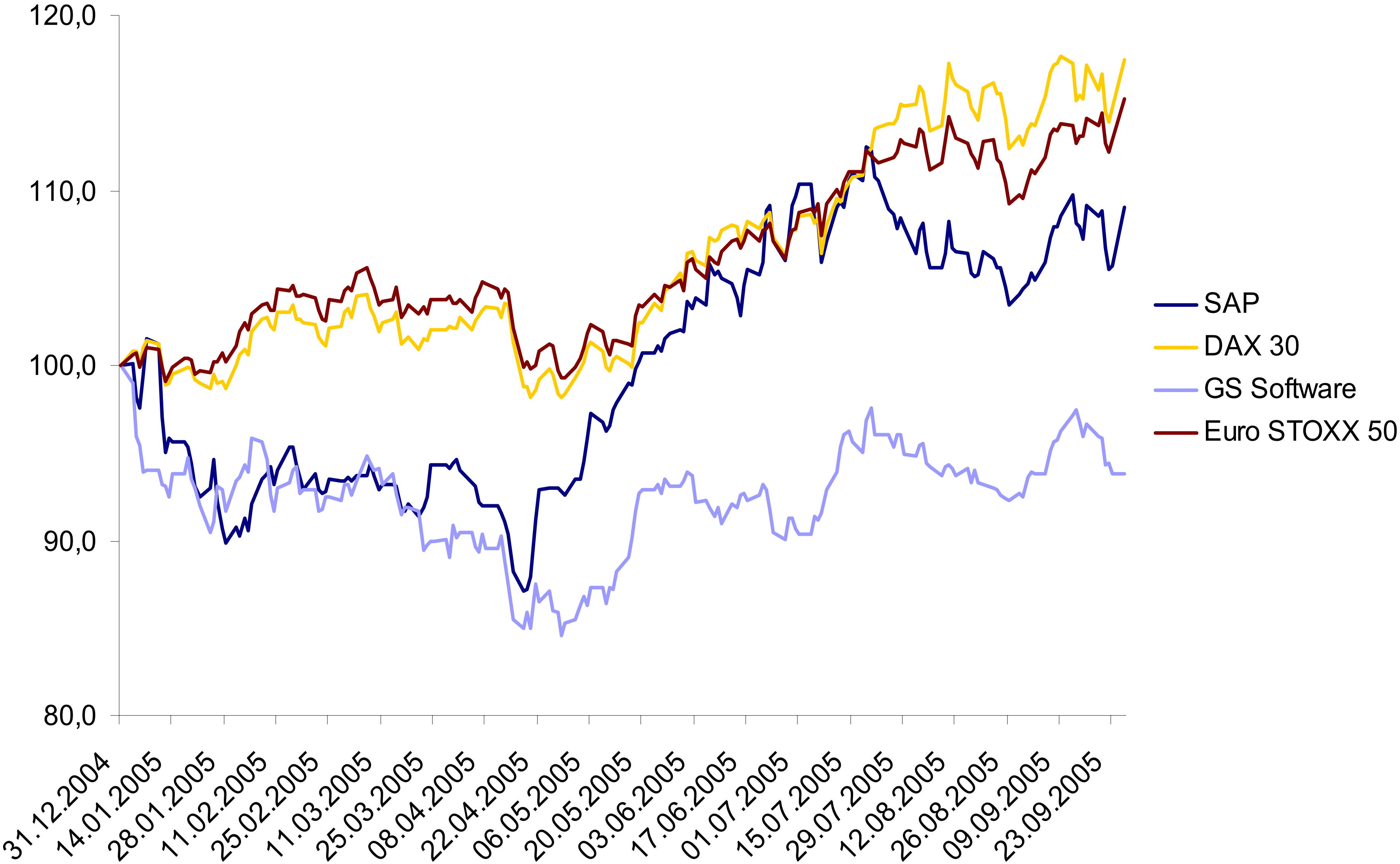
Investment Highlights & Information

Investment Highlights (as of Sept, 2005)

- **Market Cap: €45.1 bn**
- **Forward P/E Ratio: 24x**
- **Share Price: €142.6**
- **Symbol: SAP**



SAP`s stock price 2004 – 2005 vs. Indices



THE BEST-RUN BUSINESSES RUN SAP

Where to Find Us

Information Resources:
www.sap.com/investor

- News distribution (email, SMS)
- Corporate information materials
- Webcasts & Replays
- Presentations
- Investor Magazine:
  SAP Investor USA
  SAP Investor (german)

Broker Research*

- Banc of America Securities
- Bear Sterns
- CIBC World Markets
- Citigroup
- Credit Suisse First Boston
- Goldman, Sachs & Co
- JP Morgan
- Morgan Stanley
- Prudential Securities
- Sanford Bernstein
- UBS

* For a more extensive list, please visit SAP’s website