

## Consolidated Income Statements SAP Group

### 1st Quarter

PRELIMINARY AND UNAUDITED

(€ millions)

	Q1 2007	Q1 2006	Δ
Software revenue	563	514	10%
Support revenue	917	850	8%
Subscription and other software related service revenue	39	24	63%
Software and software related service revenue	1,519	1,388	9%
Consulting revenue	518	535	-3%
Training revenue	94	89	6%
Other service revenue	28	22	27%
Professional services and other service revenue	640	646	-1%
Other revenue	7	7	0%
<b>Total revenue</b>	<b>2,166</b>	<b>2,041</b>	<b>6%</b>
Cost of software and software related services	-292	-271	8%
Cost of professional services and other services	-505	-505	0%
Research and development	-339	-311	9%
Sales and marketing	-480	-439	9%
General and administration	-119	-110	8%
Other operating income/expense, net	2	4	-50%
<b>Total operating expenses</b>	<b>-1,733</b>	<b>-1,632</b>	<b>6%</b>
<b>Operating income</b>	<b>433</b>	<b>409</b>	<b>6%</b>
Other non-operating income/ expense, net	-3	-17	-82%
Financial income, net	36	36	0%
<b>Income before income taxes</b>	<b>466</b>	<b>428</b>	<b>9%</b>
Income taxes	-156	-146	7%
Minority interest	0	0	N/A
<b>Net income</b>	<b>310</b>	<b>282</b>	<b>10%</b>
<b>Basic earnings per share (in €)</b>	<b>0.26</b>	<b>0.23</b>	<b>10%</b>
Weighted average number of shares (in thousands) treasury stock excluded	1,214,076	1,235,617	
<b>Effective tax rate</b>	<b>33.5%</b>	<b>34.1%</b>	

**CONSOLIDATED BALANCE SHEETS****PRELIMINARY and UNAUDITED (€ millions)****Assets**

	03/31/2007	12/31/2006	Δ	Δ
Cash and cash equivalents	2,665	2,399	266	11%
Short-term investments	1,167	931	236	25%
Accounts receivables, net	2,373	2,440	-67	-3%
Other assets, inventories	371	371	0	0%
Deferred income taxes	118	108	10	9%
Prepaid expenses/deferred charges	102	75	27	36%
<b>Current assets</b>	<b>6,796</b>	<b>6,324</b>	<b>472</b>	<b>7%</b>
Goodwill, Intangible assets, net	1,248	1,250	-2	0%
Property, plant, and equipment, net	1,234	1,206	28	2%
Investments	92	95	-3	-3%
Accounts receivable, net	2	3	-1	-33%
Other assets	475	533	-58	-11%
Deferred income taxes	72	69	3	4%
Prepaid expenses/deferred charges	25	23	2	9%
<b>Noncurrent assets</b>	<b>3,148</b>	<b>3,179</b>	<b>-31</b>	<b>-1%</b>
<b>Total assets</b>	<b>9,944</b>	<b>9,503</b>	<b>441</b>	<b>5%</b>

**Liabilities, Minority interests  
and Shareholders' equity**

	03/31/2007	12/31/2006	Δ	Δ
Accounts payable	541	610	-69	-11%
Income tax obligations	207	297	-90	-30%
Other liabilities, provisions	1,092	1,461	-369	-25%
Deferred income	1,461	405	1,056	261%
<b>Current liabilities</b>	<b>3,301</b>	<b>2,773</b>	<b>528</b>	<b>19%</b>
<b>Accounts payable</b>	<b>7</b>	<b>34</b>	<b>-27</b>	<b>-79%</b>
<b>Income taxes obligations</b>	<b>102</b>	<b>83</b>	<b>19</b>	<b>23%</b>
<b>Other liabilities, provisions</b>	<b>384</b>	<b>412</b>	<b>-28</b>	<b>-7%</b>
<b>Deferred income</b>	<b>68</b>	<b>55</b>	<b>13</b>	<b>24%</b>
<b>Total liabilities</b>	<b>3,862</b>	<b>3,357</b>	<b>505</b>	<b>15%</b>
<b>Minority interests</b>	<b>9</b>	<b>10</b>	<b>-1</b>	<b>-10%</b>
<b>Shareholders' equity</b>	<b>6,073</b>	<b>6,136</b>	<b>-63</b>	<b>-1%</b>
<b>Total Liabilities, Minority interests and Shareholders' equity</b>	<b>9,944</b>	<b>9,503</b>	<b>441</b>	<b>5%</b>

<b>Days Sales Outstanding</b>	<b>67</b>	<b>68</b>
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<b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b>		
<b>for the three months ended March 31, (€ millions)</b>		
<b>(PRELIMINARY AND UNAUDITED)</b>		
	<b>2007</b>	<b>2006</b>
<b>Net income</b>	<b>310</b>	<b>282</b>
Minority interests	0	0
<b>Income before minority interests</b>	<b>310</b>	<b>282</b>
Adjustments to reconcile income before minority interests to net cash provided by operating activities:		
Depreciation and amortization	56	54
Loss (income) from equity investees	1	0
Gains on disposal of property, plant, and equipment	-1	-1
Gains on disposal of investments	-1	0
Writeups/downs of financial assets	-1	0
Impacts of STAR hedging	12	-55
Stock-based compensation including income tax benefits	-22	63
Change in accounts receivables	48	169
Change in accrued and other liabilities	-558	-578
Deferred income taxes	-11	4
Change in other assets	-77	-107
Change in deferred income	1,092	1,027
<b>Net cash provided by operating activities</b>	<b>848</b>	<b>858</b>
Business combinations, net of cash and cash equivalents acquired	-17	-150
Purchase of intangible assets and property, plant, and equipment	-79	-63
Proceeds from disposal of intangible assets and property, plant and equipment	5	7
Purchase of investments	-471	-746
Sales of investments	225	715
Purchase of other financial assets	-4	-4
Sales of other financial assets	4	3
<b>Net cash used in investing activities</b>	<b>-337</b>	<b>-238</b>
Purchase of treasury stock	-339	-428
Proceeds from reissuance of treasury stock	18	111
Proceeds from issuance of common stock (Stock-based compensation)	1	36
Proceeds from short-term and long-term debt	13	29
Repayments of short-term and long-term debt	-10	-23
Proceeds from the exercise of equity-based derivative instruments (STAR hedge)	75	57
Purchase of equity-based derivative instruments (STAR hedge)	0	-53
<b>Net cash used in financing activities</b>	<b>-242</b>	<b>-271</b>
Effect of foreign exchange rates on cash and cash equivalents	-3	-1
<b>Net increase in cash and cash equivalents</b>	<b>266</b>	<b>348</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,399</b>	<b>2,064</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2,665</b>	<b>2,412</b>

**Footnotes****1) Non-GAAP Measures**

This press release discloses certain financial measures, such as free cash flow, and constant currency period-over-period changes in revenue and operating income, that are not prepared in accordance with U.S. GAAP and are therefore considered non-GAAP measures. Our non-GAAP measures may not correspond to non-GAAP measures that other companies report. The non-GAAP 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 measures are reconciled to the nearest U.S. GAAP measure in this report.

**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 minus additions to long-lived assets 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.

Reconciliation three months ended March 31

€ millions | unaudited

	<b>2007</b>	<b>2006</b>
Net cash provided by operating activities	848	858
Additions to long-lived assets excluding additions from acquisitions	79	63
Free cash flow	769	795

**CONSTANT CURRENCY PERIOD-OVER-PERIOD CHANGES**

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

Constant currency period-over-period changes should be considered 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.

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 growth 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 report to follow a similar approach by considering constant currency period-over-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.

Constant currency year-over-year changes in revenue and operating income reconcile to the respective unadjusted year-over-year changes as follows:

Reconciliation 1st Quarter  
in %

	<b>Percentage change from 2006 to 2007 as reported</b>	<b>Constant currency percentage change from 2006 to 2007</b>	<b>Currency effect</b>
	%	%	%
Software revenue	10	16	-6
Support revenue	8	12	-4
Subscription and other software related service revenue	63	70	-7
<b>Software and Software Related Service Revenue</b>	9	15	-6
Consulting revenue	-3	1	-4
Training revenue	6	10	-4
Other service revenue	27	32	-5
<b>Professional Services and Other Service Revenue</b>	-1	3	-4
Other revenue	0	10	-10

<b>Total revenue</b>	6	11	-5
<b>Software revenue:</b>			
EMEA region	8	9	-1
Americas region	11	22	-11
Asia Pacific Japan region	10	16	-6
<b>Software revenue</b>	<b>10</b>	<b>16</b>	<b>-6</b>
<b>Software and Software Related Service Revenue by Region<sup>1)</sup>:</b>			
Germany	4	4	0
Rest of EMEA region	12	14	-2
<b>EMEA region</b>	<b>9</b>	<b>10</b>	<b>-1</b>
United States	13	24	-11
Rest of Americas region	9	18	-9
<b>Americas region</b>	<b>12</b>	<b>22</b>	<b>-10</b>
Japan	-5	6	-11
Rest of Asia Pacific Japan region	8	12	-4
<b>Asia Pacific Japan region</b>	<b>4</b>	<b>10</b>	<b>-6</b>
<b>Software and Software Related Service Revenue</b>	<b>9</b>	<b>15</b>	<b>-6</b>
<b>Total Revenues by Region<sup>1)</sup>:</b>			
Germany	4	4	0
Rest of EMEA Region	10	11	-1
<b>EMEA region</b>	<b>7</b>	<b>8</b>	<b>-1</b>
United States	5	15	-10
Rest of Americas region	5	15	-10
<b>Americas region</b>	<b>5</b>	<b>15</b>	<b>-10</b>
Japan	-7	3	-10
Rest of Asia Pacific Japan region	11	15	-4

<b>Asia Pacific Japan region</b>	4	11	-7
<b>Total revenue</b>	6	11	-5

<sup>1)</sup> Based on customer location

2) As stated in its January 24, 2007 press release, the Company disclosed that it accommodated a US customer with a modification of contracts signed between SAP and this customer prior to 2006 (1997 – 2005). This accommodation entered into by the end of September, 2006 resulted in a reduction of license revenues by €31 million for the third quarter of 2006, but it did not impact the value of licenses sold in the US in 2006. In January, the Company stated that it expected to reinstate a portion of the €31 million of software revenue with this US customer in the first quarter of 2007. In the first quarter of 2007, the Company reinstated in software revenue €19 million of the €31 million reduction from the third quarter of 2006. The Company does not expect to recover any further software revenue amounts.

### 3) Core Enterprise Applications Vendor Share

Beginning in the first quarter of 2007, the Company began using software and software related service revenues for defining Core Enterprise Application Vendor Share because the Company believes that this is the most important indicator for vendor share oriented analysis with the realignment of its income statement structure. Prior to the first quarter of 2007, the Company had been using software revenues for defining Core Enterprise Application Vendor Share.

The Company provides share data based on the vendors of Core Enterprise Applications solutions, which account for approximately \$34.8 billion in software and software related service revenues as defined by the Company based on industry analyst research. For 2007, industry analysts project approximately 7% year-on-year growth for core Enterprise Applications vendors. For its quarterly share calculation, SAP assumes that this approximate 7% growth will not be linear throughout the year. Instead, quarterly adjustments are made based on the financial performance of a sub set (approximately 25) of Core Enterprise Application vendors.