

INVESTOR RELATIONS

OPEN, TRANSPARENT COMMUNICATION

Our dialog with investors centered on the accelerated investment in conquering new markets with our SAP Business ByDesign solution for midsize companies. Despite SAP's impressive operating performance, the stock did not hold its premium, and hung stubbornly behind the market.

Subprime Worries Dampen Stock Market Spirits

Worldwide, the buoyant economy in the first half of 2007 put the stock markets in cheerful to exuberant spirits. However, the ructions following the U.S. subprime crisis midyear brought gloom everywhere. Commodity prices remained high, thoughts turned to recession in the United States, and the euro grew ever stronger: There was little to encourage optimism. Nonetheless, some markets in some places at least overcame the very worst. In many places, the trend was up again in the third and fourth quarters of 2007.

Shares in Germany put on an especially brave face: At the end of the year, the DAX checked out at 8,067. That was a 22.3% gain over the full year – the best performance by a European broad-base index. But it was still down on its 2007 peak of 8,152, reached on July 13. The Dow Jones EURO STOXX 50® index did less well, gaining just under 7% in 2007, while the Dow Jones STOXX 50® barely held its own, ending 0.4% down on the year. In New York, the Dow Jones Industrial Average gained 6%, but in Tokyo the Nikkei declined 11% in 2007. Leading international technology and telecommunications stocks tended to do well in comparison, reflected in a 16.9% increase in the GSTI Software Index over the year.

SAP Stock Falls Almost 12%

SAP stock could not keep up with the impressive DAX in 2007, ending on €35.53, or 11.75% below its €40.26 opening price for the year. It peaked at €42.27 at the beginning of the year, but the 2006 fourth-quarter preliminary results published in early January fell short of SAP's ambitious expectations. Our announcement that we planned to increase investment to build up a new business for our SAP Business ByDesign midmarket solution also weighed down the share price. Consequently, SAP stock declined to €33.37 by the end of March 2007.

Good news about SAP's business helped market sentiment improve again, and the stock closely followed the DAX until mid-September, when it reached €41.76. Then our announcement that we intended to buy French software maker Business Objects turned the tide again. Against a backdrop of an unchanged outlook for 2007, investors' fears about integration risks and possibly a fall in profitability pushed the stock into sustained retreat until late November 2007. Matters did not begin to look – slightly – better until December.

The total volume of SAP stock trades on the Frankfurt Xetra exchange was just below €90 billion in 2007, and the daily average was about €357 million. On the New York Stock Exchange, SAP American Depositary Receipts (ADRs) fared better than the stock in Europe. The price of the ADR tends to follow the European SAP stock price closely, and relative strength of the euro against the U.S. dollar – it gained almost 12% during the course of 2007 – mitigated the decline in the ADR price, which

ended the year only 3.9% down at US\$51.05. The market capitalization of SAP (the share price times the number of shares outstanding) declined to €44.3 billion at year-end in 2007 (2006: €51.0 billion).

Dividend Rises Again

SAP has paid a dividend every year since the stock was floated in 1988. At the Annual General Meeting of Shareholders, the Executive Board and the Supervisory Board will recommend a dividend for the 2007 fiscal year of €0.50 per share. This would correspond to an increase of €0.04 per share compared to the previous year, and the total distributed dividend would be €599 million. The dividend payout ratio (which here means total distributed dividend as a percentage of net income) would, as in the previous year, be approximately 30%, as indicated in our guidance.

Buy-Back Initiative Continues

In the course of 2007, we bought back 27.3 million shares for treasury at an average price of €36.85 (total cost €1 billion). For more information, see the Notes to Consolidated Financial Statements.

Capital Stock Decreased

The Executive Board resolved on September 6, 2007, to decrease SAP's capital stock for the first time in our history, from €1,269,040,112 (represented by 1,269,040,112 no-par shares each with an attributable value of €1 in relation to the capital stock) to €1,246,040,112 (represented by 1,246,040,112 no-par shares each with an attributable value of €1 in relation to the capital stock). The decrease was achieved by canceling 23,000,000 treasury shares, corresponding to some 1.8% of the capital stock before this measure.

Free Float Increases Again

The proportion of our shares in free float increased again in 2007. Applying the definition accepted on the Frankfurt Stock Exchange, which counts treasury stock as included in the free float, it stood at 71.2% on February 29, 2008. Only 28.8% (2006: 30.2%) were still under the control of the three founders and their trusts and holding companies. U.S. institutions and individuals remained the next largest group of shareholders, with around 18.5% of total shares outstanding, followed by continental European institutions (11.3%) and institutions in the United Kingdom and Ireland 10.6%. German institutions held 10.0% and identified investors from the rest of the world held 1.9%. 15.0% were held by individuals or unidentified persons while 3.9% were held in treasury stock.

Key Facts About SAP Stock/SAP ADRs

Listings	
Germany	Berlin-Bremen, Frankfurt, Stuttgart
USA (ADRs)	New York Stock Exchange
IDs and symbols	
WKN/ISIN	716460/DE0007164600
NYSE (ADRs)	803054204 (CUSIP)
Reuters	SAPG.F or .DE
Bloomberg	SAP GR
Quotron	SAGR.EU.
Indexes in %	Weighting on Dec. 31, 2007
DAX 30	3.96
Prime All Share	3.13
Dow Jones STOXX 50*	0.95
Dow Jones EURO STOXX 50*	1.36

Employees Profit From Success

As in previous years, our employees and managers profited from our business success. For more information about our stock award programs, see the [Notes to Consolidated Financial Statements](#).

Improved Communication With Investors

We always set ourselves the highest objectives for transparency and openness in our continuous dialogue with our shareholders. In more than 600 one-on-one meetings held at SAP, during investor road shows worldwide, and

at investor events, we answered institutional investors' and analysts' inquiries about our business. We also held telephone conferences and analyst meetings when we published quarterly results. Investor presentations at the SAPPHIRE conferences in Atlanta and Vienna, as well as an SAP Investor Day in St. Leon-Rot, Germany, were other elements of our communication with the financial markets. Our focus topics in 2007 were enterprise SOA, SAP's growth strategy, solutions for small businesses and midsize companies – especially the SAP Business ByDesign on demand solution, but also business intelligence in relation to our acquisition of Business Objects – and our governance, risk, and compliance solutions.

Return on SAP Common Stock, WKN 716460/ISIN DE0007164600

Initial investment €10,000

Date of investment	Dec. 31, 1997	Dec. 31, 2002	Dec. 31, 2006
Period of investment	10 years	5 years	1 year
Value in € at close of 2007 ¹⁾	16,585	19,644	8,943
Average annual return in %	5.2	14.5	- 10.6
Performance comparators in %			
DAX 30 Performance – Total Return Index	6.7	22.8	22.3
REX General Bond – Total Return Index	4.8	3.5	2.5
S&P 500 Composite – Total Return Index	2.9	5.6	- 4.9
GSTI Software Index – Price Index	1.2	8.8	4.8

Return on SAP ADRs, 803054204 (CUSIP)

Initial investment US\$10,000

Date of investment	Dec. 31, 2002	Dec. 31, 2006
Period of investment	5 years	1 year
Value (US\$) at close of 2007 ¹⁾	27,066	9,714
Average annual return in %	22.0	- 2.9
Performance comparators in %		
S&P 500 Composite – Total Return Index	12.8	5.5

¹⁾ Assuming all dividends were reinvested.
Source: Datastream

Improved Service for Individual Investors

We believe all of our investors are entitled to the same information, so all key events at which members of our Executive Board speak to financial analysts and institutions are broadcast live on the Internet, and we post the presentation materials on our site. We are also continuously adding to the wealth of information on our site about SAP and SAP stock. The quarterly SAP Investor magazine is one of the cornerstones of our service for individual investors. Others are the monthly e-mail newsletter, the shareholder hotline, and the e-mail contact at investor@sap.com. Our investor relations team presented information at stock exchanges and shareholder conventions in Germany and, most frequently, the United States. In the United States, we showcased SAP stock to individual investors at several investor conventions run by Better Investing (National Association of Investors Corporation) and also the American Association of Individual Investors (AAII), as well as at Money Show events. We also spoke with more brokers and financial advisors of financial institutions of all sizes and held quarterly "squawk box" telephone conferences for individual investors.

International Acclaim for Investor Relations Work

As in previous years, our investor relations earned praise in 2007. In the Thomson Extel survey, our team was judged top investor relations team among all European companies in the software and IT field.

As an active member of the German association for investor relations officers and consultants, DIRK, SAP worked for the development and recognition of the profession in Germany.

Cash Earnings According to DVFA/SG

€ millions	2007	2006
Net income	1,934	1,880
Minority interest	2	2
Net income plus minority interest	1,936	1,882
Depreciation and amortization	271	218
Depreciation and amortization reversals	- 2	- 4
Change in reserves and accrued liabilities	30	54
Change in deferred taxes	8	- 2
Other material no-cash expenses and income	- 1	- 45
Cash earnings according to DVFA/SG	2,242	2,103
Cash earnings per share according to DVFA/SG in €	1.77	1.66