



Financial Information
for the First Quarter 2008
– Condensed, Preliminary and Unaudited –

	page
Financial Statements	
Statements of Income	F1
Balance Sheets	F2
Statements of Cash Flow	F3
Supplementary Financial Information	
Revenue by Region	F4
Stock-based Compensation	F5
Free Cash Flow	F5
Headcount	F5
Multi Quarter Overview	F6
Appendix	
Explanation of Non-GAAP Measures	F7



CONSOLIDATED INCOME STATEMENT
(U.S. GAAP, Non-GAAP* and Non-GAAP at Constant Currency)**
Preliminary and unaudited

€millions, unless otherwise stated	Three months ended March 31,										
	2008					2007			% change		
	U.S. GAAP	Adj.*	Non-GAAP*	Currency impact**	Non-GAAP constant currency**	U.S. GAAP	Adj.*	Non-GAAP*	U.S. GAAP	Non-GAAP*	Non-GAAP constant currency**
Software revenue	622	0	622	43	665	562	0	562	11	11	18
Support revenue	1,058	47	1,105	54	1,159	914	0	914	16	21	27
Subscription and other software-related service revenue	56	0	56	1	57	39	0	39	44	44	46
Software and software-related service revenue	1,736	47	1,783	98	1,881	1,515	0	1,515	15	18	24
Consulting revenue	587	0	587	32	619	518	0	518	13	13	20
Training revenue	104	0	104	6	110	94	0	94	11	11	17
Other service revenue	25	0	25	2	27	28	0	28	-11	-11	-4
Professional services and other service revenue	716	0	716	40	756	640	0	640	12	12	18
Other revenue	8	0	8	0	8	7	0	7	14	14	14
Total revenue	2,460	47	2,507	138	2,645	2,162	0	2,162	14	16	22
Cost of software and software-related services	-367	48	-319			-287	10	-277	28	15	
Cost of professional services and other services	-567	0	-567			-505	0	-505	12	12	
Research and development	-417	14	-403			-339	0	-339	23	19	
Sales and marketing	-597	21	-576			-478	1	-477	25	21	
General and administration	-152	0	-152			-119	0	-119	28	28	
Other operating income/expense, net	-1	0	-1			2	0	2	-150	-150	
Total operating expenses	-2,101	83	-2,018	-92	-2,110	-1,726	11	-1,715	22	18	23
Operating income	359	130	489	46	535	436	11	447	-18	9	20
Other non-operating income/expense, net	-1	0	-1			-3	0	-3	-67	-67	
Financial income/expense, net	-2	0	-2			36	0	36	-106	-106	
Income from continuing operations before income taxes	356	130	486			469	11	480	-24	1	
Income taxes	-109	-32	-141			-157	-4	-161	-31	-12	
Minority interests	0	0	0			0	0	0	N/A	N/A	
Income from continuing operations	247	98	345			312	7	319	-21	8	
Loss from discontinued operations, net of tax	-5	0	-5			-2	0	-2	150	150	
Net income	242	98	340			310	7	317	-22	7	
Earnings per Share (EPS)											
EPS from continuing operations – basic in €	0.21		0.29			0.26		0.26	-19	12	
EPS from continuing operations – diluted in €	0.21		0.29			0.26		0.26	-19	12	
EPS from net income – basic in €	0.20		0.28			0.26		0.26	-23	8	
EPS from net income – diluted in €	0.20		0.28			0.26		0.26	-23	8	
Weighted average number of shares***	1,196		1,196			1,214		1,214			
Key Ratios											
Operating margin	14.6%		19.5%		20.2%	20.2%		20.7%	-5.6pp	-1.2pp	-0.5pp
Effective tax rate from continuing operations	30.6%		29.0%			33.5%		33.5%			

* adjustments in the revenue line items are for the Business Objects support revenue that Business Objects would have recognized had it remained a standalone entity but that SAP is not permitted to recognize as revenue under U.S. GAAP as a result of business combination accounting rules. Adjustments in the operating expense line items are for acquisition-related charges. See Appendix for details

** constant currency revenue and operating income figures are calculated by translating revenue and operating income of the current period using the average exchange rates from the previous year's respective period instead of the current period. Constant currency period-over-period changes are calculated by comparing the current year's Non-GAAP constant currency numbers with the Non-GAAP number of the previous year's respective period. See appendix for details

*** in millions, treasury stock excluded



CONDENSED CONSOLIDATED BALANCE SHEETS

(U.S. GAAP)

Preliminary and unaudited

€millions	March 31, 2008	December 31, 2007
Assets		
Cash and cash equivalents	2,237	1,608
Restricted cash	3	550
Short-term investments	179	598
Accounts receivable, net	2,861	2,895
Other assets	469	541
Deferred income taxes	171	125
Prepaid expenses/deferred charges	115	76
Assets held for sale	16	15
Current assets	6,051	6,408
Goodwill	4,837	1,423
Intangible assets, net	1,244	403
Property, plant, and equipment, net	1,345	1,316
Investments	88	89
Accounts receivable, net	2	3
Other assets	589	555
Deferred income taxes	192	146
Prepaid expenses/deferred charges	24	23
Noncurrent assets	8,321	3,958
Total assets	14,372	10,366

€millions	March 31, 2008	December 31, 2007
Liabilities, Minority interests and Shareholders' equity		
Accounts payable	601	715
Income tax obligations	420	341
Other liabilities	1,126	1,456
Provisions	218	154
Deferred income taxes	130	47
Deferred income	1,689	477
Liabilities held for sale	13	9
Current liabilities	4,197	3,199
Accounts payable	5	10
Income tax obligations	95	90
Other liabilities	3,034	79
Provisions	359	369
Deferred income taxes	160	73
Deferred income	36	42
Noncurrent liabilities	3,689	663
Total liabilities	7,886	3,862
Minority interests	1	1
Common stock, no par value	1,247	1,246
Treasury stock	-1,929	-1,734
Additional paid-in capital	358	347
Retained earnings	7,401	7,159
Accumulated other comprehensive loss	-592	-515
Shareholders' equity	6,485	6,503
Total liabilities, Minority interests and Shareholders' equity	14,372	10,366
Days Sales Outstanding	68	66



CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. GAAP)

Preliminary and unaudited

€millions	Three months ended March 31,	
	2008	2007
Net income	242	310
Net income from discontinued operations	5	2
Minority interests	0	0
Income from continuing operations before minority interests	247	312
<i>Adjustments to reconcile income before minority interests to net cash provided by operating activities:</i>		
Depreciation and amortization	141	56
Losses from equity investees	1	1
Gains/losses on disposal of intangible assets and property, plant, and equipment	1	-1
Gains on disposal of investments	-8	-1
Writeups/downs of financial assets	0	-1
Allowances for doubtful accounts	19	13
Impacts of hedging for cash-settled share-based payment plans	9	12
Stock-based compensation including income tax benefits	17	-22
Excess tax benefit from stock-based compensation	-8	0
Deferred income taxes	-58	-11
Change in accounts receivable	242	36
Change in other assets	32	-76
Change in accrued and other liabilities	-764	-556
Change in deferred income	1,201	1,090
Net cash provided by operating activities from continuing operations	1,072	852
Business combinations, net of cash and cash equivalents acquired	-3,687	-17
Repayment of acquirees' debt in business combinations	-450	0
Purchase of intangible assets and property, plant, and equipment	-61	-79
Proceeds from disposal of intangible assets and property, plant, and equipment	7	5
Cash transferred to restricted cash	-451	0
Reduction of restricted cash	1,000	0
Purchase of investments	-5	-471
Sales of investments	422	225
Purchase of other financial assets	-4	-4
Sales of other financial assets	17	4
Net cash used in investing activities from continuing operations	-3,212	-337
Purchase of treasury stock	-258	-339
Proceeds from reissuance of treasury stock	41	18
Proceeds from issuance of common stock (stock-based compensation)	7	1
Excess tax benefit from stock-based compensation	7	0
Proceeds from short-term and long-term debt	3,859	13
Repayments of short-term and long-term debt	-911	-10
Proceeds from the exercise of equity-based derivative instruments (STAR hedge)	66	75
Purchase of equity-based derivative instruments (hedge for cash-settled share-based payment plans)	-46	0
Net cash used in financing activities from continuing operations	2,765	-242
Effect of foreign exchange rates on cash and cash equivalents	8	-3
Net cash used in operating activities from discontinued operations	-4	-4
Net cash used in investing activities from discontinued operations	0	0
Net cash used in financing activities from discontinued operations	0	0
Net cash used in discontinued operations	-4	-4
Net change in cash and cash equivalents	629	266
Cash and cash equivalents at the beginning of the period	1,608	2,399
Cash and cash equivalents at the end of the period	2,237	2,665



REVENUE BY REGION
(U.S. GAAP, Non-GAAP* and Non-GAAP at Constant Currency)**
Preliminary and unaudited

€millions	Three months ended March 31,										
	2008					2007			% change		
	U.S. GAAP	Adj.*	Non-GAAP*	Currency impact**	Non-GAAP constant currency**	U.S. GAAP	Adj.*	Non-GAAP*	U.S. GAAP	Non-GAAP*	Non-GAAP constant currency**
Software revenue by region***											
EMEA	292	0	292	10	302	237	0	237	23	23	27
Americas	217	0	217	27	244	248	0	248	-13	-13	-2
Asia Pacific Japan	113	0	113	6	119	77	0	77	47	47	55
Total	622	0	622	43	665	562	0	562	11	11	18
Software and software related service revenue by region***											
Germany	302	1	303	0	303	271	0	271	11	12	12
Rest of EMEA	616	17	633	21	654	480	0	480	28	32	36
Total EMEA	918	18	936	21	957	751	0	751	22	25	27
United States	413	24	437	65	502	419	0	419	-1	4	20
Rest of Americas	150	2	152	2	154	148	0	148	1	3	4
Total Americas	563	26	589	67	656	567	0	567	-1	4	16
Japan	86	1	87	1	88	62	0	62	39	40	42
Rest of Asia Pacific Japan	169	2	171	9	180	135	0	135	25	27	33
Total Asia Pacific Japan	255	3	258	10	268	197	0	197	29	31	36
Total	1,736	47	1,783	98	1,881	1,515	0	1,515	15	18	24
Total revenue by region***											
Germany	453	1	454	0	454	408	0	408	11	11	11
Rest of EMEA	837	17	854	27	881	673	0	673	24	27	31
Total EMEA	1,290	18	1,308	27	1,335	1,081	0	1,081	19	21	24
United States	635	24	659	97	756	619	0	619	3	6	22
Rest of Americas	202	2	204	2	206	196	0	196	3	4	5
Total Americas	837	26	863	99	962	815	0	815	3	6	18
Japan	112	1	113	1	114	88	0	88	27	28	30
Rest of Asia Pacific Japan	221	2	223	11	234	178	0	178	24	25	32
Total Asia Pacific Japan	333	3	336	12	348	266	0	266	25	26	31
Total	2,460	47	2,507	138	2,645	2,162	0	2,162	14	16	22

* adjustments in the revenue line items are for the Business Objects support revenue that Business Objects would have recognized had it remained a standalone entity but that SAP is not permitted to recognize as revenue under U.S. GAAP as a result of business combination accounting rules. Adjustments in the operating expense line items are for acquisition-related charges. See Appendix for details

** constant currency revenue and operating income figures are calculated by translating revenue and operating income of the current period using the average exchange rates from the previous year's respective period instead of the current period. Constant currency period-over-period changes are calculated by comparing the current year's Non-GAAP constant currency numbers with the Non-GAAP number of the previous year's respective period

*** based on customer location



STOCK BASED COMPENSATION
(U.S. GAAP and Non-GAAP)
Preliminary and unaudited

€millions	Three months ended March 31,		
	2008	2007	% change
<i>Stock based compensation per expense line item</i> (both U.S. GAAP and Non-GAAP):			
Cost of software and software related services	1	1	0
Cost of professional services and other services	1	3	-67
Research and development	4	5	-20
Sales and marketing	2	3	-33
General and administration	1	3	-67
Other operating income/expense, net	0	0	0
Total Stock Based Compensation	9	15	-40

FREE CASH FLOW
Preliminary and unaudited

€millions	Three months ended March 31,		
	2008	2007	% change
Net cash provided by operating activities from continuing operations	1,072	852	26
Purchase of long-lived assets excluding additions from business combinations	-61	-79	-23
Free Cash Flow	1,011	773	31

HEADCOUNT
Preliminary and unaudited

in Full-Time-Equivalents - from continuing operations	March 31, 2008	December 31, 2007	March 31, 2007
Headcount by Region			
Germany	15,112	14,749	14,324
Rest of EMEA	11,214	8,905	8,367
Total EMEA	26,326	23,654	22,691
United States	9,586	7,832	7,155
Rest of Americas	4,474	2,797	2,367
Total Americas	14,060	10,629	9,522
Japan	1,466	1,344	1,253
Rest of Asia Pacific Japan	9,422	8,234	6,852
Total Asia Pacific Japan	10,888	9,578	8,105
Total	51,274	43,861	40,318
Headcount by Functional Area			
Software and software related services	6,594	5,831	5,450
Professional services and other services	14,012	12,785	11,777
Research and development	14,990	12,951	11,936
Sales and marketing	10,767	8,282	7,441
General and administration	3,356	2,797	2,581
Infrastructure	1,555	1,215	1,133
Total	51,274	43,861	40,318



MULTI QUARTER SUMMARY
(U.S. GAAP and Non-GAAP)
Preliminary and unaudited

€millions, unless stated otherwise	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
Software revenue (U.S. GAAP)	622	1,415	714	716	562
Revenue adjustment*	0	0	0	0	0
Software revenue (Non-GAAP)	622	1,415	714	716	562
Support revenue (U.S. GAAP)	1,058	1,005	975	944	914
Revenue adjustment*	47	0	0	0	0
Support revenue (Non-GAAP)	1,105	1,005	975	944	914
Subscription and other software-related service revenue (U.S. GAAP)	56	53	46	44	39
Revenue adjustment*	0	0	0	0	0
Subscription and other software-related service revenue (Non-GAAP)	56	53	46	44	39
Software and software-related service revenue (U.S. GAAP)	1,736	2,473	1,735	1,704	1,515
Revenue adjustment*	47	0	0	0	0
Software and software-related service revenue (Non-GAAP)	1,783	2,473	1,735	1,704	1,515
Total revenue (U.S. GAAP)	2,460	3,240	2,419	2,421	2,162
Revenue adjustment*	47	0	0	0	0
Total revenue (Non-GAAP)	2,507	3,240	2,419	2,421	2,162
Operating income (U.S. GAAP)	359	1,109	606	581	436
Revenue adjustment*	47	0	0	0	0
Expense adjustment*	83	19	18	13	11
Operating income (Non-GAAP)	489	1,128	624	594	447
Operating margin (U.S. GAAP)	14.6%	34.2%	25.1%	24.0%	20.2%
Operating margin (Non-GAAP)	19.5%	34.8%	25.8%	24.5%	20.7%
Effective tax rate from continuing operations	29.0%	33.8%	35.1%	25.8%	33.5%
EPS from continuing operations - basic in €(U.S. GAAP)	0.21	0.63	0.34	0.37	0.26
EPS from continuing operations - diluted in €(U.S. GAAP)	0.21	0.63	0.34	0.37	0.26
EPS from continuing operations - basic in €(Non-GAAP)	0.29	0.64	0.35	0.38	0.26
EPS from continuing operations - diluted in €(Non-GAAP)	0.29	0.64	0.35	0.38	0.26
Headcount**	51,274	43,861	42,601	41,736	40,318

* adjustments in the revenue line items are for the Business Objects support revenue that Business Objects would have recognized had it remained a standalone entity but that SAP is not permitted to recognize as revenue under U.S. GAAP as a result of business combination accounting rules. Adjustments in the operating expense line items are for acquisition-related charges. See Appendix for details

** in Full-Time-Equivalents - from continuing operations



APPENDIX

Explanation of Non-GAAP Measures

This document discloses certain financial measures, such as Non-GAAP revenues, Non-GAAP operating income, Non-GAAP operating margin, 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 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 press release are reconciled to the nearest U.S. GAAP measure in the tables on the pages F1 to F6 above.

Non-GAAP Revenues, Non-GAAP Operating Income and Non-GAAP Operating Margin

We believe that it is of interest to investors to receive certain supplemental historical and prospective financial information used by our management in running our business – in addition to financial data prepared in accordance with U.S. GAAP. Beginning in 2008 we use both Non-GAAP revenues and Non-GAAP operating income / Non-GAAP operating margin as defined below consistently in our planning, forecasting, reporting, compensation and external communication.

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 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 because the support contracts are typically one-year contracts and renewals of these contracts are expected to result in revenues that are not impacted by the business combination-related fair value accounting.

We believe that our Non-GAAP revenue numbers have limitations, particularly as the eliminated amounts may be material to us. We therefore do not evaluate our growth and performance without considering both Non-GAAP revenues and U.S. GAAP revenues. We caution the readers of this document to follow a similar approach by considering our 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.

Non-GAAP operating income / Non-GAAP operating margin: Operating income and operating margin in this document identified as “Non-GAAP operating income” or “Non-GAAP operating margin” have been adjusted from the respective operating income and operating margin numbers as recorded under U.S. GAAP by including the full amount of Business Objects support revenues to be included in Non-GAAP revenue, and by excluding acquisition-related charges. Acquisition related charges in this context comprise:

- Amortization expense of intangibles acquired in business combination and standalone acquisitions of intellectual property

- Expense from purchased in-process research and development
- Restructuring expenses as far as incurred in connection with a business combinations and accounted for under SFAS 146 in SAP's U.S. GAAP financial statements

Although acquisition-related charges include recurring items from past acquisitions, such as amortization of acquired intangible assets, they also include an unknown component, relating to current-year acquisitions. We cannot accurately assess or plan for that unknown component until we have finalized our purchase price allocation. Furthermore acquisition-related charges may include one-time charges that are not reflective of our ongoing operating performance.

We believe that our Non-GAAP financial measures described above have limitations, particularly as the eliminated amounts may be material to us. We therefore do not evaluate our growth and performance without considering both Non-GAAP operating income / Non-GAAP operating margin numbers and U.S. GAAP operating income and margin numbers. We caution the readers of this document to follow a similar approach by considering our Non-GAAP operating income / Non-GAAP operating margin numbers 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.

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 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 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.