



Growth Through Innovation

Delivery of True Customer Value

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**President Global Field Operations,
Member of the Executive Board SAP AG
Investor Symposium May 12th, 2004
New Orleans, Louisiana**

Market Share

- **Leading peers, but still large untapped potential**
 - ◆ **increase share of wallet in Fortune 500**
 - ◆ **gain market share in Fortune 500,000**

Trends

- **Average sales price decline expected to stabilize**
- **Continued improvement in volumes**
- **Continued improvement in channel business**

Competitive replacements accelerate

- **SAP remains the most trusted and reliable software partner for our customers**
- **Best-of-suite wins over best-of-breed**

2003

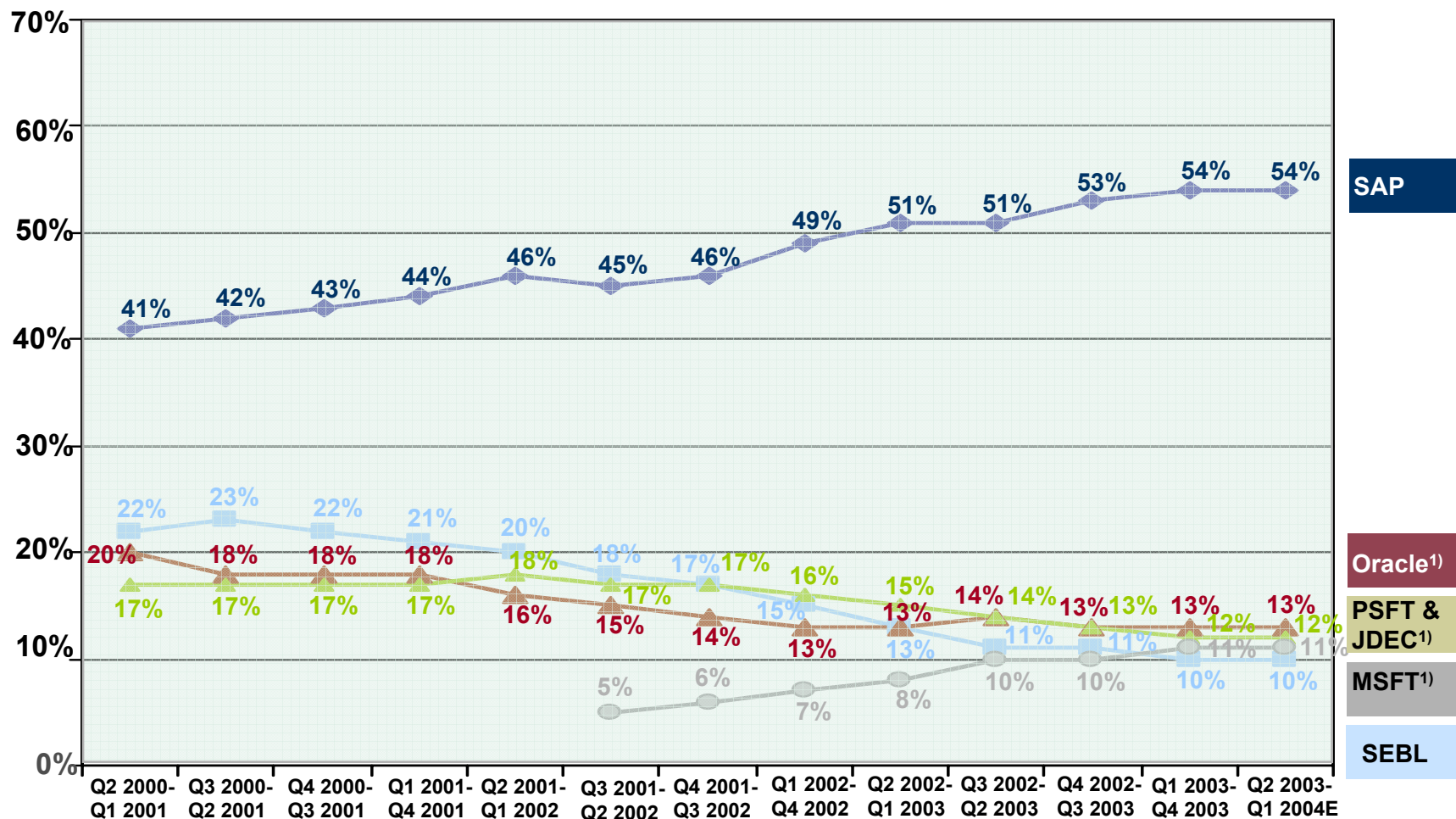
- Oracle
- Peoplesoft & JD Edwards
- Siebel
- i2

2004

- Oracle
- Peoplesoft & JD Edwards
- Siebel
- Microsoft

Global – Relative Peer Group Shares

(rolling 4 quarters; based on software revenues)



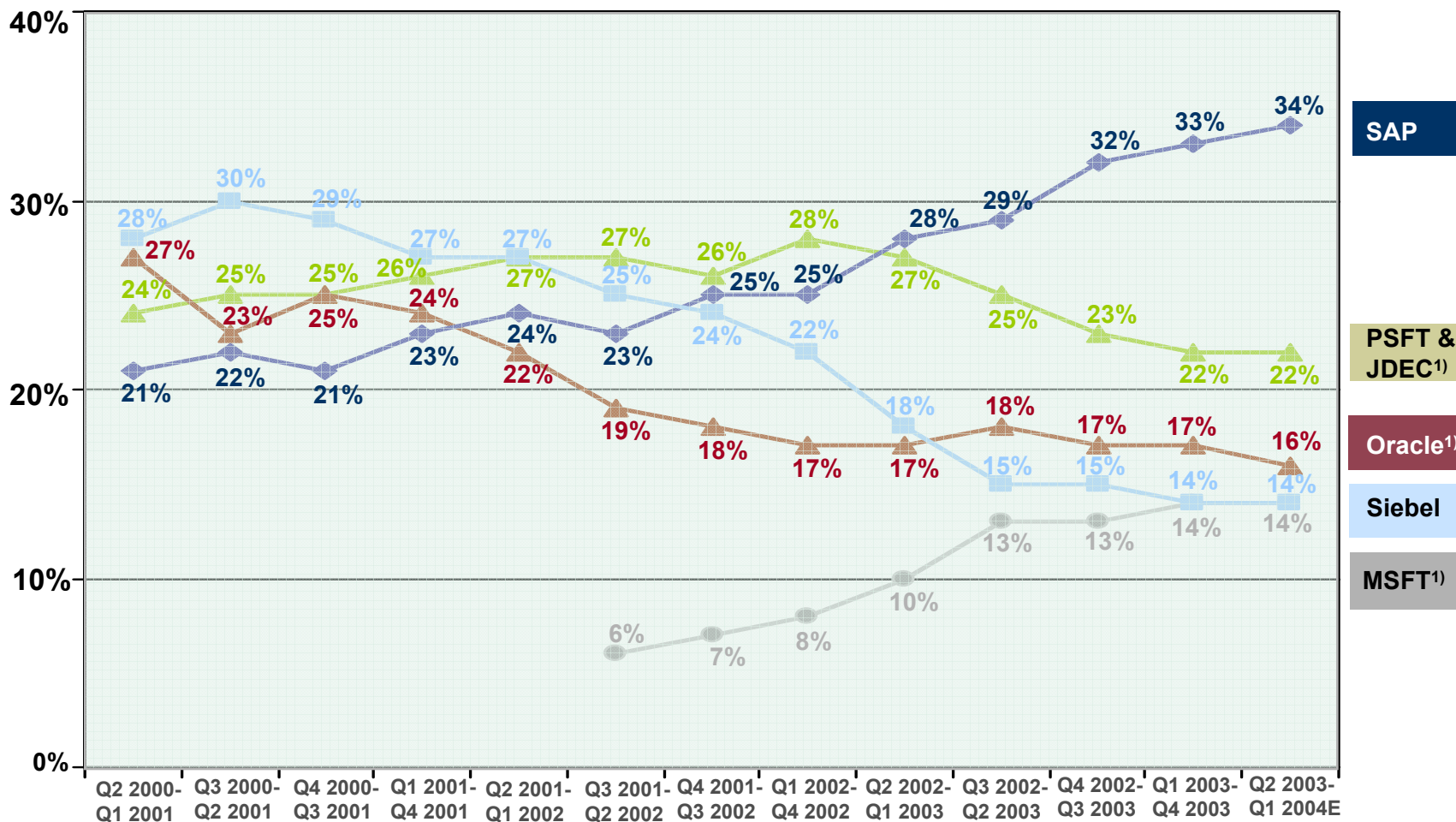
Based on the peer group used in 2003, SAP's Peer Group share would have been 60% in the first quarter of 2004

Source: SAP Analysis based on Company Data and Financial Analysts Estimates

¹⁾ Fiscal year is not calendar year - Comparison based on most recent quarter (e.g. SAP Q1 vs. Oracle Q3)

U.S. – Relative Peer Group Shares

(rolling 4 quarters; based on software revenues)

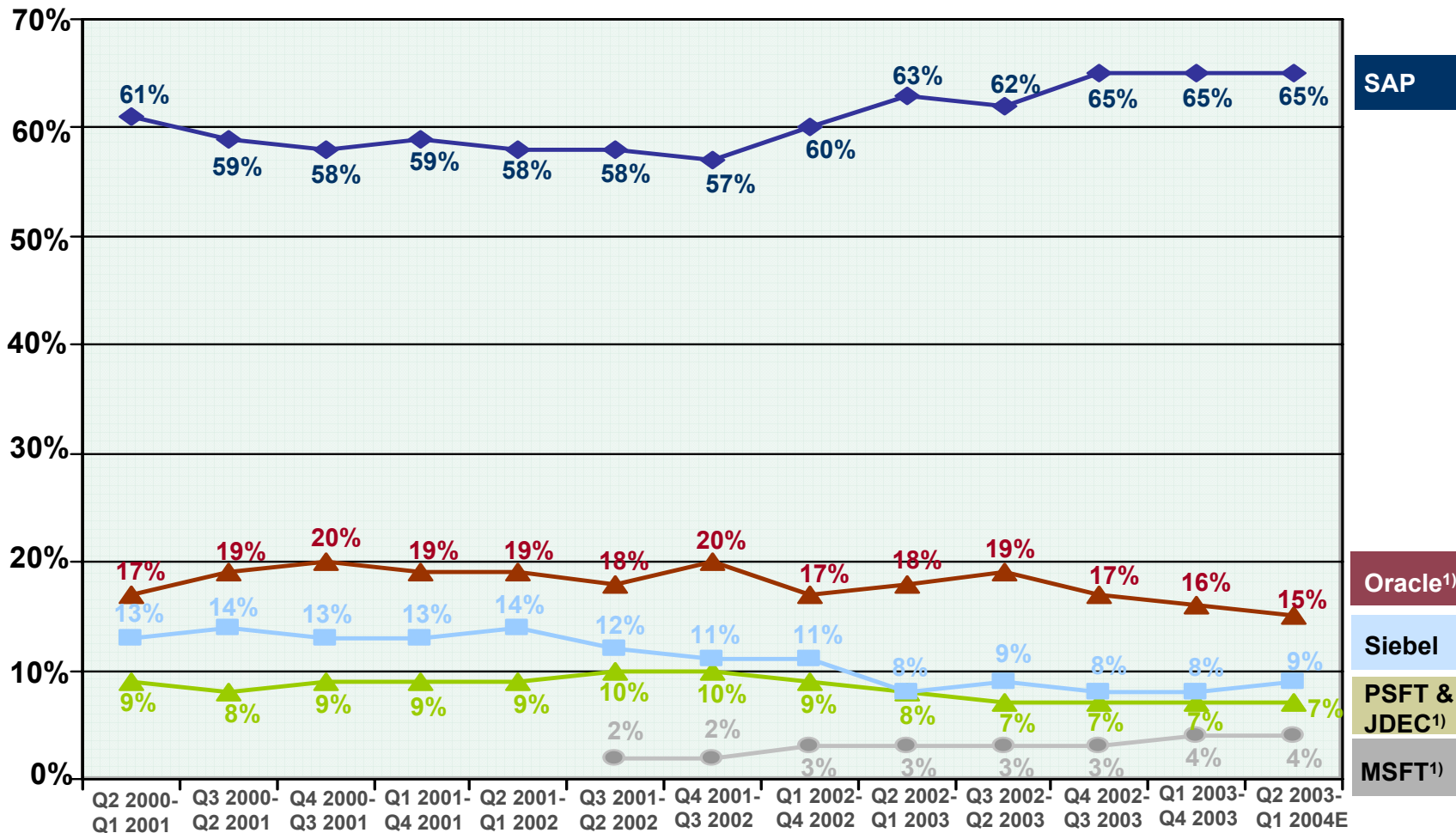


Source: SAP Analysis based on Company Data and Financial Analysts Estimates

¹⁾ Fiscal year is not calendar year - Comparison based on most recent quarter (e.g. SAP Q1 vs. Oracle Q3)

APA – Relative Peer Group Shares

(rolling 4 quarters; based on software revenues)

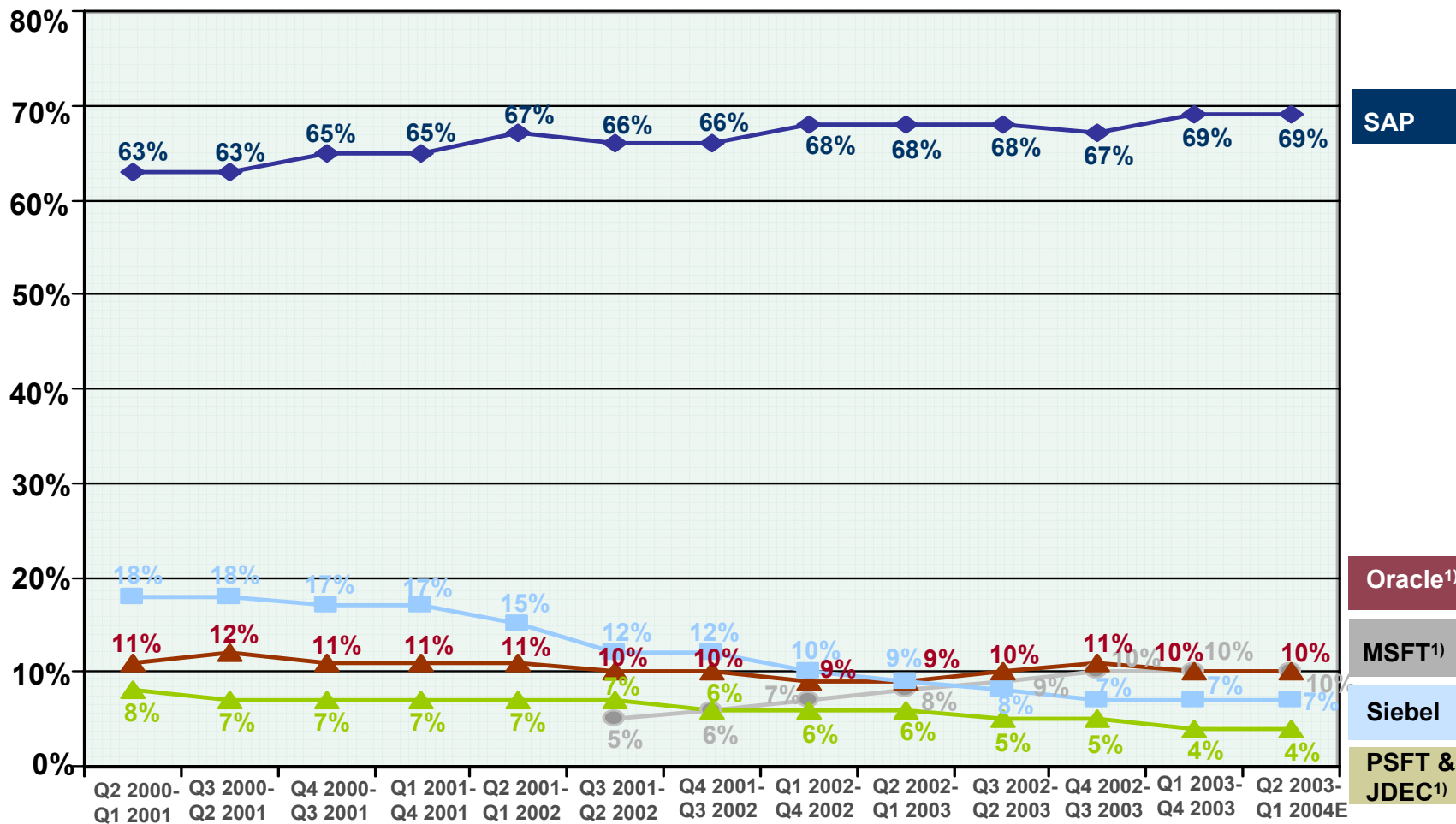


Source: SAP Analysis based on Company Data and Financial Analysts Estimates

¹⁾ Fiscal year is not calendar year - Comparison based on most recent quarter (e.g. SAP Q1 vs. Oracle Q3)

EMEA – Relative Peer Group Shares

(rolling 4 quarters; based on software revenues)

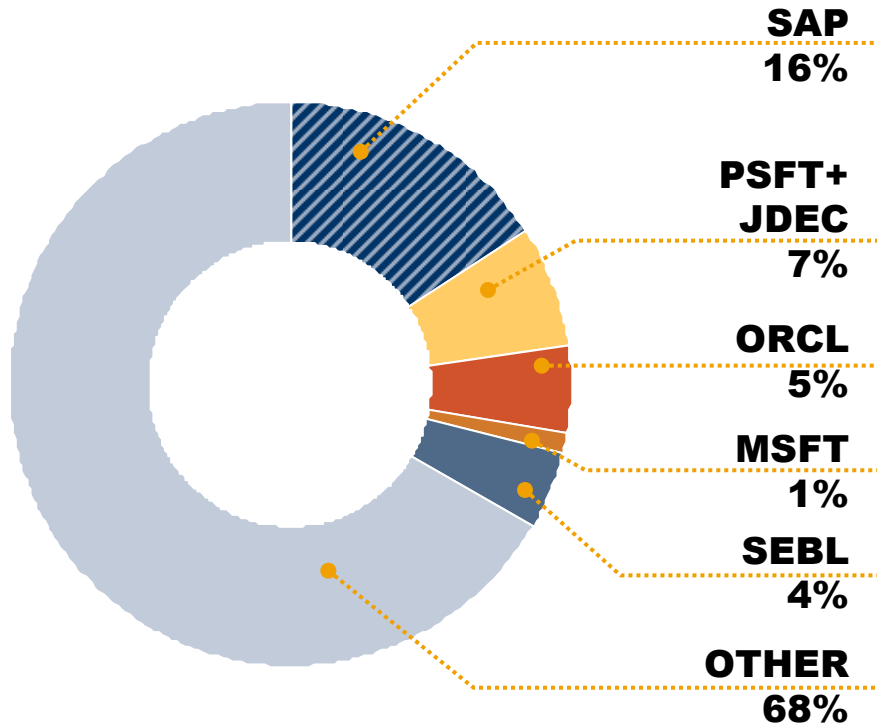


Source: SAP Analysis based on Company Data and Financial Analysts Estimates

¹⁾ Fiscal year is not calendar year - Comparison based on most recent quarter (e.g. SAP Q1 vs. Oracle Q3)

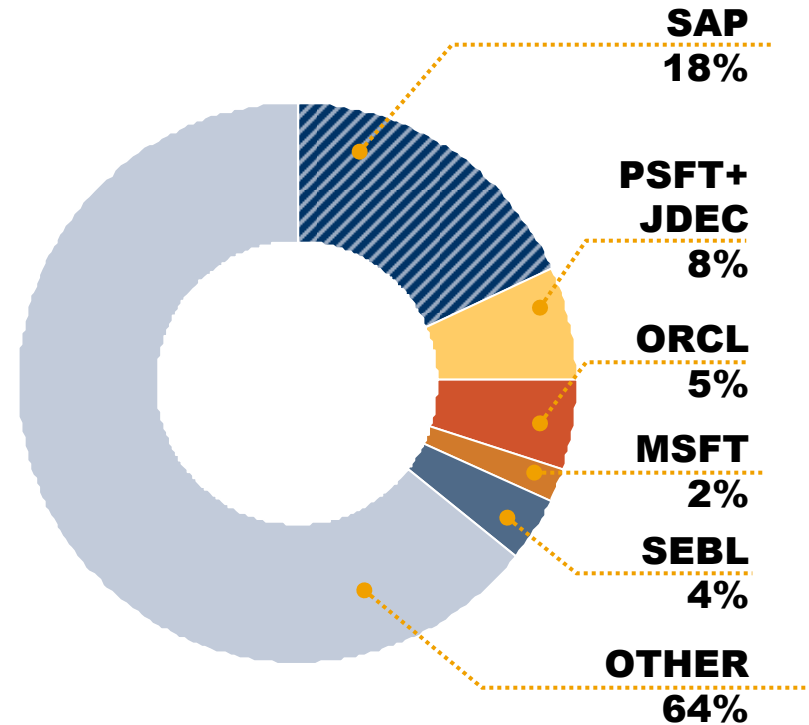
Global Applications Software Market*

**MARKET SHARE
FY2002**



\$29.1 bn

**MARKET SHARE
FY2003E**



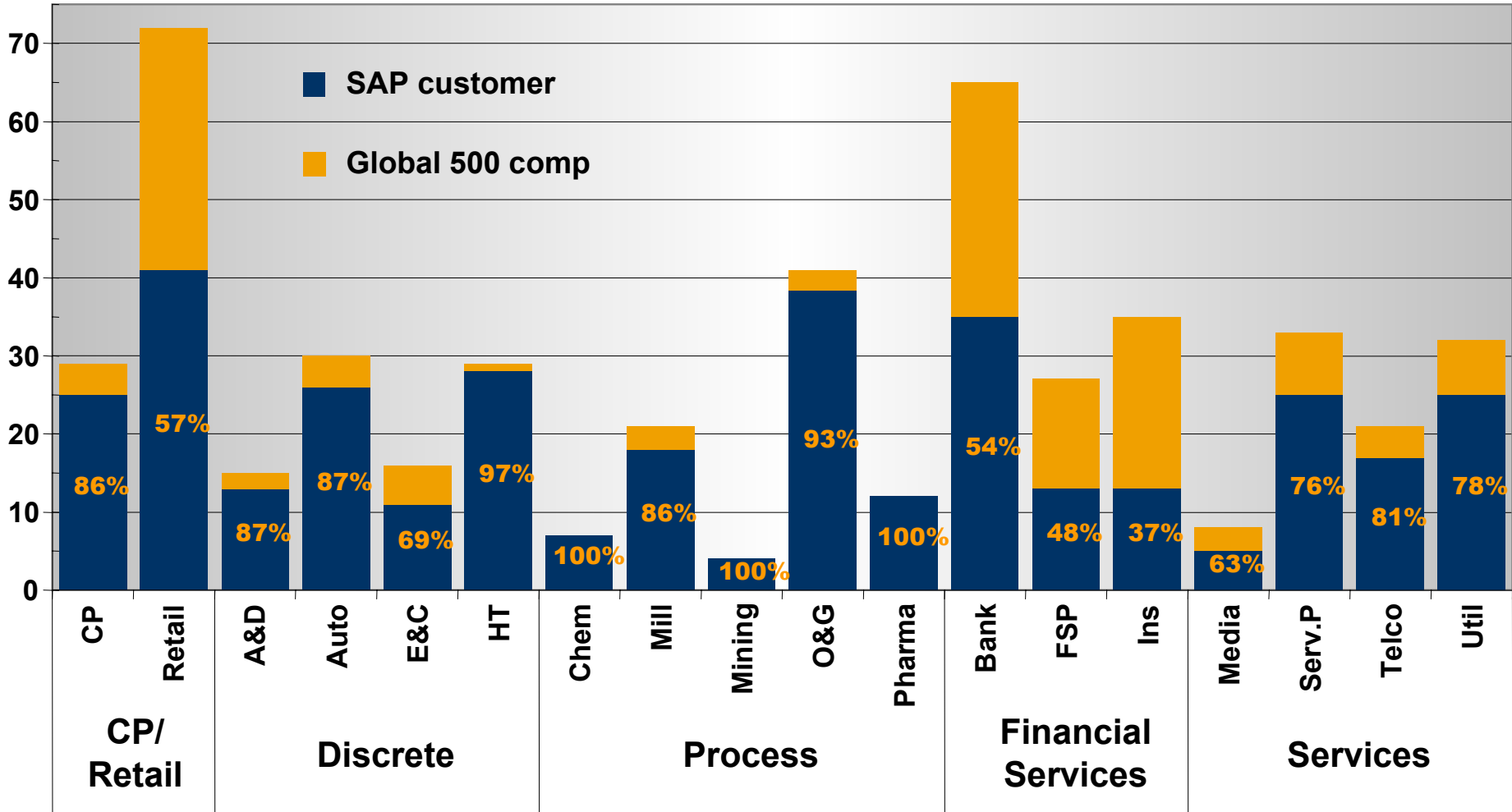
\$29.8 bn

Source: Company Data, Market Reports, Analyst Estimates, preliminary 2003, based on product revenue spending for application vendors – including license revenue and maintenance revenue

* Change in market definition compared to 2002/2001 - due to extension of SAP product offering additional vendors are included in the market definition

SAP Customers Within Global 500

companies



n.b. the Public Sector is not covered by the Global 500
 Source: Fortune Magazine, Global 500 2003; SAP Analysis

Selected Customer Wins – First Quarter 2004

AMERICAS

- America Online
- Citrosuco International
- Chevron
- John Hopkins
- Telus Communications
- Wyeth
- Forest

EMEA

- Biomet Merck
- Deutz
- Phonak
- Pilkington
- The Boots Company
- Westdeutsche Allgemeine

ASIA / PACIFIC

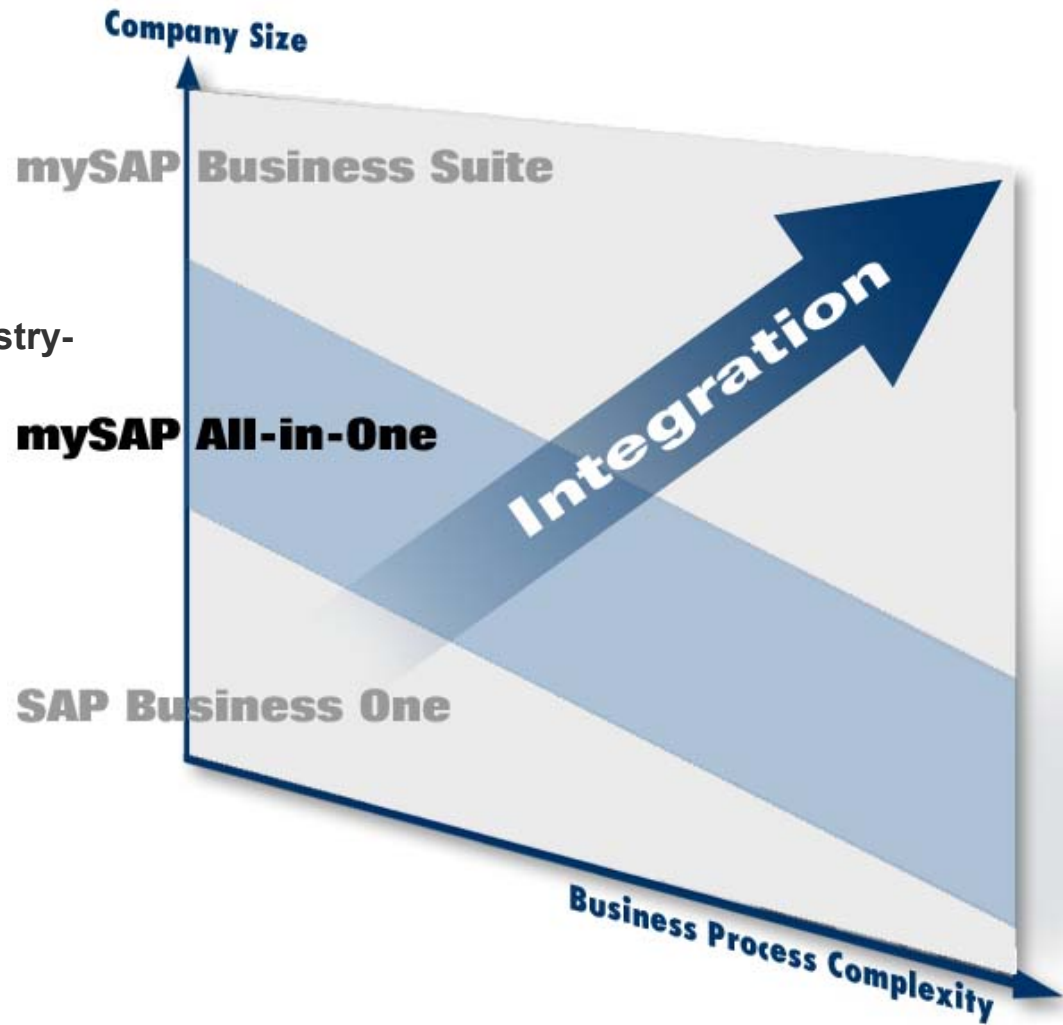
- AXA Life Insurance
- Bank of China
- BHP Billiton Group
- Franklins Pty
- Kunming Iron
- NIPPON Meat Packers

2004: Go-to-Market

Direct Channel	Key Accounts mySAP Business Suite	Complex, high-volume business requirements	→ Share of wallet
	MIDSIZE mySAP ERP	Demand for effective, end-to-end coverage of core business.	
Indirect Channel	mySAP All-in-One	Micro-vertical Pre-configured	→ Market share
	SMALL SAP Business One	Easy-to-implement	→ Mind share

SAP's Mid-market Strategy

- Complete and adaptable E-Business solutions
- Integrated business management and unlimited scalability
- Partner developed, pre-packaged industry-specific solutions
- Rapid, cost-effective implementation
- Leveraging SAP best practices
- Based on mySAP Business Suite



Mid-Market Strategy

- Global opportunity
- Micro verticalization
- Easy to implement for small businesses - partner Involvement
- Direct and indirect channels
 - ◆ Global Partners: IBM, Dell, HP, Accenture, ...

mySAP All-in-One

- 5.000 customers
- 370 qualified solutions available
- 430 partners



SAP Business One

- 3.000 customers
- Solutions available in 25 countries
- 530 Partners





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Customer Wish List of Today

Reduce costs

- Improve operational efficiency by better processes & practices
- Decrease TCO of IT solutions

Achieve faster ROI on IT investments

- Solutions aimed at business pain points
- Leverage existing investments

Run solutions that adapt to changes

- Provide competitive advantage
- Quick implementation of strategic change enablers

Turn IT innovation into business value

- Increase peoples' productivity
- Improve business effectiveness
- Find new ways of doing business

Reduce costs

- Canada Post reducing costs by C4\$
- Dunlop 25% TCO reduction



Achieve faster ROI on IT investments

- Audi 22% IRR
- Sterling 74% IRR
- Mascot International 272% IRR
- Good Year 308% ROI



Run solutions that adapt to changes

- Canada Post

Turn IT innovation into business value

- Boots.com
 - ◆ increase order size by 12%
 - ◆ repeat business by 26%
 - ◆ delivered and overall IRR of

