



Extraordinary Cost-Savings Measures to Meet Economic Challenges

Dear Colleagues,

The global economic crisis forces us to take further actions to help SAP successfully weather the current challenges and emerge stronger.

We have just published our [preliminary Q4 and Year End 2008 financial results](#) as well as our outlook for 2009. Despite the dramatically deteriorating market conditions since September, we have achieved good results for the entire year. This has only been possible because of the remarkable efforts of all employees, and we would like to express our gratitude to all of you for this. Unlike in past years, which were characterized by double-digit growth rates, the outlook for 2009 is completely different. For this reason, we will have to intensify our cost-savings efforts by implementing additional measures.

After an exhaustive and thorough evaluation of all options, we have concluded that a reduction in the number of persons employed is necessary. This is not an easy step for us to take, and we are fully conscious of the implications of this decision.

As SAP is a global company, we will consider each region and each line of business at all levels. We are looking for fair solutions according to accepted practice, and we will make this process as transparent as possible. We owe this to our employees. We plan to reduce the number of positions globally from 51,500 to 48,500, taking full advantage of attrition as a factor to reach this goal. In countries with employee representatives we have initiated contact with the relevant employee representative bodies. This should enable us to decrease the annual personnel costs by 300 - 350 million euros in subsequent years. As long as the specific regional legal conditions permit, there will not be a salary round in 2009.

It is important for us to discuss the current situation with you. We therefore invite you to participate in the worldwide employee meetings today. At this meeting, Henning, Léo, Werner, and Ernie will give an overview of the situation. The meeting will take place in English and will be broadcast live to all [SAP TV](#) locations (where access is available). As always, you will have the opportunity to ask questions during the meeting. You can also submit questions by e-mail. In addition, your management team will hold meetings in the upcoming days and weeks to provide you with the most up-to-date information.

Since media will certainly show increased interest in the current situation, we would like to ask you to direct any media inquiry to the contacts at the [SAP Global Communications Press Room](#).

Dear colleagues, the long-term success of our company is important to us. Over the course of almost four decades, SAP has made history as one of the most successful companies in the IT business – and we are determined to do everything that we can to continue this success story. Our goal is to secure as many jobs as possible over the long-term – because you, our employees, are the basis for our sustainable success as a strong and reliable partner for our clients.

Best regards,
Henning Léo