

SAP to Introduce New E-Commerce and Web-Based CRM Capabilities to Business Management Solution for SMEs

SAP® Business One to Feature New Capabilities Through Acquisition of Praxis Software Solutions

WALLDORF, Germany - July 10, 2006 - Increasing its breadth of integrated applications designed specifically to help small and midsize enterprises (SMEs) generate revenue, increase sales and boost efficiency, SAP AG (NYSE: SAP) today announced that it will introduce new e-commerce and Web-based capabilities to SAP® Business One. The new capabilities enable companies to set up online stores easily and to deploy customer relationship management (CRM) software quickly and simply via the Internet, extending the reach and accessibility of SAP Business One to a new set of users. Addressing increasing demand among SMEs to make e-commerce and CRM core parts of their businesses, the new features will further the SAP solution's unique ability to provide a unified view of business-critical information across sales, financials, manufacturing, reporting and customer-facing activities in a single, easy-to-use software solution.

SAP is incorporating the new e-commerce and CRM capabilities through the recently completed acquisition of Praxis Software Solutions, a privately held software company and long-term SAP Business One partner based in Minneapolis, Minnesota. Through the acquisition, SAP will integrate the acquired technology and Praxis employees into its SAP Business One operations. Terms of the deal were not disclosed. The transaction continues SAP's strategy of targeted, fill-in acquisitions that add superior functionality to its broad solution portfolio while continuing to grow its business organically.

'Core Pieces' for Efficient SMEs

E-commerce and Web-based CRM are among the largest growth areas in business software for SMEs worldwide. As SMEs have expanded their sales channels with e-commerce, the associated data has remained siloed in e-commerce systems. This prevents business owners from gaining a true picture of the state of their business, creates additional costs in manual processing and increases risk of errors. According to recent research by Yankee Group, SMEs rank integration of the company Web site with other business applications such as accounting and inventory among the most pressing technology challenges they face.

"Integrated front office and back office are the core pieces that are required to run an SME efficiently," said Sanjeev Aggarwal, senior analyst, Yankee Group. "Integrated e-commerce plays a key role in increasing the productivity and overall efficiency of the workforce for SMEs."

Praxis has more than 100 customers using its software, and has been an "SAP Business One Partner of the Year" and Pinnacle award winner two years in a row. It offers e-commerce and Web-based CRM through:

- **NetPoint Commerce (NPC)** – a fully integrated e-commerce package, designed for SMEs that want to sell and market online. While extremely easy to deploy and use, NPC also offers comprehensive features that users need to create an online presence, from strong shopping-cart functionality, theme templates and design capability, to online customer support and a high level of scalability. It allows users to easily create as many stores as they want, based on the same items and prices stored in SAP Business One. NPC also is able to accommodate both business-to-business and business-to-consumer e-commerce on the same Web site.
- **NetPoint Focus (NPF)** – a new online CRM package extending the reach of SAP Business One CRM functionality using a Web-based user interface. NPF adds campaign management and prospecting capabilities as fully integrated additions to the robust CRM capabilities for sales force automation and customer service already available in SAP Business One.

"The Praxis e-commerce application is intuitive, easy to use and get up and running, and, together with SAP Business One, allows us to sell and manage 200,000 parts online," said Jose Barrios, CIO, Vetco International Inc., an Orlando, Florida-based supplier of cost-effective products, systems and services to the oil and gas markets. "NetPoint and SAP Business One enable us to trade internationally via the Web, providing us with up-to-date, accurate information about inventory and helping us manage multi-currency, multi-language requirements with ease and efficiency. Because we no

longer have to enter data multiple times into our different systems, our error rate on orders has dropped significantly.”

While both products are currently available as seamless solution extensions wherever SAP Business One is sold, they will be integrated into the solution’s core development and offered with the solution going forward. SAP will continue to invest in the products, both in functionality and in support of SAP’s hybrid delivery approach, which provides options for on- and off-premise, stand-alone and integrated application deployment to meet customers’ varying business strategies and resource requirements.

“The new e-commerce and CRM capabilities will enable SAP Business One to outdistance other offerings by providing even greater visibility and integration across the entire business,” said Gadi Shamia, senior vice president, Solution Management, Small Business Solutions, SAP. “We are committed to providing our customers with applications they value most by enabling them to increase revenue with an integrated set of tools to boost both traditional and e-commerce sales.”

More detailed information on SAP Business One can be found at <http://www.sap.com/sme/businessone>.

About SAP Business One

Delivered through SAP’s global network of authorized channel partners, SAP Business One gives small and midsize companies the unprecedented opportunity to manage critical business operations with a single software solution. An affordable business management solution designed for SMEs typically with 10 to 100 employees, SAP Business One is available in more than 40 country versions, used by more than 10,000 customers and delivered by a network of 1,200 partners who specialize in selling, implementing and maintaining the solution. A highly flexible platform that meets core business management needs, SAP Business One also addresses highly specified demands of various industries through a growing portfolio of more than 250 seamlessly integrated solution extensions developed by a worldwide network of ISV partners.

About SAP

SAP is the world’s leading provider of business software*. Today, more than 33,200 customers in more than 120 countries run SAP® applications—from distinct solutions addressing the needs of small and midsize enterprises to suite offerings for global organizations. Powered by the SAP NetWeaver® platform to drive innovation and enable business change, SAP software helps enterprises of all sizes around the world improve customer relationships, enhance partner collaboration and create efficiencies across their supply chains and business operations. SAP solution portfolios support the unique business processes of more than 25 industries, including high tech, retail, financial services, healthcare and the public sector. With subsidiaries in more than 50 countries, the company is listed on several exchanges, including the Frankfurt stock exchange and NYSE under the symbol “SAP.” (Additional information at <http://www.sap.com/>)

(*) SAP defines business software as comprising enterprise resource planning and related applications such as supply chain management, customer relationship management, product life-cycle management and supplier relationship management.

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