EXHIBIT 22

SAP AG

Phone Conference

OPERATOR: Thank you so much. Ladies and gentlemen, thanks for standing by, and welcome to the SAP Press call. At this time, all participants are in a listen-only mode. If you should require assistance during the call, please press star, then zero. As a reminder, this conference is being recorded. Also, during the question and answer session, you would need to depress star, zero. I would now like to turn the conference over to our host, BILL WOHL, Vice President of Product Public Relations. Please go ahead

MR. BILL WOHL: Thank you very much. Good morning, and good afternoon from Waldorf. This is Bill Wohl of SAP, and welcome to our media teleconference and web cast. I'm joined today by Bill McDermott, President and CEO of SAP America, who is joining us from Washington, D.C., and Shai Agassi, member of the SAP, A.G. Executive Board who is here with me in Walldorf. The purpose of today's media telephone conference call is to summarize SAP's announcement this morning of a comprehensive offering for SAP customers who are also running instances of PeopleSoft and/or JD Edwards software. An offering which provides options and safety for those customers concerned about Oracle's takeover of those businesses. SAP's announcement was distributed on the PR Newswire at eight o'clock this morning, Central European Time, and is currently posted on our press website at SAP.com/press. I'd like now to review the agenda for today's call and web cast. In a moment, I'll invite Bill McDermott to take a few minutes to preview today's announcement details, and provide his perspective on our safe passage, customer-focused offering. Shai Agassi will then provide some context on the role of SAP NetWeaver, in providing an important integration benefit for these customers, and then we'll take some questions and answers. We understand that there is a demand for SAP to comment on announcements made yesterday by Oracle. As a market leader, we don't feel the need to respond to Oracle on a point-by-point basis. However, as SAP has done in the past, we'll have some comments at the conclusion of our presentation to provide the market with some facts that challenge some of the inaccuracies issued by the Oracle team yesterday. Before we begin, I'd like to offer a few ground rules for today's call. First, as you may know, SAP is in its quiet period, and we will fully detail our fourth quarter and year-end results next Thursday, January 26th. As such, we're not going to

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comment on SAP results, nor make projections on future business in this call. Second, the purpose of our call today is to highlight SAP's unique offering for its customers running PeopleSoft and JD Edwards solutions. We'll take limited questions on the Oracle announcements. Finally, I'd like to remind participants that the call is being recorded for playback. And now, I'd like to invite Bill McDermott to offer some comments. Bill?

MR. BILL McDERMOTT: Thank you, Bill and good morning, ladies and gentlemen. I'm excited to discuss with you SAP's Safe Passage program for 2005. As you probably know, SAP is making a strategic announcement today to give customers a choice. SAP customers that are also running PeopleSoft or JDE, anywhere in their enterprise, now have a very compelling offer to migrate to SAP. Oracle's acquisition of PeopleSoft and JDE is forcing customers to be very uncertain about the future of this software system, and the support for those systems, as well as the future product architecture. Customers are telling us, time and again, that this is very disruptive. As Bill said, SAP is the market leader, and we feel we have a responsibility to remain the industry's trusted advisor, and to provide a comprehensive offering for customers that are running PeopleSoft and/or JDE. We are calling this winning proposition our Safe Passage program. Our offering includes maintenance and software support at 17 percent for PeopleSoft and JDE solutions. Our proven maintenance program provides security to these customers, so that their solutions will be maintained while they also have the flexibility to plan their software migration strategies at their own pace, without the fear of unplanned maintenance interruptions or forced migration. Our customers are telling us they don't want to go on any forced marches. So, to accelerate this offering, SAP has acquired Tomorrow Now, the industry's most experienced third-party maintenance provider. Tomorrow Now is already providing reliable support for JDE and PeopleSoft customers. They bring important skills and experience to our business. Nearly 100 Fortune 500 mid-market and public sector entities, from just about every industry sector, have already selected Tomorrow Now as their mission-critical, enterprise software maintenance and support provider. We are very excited to welcome Tomorrow Now's customers to SAP. Our Safe Passage program has three key components. Let me spell them out for you. One: a maintenance offering on existing investments customers have

made in PeopleSoft and JDE. Two: extension through SAP
NetWeaver; and three: migration to mySAP ERP. Under the
program, companies can extend their I.T. infrastructure with
SAP's NetWeaver integration platform, which includes already
proven JDE and PeopleSoft connectors. Customers will get the
immediate result of better integration of their entire I.T.
landscape with one completely open and scalable platform.
Customers gain the benefits of NetWeaver and maintenance
support for PeopleSoft and JDE solutions by licensing mySAP
ERP, which has proven to be SAP's best-in-class solution.
They can migrate to mySAP ERP now, or choose to do so in the
future, when they are ready. By acting on our Safe Passage
program in 2005, SAP will provide a full, 75 percent trade-in
credit for PeopleSoft and JDE licenses, providing key
investment protection to these customers. You should know
that this is simply an extension of the program we currently
offer SAP customers for upgrading their systems to SAP
solutions. In this case, we're calling it mySAP ERP. So to
net it out, we're treating PeopleSoft and JDE customers with
the same loyalty and respect that we treat our own SAP
customers. According to analyst estimates, there are
approximately 4,000 companies running both SAP and PeopleSoft
/ JDE. Customers and analysts have told us that there will
be strong interest by most of these companies in our program,
as many of these customers have already made the strategic
decision to migrate to SAP over time. This Safe Passage
program significantly accelerates the migration to SAP by
lowering total cost of ownership now. Based on my
conversation with customers over the past 18 months,
customers have exhibited extraordinary concern about the
future of brands such as Oracle, PeopleSoft, and JDE. Now
that the uncertainty about this hostile takeover is behind
us, customers seem even more concerned about the future of
their past investments, as well as JDE, OracleSoft vision,
for an entirely new solution built from scratch that may be
available somewhere between 2008 and 2013. Hey, the
customers I talk to are trying to run their business today.
Customers want a trusted innovator. Customers want a real
pass forward. Customers want real solutions today, and that
is why SAP has remained the undisputed market leader and the
safe harbor in a consolidating, maturing market. Finally,
today's announcement is about SAP keeping our promise to
customers. That remains our foremost priority. Our vision,
to enable every customer to become a best-run business is
what SAP is all about. While this announcement is targeted

at SAP customers that are also running PeopleSoft and JDE, based on the significant interest by customers we have received so far, we will be expanding this program further in 2005, so stay tuned for further announcements. Now, I'd like to turn it over to Shai for his perspective.

MR. SHAI AGASSI: Thanks, Bill. I'd like to take a bit of a product perspective on this, and I'd like to first speak on the role of SAP NetWeaver in this offering. For customers that are running solutions from multiple vendors, the cost of integrations are extremely high and very well known. They represent probably the largest drain on available dollars for innovation, and business process innovation is what brings value into businesses, not pure migration or integration projects. Our aim in this offer is to provide three direct services for this customer segment that we talk about, the joint SAP, PeopleSoft, JD Edwards customers. First of all, maintenance support on the JDE investment, PeopleSoft solutions for a long-term, for this reliable, and certain, and making sure the companies can be assured that their investment is protected and the products are maintained, that you're not forced to change if you don't want to. Secondly, offer customers the SAP NetWeaver platform for integration, which comes with the JD Edwards and PeopleSoft proven connectors so they can realize the immediate benefits with more-easily integrated enterprise across their entire I.T. environment, and they can do it today and not wait for platforms to show up down the road. Third, we provide a clear roadmap to the next generation solutions, namely the leading ERP package in the market today, mySAP ERP. More importantly, we don't force them to do the switch, we let them do the switch, we let them decide when they want to migrate, and we offer them services and package migration so that they can do it at their timetable and at the lowest cost possible for their business. SAP NetWeaver is the way that we can help PeopleSoft and JD Edwards customers to immediately extract more value from their current investment, and for running and composing new, innovative processes across heterogeneous applications infrastructure, which includes SAP, includes PeopleSoft, includes JD Edwards, and includes other applications that they have in their landscape, today and in the future. This way, we believe that the customers can actually get flexibility. First of all, enable the next wave of innovation in business process, second, ease of transition, and third, consolidate the

multitude of technology point solutions that they actually have today into a single, integrated stack that is proven standards-based and open. SAP NetWeaver today is being used by thousands of customers, and we have today more than 1,500 reference customers today. And to be in reference, the customer has to use SAP NetWeaver in a comprehensive usage of multiple components and layers of the infrastructure, as well as integrate SAP and non-SAP solutions. As a result of that, you understand that NetWeaver today is used by thousands of customers, and not just on SAP products, but also on non-SAP applications, which is the normal challenge customers face every day. I want to summarize the Safe Passage program for 2005 that Bill just highlighted. One: a considerably better opportunity for our customers; better than other third-party offerings because one support group can support all your applications with one phone number, one relationship, one responsible party. Two: SAP assumes the complete responsibility for maintenance, service, and support issues across all the customers' SAP, PeopleSoft, and JD Edwards landscapes. SAP's mainstream and standard maintenance price is only 17 percent, lower than the other offerings in the market. Three: the customer actually gains immediate integration benefits. They don't need to wait for a platform, they get SAP NetWeaver today. It allows them to extend the life of their existing investment in PeopleSoft, and it allows them to continue to innovate, which is the highest cost of a business. If the business cannot innovate, they pay a lot more than maintenance, they pay a lot more than implementation. Finally, we define a clear roadmap. One that is based in reality, one that is based on products that exist, that are available, that are running, that are referenceable today. These products are the market leaders. mySAP ERP, a service-oriented platform based on standards and SAP NetWeaver, and next generation, innovation applications such as SAP Excess. Customers get to choose the time of migration, their direction of deployment, and their wish and innovation. It's a plan to protect the interests of our customers. It's not a competitive offering, it's a market leading offering. We believe that software companies don't own customers, we can't trade in our customer, you can't sell customers, you can't buy customers. You can only serve their interests. We believe that we're serving their interests to the best possible way today. I know that Bill is very excited about this offer, as the U.S. market is probably the key battleground for us today. We believe that this effort

will be the first one in the market, and we believe that
we'll be focused on extending our leadership in this market.
What Bill has done over the last two years in the North
American region, by keeping, and maintenance, and extending
our leadership as the number one enterprise application
vendor, has never been done before. During those last 18
months, Bill has made sure that even the combined entity of
PeopleSoft, and JD Edwards, and Oracle, cannot reach the same
revenue numbers that Bill and his team have successfully
reached over the last 12 months in North America. From my
viewpoint as an executive board member at SAP, I want to
offer a couple of quick comments on yesterday's events, and
as the market leader, we don't respond and don't spend too
much time on commenting on the competition, but I think you
have to summarize 18 months of paying attention to a lot of
different things that happened in this market, and I think
while Oracle was trying to spend their billions of dollars on
buying market share, we've been saying little. We didn't
think that it will add value to send more messages into this
already confused market. As Bill said, we focused on our
customer, and our customer's business, and our customer's
success. As we've done in the past, we actually believe that
it's our obligation to clear up misconceptions, and clear up
inaccuracies, and imaginary numbers that were brought to the
market by Oracle about SAP and about the rest of this market.
But I'd like to clear up a few things delivered yesterday by
the JD OracleSoft. While our competition has laid out a very
ambitious agenda for JD OracleSoft, I'd like to contrast the
two positions. Oracle's made a promise to build, from
scratch, a completely new set of tools, a platform to support
those tools, and then build a whole new set of applications
in JAVA from scratch with a team that has never built
applications in JAVA before. We actually believe that this
2013 goal is highly optimistic. We also believe that SAP is
delivering solutions to the market and to their customers
today. We're shipping a service-oriented open integration
and application platform in SAP NetWeaver that already has
thousands of customers deployed, and 1,500 reference
customers willing to speak about the value they're getting,
the benefits, and their current model of deployment. They're
well-established, and we are well-established, as market-
leading and we established best practices around this
platform. This is not an imaginary PowerPoint presentation.
We've also made some very ambitious promises that we have
delivered. On the other hand, we've seen some promises on

the other side that are still too far in the future to comment on at this point. We've delivered a standards-based, integrated platform to our customers since 2003. We've also heard some conversation about standard-based and openness yesterday, and I'd like to correct some of the misconceptions that were thrown around the room. I think that SAP is delivering a platform which is the only one that truly supports JAVA, J2EE, and .net in one environment. When we first announced NetWeaver two years ago, we were not alone on this stage. We had Bill Gates, we had Bruce Harold from IBM. We actually continued to evolve these relationships and we have continued to deliver products that can extend to both J2EE, as well as .Net. I did not hear yesterday any support for openness from our colleagues at Oracle. I hear, on the other hand, that they're going to combine some way, the database and the applications, yet they will not open up to other databases. I heard the HTML and HTML, but I didn't hear any support to Windows-smart clients. These are not openness issues, this is locking a customer into a one, very, very tightly welded, [unintelligible] platform. Finally, I would like to comment again on our announcement. We see a lot of opportunity for SAP in capturing market share. We see that, in order to capture this market share, we need to continue to do exactly what we did over the last 18 months, serve customers. It's very simple, very straightforward. Today's announcement is focus on providing a viable choice in the security for SAP customers running JD Edwards and PeopleSoft. But you can expect SAP to target other customers in other segments down the road. Thank you, very much.

MR. BILL WOHL: Thank you, Shai, and thank you, Bill McDermott. In a moment we'll take a few questions. Callers will signal the operator, who will in a moment describe the process for that. I'd like to remind all the callers and people on the web that today's event is primarily focused on our announcement, and we intend to focus questions on that area. We'll take a few questions on other areas as time permits. As indicated before, SAP remains in a quiet period, so questions on earnings, projections, or other financial matters will not be addressed in this conference call. If you're joining us on the web, you may send questions to us at SAP at press@sap.com, and we will do our best with the time remaining in the day to respond with answers. And now, operator, we'll open the call for questions. And we need the operator, who is probably opening the call for questions as

we speak.

OPERATOR: Yes, sir. Thank you. Ladies and gentlemen, if you
     wish to ask a question, please press star, then one. I'm
     sorry, please press star, the zero. You will hear an
     acknowledgment tone. If you are using a speakerphone, please
     pick up the handset before pressing the numbers. Once again,
     if you have a question, star, zero at this time.

MR. BILL WOHL: And one thing that the callers can do to help us,
     while we're waiting for the queue to fill, is if you could
     give us your name and your media affiliation or your analyst
     firm, that would help us keep track of the questions, in case
     we have to respond with more complete information. I would
     also remind folks that the press release is on the website,
     and there's additional information for customer inquiries at
     SAP.com/safepassage.

OPERATOR: And we have a question from the line of Tad Piper with
     Piper Jaffray. Please go ahead.

MR. TAD PIPER: Thanks, guys. A couple of quick, clarifying
     questions. Is access to NetWeaver covered by this 17 percent
     maintenance rate at no additional charge, or is there an
     additional fee to actually license NetWeaver? That's my
     first question. Then my second one is: what was the rate
     that Tomorrow Now was charging? Was it as high as 17
     percent, or will this actually be somewhat of a price
     increase from Tomorrow Now's prevailing prices? Thanks.

MR. SHAI AGASSI: Let me take that question, Tad. The package
     contains a migration to mySAP ERP. When you buy the
     migration, you get 75 percent credit towards your past
     investment in JD Edwards and PeopleSoft, you get license
     rights to mySAP ERP, which include your license rights to
     NetWeaver in that package, at which point you get a 17
     percent maintenance that covers your ERP, your NetWeaver, and
     your PeopleSoft investment at that point. So the overall and
     over encompassing package from SAP will offer NetWeaver, ERP
     migration, and maintenance in the package for the same price.
     Tomorrow Now's rate has been 10 percent for only maintenance
     and bug fixes on PeopleSoft and JD Edwards software. It does
     not include the migration package, does not include the
     NetWeaver offering, and Tomorrow Now will continue to offer
     that package to customers who do not want to migrate, just
     want to park their investment on PeopleSoft, JD Edwards.

MR. TAD PIPER: Thanks.

MR. BILL WOHL: Thanks. Next question, please?

OPERATOR: Our next question comes from the line of Ross MacMillan with Morgan Stanley. Please go ahead.

MR. ROSS MACMILLAN: Yeah, thanks. I was just curious as to Tomorrow Now's support. As we get other, you know, new releases coming through here [unintelligible] and beyond, are you going to be able to support those products from the base? Are you going to be able to support the new versions that come through from the Oracle, PeopleSoft combination? Thanks.

MR. SHAI AGASSI: All right. So we can only comment on the products that are in the market today. We don't know what Oracle products in the future will be, so the only thing that we can tell you is that we support the products that are in the market today at the date of the acquisition. We'll see down the road what these unannounced products will be. We don't know what is the 9.0 product. I don't think anybody knows right now what is the 9.0 product.

MR. ROSS MACMILLAN: Okay. Thanks.

MR. BILL WOHL: Thanks. Next question, please?

OPERATOR: Our next question comes from Bill Swanson with AMI Research. Please go ahead.

MR. BILL SWANSON: Hi, gentlemen. Very surprising kind of announcement, but should be interesting. Following up on the question about what exactly you're buying, could you go through what it takes to take advantage of this. Do I simply sign up for maintenance and 17 percent and then I get those migration rights? Or is there also relicensing required at this time?

MR. BILL WOHL: Sure. We can do that. Bill McDermott, do you want to walk him through that?

MR. BILL McDERMOTT: Sure. The client would sign up for mySAP ERP. We would provide a 75 percent trade-in credit to the PeopleSoft, JD Edwards investment.

MR. BILL SWANSON: Okay.

MR. BILL McDERMOTT: And we would charge the maintenance of 17

percent on the value of the mySAP ERP license, which also includes the NetWeaver platform. And for that same 17 percent, while the client is migrating to the implementation of mySAP ERP, we will also maintain their PeopleSoft, JDE installed through Tomorrow Now.

MR. BILL SWANSON: Okay. Do you also intend to use [unintelligible] continue to offer, do you intend to try to build that Tomorrow Now business for those customers that you want to [unintelligible] SAP customers?

MR. BILL McDERMOTT: One example of a customer I saw yesterday, and I think what customers are looking for, many of the customers where we're co-existing now, which is our primary focus, they already had a strategic roadmap to migrate to SAP over time. So what this is doing, in 2005, we have this offer on the table. It's accelerating the buying window for our clients to make the mySAP ERP supported by NetWeaver choice now, because they get the maintenance coverage now for the PeopleSoft JDE licenses that they procured, and SAP begins the strategic mapping of their new implementation at the time in the future when they are ready to do it. So I talked to a client yesterday who was very, very excited and compelled to move on this quickly.

MR. BILL SWANSON: Very good. Thank you.

MR. BILL McDERMOTT: Thank you.

MR. BILL WOHL: Thanks, Bill.

OPERATOR: And our next question comes from Charles Babcock with Info Week. Please go ahead.

MR. CHARLES BABCOCK: This is Charlie Babcock, Information Week, and I wondered how you would respond to Larry Ellison's charges that ABAP is a proprietary platform, as opposed to JAVA. I think you have some kind of answer to that.

MR. SHAI AGASSI: Yeah, let me take that. I think that we have multiple different directions. I think one thing that was said yesterday is that we do not have a standard space offering, that we're starting to build NetWeaver from scratch, that we only support ABAP. There were a lot of different claims that were made, sort of off-hand remarks by Oracle yesterday. I think that the truth has to be told, and I think one, we have a platform, NetWeaver, that is a market-

leading platform that supports AVAP and JAVA. It's a full, J2EE standards based, secure, open, and it's integrated and interoperable with .net. So if we're talking about who is more open and who is more proprietary, I think that we have to really discuss the reality of life that we are the most open platform, bar none, in the market. We also talked about standard based tools. Our tool offering, within NetWeaver, is based on Eclipse, which is actually the largest standards based open technology for development tools. Oracle's offering is based on a proprietary version of J Builder. So when we talk about proprietary versus standards based tools, I think we have to stick to reality. Finally, if you look at the market and you actually run an analysis on customer's investment, you can take one of two paths. The first path is to say, we're sorry, you're going to have to forget about all your investments in the past. The fact that you have applications that have been customized with People Code, or applications that have been customized with Oracle Forms, or that it's been built with a PL sequel, which, as far as I remember, are all proprietary, you have to forget about them. We're going to start from scratch, and we're going to get there at some point in the future. What we've done is we've basically looked at the reality of life. Customers have a very large investment in applications that are built in ABAP, which is a 4TL language. It is a very high value proposition for them that we can maintain this investment, we can extend it, we can service enable it, and we allow them to continue to compose applications, build new innovation, in JAVA, in an open environment, on top of all their ABAP investment, not just our ABAP investment. And when you look at that, I actually think that our collection of business objects processes, in AVAP, is not something to be laughed at. It's the largest asset in the enterprise applications business.

MR. BILL WOHL: Does that help, Charlie?

MR. CHARLES BABCOCK: Sounds good.

MR. BILL WOHL: Thank you for your question. Next question, please?

OPERATOR: We'll go to Kash Rangan with Wachovia. Please go ahead.

MR. KASH RANGAN: All right. Thank you very much. Question for Bill McDermott, or whoever might be appropriate for this

question. One, is this program only applicable to clients of Tomorrow Now? That is, this migration option to SAP which includes the 75 percent credit. And secondly, what was your guys' thought process when you came up with this 75 percent trade-in offer, vis-à-vis the economics of getting those customers directly on your own, through your direct sales channel. Why would you not, I mean, 75 percent discount seems like a pretty sizable haircut to pay. But I'm just wondering what your thought process was as to how you end up making money, net, through this offer, vis-à-vis going direct next.

MR. BILL McDERMOTT: Hi, Kash. It's Bill. How are you doing?

MR. KASH RANGIN: Good, how are you?

MR. BILL McDERMOTT: Very good, thank you. First and foremost, the program, this initiative, follows the same logic as we applied to our existing SAP customers, where we provide them with an upgrade path to our newest platform. And simply stated, we wanted to apply the same loyalty and respect to the PeopleSoft JDE customers that are out there, as we do to our own customers. Especially in a time of uncertainty and doubt, given the Oracle hostile takeover. The second thing is, in terms of the value proposition, while we have prioritized SAP clients that also have PeopleSoft or JDE installed, due to the early market receptivity to this offer, we are more than likely going to have to extend beyond that, and that'll be a further announcement coming down the road. So, you know, the Tomorrow Now acquisition really helps us hold over these PeopleSoft JDE customers, provide good maintenance and support to them, while they are making the migration to mySAP ERP with NetWeaver. And it's giving them a great choice, and we felt that the value proposition that it negates should be very, very compelling, so we were clear about how quickly we wanted to help these customers out.

MR. KASH RANGIN: I got it. So the assumption is that, then, a similar program will be offered to clients that are PeopleSoft, JD Edwards customers, but are not clients of Tomorrow Now as well.

MR. BILL McDERMOTT: No, no, no. I think that a clarification is worthwhile here. Shai, you want to make that clear?

MR. SHAI AGASSI: Yeah, just a clarification. This offer is not just for Tomorrow Now's customers. This offer is for any

SAP, PeopleSoft, JD Edwards customer.

MR. KASH RANGIN: I got it. Okay.

MR. SHAI AGASSI: And Tomorrow Now is the vehicle through which
they get the maintenance services, not the customer-based
that we're going after. It's also--it's not a 75 percent
discount, it's a 75 percent credit on their original
PeopleSoft, JD Edwards investment. So as a result of that,
basically I think what we're looking at, and if you want to
look at it from sort of the financials perspective, the
rationale is more around the value, if you want, that these
customers represent as a potential future set of customers
for SAP applications. And it's--the value was estimated by
Oracle, rightfully or wrongly, as $10 billion. What we
believe is that this customer base is not necessarily captive
by Oracle. I think this customer base has to make a choice
right now.

MR. KASH RANGIN: Thanks, Shai. And also the 17 percent
maintenance rate applies to the gross value of that
implementation, or is it the net of the 75 percent credit?

MR. SHAI AGASSI: Let me take you through an example with numbers,
so we can understand. Let's just do them for a second. The
customer has a million dollar PeopleSoft contract that they
bought back in 2000, or back in '98. They want to now go to
mySAP ERP on the equivalent number of seats with better
functionality and the ERP package. They're looking probably
at around the same number, $1 million. They get 75 percent
credit on their original million dollar acquisition, which
means they get $750,000 credit, and they pay up $250,000 to
get mySAP ERP and NetWeaver in the package, and their
maintenance from this point on is 17 percent on the million
dollars. Meaning they're going down to $170,000, which is
less than the 22 percent that they were going to have to pay
if they go to Oracle.

MR. KASH RANGIN: Got it. That's useful.

MR. BILL WOHL: Thanks for your question. Next question?

OPERATOR: Our next question comes from the line of Mark Sandini
with Computer World. Please go ahead.

MR. BILL WOHL: Hi, Mark.

MR. MARK SANDINI: Hello. I had a couple of quick questions. One

was you guys are going to offer this maintenance program.
What will maintenance entail, and does that do anything more
than just bug fixes. And also, would you allow PeopleSoft,
JD Edwards customers, or world customers, to keep their
existing licensing plans, or would they have to migrate to
some sort of mySAP ERP license?

MR. SHAI AGASSI: They--so two things. One, it entails not only
bug fixes, but also all the legal fixes and compliance
requirements that come from local, and state, and federal
requirements. It also--we're not forcing them to withdraw
from their existing applications, so they can keep running
their applications, they have that license, and they can keep
going with it. And they can decide at their time when they
want to get out of the current applications in effect. We
didn't force them to be on the frozen state. I think that
decision was made by somebody else for them. The choice is
now for them, how do they go forward, and I think we're
giving them a choice to move forward in a positive way.

MR. MARK SANDINI: When they do their migration though, to SAP,
would they have to convert to an SAP styled.license?

MR. SHAI AGASSI: What is an SAP style license?

MR. MARK SANDINI: Would it be--would they be able to keep the
same terms, even if their migrating to SAP, that they had
with PeopleSoft?

MR. SHAI AGASSI: We have a standard mySAP ERP license, and we're
going to offer them that license, and they get the--they get
effectively a recognition for their previous investment.
We're not going to create a new category of licensee. We're
treating these guys just as good as we're treating an R3
customer that has been loyal to us for the last 30 years.
We're grandfathering them into the SAP family by virtue of
the fact that they are SAP customers.

MR. BILL WOHL: And Mark, it's probably worth noting a comment
that Bill made earlier in the call, that many of these are
customers in the SAP space who are already giving
consideration to solution migration. They have the
additional challenge of figuring out what to do with their
PeopleSoft and JDE investments, and this plan gives them a
migration pass that covers all of them.

MR. MARK SANDINI: Excellent. Thank you.

MR. BILL WOHL: Thanks for your question, Mark.

OPERATOR: The next question comes from Helen Lob [phonetic] with Financial Times. Please go ahead.

MS. HELEN LOB: Yes, hi. I wanted to know how many technical or maintenance support people you're taking over with the Tomorrow Now acquisition, and also if this offering is only for U.S.-based companies, or is it world-wide, or will you expand it, or what's the--what are the details on that. Thank you.

MR. SHAI AGASSI: Bill, you want to comment on the offer regionally? I'll talk about Tomorrow Now.

MR. BILL McDERMOTT: Sure. I'd be glad to, Shai. The offer is a global offer. We are focusing on the United States market initially, because that is the market with the greatest number of installations where PeopleSoft, JDE coexist with SAP. But it will not be limited to that. We will expand the program and the initiative globally. Shai?

MR. SHAI AGASSI: With regards to Tomorrow Now. Tomorrow Now, today, supports about 100 companies around the world, and with this acquisition, they actually have access to a lot more resources, as well as more skill sets, and knowledge, and support capabilities from SAP's arsenal, if you want, of resources and tools. What we believe is that we will scale Tomorrow Now with additional resources to meet the demand as the demand comes in, to meet any number of customers that will require our services. We do not see a problem in attaining resources in the market that have knowledge and supporting PeopleSoft or JD Edwards at this point.

MS. HELEN LOB: And what would that entail? [Unintelligible].

MR. SHAI AGASSI: It's just ramping up as customers sign up. There is an abundance of resources in the market as a result of the last 18 months that actually have the skill set required in order to support customers in the best possible way.

MS. HELEN LOB: So, more hirings?

MR. SHAI AGASSI: Yeah, most likely.

MS. HELEN LOB: Thank you.

MR. BILL WOHL: Thanks, Helen.   Next question.

OPERATOR: And that comes from the line of John McPeake, with
    P.A.W. Partners.   Please go ahead.

MR. JOHN McPEAKE: Thank you.   I'm just curious as to, you know,
    the size of companies and the types of companies that are
    using third party maintenance because, I guess, and one of
    the nice things about maintenance from a software company's
    perspective is, you know, you wrote the code, you know the
    code, you know where the code is going.   I kind of wonder if
    companies that are running mission-critical core applications
    are actually going to be willing to go to a party who's not,
    you know, sort of in the flow with respect to, you know,
    where the product is headed.   And then I have a follow-up
    quickly, after that.   [Unintelligible] comment.

MR. SHAI AGASSI: Yeah.   So, I think it's a great question.   I
    think it speaks volumes to the difference between perception
    and reality in the market.   If you look at the customer lists
    that are supported today already by Tomorrow Now, you can
    actually go to their web page at Tomorrow Now.   You can see
    the list of customers.   We're talking about the largest
    companies in the world.   Companies like Nestle, and Lockheed
    Martin, Coors, EDS, large, very, very large public sector
    customers, all of which are mission-critical on their
    PeopleSoft and the JD Edwards implementations.   And when
    you're looking at these companies, you have to remember two
    things.   One, they are, at some point, at a standstill on
    their current version of their implementation.   And their--
    the incentive for them to move forward has just been
    terminated yesterday with the--basically an announcement.
    This is sort of end-of-life of these applications.   And so
    most of these customers, especially the ones who are shared
    customers between SAP, and PeopleSoft, and JD Edwards, know
    that down the road, if they want to continue to innovate on
    their mission-critical systems, they need to migrate.   When
    you look at that question, you…

MR. JOHN McPEAKE: Do you see most of these companies though,
    putting a portion of their CPUs or whoever they are licensing
    it, on Tomorrow Now and keeping an existing maintenance
    agreement so they, you know, are in the information flow, or
    are they moving entirely over to Tomorrow Now?

MR. SHAI AGASSI: I think again, these are--it depends on the

company, but most of the cases that we saw, they shift over to Tomorrow Now, across the board.

MR. JOHN McPEAKE: And then, this is a follow up. I mean, you're trying to leverage customers initially that have PeopleSoft and SAP applications. What percentage of SAP installations have Oracle's database running on the back end?

MR. SHAI AGASSI: Yeah, I see where you're going with the question. I think there's a very large discrepancy between the connection between the database and the application, and the connection between applications and platforms. And I don't think that matters to any degree whatsoever. We do not see any of our customers, who are on Oracle database, questioning their relationship with SAP as significantly higher value, more strategic to them. We see, on the other hand, a lot of them are looking at the database as more of a commoditized offering, and it's may--if they have to make a choice, they'll probably convert a database more so than they will convert an application.

MR. JOHN McPEAKE: But, I mean, if you look at the market share on installed bases, you know, it's quite high. Do you have a sense? I think it's now 80 percent or something. I just imagine that...

MR. SHAI AGASSI: No, no. It's significantly less than that. It's in the--it's close to 60 at this time. And...

MR. JOHN McPEAKE: Sixty percent running on Oracle?

MR. SHAI AGASSI: Yeah. I think somewhere around that number. And it's actually not a growing number. We're seeing players like Maya Skriell [phonetic] offering Max DD, coming into the market and having a market share, and players like IBM, and especially Microsoft with Equal Server at the mid-market coming in and taking significant market share on the database line. You have to remember, databases have been commoditized, and tomorrow, you know, it's a standard SQL interface.

MR. JOHN McPEAKE: Yes.

MR. SHAI AGASSI: It's not what it's being made of yesterday. Like...

MR. JOHN McPEAKE: Well...

MR. SHAI AGASSI: Any of the other, quote, end quote, facts that were related yesterday. I think that you have to question some of the validity of the statement.

MR. JOHN McPEAKE: Right. The only problem is it's not that easy to move stored procedures and other things from one database to another, and...

MR. SHAI AGASSI: Yeah. Don't forget that we do not use stored procedures for our applications as a big, dominant effect. Oracle's built their applications around PL Sequel, which is the wrong architecture and the wrong approach to actually build applications in this environment.

MR. JOHN McPEAKE: All right.

MR. SHAI AGASSI: It doesn't scale. I mean, so you can actually go down that path and as you can see, Oracle is strongly trying to weld the application to the database. It's not one that has been--it's not an approach that has been successful, as you can see. The applications business has not taken off.

MR. JOHN McPEAKE: Okay. Thanks.

MR. BILL WOHL: Thanks for your question.

OPERATOR: We'll go to the line of Carolyn April with Far Business. Please go ahead.

MS. CAROLYN APRIL: Hi. Thank you. I was hoping you could address the role that partners are going to play in this initiative. A couple of questions. One is whether Tomorrow Now becomes sort of the exclusive provider of the maintenance services, to the exclusion of existing SAP partners or PeopleSoft partners. I mean, in terms of the migration, I mean, have you reached out at all to the PeopleSoft, JD Edwards partners who may be able to play a role here? And also, if you could address how this affects your own partners as well.

MR. SHAI AGASSI: Yeah, so first thing is the services, the maintenance services will be offered through Tomorrow Now. We're not going to prepare an ecosystem of third party services around that. The migration services, on the other hand, can be offered by all of our partners, and we share a lot of partners who served SAP customers that also had PeopleSoft and JD Edwards. I think one of the most prominent ones is IBM, and I think you saw IBM yesterday sharing the

same view as SAP – that you really need to serve your customer, first and foremost. We saw yesterday a statement from IBM. We heard the same statement applied to this offering, and I think you guys should call Mark Elliott and talk to him about IBM's offering and to into the Safe Passage program for 2005, together with SAP. And I think the reality of life is, we're offering these customers to stay with their system integrator, and they can choose, just like they chose to come with us and not be forced down a migration path with Oracle. They can choose to stay with their system integrator and we will offer these system integrators the ability to offer migration services down the path, down the road. Also, we'll offer them to extend these implementations that they've done in the past, with now including NetWeaver and enabling them to build more composite applications and more innovations for these customers. So I think the partners will get a tremendous benefit wherever they are in the world, including in Russia, by the way. It allows them to continue their business in an uninterrupted way, and not disrupt their business, not disrupt their customer's business.

MR. BILL WOHL: I think another point worth making, Carolyn, is that this offering with Tomorrow Now that we're announcing today is not the first initiative or first effort we've had at SAP and reaching out to PeopleSoft and JDE customers. As soon as the announcement was made 18 months ago, about the possibility of an Oracle takeover, Bill McDermott, his sales teams, and SAP sales teams around the world have been engaging in those customer bases very actively. This is a continuation of an 18-month effort, and perhaps Bill, you might just want to quickly comment on how your sales teams have been engaging PeopleSoft and JDE customer bases over the last year and a half.

MR. BILL McDERMOTT: Sure. Well, as you know, as Bill rightfully pointed out, in 2003 we announced the Safe Harbor campaign at SAP and that brought a lot of PeopleSoft and JDE customers to the conversation table with SAP, and many of them, such as Medtronic, as an example, high tech medical device manufacturer in Minneapolis, chose to go with SAP as their future, versus being forced into anything from Oracle, based on this acquisition strategy. Incidentally, the other piece that's probably worth noting is, over the last year and a half, many of our partners have redoubled their focus on SAP, and of course I'm speaking in North America in this context,

and moved many of their resources to the SAP practice, but to the fact that, in the last 28 months we've captured 22 points of market share in North America, and are the undisputed, number one business software company in North American, even when you do combine Oracle, PeopleSoft, and JDE together. The data that was purported yesterday is obviously from 2003. We've stayed current on our applications business, and actually measure that quarterly. They seem to be about a year and a year and a half behind. So our partners now are interested in the Safe Passage program and will have specific strategies based on the segment of the market, the various industries that we serve and, of course, the product categories. Product categories meaning mySAP ERP in particular for this, but there are certain areas, such as CRM, the customers have exhibited a great deal of interest in SAP on, as well.

MR. BILL WOHL: Thank you, Bill, and thank you, Carolyn. Shai, did you have a comment?

MR. SHAI AGASSI: Yeah, I think it's important to note, as the leader in the enterprise applications market, it is our duty to our customers and to the market as a whole, to take away uncertainty. And I think as the market leader, we stayed away from the fight. We didn't comment, we didn't play, we did not participate in the back-and-forth that happened between PeopleSoft and Oracle. As the leader in the market, we're taking away the uncertainty by offering a continuous innovation path for our customers. They have to focus on business, while we focus on making sure their investment is protected and their I.T. landscape is continuously evolving to meet their needs.

MR. BILL WOHL: Next question, please?

OPERATOR: Thank you. Our next question comes from the line of Brent Thill, Prudential. Please go ahead.

MR. BRENT THILL: Thanks. Maybe you can comment just on the size of Tomorrow Now. There were reports that the company's less than 50 employees. I guess that was, like, a broader question. If you do get a good hit rate on the migration, can 50 employees actually help support this effort?

MR. SHAI AGASSI: Hi, Brent. How are you doing.

MR. BRENT THILL: [Unintelligible].

MR. SHAI AGASSI: I think it's important to look at Tomorrow Now
    in--from the perspective of one, how many customers do they
    support, which is now at 100, which is already a point of
    scale. Two, what is the level of satisfaction of these
    customers, if you actually measured the level of satisfaction
    of the customers, it's the service that they're getting right
    now. It is tremendous. It's almost unparalleled in the
    industry. It's very--it's at the level that we expect to
    provide the SAP name and SAP brand behind it. We will put a
    lot of additional resources into Tomorrow Now. We're going
    to support and scale them up, together we'll demand the
    resources. As you know, are in very, very high availability
    right now in this market. For some reason, we get a lot of
    resumes of people who have PeopleSoft and JD Edwards support
    experience. We can't figure out why, but we seem to get an
    abundance of these resumes these days. So as a result of
    that, we believe that there is no problem for Tomorrow Now to
    scale, there is no problem for Tomorrow Now to meet the same
    level of guaranteed service agreement, and we will make sure
    that the level of customer acceptance and customer
    satisfaction will remain stable as we go through this. We
    believe that if this becomes a very, very high
    [unintelligible] rate, as we expect, we believe that this
    will create a lot of momentum, and will force, frankly, a lot
    more resources to be freed up in the market as a result of
    that momentum.

MR. BILL WOHL: It's probably worth noting too, that the Tomorrow
    Now maintenance support is part of the wide offering from SAP
    maintenance service and support for the total SAP customer.
    So we're not talking about stand-alone businesses being
    supported by Tomorrow Now. These are SAP customers,
    supported by SAP maintenance. Tomorrow Now is an adjunct to
    that, and it's the total SAP life cycle support that comes
    with the 17 percent maintenance, and that gives us confidence
    that we can scale and deliver. Next question, please?

OPERATOR: Next question comes from the line of Ross MacMillan,
    Morgan Stanley. Please go ahead.

MR. ROSS MacMILLAN: Yeah, I did have one follow-up. Maybe for
    you, Bill. I just wondered what IBM are kind of saying at
    the moment with regard to either whether they want to be
    involved more closely in supporting the AS400 base with the
    JBE customer base. Or whether they have any initiatives of
    their own, perhaps, you know, provide support for those

customers and see that as a revenue stream. I didn't know whether you commented that or just need to give us an idea of maybe how your discussions with IBM have kind of progressed over recent weeks. Thanks.

MR. BILL McDERMOTT: Sure, Ross. Thank you for the question. IBM remains an outstanding partner of ours. And yes, we are cooperating with them. Especially with the JDE, AS400 install base, and they are highly active with SAP in this pursuit of the Safe Passage program for the market. Furthermore, as you know, they're very interested in expanding their presence in DB2, so we are very good partners with them, and if you would talk to their senior executives, I think they're quite excited about this offering.

MR. ROSS MacMILLAN: Thanks.

MR. BILL WOHL: Next question, please?

OPERATOR: Our next question...

MR. BILL WOHL: You brought--go ahead.

OPERATOR: Our next question comes from the line of Simon Andrews, Jefferies. Please go ahead.

MR. SIMON ANDREWS: All right. Thank you. Just wanted to get a sense of--from you based on the conversations you have with clients. How many of those 4,000 mixed-environment customers you think that you can expect to migrate over to SAP? And then secondly, just want a clarification. Do--can the PeopleSoft SAP customers stay on PeopleSoft indefinitely, or do they have to commit to upgrade to mySAP at some point?

MR. BILL WOHL: Thanks for the question. Shai?

MR. SHAI AGASSI: Let me take the second half. I think we're not going to force them to migrate into the SAP offering, any different than we offer it to our customers. So if you know, for example, SAP has just got into the 25th year of R2. Just to give you a perspective how long we support customers. On the R3 platform, we had an offering that was called 512, five years, one year, two years. It's a standard engagement for us that prolongs the life of a supported version, and as long as the customer wants to go with it, and the same will apply in this case for the PeopleSoft and JD Edwards offering. We are truly grandfathering these customers into the SAP family and treating them with the respect that they deserve. With

regards to the numbers, I think we have so many analysts on the line right now, and I would love to see some of the spreadsheets that are going to run that will stimulate what happens to this market, and I think I'm going to let you guys do your job on predicting how many of these customers will actually make the right choice and go into Safe Passage with us. I actually think that for--especially for that group, for the two customer groups, and the two common scenarios that we see. Customers that run SAP in the corporate office with JD Edwards in some small manufacturing site, and customers that were on SAP financials and manufacturing with PeopleSoft Enterprises, the HTML application, for both of these customer bases, an offering to migrate, consolidate, and get a better transition into a solid ERP, mySAP ERP offering, with solid NetWeaver platform, at today's offering, is unheard of. And I think that they will make the right choice. There is no better choice for them than to use this opportunity to consolidate to a strategic relationship with SAP across the board.

MR. BILL WOHL: And for media on the line, I think Shai's point is well taken. There are a number of industry analysts who have studied this offer, and I would encourage media to contact analysts like Yvonne Genovese at Gartner, Barry Wilderman at Metta, Jim Shepard at AMR, and Josh Greenbaum at EAC. We think that they have an active dialogue with PeopleSoft and JDE customers and can comment directly on the likelihood of those customers to take advantage of Safe Passage. Next question.

OPERATOR: Next question comes from the line of David Bradshaw, Ovum. Please go ahead.

MR. DAVID BRADSHAW: Thank you. Please explain to me, gentlemen, I'm having a little difficulty understanding, why anybody who has no immediate plans to upgrade or to shift from PeopleSoft to a JDE with--to SAP, should take up the 17 percent license package, when they could get it for either 10 percent from the same source or they could stick with PeopleSoft/Oracle and get all the product that create for free.

MR. SHAI AGASSI: Right, so again, David, I think that you asked a great question. I think that it's not why would they do it. They have two choices. They have a choice to park their current application and to maintain them at the 10 percent with Tomorrow Now. That's one choice. They have a choice of

actually continuing to innovate and bring in a platform like
NetWeaver. Continue to integrate into their SAP
implementations. Continue to get applications like Excepts
to run on top of PeopleSoft and JD Edwards, and bring in
mySAP ERP at a significantly discounted price. If they want
to do that, they go down the Safe Passage offering. Both of
these offerings are actually valid for our customers. We
believe that there is significantly more value in the Safe
Passage offering than in just parking their applications and
waiting for innovation to come knock on your door. I
actually believe that most of these customers should be happy
with this proposition. I think if I'm a CIO that needs to
explain to my CEO, after 18 months of uncertainty, what am I
going to do. This is the best offer I can bring back to my
CEO, and since now I know what I'm going to do.

MR. DAVID BRADSHAW: Forgive me a moment, but wouldn't SAP
customers already have NetWeaver?

MR. SHAI AGASSI: If they have R3, they don't have NetWeaver. So
if they…

MR. DAVID BRADSHAW: Yeah. Yeah. [Unintelligible] mySAP.

MR. SHAI AGASSI: If they have mySAP ERP, obviously they do, but
again, don't forget, mySAP ERP will give them license to
NetWeaver, only to those users who have mySAP ERP. So if you
have ERP in corporate, but you have JD Edwards in the small
manufacturing site, you do not have NetWeaver license for
this manufacturing site.

MR. DAVID BRADSHAW: Okay. Thank you very much.

MR. BILL WOHL: Thanks for your question. We probably have time
for one or two more questions. Go ahead, operator.

OPERATOR: Great. The next question comes from the line of Mairi
Johnson, Goldman Sachs. Please go ahead.

MS. MAIRI JOHNSON: Hi. Thanks very much. I was wondering if you
could let us know, following on Simon's questions, what is
the average installation size of the PeopleSoft or JD Edwards
customer base that you're targeting. And relate that perhaps
if you have a sense of what's [unintelligible] to that
installed base has, say, more SAP than the other two,
PeopleSoft and JD Edwards.

MR. BILL WOHL: I don't think that there's any particular size

that we're targeting. It's any SAP customer today that's running PeopleSoft or JD Edwards, anywhere in their enterprise. There isn't a component of size. There's no typical configuration that way. Are you talking number of licenses, size of revenue, size of company?

MS. MAIRI JOHNSON: Yeah. So the, you know, the initial license fee they paid for their installation. I mean, are these, for example, the majority of these in your view, predominantly SAP shops already, with a few bits and pieces of PeopleSoft and JD Edwards? Or...

MR. SHAI AGASSI: Yeah, I think...

MS. MAIRI JOHNSON: Or...

MR. SHAI AGASSI: Sorry. I think that, if you look at these two scenarios that we've outlined, these are scenarios that are pretty much agreed upon with the industry analysts as well. The two common scenarios that you'll see is SAP and corporate, JD Edwards and manufacturing site, or SAP as financials and manufacturing, PeopleSoft HTML, HR applications. These are the most common scenarios that you'll see, especially in the North American theater. When you look at that kind of a situation, and you ask yourself what is more strategic. Is the corporate headquarter main system, ERP system, more strategic than the small manufacturing site? I think that, by and large, the answer in 90 percent, 95 percent of the cases, will be yeah, the main system in corporate is SAP. If you look at what is more strategic, if I need to already walk away from my HR application, should I consolidate into Oracle? Or should I consolidate into SAP. I think that if your financial systems, your manufacturing systems are already on SAP or [unintelligible], your distribution systems are already on SAP. The tendency, by and large, will be to consolidate into your SAP system, not into some imaginary application that has not yet been created. So if you look at these two scenarios that probably describe 90, 80, 90 percent of the cases, that's the situation you're looking at. And I think, in both cases, it could be a significantly more strategic, and the long term decision that the customers have made.

MR. BILL WOHL: And to your question on sizing, if you look at the customer list on the Tomorrow Now website, you're going to find enterprises that are large, mid-size, and small--public

sector and private sector, across multiple industries. And we have time for one more question, operator.

OPERATOR: Okay. We'll see if--any other questions, please depress star, zero at this time.

MR. BILL WOHL: And in fact, if there are none more in the queue, then I will take this opportunity to thank everyone for participating today. Journalists may contact SAP at our press offices in Waldorf and Newtown Square if they have additional follow-up questions. Contact information can be found at SAP.com/press. On behalf of Bill McDermott in Washington and Shai Agassi here in Waldorf, this is Bill Wohl wishing you a good day from SAP.

OPERATOR: Thank you. Ladies and gentlemen, that does conclude our conference today. Thank you for your participating, and for using AT&T Executive Teleconference. You may now disconnect.

FEMALE VOICE 1: Thank you for call…

[END TRANSCRIPT]