EXHIBIT E

Message

From: Voorsanger, Conrad [/O=SAP/OU=AMERICA2/CN=RECIPIENTS/CN=000000125269]
Sent: 3/24/2006 7:12:59 PM
To: Kagermann; Henning
CC: Sturm, Timmo Axel; Yusuf, Zia; Vejar, Raul
Subject: Follow-up: Sun Tzu Request from Jim
Attachments: 060323 - SunTzu (Jim Snabe Leadership Team).doc

Sensitivity: Company Confidential

Dear Henning,
up on Jim's request and your guidance, we have stripped out forward-looking financial information from the Sun Tzu document (see attached). *With your approval we will deliver this document to Jim to share with his leadership team.*
occur only in Chapter 4: SAP's Path of Profitable Growth:

- Section 4.1: 3rd bold - removed 2010 aspirations (share of market, product revenues)
- Section 4.1: Figure 4-2: removed 2010 revenue and margin expectations
- Section 4.1: removed 2007 Financial Objectives
- Section 4.2: "Growth from Core" - removed Keystone-based estimates for # of A1S transactions, B1 growth, BPP penetration
- Section 4.5: Figure 4-5 - removed revenue CAGRs estimates

the future, we could use this document as the starting point for similar requests.
regards,
& Team

060323 - SunTzu
(Jim Snabe Lead...

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EXHIBIT 415
WIT: Kagermann
DATE: 9/25/08
FRANK BAS, RPR

KAGERMANN_TEMP000001

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
Case #: 07-cv-01658-PJH
PLNTF EXHIBIT NO. 0294
Date Admitted:__________
By:____________________
Nichole Heuerman, Deputy Clerk

Sun Tzu 2006

March 2006
Release v1.0

Industry Solutions
Leadership

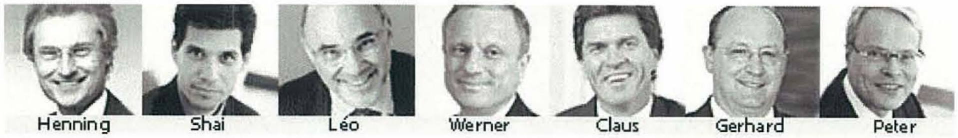
Shaping the Future – IT-Powered Business Innovation

SAP's Midterm Strategy ("Sun Tzu")

Corporate Strategy Management (CSM)

November 2005

SAP CONFIDENTIAL



Dear Colleagues,

We are pleased to provide SAP's Midterm Strategy document – a synthesis of key strategic decisions made throughout 2005. The planning horizon for this document is 2006 through 2010 with some assertions reaching even further into the future.

The objective of this document is not to be comprehensive, but rather to provide the context needed to define and execute local strategies. Each section within this document represents agreement across the SAP Executive Board on our strategy.

We recommend that you review the document carefully, and use it as the foundation of concepts, content, and materials that you develop for your teams and the broader SAP community.

Sincerely,

Henning Shai Léo Werner Claus Gerhard Peter

Document Ownership/Contact Information

This document was developed by Corporate Strategy Management (CSM). Please contact the following individuals with input, corrections, requests for clarification, requests for workshops, etc: Zia Yusuf, Jason Yotopoulos, Conrad Voorsanger, Ralph Stemler

References/Detailed Materials

This document provides a cohesive, high-level description of SAP's midterm strategy as well as links to more detailed reference materials.

- If you have updated or more complete reference materials that should be cited in this document, please contact the core team above
- As of November 2005, all reference materials will be available on the "Strategy" tab in SAP Corporate Portal

Disruptive Forces:

- The SaaS business model constitutes a significant disruptive force
- New players from new regions, e.g., India and China, move cheap custom-built solutions back into the game; these new players may also forward integrate into cheap packaged applications
- Open Source will change industry economics and allow new and established players to compete based on different cost structures

How

While the current application competitors command immediate attention, SAP has to prepare both the "battlefield" and the organization for the next phase of competition

As continued ownership of the core enterprise applications market is critical, SAP will even more decisively challenge existing competitors, in particular Oracle. Key measures include:

- Taking advantage of our competitors' weaknesses and communicating our relative strengths to the market in order to increase our revenue streams
- Focusing resources on key industries, such as the ones that are at the "tipping point" or yet undecided between Oracle and SAP
- Implementing go-to-market approach measures, e.g., pricing innovation for highly penetrated customers and targeted support/maintenance services for non-SAP offerings

This will help us to strengthen existing customer relationships, i.e., deepen our "share of wallet."

Going forward, however, the *playing field will change* to include additional contenders for the "stack" such as IBM and Microsoft as well as low-cost competition from India and China. Additional disruptive forces such as SaaS and Open Source have the potential to change the entire industry. Indeed, those approaches will be core instruments in the fight for the stack itself.

Our basic platform strategy to combine applications with infrastructure and build an open partner ecosystem is the foundation of our competitive approach

With the platform and ecosystem, SAP can:

- Co-opt ISV partners to extend the SAP footprint into competitors' domains
- Enlist the support of non-competitive "stack giants" such as Cisco and EMC
- Deliver cheaper, differentiated solutions to market

Beyond our basic platform strategy, the following measures are critical for competitive success:

- Decide on the adequate competitive strategy in particular with respect to IBM and Microsoft
- Evaluate on an on-going basis how many fronts we can hold in this battleground at the same time, and keep some flexibility (in terms of resources) for stopping new challenges initiated
- Build a defensive intellectual property (IP) portfolio (see section 8.4)
- Closely monitor and define responses to potential disruptive challenges (see section 8.5)

8.1 Battling for Market Share – Oracle[81, 82]

Through its acquisitions, Oracle has emerged as the number-one competitor for SAP. While Oracle faces significant challenges such as aligning its different product lines ("Project Fusion"), the company remains a formidable competitor.

Oracle's database business generates billions of dollars in cash flow that can fund significant flexibility, e.g., in their applications strategy. Specifically, Oracle can:

- Continue to acquire companies with large installed bases and maintenance revenue streams that are in and around our core enterprise application markets, especially in high-growth "strategic battleground" verticals (e.g., retail)
- Aggressively position analytics (based on acquired PeopleSoft and Siebel functionality) and data hubs (being the key element of account control) as a viable near-term alternative to SAP's ESA-based offerings, thus stalling SAP's upgrade efforts until Oracle's "Project Fusion" is further along
- Employ aggressive discounting programs such as zero up front license cost

For SAP, such actions would represent a price war and a flanking strategy to thwart SAP upgrades; for Oracle, it is simply shifting the timing and sources of revenues. In this context, the main challenge for SAP is an increasingly desperate Oracle willing to subsidize their applications business with a profitable database business. The more success we have, the more likely we can expect extreme actions that could negatively impact both companies' application businesses.

In the near term, SAP will take a more aggressive stance vis-à-vis Oracle. Rather than simply competing with Oracle's applications business, SAP must view the challenge from Oracle overall

As a result, we will:

- Market the "Safe Passage" program to consistently migrate customers from Oracle's recent acquisition targets to SAP
- Highlight Oracle's isolation from the world in all aspects of IT. Initiatives such as Mendocino and our DB2 collaboration with IBM will demonstrate SAP's strength in partnering and help demonstrate to customers the inherent risk associated with Oracle's isolation
- Effectively communicate Oracle's position as a reactive follower whose fundamental nature as a database vendor makes them less capable in applications
- Win key battleground industries and ensure leadership in emerging markets for applications
- Promote and encourage alternatives to Oracle's database as well as other technologies
- Permanently monitor and react to win-loss statistics
- Substitute *process* for *data* as the atomic unit of enterprise applications

In the long term, SAP's advantage over Oracle comes from our focus on the business process rather than Oracle's emphasis on information and the database layer as the foundation of enterprise computing

In this context, SAP will explore options to move into Oracle's territory by providing data, communication and document stores tightly integrated into Business Process Platform (BPP) to further increase pressure on Oracle's cash cow. For instance, commoditization of the IT layers below the BPP can be achieved by exploiting the power of in-memory databases for transactional and analytical use.

8.2 Winning the Platform Competition[83, 84, 85, 86]

Going forward, IBM, Microsoft, and Oracle will be SAP's main platform competitors; however, the nature of competition with Oracle will be very different from that with the other platform competitors

IBM and Microsoft are contenders for the stack and partners of ours at the same time. Thus, intelligent management of both partnerships is an essential element of competing with both players (see section 9.1). Oracle, on the other hand, as described in the last section, is currently our clear challenger.

	Positioning	2006	2007	Beyond
SAP	"Process"	BPP v1.0 A1S on BPP	ESA complete	
ORACLE	"Data"	Data hubs on Fusion	Individual Fusion applications	Fusion enterprise suite
IBM	"Services and Tools"		WebSphere v7*	
Microsoft	"Information worker"	Axapta 4.0 (partner ready)	Service-enable all 4 ERP products	Begin MBF (Green) on Longhorn

* IBM has not publicly announced its long-term WebSphere roadmap Dates and product descriptions are CMI projections
Sources: CMI, competitor announcements in Q1 2001

Figure 8-2 SOA Road map of Major Vendors

All major players are pursuing fundamentally different strategies built on

different points of control in the stack (see Figure 8-2)

1. SAP → "Process"
2. Oracle → "Data"
3. IBM → "Services and Tools"
4. Microsoft → "Information Worker"

In its service-oriented architecture (SOA) approach, Oracle will try to establish the database layer as the central point of control

Oracle's core business message is to reduce IT costs by unifying data and business information for its customers, all based on Oracle's own databases – the first point of challenge will be against SAP NetWeaver Master Data Management (SAP NetWeaver MDM). "Project Fusion" is the codename for Oracle's next-generation enterprise application suite, merging all Oracle, PeopleSoft, Siebel, etc. applications. Oracle has announced a road map that promises a full Fusion suite in 2008. Unlike BPP, Fusion has a centralized architecture, with the database as the central point of integration. Despite this fact, Oracle implies support for the "applistructure" concept (since Fusion combines applications and infrastructure). In that context, AppServer is positioned as the "first complete SOA platform."

IBM's SOA-based "On Demand" strategy constitutes the biggest midterm challenge for SAP

Over the coming years, IBM will continue its transformation from a technology vendor into a services-led company. Built on its "On Demand" strategy, the company's objective is to capture 100% share of customer wallet for both technology and business processes. Therefore, owning the customer relationship will remain critical for IBM. The strategy centers on constructing a vertically integrated stack from top (services) and bottom (technology). While IBM has stayed out of the business applications market itself so far, the company's approach implies wrapping applications as mere commodity components. Obviously, this severely challenges SAP's long-term goal to become a platform player.

More specifically, the pillars of IBM's On Demand offering are (a) flexible financial and delivery options; (b) business transformation services; and (c) SOAs as the necessary foundation for building an on-demand operating environment. Continued leverage and push of Open Source and further acquisitions to improve its software portfolio can be expected.

Microsoft's SOA-based "Project Green" leverages key strengths of the company; in the long term, the company will be the biggest challenge for SAP

Microsoft will continue to create as many points of presence with the "information worker" as possible, and leverage this ubiquity to play a key role in the definition of the new enterprise software stack. Tight integration with Microsoft Office will be critical for this approach. Microsoft will keep competitors out of home layers by expanding its footprint of proprietary technology. Obviously, the company will enter the business application market with small and midsize enterprises (SMEs) as the beachhead.

So far, SAP is a leader in establishing a broad portfolio of service-enabled applications; our clearly articulated strategy and road map will bolster our position

Today, SAP already offers the most complete set of generic and industry specific functionality. Going forward, SAP will provide an SOA-enabled ERP solution two to three years before its main competitors in the applications space. The clarity of our strategic road map further bolsters our competitive position. Indeed, customer and market feedback suggests we have been quite successful in showing our commitment to ESA and describing and communicating the ESA road map. Existing concerns primarily center on our execution capabilities, not so much the "what" of our strategy.

On the other hand, SAP must close the gap in the composition platform, e.g., by providing fully integrated development environments

SAP's platform is lacking overall architectural cohesion and a unified, end-to-end development environment for SOA-based applications i.e., several development tools for different purposes. Furthermore, all main competitors already have, or soon will have, achieved central building blocks of the overall value proposition of their respective platforms, while SAP is not likely to reach a similar state of completeness before 2007.

Also, competitors are ahead of SAP in creating an ecosystem of independent software vendors (ISVs) offering business applications on top of their composition platform

Oracle, Microsoft, and IBM are better positioned to ramp up their ISV ecosystems as they have been investing heavily in their partner programs; moreover, they all have recently reorganized their partner organizations to ensure scalability and effectiveness. Microsoft for instance offers the most complete and integrated development environment for SOA-based applications, hence has a key advantage to win over ISV partners who are looking for means to reduce the complexity and high costs of developing. As SOA-based applications will have little portability, many ISV partners will not be able to support multiple platforms. Hence, SAP faces the challenge of key ISV partners being locked-in by competitors on their composition platforms.

So far, there is no clear leader in the race for platform leadership; to become the leader, SAP will focus specifically on:

- Recruiting ISVs that will ultimately bring the most value-add (see section 9.3)
- Further advancing an integrated and coherent business process platform (see section 5.2)
- Protecting its edge in business applications by taking pre-emptive strikes against potential big moves of the competition in that area

8.3 Addressing Software as a Service – Salesforce.com[87, 88, 89]

"Software as a service" – (SaaS) has left the "state of experimentation" and emerged as a viable, disruptive business model

Within the last 12-24 months, several specialized SaaS players have seen a strong increase in customer demand. Notably, Salesforce.com has managed to make inroads into SAP's home turf and won major enterprise customer relationship management (CRM) deals such as Merrill Lynch, and disrupted other sales efforts, as with DuPont. Also, leading venture capitalists predominantly invest in enterprise software start-ups that have elements of SaaS embedded in their technology and products.

In addition, heavyweights (such as IBM) are competing heavily by marketing On Demand solutions. While IBM's On Demand solution is not a "lean consumption" disruption, it nonetheless poses a challenge to SAP.

SaaS in application service provider (ASP) form matches "classic" warning signals of disruption to SAP's traditional solutions, in particular, CRM:

- *Traditional performance metrics* are less important: From functionality to flexibility, cost, usability, and simplicity
- *Non-consumers* as best targets: small and midsize enterprises appear as the most appropriate targets for SaaS solutions, given low penetration of traditional enterprise application suite (EAS), including CRM
- *Lower cost and performance*: SaaS ASPs typically offer much less functionality but sometimes also charge dramatically lower prices
- *Lower margins*: Most SaaS ASP margins are very low midterm and are typically not attractive as markets to enter

Software as a Service defined:

Software as a Service (SaaS) is characterized by a network-based, packaged IT solution that uses vendor-owned and managed IT infrastructure with some features or capacity available on an on-demand basis.

In this document, the primary focus is on the application service provider (ASP) business model, as opposed to business process outsourcing (BPO), or application hosting. ASPs tend to develop their own, multitenant software and offer it through the Internet on a subscription basis[1].

Beyond the lower cost structure of the SaaS business model, key advantages are also "real-time customer insights" and simplicity (in terms of implementation and use)

While the SaaS business model centers on different cost structures, the subscription and hosted delivery models together with lower cost of maintenance, another advantage is built on direct and fast access to customer behavior, needs, and pain points. For instance, SaaS vendors can monitor customer usage patterns in real-time and adjust their applications and go-to-market approach accordingly. Finally, SaaS provides fast access to "good enough, digestible" solutions, thus effectively reaches "non-consumers" of traditional EAS offerings.

Of the existing players, Salesforce.com has clearly communicated intent to move upmarket and has proven it can challenge SAP's core market segments

Since its initial public offering in June 2004, Salesforce.com has become the clear SaaS leader in market perception, installed base, and deal size. As of June 2005, the company claims more than 250,000 subscribers with approximately 15,000 customers worldwide. Specifically, the enterprise level deals with Merrill Lynch and DuPont (more than 5,000 CRM users) prove the new dimension of competition with SAP and also add fuel to the companies' aggressive enterprise marketing message.

At the same time, Salesforce.com's strategy has gone well beyond providing a sales force automation tool delivered via the hosted model directed toward smaller businesses. Indeed, the company claims to have developed a complete IT stack that follows the utility model and positions the company as a platform provider:

- Salesforce.com and Salesforce Service & Support (formally supportforce.com) as core enterprise applications
- The *Multiforce* program, which allows the products to be embedded into other application sets and vice versa, as its version of a composition platform
- The *Sforce* integration product as its application platform and the new *Customforce* as its tool kit

While the company faces several challenges in its move upwards, and certainly will not encompass the entire enterprise, it still mandates SAP to respond strongly to the new disruptive challenge.

SAP will provide targeted hosted CRM solutions to fight further penetration of its installed base

8.4 Using Intellectual Property (IP) as Shield and Competitive Instrument[90]

REDACTED

REDACTED

8.5 Monitoring Disruptive Forces[91]

It is critical to monitor and respond to exogenous, potentially disruptive forces that could have a impact on the industry and SAP

SAP's strategy is based on a number of strategic planning assumptions, some of which are explicitly phrased in the form of "core beliefs" in this document. If our "core beliefs" turn out to be inaccurate, then we need to reformulate aspects of our strategy. Any market development that is not in line with our core beliefs is, in essence, a disruptive force on our strategy.

Disruptive forces can also come in the form of new industry developments that are not related to SAP's core beliefs. This type of disruptive force, such as the appearance of a new technology, could represent either a threat or an opportunity.

Disruptive forces will be monitored through an "external sensor network," developed by SAP's Corporate Strategy Management (CSM) team with other stakeholder groups in the organization

Early efforts have surfaced a series of disruptive forces in the following categories:

- Political and economical environment (economy, globalization, regulation…)
- Information technology and product innovation (IT effectiveness, IT architecture, embedded software…)
- Customer needs and buying behavior (EAS business models, application composition, customer loyalty…)
- Competitive dynamics (stack dynamics, market leadership, ISV relationships, standards…)

Going forward, the external sensor network will be the foundation for a long-term evaluation of SAP's market environment. Specific measures will be set that trigger Board or managerial intervention in the form of strategy reviews and modifications, tactical decision, or external communications.