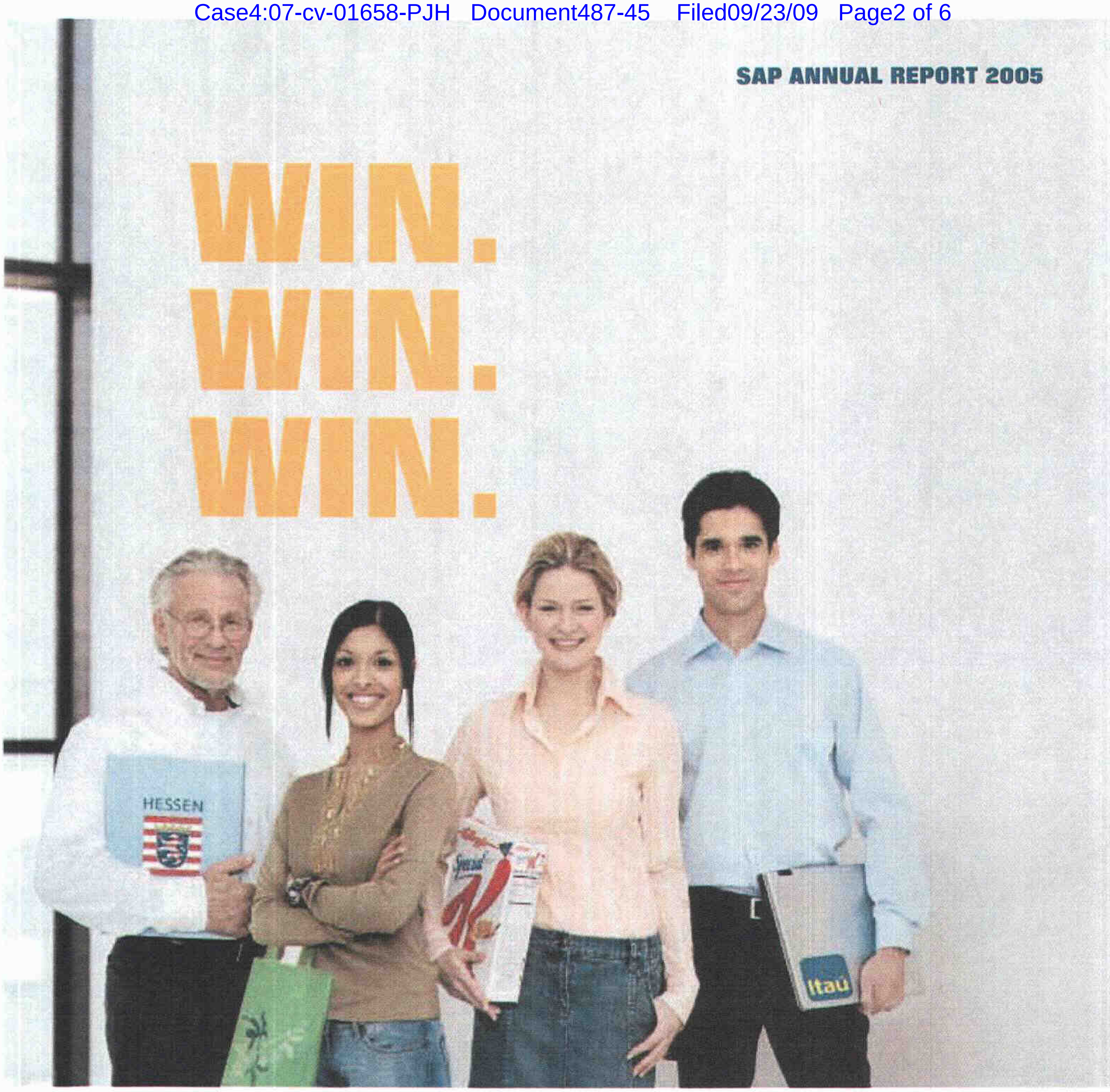
EXHIBIT 43

SAP ANNUAL REPORT 2005

WIN. WIN. WIN.



THE BEST-RUN BUSINESSES RUN SAP™

Dear Shareholders, Customers, Partners, and Colleagues,

2005 was another outstanding year for SAP. We demonstrated that organic growth is not only possible in our industry, but that it is also a successful strategy to benefit our customers, partners, and shareholders. Customer satisfaction is at an all-time high and we extended our peer group share more significantly than in previous years. Companies recognize SAP as a strong, reliable partner and trusted advisor for innovating business with IT. This is all reflected in the 17% increase of the SAP share in 2005, which outperformed the Goldman Sachs GSTI Software Index.

2006 will be another cornerstone year for the company as we invest in people, new products, and new sales channels to expand our addressable market to US$70 billion by 2010.

When I look back over the past year, I am pleased with what we have accomplished. In spite of the challenging environment, we significantly outperformed our direct competitors and the worldwide software market. In addition, we extended our leadership in the small and midsize enterprise segment. I attribute our continued success to three long-term, core SAP values: our customer-centric approach, the excellence of our product offering, and a clear focus on delivering on our promises to our customers.

HIGHLIGHTS OF 2005

In 2005, we proved we are very well positioned, with our investments in organic growth showing immediate return. We grew our software license revenue by 18% to €2.8 billion and the number of deals increased by 22%. Every region contributed to our success, most strongly in North America and Asia-Pacific. Our profitability rose by 0.5 percentage points to a pro-forma operating margin of 28.3%, while our pro-forma earnings per share were €5.01, an increase of 14%.

On the product side, we accelerated our progress toward enterprise services architecture (ESA), our leading vision for the next wave of computing now becoming a reality. We were the first software provider worldwide to develop and deliver our entire mySAP Business Suite solutions based on this new architecture, and more customers than expected are migrating to mySAP ERP.

By industry, we made significant gains throughout the year, with strong growth in process industries and a record increase of 63% in retail.

To support our delivery of business solutions, we are extending our worldwide development partner ecosystem. Using our technology, these companies are developing complementary solutions to our own. Through this process of co-innovation, customers have access to an even greater number of innovative solutions. Today, we have nearly 1,000 independent software vendors (ISVs) supporting our SAP NetWeaver platform, with 360,000 members in the SAP Developer Network. Three of the most significant partnerships that we announced in 2005 were our partnership with Microsoft on Project Mendocino, with Siemens on healthcare, and with Intel to offer a high-performance analytics packaged solution available on HP and IBM technology.

To round out our product offering for our customers, we made some small acquisitions (Triversity and Khimetrics in retail, Lighthammer in manufacturing, and TomorrowNow in maintenance and support of non-SAP systems). In cooperation with TomorrowNow, we signed nearly 200 customers for our Safe Passage program.

We also strengthened our dialog with our key shareholders. As in previous years, SAP set itself the highest objectives for transparency in our communication with the financial community. Investors around the world provided us with positive feedback on our long-term strategy.

Transparency is also a theme of SAP's corporate social responsibility initiatives. We believe that the most effective form of engagement is to draw on our own unique strengths and expertise. That is why, along with transparency, we are focusing on education, good governance, and community development.

Our results this year again demonstrate that companies are seeking a long-term partnership with a software vendor they can trust. In this Annual Report, you will find four examples of companies around the world that are innovating through SAP solutions to be more efficient, manage complex businesses, support high quality of products, and provide fast access to information.

I would like to emphasize that our success would not be what it is without the exceptional dedication and creativity of our employees. Located close to our customers in over 50 countries, they are the reason we can offer the best products of the highest quality. In 2005, we added to our diverse talent pool with more than 3,600 employees hired worldwide.

SAP'S WINNING FORMULA

SAP has always been at the forefront of business software, a market we created almost 35 years ago. To ensure we continue to deliver best-in-class products, we look not only at what our customers need today, but also at what they will need over the next five to ten years. Our research has shown that companies will increasingly need to be able to flexibly change their business models to gain a competitive advantage. This will only be possible through the right IT: a new generation of IT architecture we call ESA. This new architecture revolutionizes not only how software is developed but also how it is implemented and used.

2006: A CORNERSTONE YEAR FOR SAP

We have set high goals for ourselves over the next few years. SAP has a strong product pipeline and an excellent market position. In 2006, we will add new strategic products to make our offering more attractive for users in enterprises of all sizes. In essence, 2006 sets the foundation for our 2010 ambitions to expand our addressable market from US$30 billion to US$70 billion by 2010.

Due to the increased enthusiasm for our next-generation technology with over 300 customers in our ESA Adoption Program, we have expanded our product road map for 2006 with additional proof points. One focus this year will be to evolve our SAP NetWeaver platform into a Business Process Platform, the flexible IT environment required to support the business models of the future. We will also launch new products for the midmarket and continue to expand our ecosystem to involve ever more partners in our next-generation technology.

THANK YOU

In closing, I would like to say thank you to those who are accompanying us on our journey: our customers, partners, shareholders, and employees. We will continue to deliver high-quality business software that meets and exceeds the expectations of our customers, we are creating long-term value for our shareholders, and we are well positioned for the future. With IT that provides business model flexibility, we can enable companies of all sizes to reach new heights. Let us travel this road together.

Sincerely,
Henning Kagermann
Chairman and CEO, SAP AG

enterprise services for the most relevant industry processes. SAP also gives these partners specific marketing support. Dell Computer, Hewlett-Packard, Novell, and Research In Motion (RIM) are among the leading technology companies that have already announced they will use SAP NetWeaver to design and certify new products for ESA.

- The Company concluded strategically significant new agreements with, among others, IBM, Microsoft, Siemens, and Capgemini.

Acquisitions Enrich Product Portfolio

In 2005, SAP continued its announced policy of organic growth complemented by selected small acquisitions to build potential and enrich the Company's product portfolio. It bought four non-SAP software companies and acquired two others under asset deals.

- To support its Safe Passage program, early in 2005 SAP acquired TomorrowNow, Inc., a U.S. company that specializes in providing maintenance and support services for PeopleSoft and J.D. Edwards & Company (JDE) products. Safe Passage is a comprehensive program of support for the 2,000 companies that have deployed SAP solutions and software from PeopleSoft – or from JDE, which PeopleSoft took over in 2003. The program aims to help these customers away from uncertainty by giving them a clear road map for the longer-term development of their business application strategies. It offers them incentives to migrate to SAP solutions and support for their PeopleSoft and JDE software. Shortly beforehand, Oracle Corp. had completed its takeover of PeopleSoft, Inc. This was the biggest yet merger among SAP's competitors.
- In March 2005, the Company decided not to increase its public bid for all outstanding shares of Retek, a U.S. retail industry software specialist, after Oracle Corp. announced a higher per-share offer. Instead, SAP investigated other potential acquisitions to reinforce its successful position as a retail solutions provider in the long term.
- In mid-September, SAP advanced its position as a vendor of solutions for the retail industry by acquiring privately owned, Toronto-based Triversity, a leading provider of point-of-sales, store inventory management, customer relationship management, and customer service solutions. The integration teams from SAP and Triversity created a shared solution map that links the two companies' retail solution portfolios.
- In the second half of November, SAP announced its acquisition of another specialist in software for the retail industry, the privately owned U.S. company Khimetrics. The purchase was completed at the beginning of January 2006. Khimetrics has 130 employees and makes customer-demand management solutions, which help retailers price and position products to optimally manage demand, improve margin, and accurately predict sales and income. The acquisition of Khimetrics enriched SAP's product offering for the retail industry.

Corporate Action to Reward Shareholders

The Company's strong financial position gave it room for corporate action in the interests of shareholders.

- During 2005, the Company bought back some 3.21 million shares at an average price of €129.77 per share, and by December 31, 2005 it held more than 6.68 million SAP shares in treasury.
- In October 2005, the Company announced that during 2006 it intended to increase subscribed capital by conversion of retained earnings. The action would enable the Company to give each shareholder three new "free" shares for each existing SAP share held. The Company would not raise new capital from shareholders through this action. The Supervisory Board approved the Executive Board's decision to put it to the next Annual General Shareholders' Meeting in May 2006. The action would have the effect of reducing the attributable value of each share of SAP, making the stock more affordable, particularly for a wider retail investor community.
- Also in October, SAP launched another bid for the remaining outstanding shares of SAP Systems Integration AG (SAP SI). By the time the bid expired, SAP owned 96.5% of the shares of SAP SI. It had thus achieved a key condition for fully integrating SAP SI into the SAP Group and bundling all consulting work in the Group.

Impairment of Long-Lived Assets

Long-lived assets, such as property, plant, equipment, and acquired intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. Recoverability of assets to be held and used is assessed by comparing their carrying amount to the expected future undiscounted net cash flows they are expected to generate. If an asset or group of assets is considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the asset or group of assets exceeds fair value. Long-lived assets meeting the criteria to be considered as held-for-sale are reported at the lower of their carrying amount or fair value less anticipated disposal costs. In the years presented, the Company recognized no significant impairment charges on long-lived assets.

Financial Assets and Marketable Securities

Marketable debt and equity securities, other than investments accounted for by the equity method, are classified as available-for-sale or held-to-maturity, depending on management's intent with respect to holding such investments. If it is readily determinable, marketable securities classified as available-for-sale are accounted for at fair value. Unrealized gains and losses on available-for-sale securities are excluded from earnings and reported net of tax as a component of other comprehensive income within shareholders' equity. The Company does not classify marketable debt or equity securities as trading.

Investments in privately held companies over which SAP does not have the ability to exercise significant influence are accounted for under the cost method of accounting. An impairment charge is recognized in earnings in the line item Financial income, net in the period a decline in realizable value below carrying value is deemed to be other than temporary. Gains or losses realized on sales of securities are based on the average-cost method.

Investments accounted for under the equity method are initially recorded at acquisition cost and are subsequently adjusted for SAP's proportionate share of the investees' net income or losses and for amortization of any step up in the value of the acquired assets over the investees' book value. The excess of SAP's initial investment in equity method companies over its ownership percentage in the underlying net assets of those companies is attributed to certain fair value adjustments with the remaining portion recognized as goodwill ("investor level goodwill") which is not amortized. An impairment loss on SAP's equity method investments is recognized when the carrying value of the investment exceeds the realizable value on an other-than-temporary basis.

All marketable debt and equity securities, cost method investments, and equity method investments, are evaluated for impairment at least annually or earlier if SAP becomes aware of an event that indicates that the carrying amount of the asset may not be recoverable. To determine whether a decline in value below the carrying amount of an asset is other-than-temporary, SAP considers whether it has the ability and intent to hold the investment until a market price recovery occurs and whether evidence indicating that the carrying value of the investment is recoverable outweighs evidence to the contrary. Evidence considered in this assessment includes the reasons for the impairment, the severity and duration of the decline in realizable value below cost, changes in value subsequent to the balance sheet date, as well as forecasted performance of the investee. If a decline in value below the carrying amount is determined to be other than temporary, the asset is written down to fair value through an impairment charge and a new cost basis is established.

Non-interest-bearing or below-market-rate loans to employees and to third parties are discounted to their present value. In the event of any delay or shortfall in payments due under employee or third-party loans, SAP performs an individual loan review. The same applies if SAP becomes aware of any change in the debtor's financial condition that indicates a delay or shortfall in payments may result. If it is probable that SAP will not be able to collect the amounts due according to the contractual terms of the loan agreement, an impairment charge is recorded based on SAP's best estimate of the amount that will be recoverable.

Dividend and interest income are recognized when earned.

Non-Fixed Assets

Non-fixed assets are comprised of Inventories, Accounts receivable, Other assets, Marketable securities, and Liquid assets including amounts to be realized in excess of one year. The respective amounts to be realized in excess of one year are disclosed in the Notes.

Inventories

Inventories recorded at the lower of purchase or production cost or market value. Production costs consist of direct salaries, materials, and production overhead.