



SAP Ecosystem Comes Together to Drive Collaboration and Innovation Across Mill Products Industry

SAP Industry Value Network for Mill Products Launches with Focus on the Forest and Paper Industry

LAS VEGAS - December 04, 2006 - Building on its long-standing experience developing and driving technology solutions for the mill products industry, SAP AG (NYSE: SAP) today announced the formation of its next industry-focused collaboration effort, designed to bring together customers, partners and SAP to address the unique challenges of the forest and paper industry. Based on the success of its industry value networks (IVNs) for the chemicals, consumer products, high tech, public sector and retail industries, SAP today launched the IVN for mill products. The IVNs are industry-relevant ecosystems that bring together independent software vendors (ISVs) and systems integrators (SIs) with SAP and executives from leading customer companies to solve customers' most pressing business challenges through the creation and continual improvement of end-to-end business processes. The end result of the collaboration enables companies to extend and enrich their investments in SAP and partner solutions, helping optimize asset utilization and lower IT investment risk. The announcement was made at SAP's fourth annual Analyst Summit, being held in Las Vegas, December 4-5.

Members of the IVN for mill products are initially collaborating to develop solutions and integration scenarios to address industry-wide pain points for paper manufacturers and forest companies, such as enterprise asset management, manufacturing scheduling and execution, price and margin management, quality management and compliance. The solutions resulting from the IVN collaboration will enable customers to avoid costly integration projects by delivering pre-integrated, standard, end-to-end solutions and services based on a common technology platform, SAP NetWeaver®.

Mill products industry giants such as International Paper and members of the SAP Global Forest and Paper Council (including Mitsubishi-Paper, M-real, Papierfabrik August Koehler AG, Sappi, Schöller and others) will work with SAP and the initial partners selected for the IVN for mill products in the forest and paper industry, including ABB, AICOMP, Apriso, IDS Scheer, Kiwiplan, Meridium, NRX, Technidata, TietoEnator and Vendavo.

International Paper Sees Results with SAP

The strength of SAP's IVN strategy has been demonstrated in the paper, packaging and forest products industry with a project at International Paper (IP). International Paper, the world's largest paper and forest products company, worked with Kiwiplan, Apriso, AICOMP and SAP to address the company's challenge to create a seamless IT environment for supply chain management, with end-to-end visibility, enabling IP to meet individual job specifications, provide superior delivery and offer faster processing of ad hoc orders. The collaborative solution implemented at International Paper leverages the *SAP® for Mill Products* solution portfolio to support the main logistics processes for packaging and to deliver production planning functions, along with Kiwiplan's software for packaging-specific functionality, providing sophisticated planning algorithms.

"The integration of Kiwiplan, Apriso and SAP software will enable a 'pull schedule' methodology with improved material consumption information, and improved waste reporting and visibility," said Bruce Galba, IT director of supply chain, International Paper. "The integrated design of this solution will improve availability of near real time data for decision making, and provide better visibility of supply chain metrics and performance."

Addressing the Needs of Forest Companies and Paper Manufacturers

In the forest and paper industry, companies face challenges such as a make-to-order environment that results in customer-specific production, fluctuating demand requiring efficient and flexible production planning, a growing amount

of environmental regulations and ongoing rounds of mergers and acquisitions. To help face these challenges, SAP is working together with different vendors through the IVN for mill products to put in place seamless business processes and to integrate partner technologies. This collaboration allows forest and paper companies to offer optimal customer service and to gain competitive advantage.

"The SAP Global Forest and Paper Council is excited to see that SAP is establishing and driving a vibrant ecosystem of partners and customers to address the critical needs in the forest and paper industry," said Dr. Gerald Jüttner, chairman of the SAP Global Forest and Paper Council. "By working closely together and sharing expertise with the involved user groups from North America, South America, Asia, Australia, the Nordic countries and middle Europe, the members of this trusted ecosystem can provide integrated and innovative solutions to enable us to increase our productivity and supply chain performance, to lower IT investment risk, and to reduce IT costs by supporting homogeneous and integrated systems."

SAP Ecosystem Framework

As part of its platform strategy, SAP is building an open ecosystem to drive enterprise service-oriented architecture (enterprise SOA) adoption; foster co-innovation between SAP, customers and partners; and deliver value for all participants. Leveraging its deep industry knowledge, diverse community of partners, and SAP NetWeaver as a platform for product and service innovation, SAP and its ecosystem are driving new dimensions of collaboration—turning breakthrough ideas into innovative solutions for customers.

Customer and partner IVN members may also participate in the Enterprise Services Community from SAP, helping prioritize, define and validate enterprise services for future development. In this way, customers and partners are directly involved in influencing SAP's road map for enterprise services that they need themselves for composite application development.

"Together with our partners, SAP is delivering comprehensive solutions, services and best practices to the forest and paper industry on a common SAP platform – and is driving innovation, interoperability, standards and thought leadership for our customers," said Eckhardt Siess, vice president, Mill Products and Mining industry business unit, SAP. "The IVN initiative for forest and paper brings key industry expertise and leading-edge solutions delivered through SAP and a trusted ecosystem of software and service providers. This powerful combination enables customers to efficiently address and tackle their most critical business requirements, making them active participants in the SAP ecosystem as they work to innovate business processes relevant to industry-specific needs."

About SAP for Mill Products

SAP® for Mill Products is a solution set that combines mySAP™ Business Suite applications with tailored functionality to meet the unique needs of companies specializing in metals, forest products and paper, packaging, textiles, building materials and furniture. This solution portfolio offers best practices for adaptive supply chain management, efficient enterprise asset management and improved customer relationship management. Based on the open architecture of the SAP NetWeaver® platform, SAP for Mill Products enables seamless integration of business processes and third-party systems in compliance with papiNET, the paper industry's standard for data exchange.

About SAP

SAP is the world's leading provider of business software*. Today, more than 36,200 customers in more than 120 countries run SAP® applications—from distinct solutions addressing the needs of small and midsize enterprises to suite offerings for global organizations. Powered by the SAP NetWeaver® platform to drive innovation and enable business change, SAP software helps enterprises of all sizes around the world improve customer relationships, enhance partner collaboration and create efficiencies across their supply chains and business operations. SAP solution portfolios support the unique business processes of more than 25 industries, including high tech, retail, financial services, healthcare and the public sector. With subsidiaries in more than 50 countries, the company is listed on several exchanges, including the Frankfurt stock exchange and NYSE under the symbol "SAP." (Additional information at <<http://www.sap.com>>)

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

Any statements contained in this document that are not historical facts are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as "anticipate," "believe," "estimate," "expect," "forecast," "intend," "may," "plan," "project," "predict," "should" and "will" and similar expressions as they relate to SAP are intended to identify such forward-looking statements. SAP undertakes no obligation to publicly update or revise any forward-looking statements. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. The factors that could affect SAP's future financial results are discussed more fully in SAP's filings with the U.S. Securities and Exchange Commission ("SEC"), including SAP's most recent Annual Report on Form 20-F filed with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.

Copyright © 2006 SAP AG. All rights reserved.

SAP, R/3, mySAP, mySAP.com, xApps, xApp, SAP NetWeaver and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and in several other countries all over the world. All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serve informational purposes only. National product specifications may vary.

For customers interested in learning more about SAP products:

Global Customer Center: +49 180 534-34-24

United States Only: 1 (800) 872-1SAP (1-800-872-1727)

For more information, press only:

Kelly Schwager, +1 (650) 320-3553, kelly.schwager@sap.com, PST

Randi Polanich, +1 (610) 661-4491, randi.polanich@sap.com, EST

SAP Press Office, +49 (6227) 7-46315, CET; +1 (610) 661-3200, EST; press@sap.com

Jody Andersen, Burson-Marsteller, +1 (415) 591-4101, jody.andersen@bm.com, PST

Uwe Schaad, Burson-Marsteller, +49 69 238 09-31, uwe.schaad@bm.com, CET