



**For Immediate Release  
Oct. 27, 2004**

**SAP America and HP Reduce Cost, Complexity and Risk  
with New Managed Solutions for Vertical Industries**

*Comprehensive Software, Services and Support at Total Monthly Cost as Low as \$325 per User  
Make Business Management Affordable and Manageable for Midsize Companies*

**NEWTOWN SQUARE, Pa., and PALO ALTO, Calif. — Oct. 27, 2004 —** SAP

America, Inc., the U.S. subsidiary of SAP AG (NYSE: SAP), and HP (NYSE: HPQ) (Nasdaq: HPQ) today introduced new managed solutions for midsize companies. The vertical industry solutions will help companies reduce the guesswork and expense of business management technology by providing software, services and support through a single point of contact at a total monthly cost as low as \$325 per user.

While many midsize companies recognize the operational efficiencies and competitive advantages that larger companies achieve through enterprise management, they are often hesitant to adopt solutions due to uncertainty about expenditures, complexity and overall project scope. SAP and HP's managed industry solutions will eliminate these concerns by clearly defining the costs and resources necessary to run a complete, managed enterprise solution environment over time.

HP and SAP's new managed solutions will consolidate all components of the IT landscape within a predictable cost structure and provide the added convenience, safety and efficiency of hosted delivery. The solutions greatly simplify IT evaluation, adoption and management, offering a breadth and depth of industry process management and strategic value unavailable from point solutions. The initial offerings will include solutions for the oil and gas fuel distribution, consumer products-food, high tech device and technical service provider industries, with additional industry solutions to be added over time. The aggregate monthly cost assumes that software license, maintenance and implementation fees are financed through the SAP Financing Program and that the remaining services are paid on a monthly basis.

## **Leveling the Playing Field**

“Midsize businesses often lack the resources and expertise necessary to successfully adopt an in-house enterprise management solution,” said Amy Konary, director of Software Pricing, Licensing and Delivery research, IDC. “Managed solution offerings can help make enterprise management more affordable and less risky for these companies, and industry-specific solutions can provide additional value when they are responsive to the unique needs of the midsize business.”

The managed solutions will include software and implementation services from SAP and its solution partners, as well as maintenance and end-user training, support, functional management and application management from SAP. As the datacenter provider for the solutions, HP offers a full range of services, including operations, infrastructure hosting, storage-on-demand, business recovery solutions, managed Web solutions and security services to enable ongoing process improvement and innovation.

“With these new offerings, we are joining HP to provide some of the most competitively priced and compelling industry solutions available to midsize businesses,” said John Nugent, executive vice president of sales, SAP America, Inc. “By taking on focused responsibility for the customer’s long-term success, SAP and HP deliver not just business expertise at a single point in time, but an ongoing, adaptive business platform for continuing improvement over the long term.”

The solutions will leverage implementation and support services from SAP, HP and their partners. A dedicated SAP manager will be assigned to each customer, thereby reducing risk and in-house resources necessary at the customer site. Customers will hold the software licenses, enabling greater control, competitive differentiation and strategic value.

“Midsize customers are asking for real business solutions that can help them run their businesses more effectively and better compete with companies much bigger than themselves,” said Jack Novia, senior vice president and managing director – Americas, HP. “The solutions announced today draw upon HP and SAP’s longstanding global alliance and shared commitment to meet those needs by providing customers with world-class technology and the ability to predict costs and better manage change.”

## **Vertical Solutions Address Key Industry Metrics**

Drawing on more than 30 years of experience in serving the world's leading companies, SAP and its partners offer vertical solutions that help businesses improve the metrics that matter most within their industry.

Incorporating industry "best practices," the solutions provide visibility, insight and control across the enterprise. The solution for the consumer products-food industry addresses the manufacturing and distribution of fresh food—including meat, poultry, and bakery items—and other packaged food products for wholesale or retail distribution to consumers. Developed by itelligence, an SAP certified business partner, the solution enables critical industry-specific processes such as catch weight management; monitoring of lot genealogy, tracking and recall; compliance with HACCP requirements; and sales order fulfillment. Hosting from SAP allows customers to focus on leveraging the application for business improvement, while HP and SAP bring full-scope services to the configuration, implementation, operation and maintenance of the solution.

Additional partners participating with SAP and HP in delivering the initial managed vertical solutions include Implico GmbH for oil and gas fuel distribution, GEMS, Inc. for technical service providers and Bristlecone for high tech devices.

"Adopting a hosted solution from SAP allowed us to get up and running quickly and focus our internal resources on managing our own core business," said Gary Walden, project manager, C&H Sugar, a midsize producer of cane sugar located in Crockett, Calif., which uses the itelligence consumer products solution. "We now have an enterprise solution in place that has increased the visibility and accuracy of our production plans and inventory. This solution has provided us with a foundation for adding new functionality over time."

The solutions will be available through SAP, HP and their joint channel partners across the United States.

## **About HP**

HP is a technology solutions provider to consumers, businesses and institutions globally. The company's offerings span IT infrastructure, personal computing and access devices, global services and imaging and printing. For the four fiscal quarters ended July 31, 2004, HP revenue totaled \$78.4 billion. More information about HP (NYSE, Nasdaq: HPQ) is available at [www.hp.com](http://www.hp.com).

## About SAP

SAP is the world's leading provider of business software solutions\*. Today, more than 24,450 customers in over 120 countries run more than 84,000 installations of SAP® software—from distinct solutions addressing the needs of small and midsize businesses to enterprise-scale suite solutions for global organizations. Powered by the SAP NetWeaver™ platform to drive innovation and enable business change, mySAP™ Business Suite solutions are helping enterprises around the world improve customer relationships, enhance partner collaboration and create efficiencies across their supply chains and business operations. SAP industry solutions support the unique business processes of more than 25 industry segments, including high tech, retail, public sector and financial services. 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 solutions as consisting of enterprise resource planning and related software solutions such as supply chain management, customer relationship management, product lifecycle management and supplier relationship management.

###

This news release contains forward-looking statements that involve risks and uncertainties, as well as assumptions that, if they ever materialize or prove incorrect, could cause the results of HP and its consolidated subsidiaries to differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including the expected development, performance or rankings of products or services; statements of expectation or belief; and any statement of assumptions underlying any of the foregoing. Risks, uncertainties and assumptions include the development, performance and market acceptance of products and services and other risks that are described from time to time in HP's Securities and Exchange Commission reports, including but not limited to HP's Quarterly Report on Form 10-Q for the period ended July 31, 2004 and other reports filed after HP's Annual Report on Form 10-K for the fiscal year ended Oct. 31, 2003. HP assumes no obligation and does not intend to update these forward-looking statements.

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 Annual Report on Form 20-F for 2002 filed with the SEC on March 21, 2003. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.

Copyright © 2004 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 serves 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:

Jim Dever, +1 (610) 661-2161, james.dever@sap.com, EDT

SAP Press Office, +1 (610) 661-3200, press@sap.com, EDT

Cathy Goerz, Burson-Marsteller, +1 (415) 591-4078, cathy\_goerz@sfo.bm.com, PDT

Ginny Dimpfl, HP, +1 (408) 447-1695, virginia.dimpfl@hp.com, PDT