SAP AKTIENGESELLSCHAFT SYSTEMS APPLICATIONS PRODUCTS IN DATA
Form 11-K
June 28, 2007

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 11-K

(Mark One)

þ **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]**

For the fiscal year ended December 31, 2006

OR

o **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]**

For the transition period from ____________________ to ____________________

Commission file number 001-14251

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

SAP America, Inc. 401(k) Plan
SAP America, Inc.
3999 West Chester Pike
Newtown Square, PA 19073

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

SAP AG
Dietmar-Hopp-Allee 16
69190 Walldorf
Federal Republic of Germany

Exhibit Index appears on page II-3

SAP AMERICA, INC.
401(k) PLAN
Table of Contents

Report of Independent Registered Public Accounting Firm

The Plan Administrator
SAP America, Inc. 401(k) Plan:

We have audited the accompanying statements of net assets available for benefits of SAP America, Inc. 401(k) Plan (the Plan) as of December 31, 2006 and 2005, and the related statements of changes in net assets available for benefits for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2006 and 2005, and the changes in net assets available for benefits for the years ended December 31, 2006 and 2005 in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Line 4i Schedule of Assets (Held at End of Year) is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor s *Rules and Regulations for Reporting and Disclosure Under the Employee Retirement Income Security Act of 1974*. The supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As further described in Note 2, during 2006 the Plan adopted Financial Accounting Standards Board Staff Position AAG INV-1 and Statement of Position 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans*.

/s/ KPMG LLP
Philadelphia, Pennsylvania
June 27, 2007

SAP AMERICA, INC.
401(k) PLAN
Statements of Net Assets Available for Benefits
December 31, 2006 and 2005

	2006	2005
Assets:		
Investments, at fair value	$ 693,010,369	$ 540,185,051
Participant loans	6,258,747	5,208,519
Receivables:		
Employer contributions	481,690	365,365
Participant contributions	1,794,163	1,455,086
Total receivables	2,275,853	1,820,451
Net assets, reflecting investments at fair value	701,544,969	547,214,021
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	420,920	538,283
Net assets available for benefits	$ 701,965,889	$ 547,752,304

See accompanying notes to financial statements.

SAP AMERICA, INC.
401(k) PLAN
Statements of Changes in Net Assets Available for Benefits
Years ended December 31, 2006 and 2005

	2006	2005
Additions:		
Additions to net assets attributed to:		
Investment income:		
Net appreciation in fair value of investments	$ 44,151,353	$ 13,833,235
Interest and dividend income	35,848,732	22,688,798
	80,000,085	36,522,033
Contributions:		
Employer	19,265,629	15,352,261
Participant	69,041,282	55,385,768
Rollovers	20,567,047	8,898,975
	108,873,958	79,637,004
Total additions	188,874,043	116,159,037
Deductions:		
Deductions from net assets attributed to:		
Benefits paid to participants	34,640,201	28,306,196
Administrative expenses	20,257	24,595
Total deductions	34,660,458	28,330,791
Net increase	154,213,585	87,828,246
Net assets available for benefits:		
Beginning of year	547,752,304	459,924,058
End of year	$ 701,965,889	$ 547,752,304

See accompanying notes to financial statements.

SAP AMERICA, INC.
401(k) PLAN
Notes to Financial Statements

(1) Description of Plan

The following description of SAP America, Inc. 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a complete description of the Plan s provisions.

(a) General

The Plan is a defined contribution plan covering all employees of SAP America, Inc., SAP International, Inc., SAP Labs LLC, SAP Public Services, Inc., SAP Global Marketing, Inc., SAP Government Support and Services, Inc., TomorrowNow, Inc., SAP Retail, Inc., and SAP Governance Risk & Compliance, Inc. (collectively, the Company or the Companies). There are no minimum age or service requirements for employees to become eligible to participate in the Plan. The Plan is subject to the provisions of the *Employee Retirement Income Security Act of 1974* (ERISA). The Plan is also subject to certain provisions of the *Internal Revenue Code of 1986* (the Code). The Companies are subsidiaries of SAP AG (the Parent Company or SAP).

(b) Contributions

Participants may contribute a portion of their eligible annual compensation, as defined in the Plan, not to exceed $15,000 for 2006 and $14,000 for 2005. The Plan limits eligible compensation to the amount prescribed by Section 401(a)(17) of the Code for purposes of compensation reduction contributions and limits the amount of annual additions to the amount prescribed by Section 415(c) of the Code. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers 21 mutual funds, the Parent Company s ADR Stock Fund and one common collective trust as investment options for participants. The Company matches 50% of the first 6% of eligible compensation that a participant contributes to the Plan. For purposes of employer matching and employer discretionary contributions, the Company limited the eligible compensation to $220,000 and $150,000 in 2006 and 2005, respectively. Beginning January 1, 2006, employees are permitted to make pre-tax and after-tax contributions of up to 25% of compensation. Prior to January 1, 2006, non-highly compensated employees were permitted to make pre-tax and after-tax contributions of up to 25% of compensation, while highly compensated employees were permitted to make pre-tax and after-tax contributions of up to 15% of compensation. Participants are permitted to make different contribution elections for (a) compensation consisting of bonuses and commissions, and (b) all other wages. The matching employer contribution is invested as directed by the participant.

Additional employer discretionary contributions may be contributed at the option of the Company and are invested as directed by the participant. Employer discretionary contributions were not made in 2006 or 2005. The employer discretionary contributions are allocated to participants who, with respect to the plan year for which a contribution is made, are employed by the Company on the last day of the plan year, have worked 1,000 hours in that year, and have elected a deferral contribution. The employer discretionary contributions are allocated as an additional matching contribution.

The applicable dollar limits on pre-tax contributions allow individuals who have reached age 50 by the end of the plan year, and who may no longer make pre-tax contributions because of limitations imposed by the Code or the Plan, to make catch-up contributions for that year. Eligible individuals may make catch-up contributions up to the lesser of (a) the individual s compensation for the year less any other deferrals, or (b) $5,000 for 2006 and $4,000 for 2005.

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(Continued)

In 2006, $13,403,005 of assets were transferred into the Plan due to the acquisitions of Triversity Corporation, KhiMetrics, Inc., and Frictionless Commerce, Inc. and are included in rollovers on the Statements of Changes in Net Assets Available for Benefits.

(c) Participant Accounts

All employer and employee contributions made to the Plan on behalf of a participant will be credited to the account established in that participant s name. As of each valuation date, each participant s account, after taking into account any contributions made on behalf of that participant and allocated to their account, is credited with earnings/losses in the proportion that the amount in the participant s account bears to the total amount in the accounts of all Plan participants. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account. All amounts credited to the participant s account are invested as directed by the participant. All dividends, capital gain distributions, and other earnings received on investment options are specifically credited to a participant s account and are immediately used to invest in additional shares of those investment options.

(d) Vesting

Participants are vested immediately in their contributions plus actual earnings/losses thereon. Vesting in the employer contribution to their accounts is based on years of service as defined in the Plan. A participant is 50% vested after two years of service and 100% vested after three years of service.

(e) Forfeitures

Forfeitures are first applied to pay administrative expenses and then to offset required employer contributions. For the years ended December 31, 2006 and 2005, forfeitures of $89,441 and $164,661, respectively, were used to pay administrative expenses and to offset required employer contributions. At December 31, 2006 and 2005, forfeited nonvested accounts totaled $528,581 and $516,159, respectively.

(f) Participant Loans

Participants may borrow up to a maximum of $50,000 or 50% of their vested account balance, whichever is less. The majority of the Plan s outstanding loans are secured by the vested balance in the participant s account with original terms of up to 60 months; however, a longer term may be permitted in accordance with the Plan document. The loans bear interest at rates which are commensurate with local prevailing rates as determined quarterly by the Plan Administrator. A maximum of two loans with outstanding balances is permitted at any time by each participant.

(g) Payment of Benefits

Upon termination of employment, a participant may elect to receive a distribution equal to the value of the participant s vested interest in their account in the form of a lump-sum amount, agreed upon installments, or a life annuity with or without a survivor option. Employees (other than 5% owners) who attain the age of $70^1/2$ years will not be required to commence minimum distributions until they terminate employment. Employees who are 5% owners must commence minimum distributions by April 1st of the calendar year after they attain the age of $70^1/2$ years. Employees may elect withdrawals during employment subject to the terms described in the Plan document.

(Continued)

(2) Summary of Significant Accounting Policies

The following are the significant accounting policies followed by the Plan:

(a) Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(c) Investment Valuation and Income Recognition

On December 29, 2005, the Financial Accounting Standards Board (FASB) issued Financial Accounting Standards Board Staff Position AAG INV-1 and Statement of Position 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Audit Guide and Defined-Contribution Health and Welfare and Pension Plans (the FSP). The FSP provides a definition of fully benefit-responsive investment contracts and guidance on financial statement presentation and disclosure of fully benefit-responsive investment contracts.

The Plan has adopted the FSP for the year ended December 31, 2006 and has retroactively restated the December 31, 2005 presentation of investments in the accompanying Statements of Net Assets Available for Benefits as required by the transition provisions of the FSP. One of the investment options offered by the Plan, the Vanguard Retirement Savings Trust, is a common collective trust that is fully invested in contracts deemed to be fully benefit-responsive within the meaning of the FSP. The FSP required that this investment be reported at fair value. However, contract value is the relevant measure to the Plan because it is the amount that is available for Plan benefits. Accordingly, investments as reflected in the Statements of Net Assets Available for Benefits state the Vanguard Retirement Savings Trust at its fair value, with a corresponding adjustment to reflect the investment at contract value.

The Plan s investments are stated at fair value. Shares of registered investment companies and the SAP ADR Stock Fund are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Participant loans are valued at cost, which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is accrued when earned.

(d) Payment of Benefits

Benefits are recorded when paid.

(3) Investments

The following presents investments that represent 5% or more of the Plan s net assets:

	December 31	
	2006	**2005**
Vanguard Wellington Fund	$154,129,424	$106,681,185
Vanguard 500 Index Fund	88,745,869	76,120,836
Vanguard Windsor II Fund	79,066,242	65,116,845
Vanguard Strategic Equity Fund	57,301,073	45,226,034
Vanguard Explorer Fund	52,507,578	46,452,814
Vanguard International Growth Fund	48,478,156	
Vanguard Retirement Savings Trust	43,742,304	40,817,223
Vanguard Global Equity Fund	43,036,096	
Vanguard U.S. Growth Fund	40,733,168	42,823,844

During 2006 and 2005, the Plan s investments, including gains and losses on investments bought and sold, as well as held during the year, appreciated in fair value as follows:

	2006	**2005**
Mutual Funds	$ 42,694,895	$ 13,599,285
SAP ADR Stock Fund	1,456,458	233,950
	$ 44,151,353	$ 13,833,235

(4) Related-Party Transactions

Certain Plan investments are shares of mutual funds or a common collective trust fund managed by an affiliate of Vanguard Fiduciary Trust Company. Vanguard Fiduciary Trust Company is the Trustee as defined by the Plan (Plan Trustee) and, therefore, these transactions qualify as party-in-interest transactions. All fees for the investment management services are paid by the Company. The Company may be reimbursed for reasonable Plan expenses paid by the Company on behalf of the Plan, provided the Company advises the Plan Trustee of the liability owed to the Company. Additionally, participants can invest in the Parent Company s ADR Stock Fund. The Parent Company is a related party.

(5) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to amend, modify, or terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

(6) Tax Status

On October 16, 2002, the Internal Revenue Service issued a favorable determination letter to the Company indicating that the Plan, as amended and restated as of January 1, 1997, remains in compliance with the applicable provisions of the Code and the regulations thereunder. The Plan has been amended since January 1, 1997; however, the Plan Administrator and the Plan s counsel believe that the Plan, both in form and in operation, remains in compliance with applicable provisions of the Code and the regulations thereunder.

(Continued)

(7) Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Schedule 1

SAP AMERICA, INC.
401(k) PLAN
Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2006

Identity of issue, borrower, lessor, or similar party	Description of investment	Current value
* Vanguard Funds:		
Wellington	Registered Investment Company	$154,129,424
500 Index	Registered Investment Company	88,745,869
Windsor II	Registered Investment Company	79,066,242
Strategic Equity	Registered Investment Company	57,301,073
Explorer	Registered Investment Company	52,507,578
International Growth	Registered Investment Company	48,478,156
Global Equity	Registered Investment Company	43,036,096
U.S. Growth	Registered Investment Company	40,733,168
Total Bond Market Index	Registered Investment Company	23,317,037
Target Retirement 2030	Registered Investment Company	12,151,812
Target Retirement 2035	Registered Investment Company	11,373,786
Target Retirement 2025	Registered Investment Company	10,512,469
Target Retirement 2020	Registered Investment Company	6,404,734
Target Retirement 2015	Registered Investment Company	5,374,138
Target Retirement 2040	Registered Investment Company	2,768,688
Target Retirement 2010	Registered Investment Company	2,146,855
Morgan Growth	Registered Investment Company	571,225
Target Retirement 2045	Registered Investment Company	563,348
Target Retirement 2005	Registered Investment Company	294,516
Target Retirement Income	Registered Investment Company	71,318
Target Retirement 2050	Registered Investment Company	68,743
** Vanguard Retirement Savings Trust	Common Collective Trust	43,742,304
* SAP ADR Stock Fund	American Depository Receipts	10,072,710
* Participant loans	Participant loans bearing interest at rates ranging from 5% to 10.5% due through the year 2016.	6,258,747
		$699,690,036

* Denotes party-in-interest.

** Represents the contract value. The fair value of this investment

as of
December 31,
2006 was
$43,321,384.

See accompanying Report of Independent Registered Public Accounting Firm.

Exhibit

The following exhibit is filed herewith.

Exhibit No.	**Description**
23.1	Consent of Independent Registered Public Accounting Firm

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Plan Administrator has duly caused this Annual Report to be signed on the SAP America, Inc. 401(k) Plan s behalf by the undersigned hereunto duly authorized.

SAP America, Inc. 401(k) Plan

By: /s/ Pat Pettinati

Pat Pettinati

Plan Administrator

Date: June 27, 2007

Exhibit Index

Exhibit No.	**Description**
23.1	Consent of Independent Registered Public Accounting Firm