

SAP

The World's Leading Provider of
Business Application Software



Werner Brandt

CFO and Member of the Executive Board, SAP AG

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THE BEST-RUN BUSINESSES RUN SAP™



Safe Harbor Statement

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 “believe,” “estimate,” “intend,” “may,” “will,” “expect,” and “project” and similar expressions as they relate to the Company are intended to identify such forward-looking statements. The Company 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 the Company’s future financial results are discussed more fully in the Company’s filings with the U.S. Securities and Exchange Commission (the “SEC”), including SAP's most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.



SAP – An Overview

SAP – The World’s Leading Provider of Business Application Software



The world’s leading provider of business application software

- ~86,000 customers in 120 countries
- Broad global reach provides regional balance and a greater addressable market
- Undisputed market leader
- Recognized global brand “Ranked 31st” of the “Best Global Brand List 2008” (2007: Rank 34)*
- Among top 100 most valuable companies in the world (Rank 99 by market capitalization)

Strongest product portfolio based on an open technology platform

- Leading product and technology innovation with ~15,500 developers
- First to market with next generation enterprise SOA** architecture
- Deepest industry functionality with > 25 industry solutions

* Source: Interbrand - Best Global Brands List 2008

** Service Oriented Architecture

Complete Solutions Portfolio Covering Every Employee in Every Industry in Every Company



→ User Adaptation

Duet / Alloy / Portal / Mobile

→ Business Insights

BPM – Composite Applications

SAP Business Objects Portfolio
Business Intelligence – CPM – GRC

→ Core Processes

Industry Specific Extensions

Legacy

SAP Business Suite

OnDemand Extensions

SAP Business All-in-One

SAP Business ByDesign

SAP Business One

SAP NetWeaver – PI – MDM – LCM

Large Companies

Midsize Companies

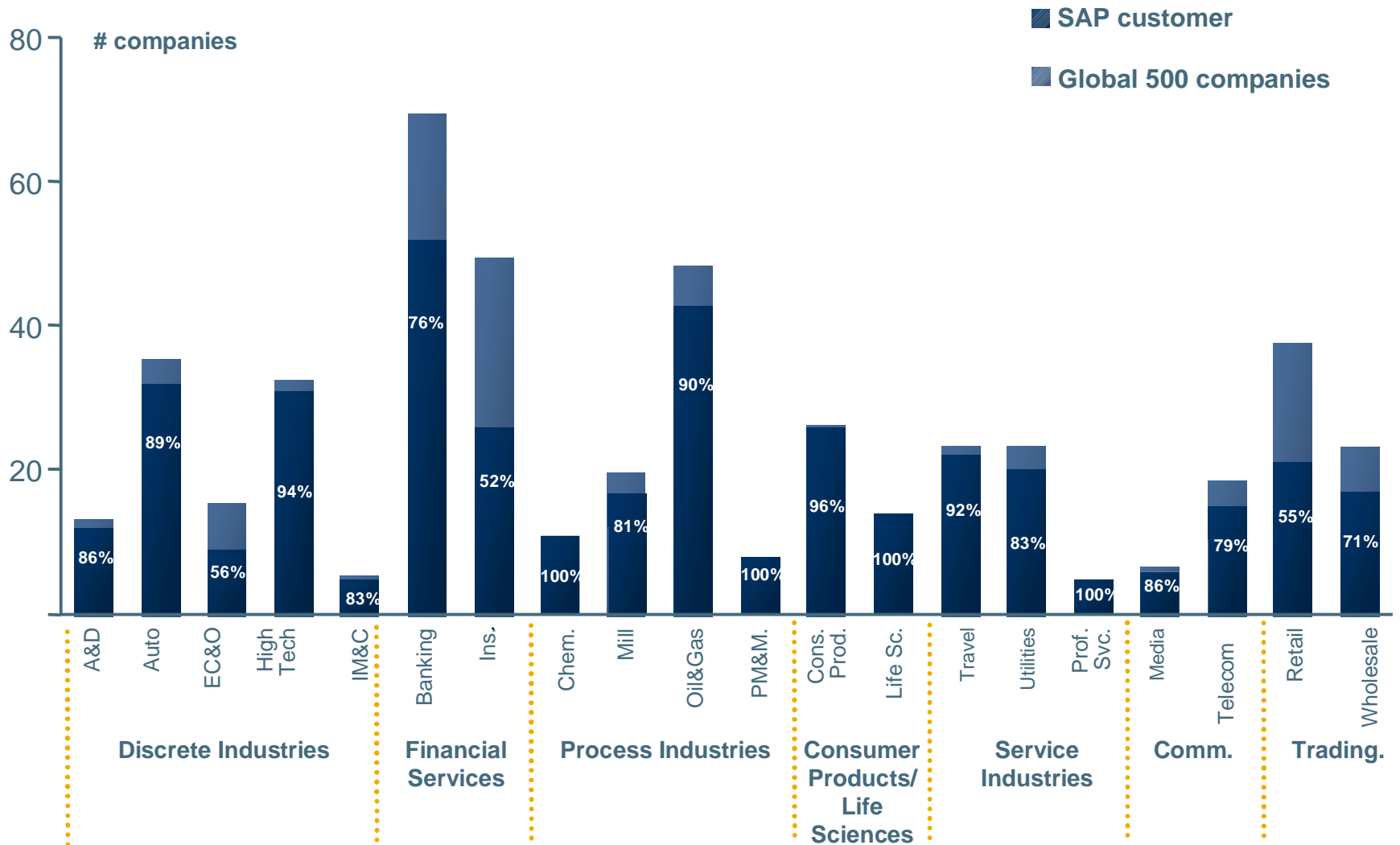
Small Co.s

SAP's Solutions Offerings By Customer Segment



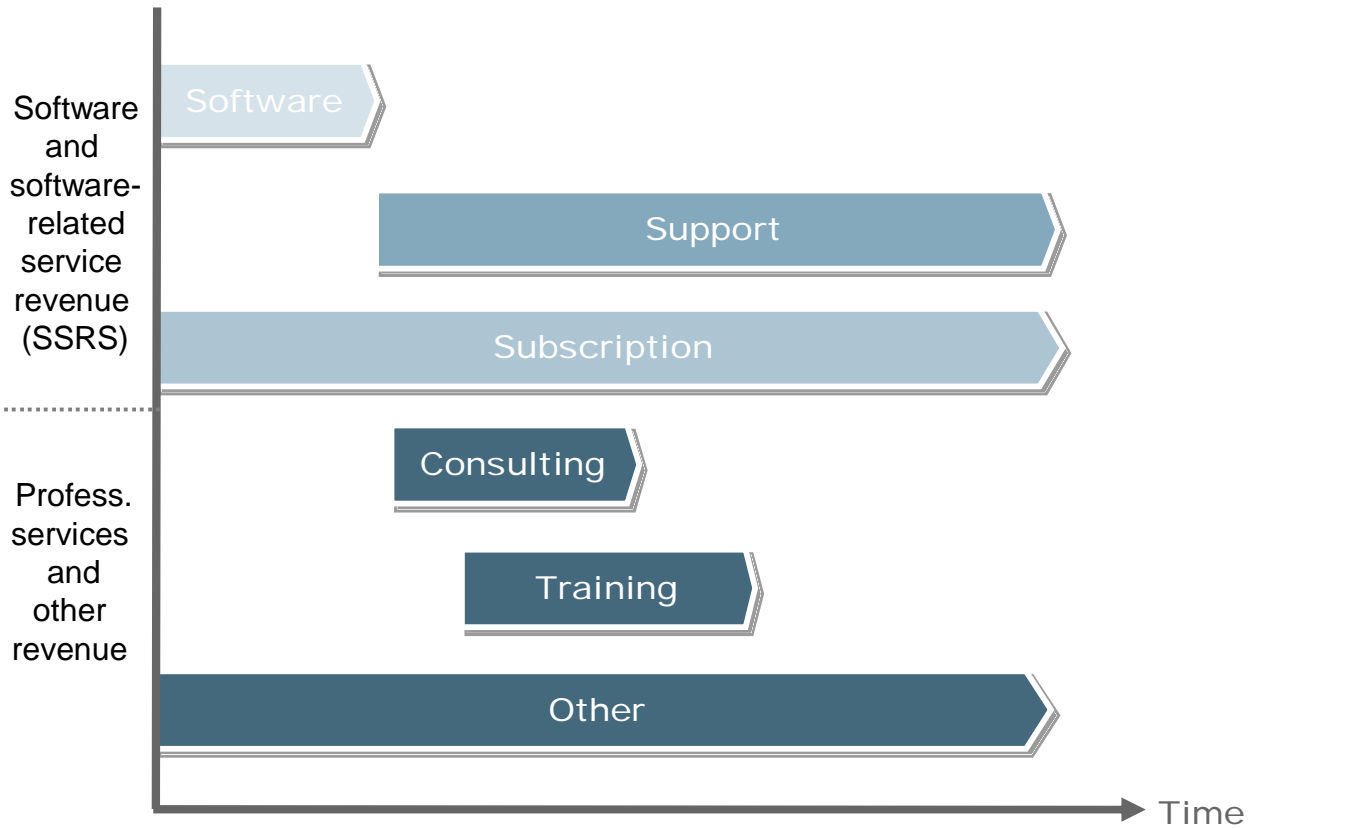
Go-to-market		Customer segment	Primary solution offering
Large Accounts	Direct	Large Enterprises (> 2,500 employees) ~\$30 billion market	SAP Business Suite
	Hybrid	Upper Midsize (500 to 2,500 empl.) ~\$15 billion market	SAP Business All-in-One
SME	TCE	Lower Midsize (100 to 500 empl.) ~\$15 billion market	SAP Business ByDesign
	Solely indirect	Small Businesses (5 to 100 employees) ~\$15 billion market	SAP Business One

SAP Constantly Increased The Number of Accounts Within the Fortune 500 Companies

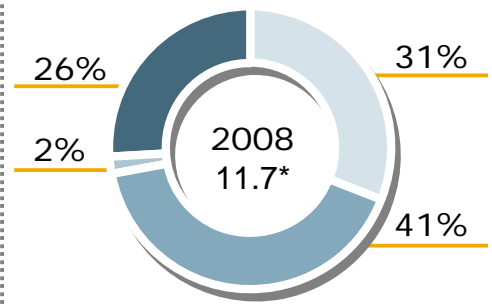
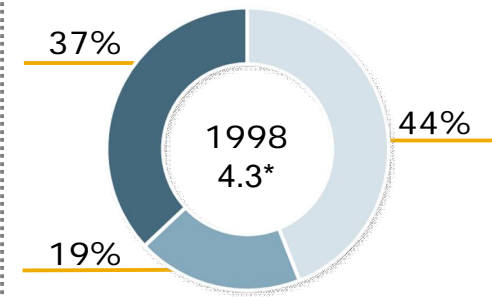


Note: Public Services accounts are not considered in the Global 500 analysis, Source: *Fortune Magazine*, Global 500 2007; SAP internal analysis

SAP's Business Model - Increasing Streams of Recurring, Stable and Profitable Revenue

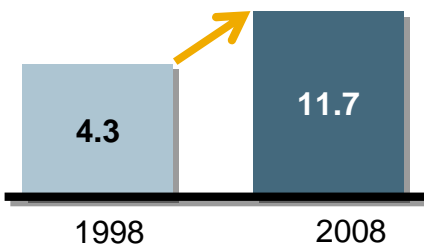


Total Revenue Breakdown (in%)

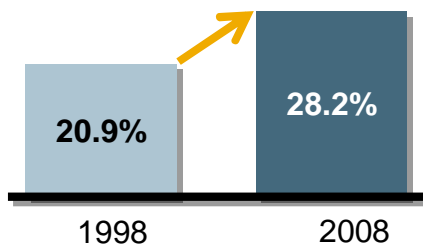


- Software
- Support
- Services & other
- Subscription

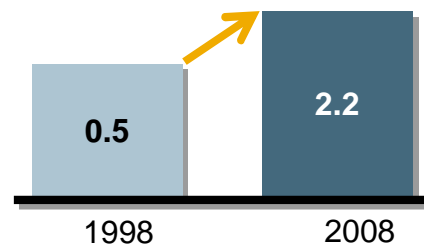
Total Revenue*
+11% CAGR



Operating Margin*
+7.3pp



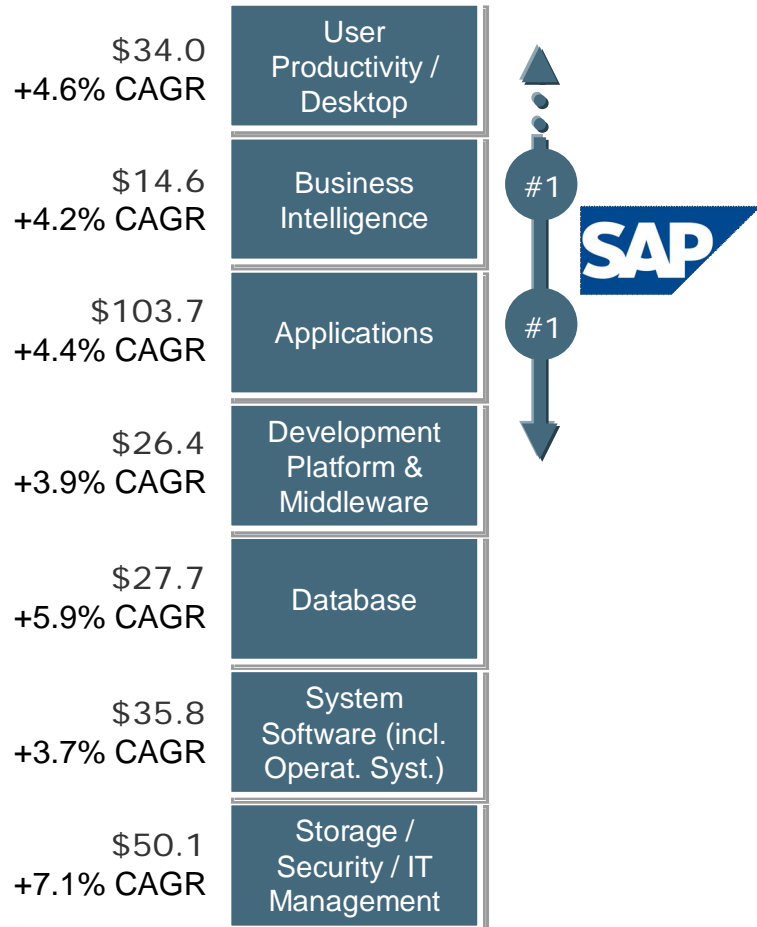
Net Income*
+16% CAGR



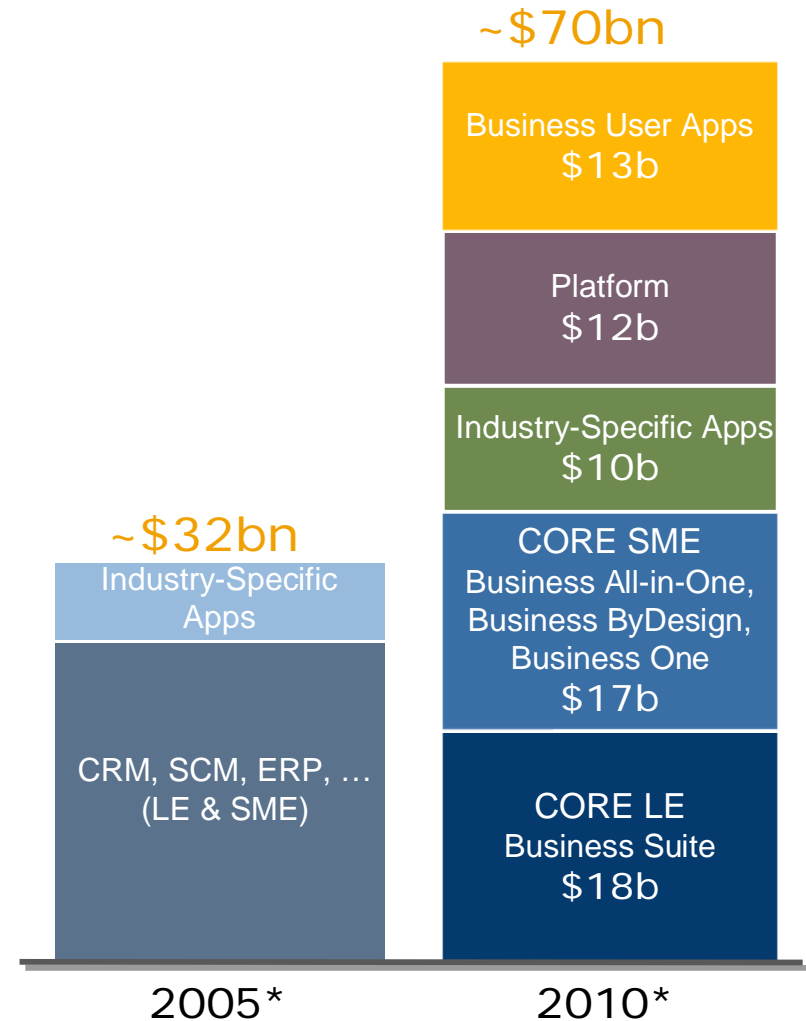
SAP – The World’s Leading Provider of Business Application Software



The enterprise software stack

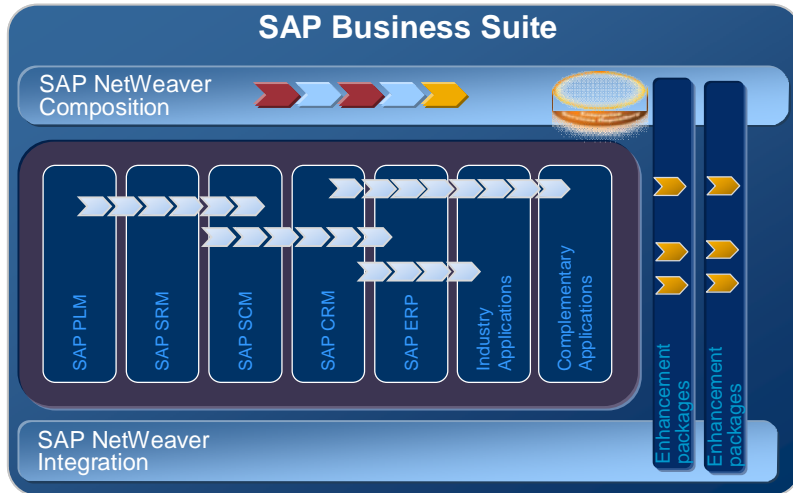


Expansion of SAP’s addressable market



Source: IDC, SAP
 2010 market sizes in USD bn, based on SSRS
 CAGRs for 2008-2013 period

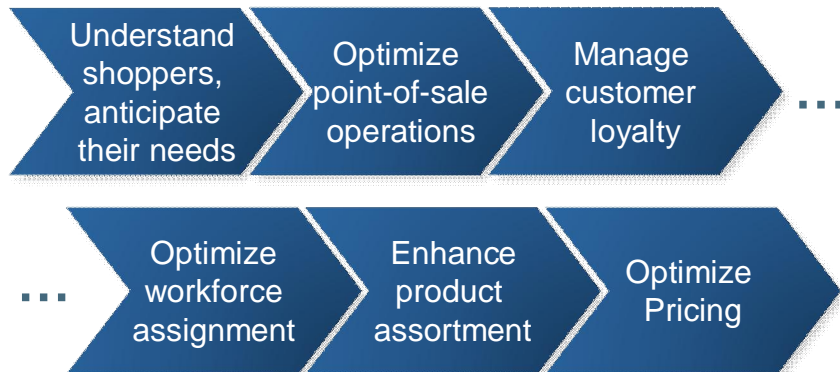
Product Innovation – Launching SAP Business Suite 7



- SAP's next-generation software suite
- Delivery of 30 industry-rich value scenarios spanning organizational boundaries and application silos
- Reduced total cost of ownership:
 - Enhancement Package technology eases upgrades („pick and choose“)
 - Harmonized user interface increases productivity and reduces training efforts
 - SAP Enterprise Support and SAP Solution Manager reduce cost of operations
- Incorporated analytical capabilities from the SAP Business Objects portfolio support decision making
- Launch partners include IBM, Capgemini, Atos Origin and Wipro

Value Scenario

“Inspired Shopping Experience“ (Retail)



Bring BI to All Business Users

- Simplicity and speed of search
- Intuitive data exploration and visualization
- Fast response across mountains of data



Help IT to be Successful

- Easy and efficient to manage and scale
- More reactive to business with faster delivery
- Based on proven reliable infrastructure



SAP Has Compelling Advantages Versus Every Category of Competitors

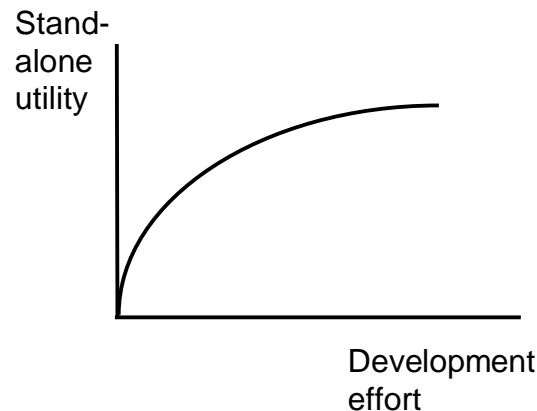


Other 'suite' vendors

- Consistent technology and semantics
- Non-overlapping solution portfolio
- Investment protection
- Reputation
- Largest customer base
- Unmatched industry expertise
- Strongest 'ecosystem' of partners

'Best of breed' vendors

- Integration
- 'One throat to choke'
- Stability and reliability of vendor
- Customer access
- Global standards



Inhouse development and custom development

- Cost
- Long-term support and continuous improvement
- Best practices

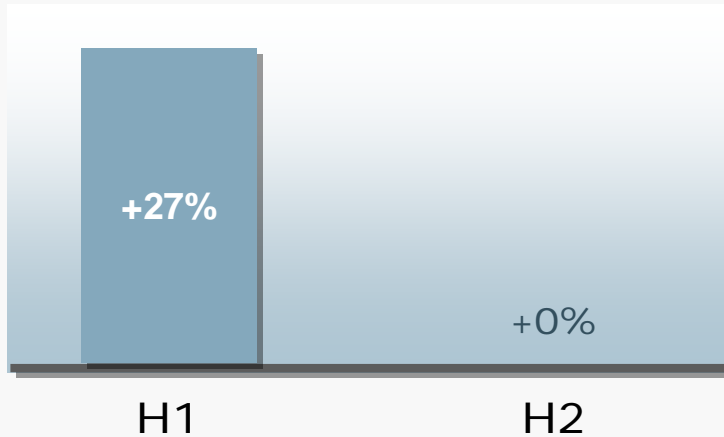


The Current Situation

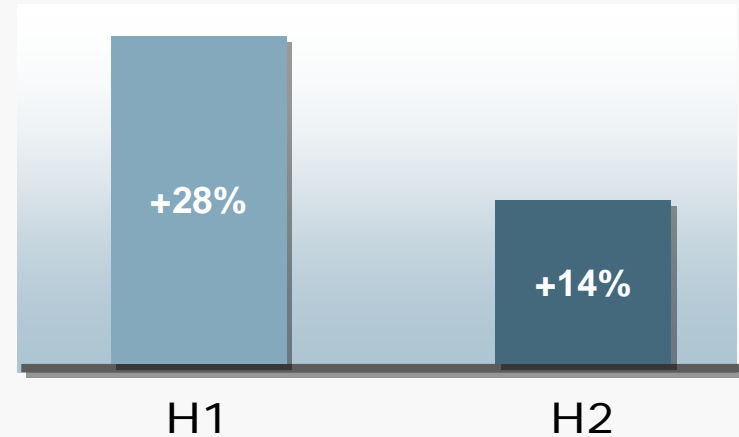
The Economic Downturn Had an Immediate, Significant Impact on SAP's Software Revenue



Software revenue*



SSRS revenue*



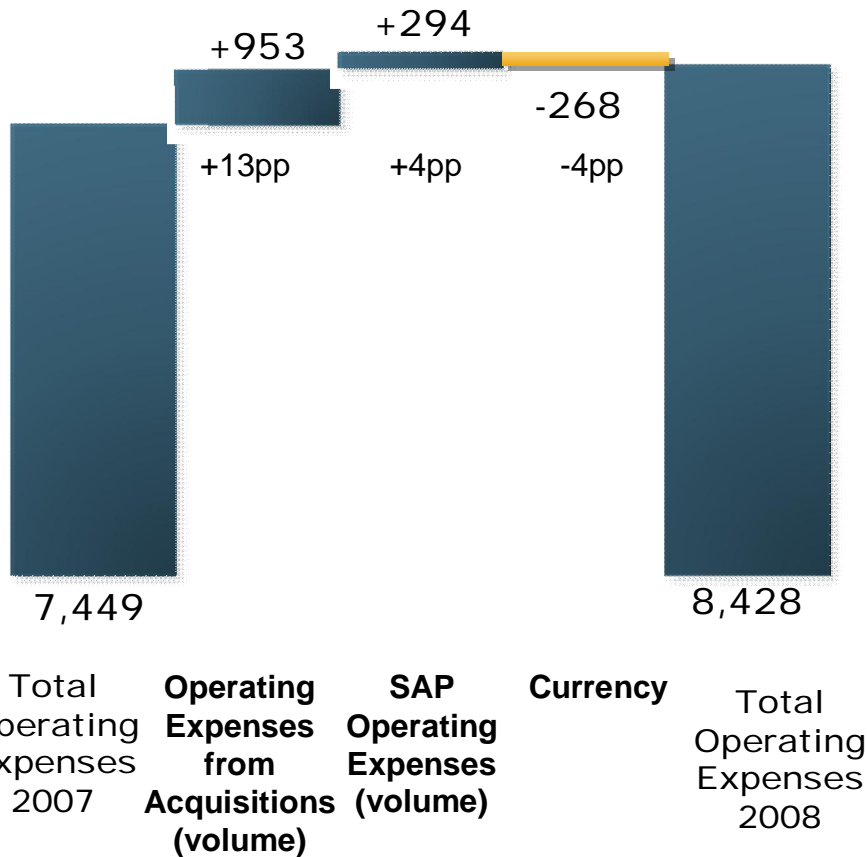
- SAP started with a very strong H1 2008, with strong organic growth and excellent contribution from SAP Business Objects
- Following the acceleration of the financial crisis in mid-September the economic environment deteriorated significantly
- SAP's H2 2008 was severely impacted with an H2 SSRS growth rate 50% below the H1 level
- Customer buying patterns changed
 - High share of order entry from existing customers in H2
 - Reduced average transaction volumes

SAP Quickly Responded with Thorough Cost Management



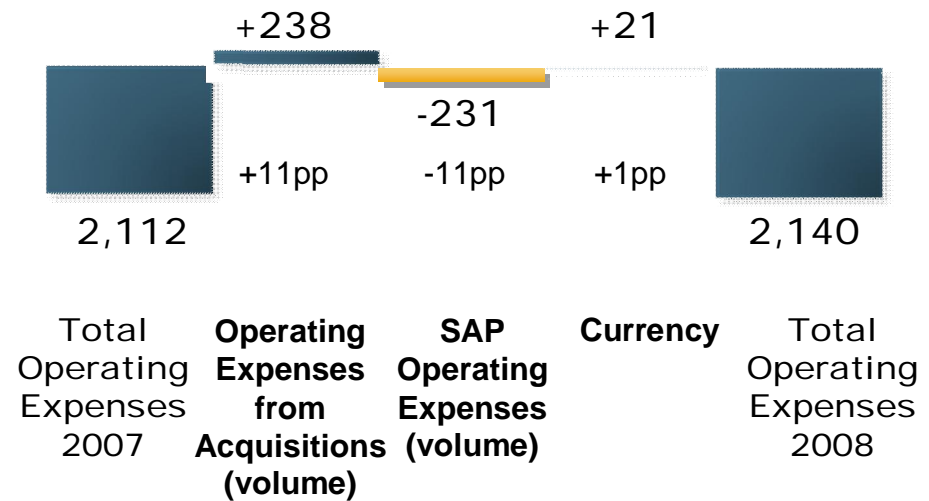
Full-Year 2008

Total Operating Expenses: +13%



Fourth Quarter 2008

Total Operating Expenses: +1%



Fourth quarter was positively impacted by:

- Expense saving measures
- Impact of equity program
- Variable compensation

All figures € millions / Non-GAAP

Q1 2009 is Testimony to the Strength of SAP's Business Model



Growing stream of stable, recurring revenues

- Software revenue decreased 33% yoy
- Support revenue increased 14% yoy
- Subscription revenue increased 29% yoy

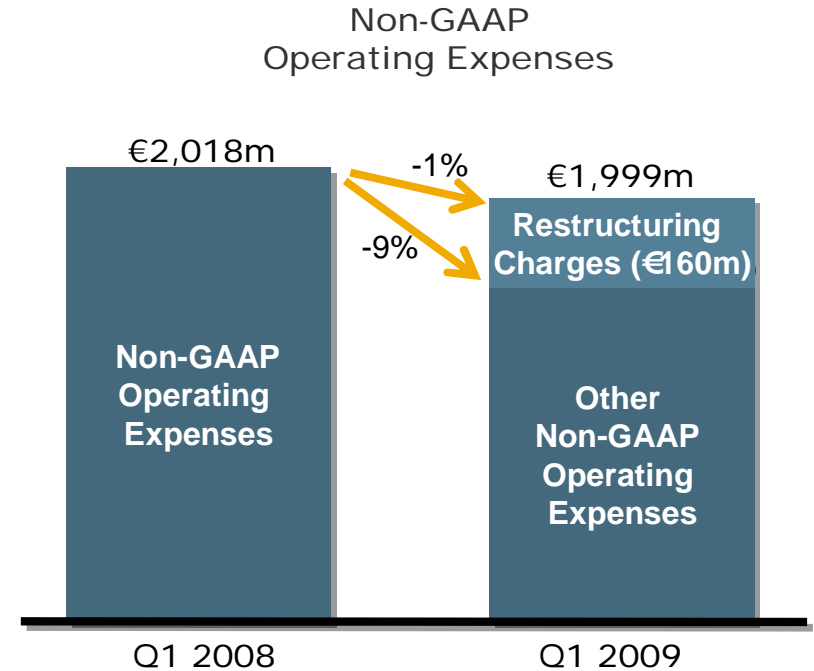
+ Flexible cost base

- Cost containment measures in place
- Workforce reduction on track
- Cost base* reduced by ~9% yoy

= Earnings protection

But:

- Visibility remains very limited for 2009 and beyond – closure rates are hard to predict
- Tough comparison to the strong results reported in both Q1 and Q2 2008
- SAP will continue to very carefully manage its cost base





Summary

- SAP is the clear market leader in the business applications industry with an addressable market of ~\$70b
- SAP's business model represents a rare combination of defensive characteristics and significant growth potential
- Using product innovation and targeted acquisitions, SAP expands into adjacent markets where it can leverage its competitive advantages
- SAP has advantages versus every category of competitors and can emerge from the downturn in an even stronger competitive position
- In the current environment SAP carefully manages its cost base, putting a strong focus on earnings protection



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Income Statement Overview

Full-Year 2008 (U.S. GAAP and Non-GAAP)



€ millions	U.S. GAAP			Non-GAAP			% change constant currency*
	FY 2008	FY 2007	% change	FY 2008	FY 2007	% change	
Software revenues	3,606	3,407	6	3,606	3,407	6	10
Software and software-related service revenues	8,457	7,427	14	8,623	7,427	16	20
Total revenues	11,567	10,242	13	11,733	10,242	15	19
Operating income	2,842	2,732	4	3,305	2,793	18	24
Operating margin (%)	24.6	26.7	-2.1pp	28.2	27.3	0.9pp	1.1pp
Income from continuing operations	1,925	1,934	0	2,266	1,975	15	—
Net income	1,888	1,919	-2	2,229	1,960	14	—
Basic EPS from cont. operations (€)	1.62	1.60	1	1.90	1.64	16	—

* % currency adjusted – actuals 2008 converted with the exchange rates of 2007

Non-GAAP Revenue Numbers

Full-Year 2008



	FY 2008 € millions	FY 2008* € millions	FY 2007 € millions	Δ%	Δ% constant currency*
Software revenue	3,606	3,745	3,407	6	10
Support revenue	4,759	4,914	3,838	24	28
Subscriptions & other software-rel. serv. revenue	258	260	182	42	43
SW & SW-related service revenue	8,623	8,919	7,427	16	20
Consulting revenue	2,500	2,592	2,221	13	17
Training revenue	434	452	410	6	10
Other services revenue	106	111	113	-6	-2
Professional services revenue	3,040	3,155	2,744	11	15
Other revenue	70	72	71	-1	1
Total revenue	11,733	12,146	10,242	15	19

* % currency adjusted – actuals 2008 converted with the exchange rates of 2007

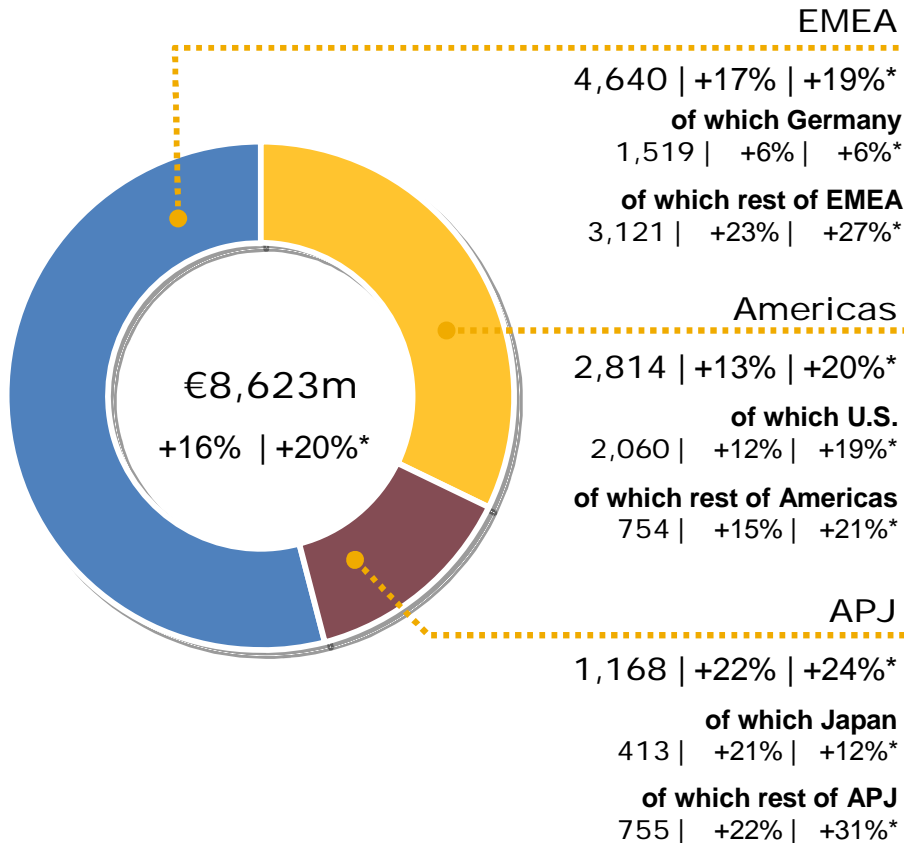
Non-GAAP Revenue Breakdown by Region**

Full-Year 2008

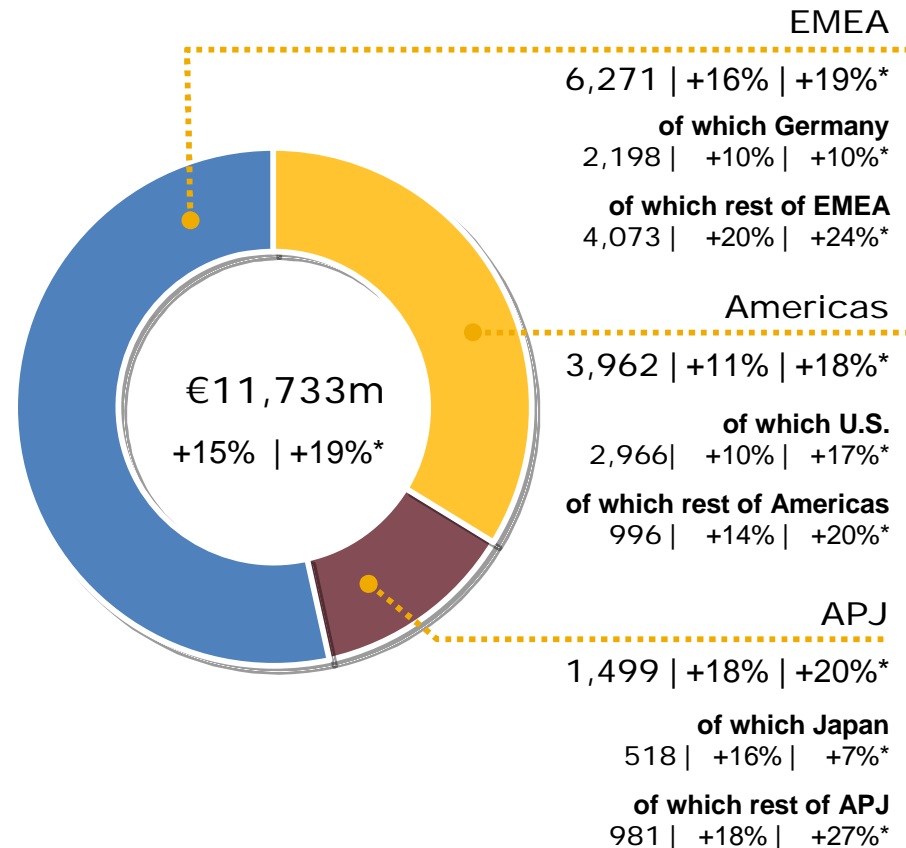


€millions | yoy percent change | yoy percent constant currency change

Software and software-related service revenue by region**



Total revenue by region**



* % currency adjusted – actuals 2008 converted with the exchange rates of 2007

** by location of customers

Non-GAAP Net Income, EPS and Key Ratios

Full-Year 2008



	FY 2008 € millions	FY 2007 € millions	Δ %	Δ % constant currency*
Operating income	3,305	2,793	18	24
Other non-operating income/expense, net	-25	1	N/A	
Financial income/expense, net	-63	124	N/A	
Income from continuing operations before income taxes	3,217	2,918	10	
Income taxes	-950	-941	1	
Income from continuing operations	2,266	1,975	15	
Net income	2,229	1,960	14	
	FY 2008	FY 2007	Δ %	Δ % constant currency*
EPS from continuing operations – basic in €	1.90	1.64	16	
EPS from net income – basic in €	1.87	1.62	15	
Operating margin	28.2%	27.3%	0.9pp	1.1pp
Effective tax rate from continuing operations	29.5%	32.2%	-2.7pp	

* % currency adjusted – actuals 2008 converted with the exchange rates of 2007

Balance Sheet & Cash Flow Analysis

Full-Year 2008 (U.S. GAAP)



	12/31/08	12/31/07	Δ
Net liquidity (€ millions)	-659	2,729	-3,388
Gross liquidity (€ millions)	1,662	2,756	-1,094
Days sales outstanding (DSO)	71 days	66 days	+5 days
Equity ratio	52%	63%	-11pp

	FY 2008 € millions	FY 2007 € millions	Δ %
Operating cash flow	2,183	1,950	+12
– Cash conversion rate *	116%	102%	+14pp

	FY 2008 € millions	FY 2007 € millions	Δ %
Operating cash flow	2,183	1,950	+12
– Capital expenditure	-339	-401	-15
Free cash flow	1,844	1,549	+19
Free cash flow as a % of total revenue	16	15	+1pp

* Cash Conversion Rate = Operating Cash Flow / Net Income