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CFO and Member of the Executive Board, SAP AG

Deutsche Bank German and Austrian Corporate Conference  
Frankfurt, May 21, 2010

THE BEST-RUN BUSINESSES RUN SAP™



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## Agenda

➔ The Market Leader in Business Applications

Innovation Drives Growth

Summary

# The World's Leading Provider of Business Application Software

Undisputed market leader with >97,000 customers in 120 countries



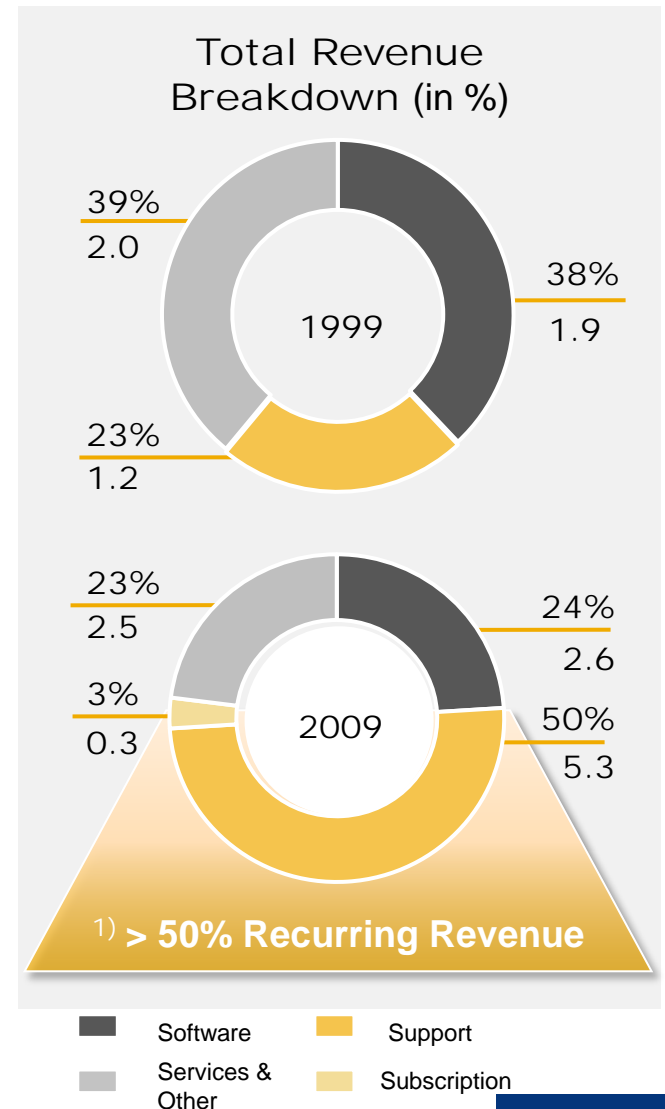
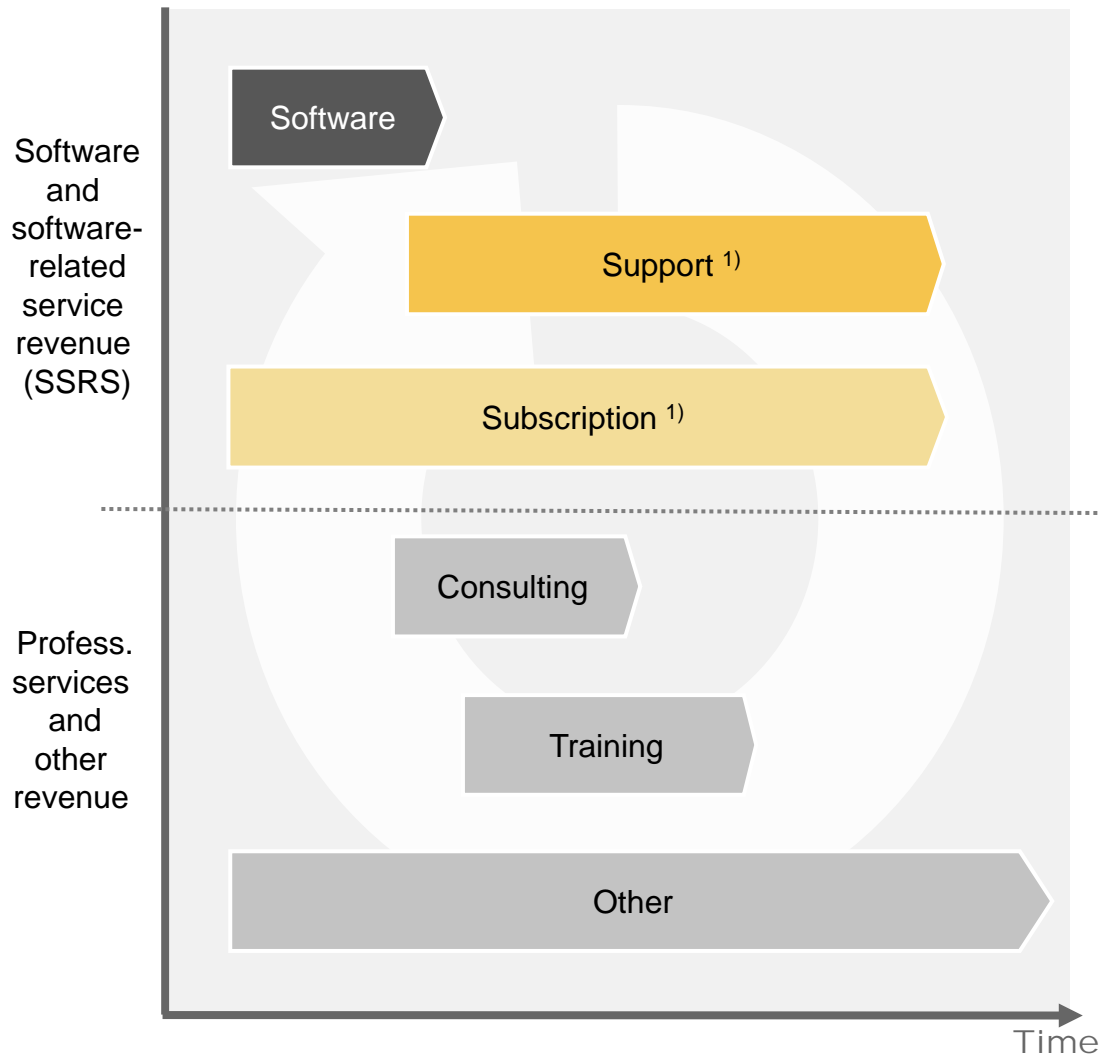
- Undisputed market leader in business applications
- Most comprehensive and consistent suite of business applications in the industry
- Leading innovation power with ~15,000 developers
- Robust business model with an ever increasing share of recurring revenues and strong economies of scale
- Strong sales opportunity into installed base – business with existing customers accounts for ~80% of order entry
- Recognized global brand (27<sup>th</sup> most valuable in the world according to BusinessWeek\*)
- Strong focus on ecosystem to foster co-innovation

\*Source: Interbrand / BusinessWeek 2009



# SAP's Business Model

## Strong Defensive Characteristics Coupled With Growth Potential

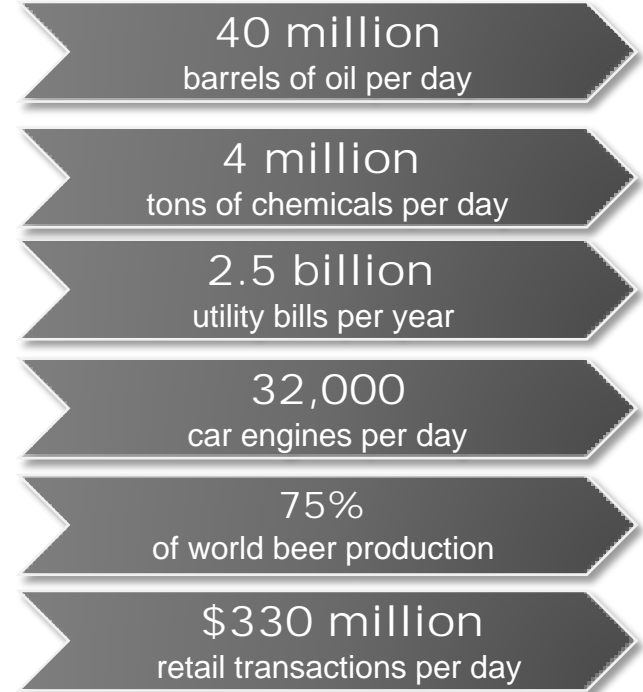
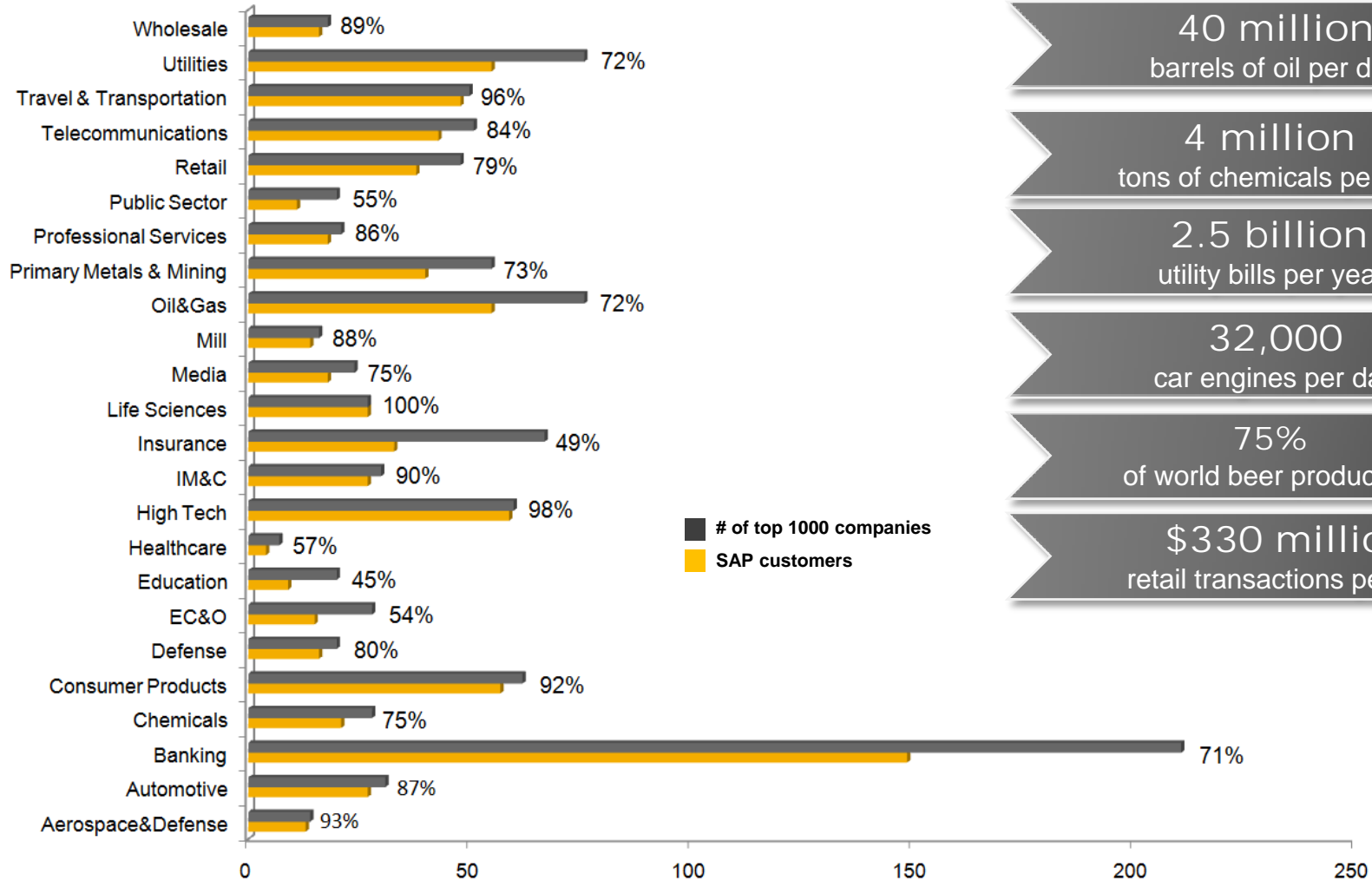


Note: 1999 based on US-GAAP, 2009 based on IFRS; in € billion unless stated otherwise






# SAP Delivers Significant Value. . .

...by supporting **mission critical processes** in more than 24 industries globally



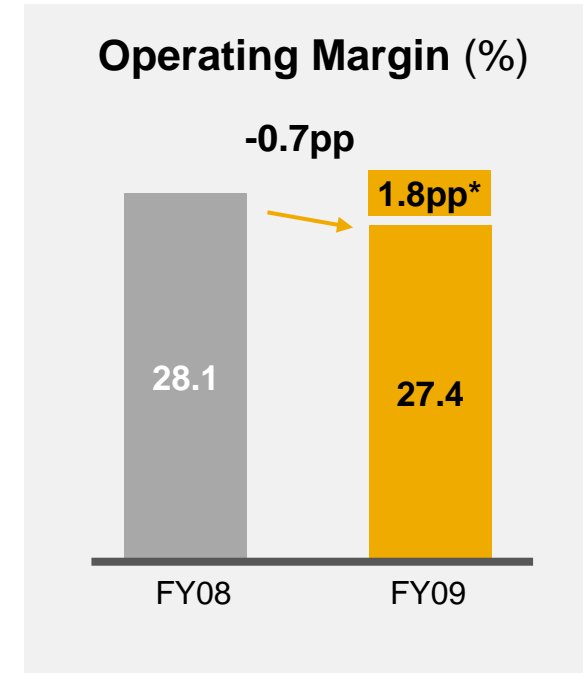
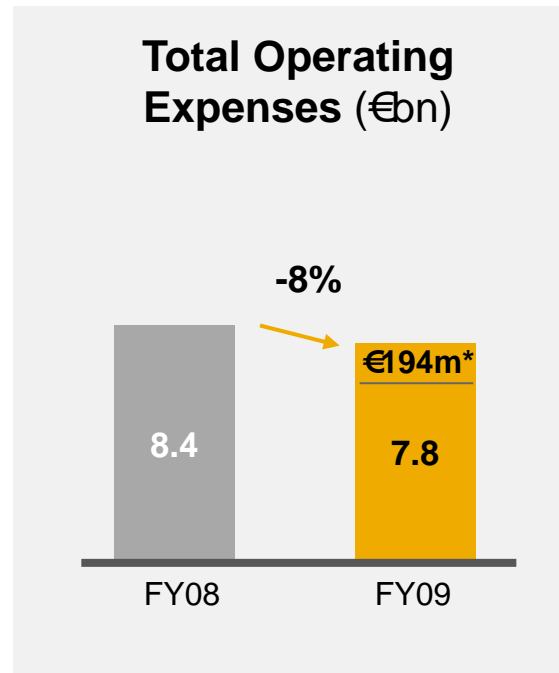
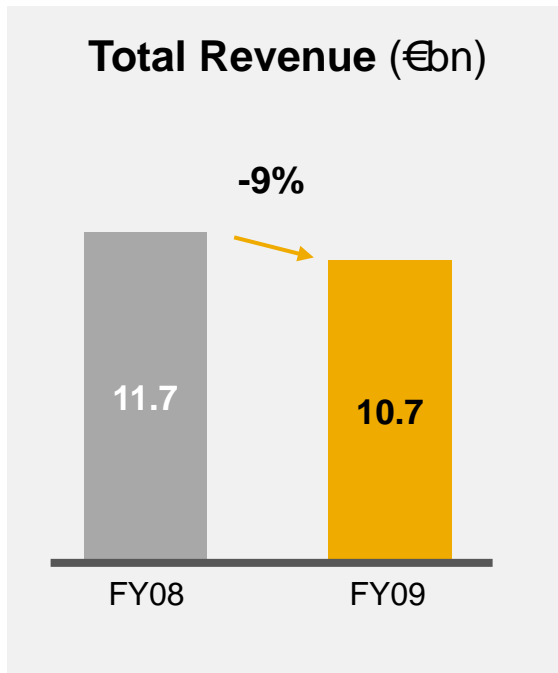
# SAP's Solutions Offerings

## Tailored Solutions for Each Customer Segment

Customer Segment	Addressable Market	Deployment Models	Primary Solution Offering
<b>Large Accounts</b> ~70% of order entry >22,500 customers	<b>Large Enterprises</b> (> 2,500 employees) ~\$30bn market	<ul style="list-style-type: none"> <li>On-premise suite</li> <li>On-demand extensions</li> <li>Upfront licensing</li> <li>Subscription licensing</li> </ul>	SAP Business Suite 7 SAP BusinessObjects LE product portfolio Expansion of industry solutions portfolio
<b>Small and Mid-sized Enterprises</b> ~30% of order entry >73,000 customers	<b>Upper Midsize</b> (500 to 2,500 employees) ~\$15bn market	<ul style="list-style-type: none"> <li>On-premise suite</li> <li>Upfront licensing</li> </ul>	
	<b>Lower Midsize</b> (100 to 500 employees) ~\$15bn market	<ul style="list-style-type: none"> <li>On-demand suite</li> <li>Subscription licensing</li> </ul>	
	<b>Small Businesses</b> (<100 employees) ~\$10bn market	<ul style="list-style-type: none"> <li>On-premise suite</li> <li>Upfront licensing</li> </ul>	



# Recurring Revenues & Spending Discipline Allowed for a Strong Performance During the Downturn...

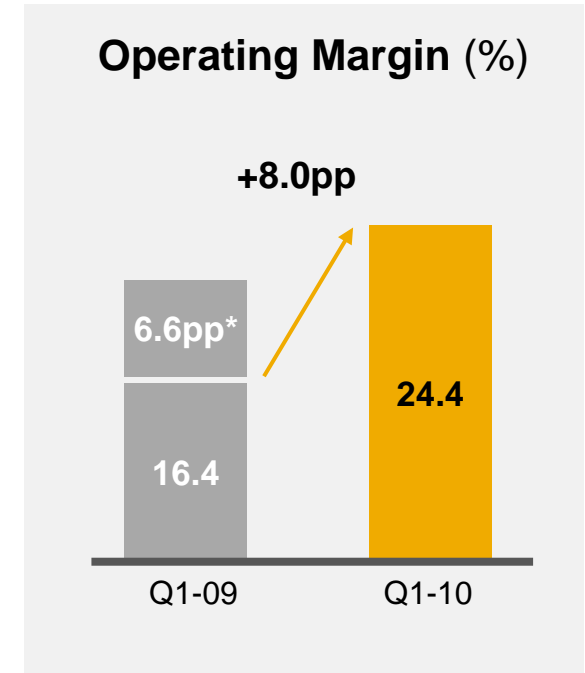
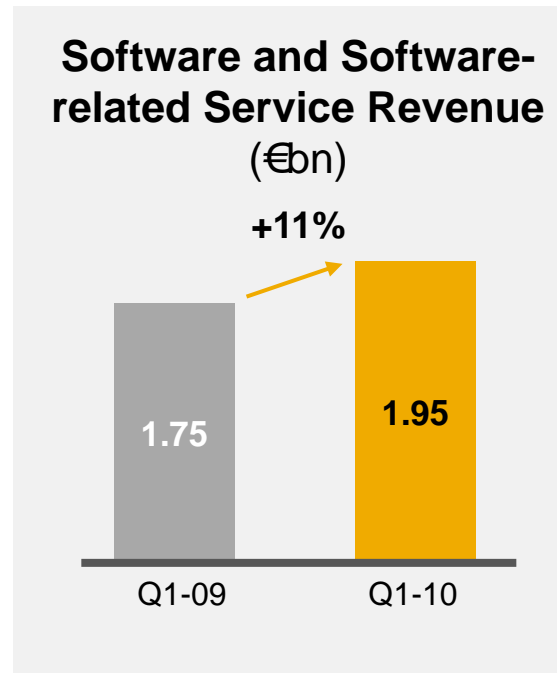
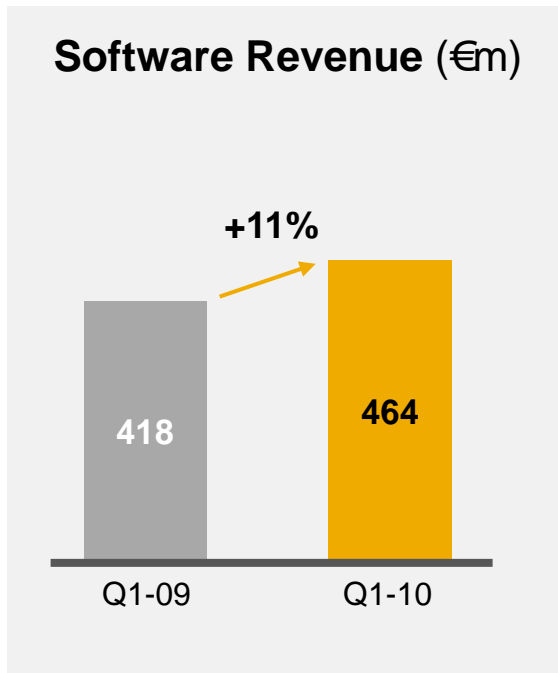


- Software revenue impacted most from the challenging environment (-28%)
- Support and Subscription revenue grew by 11% and 19%, respectively
- SAP cut its operating expenses by 8%

Note: based on Non-IFRS  
\*impact from FY 2009 restructuring charges



# ...While a Recovering Environment Demonstrates SAP's Growth Potential



- In Q1 2010, SAP returned to double-digit SSRS revenue growth
- Revenue growth is accompanied by an expanding profitability

Note: based on Non-IFRS  
\*impact from Q1 2009 restructuring charges



## Agenda

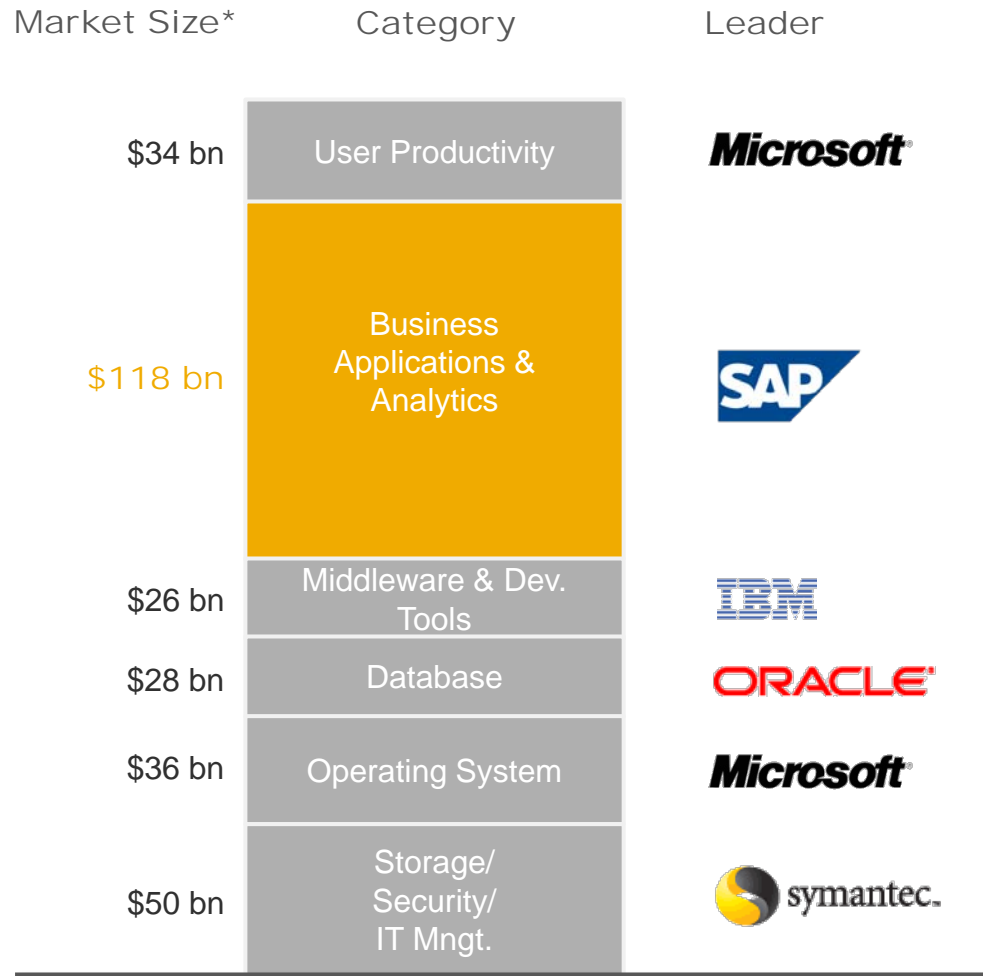
The Market Leader in Business Applications

→ Innovation Drives Growth

Summary

# SAP is Undisputed Market Leader...

## ...in the Most Important Segment of the Software Stack



Source: SAP, IDC Megamodel

\* Software and Software Related Service revenue (SSRS)



# Expand Beyond Our Core Business

## Cloud Computing / On-Demand

### Line of Business Solutions for Large Enterprises

- Aimed at areas most suitable for on-demand extensions
  - ➔ Customer Relationship Management
  - ➔ Expense Management
  - ➔ Talent Management
  - ➔ Carbon Management
- Seamless integration with on-premise SAP Business Suite

### Integrated On-demand Suite for Small and Midsized Enterprises

- SAP Business ByDesign 2.5
- Complete suite based on industry-leading architecture
- Core to SAP's on-demand strategy

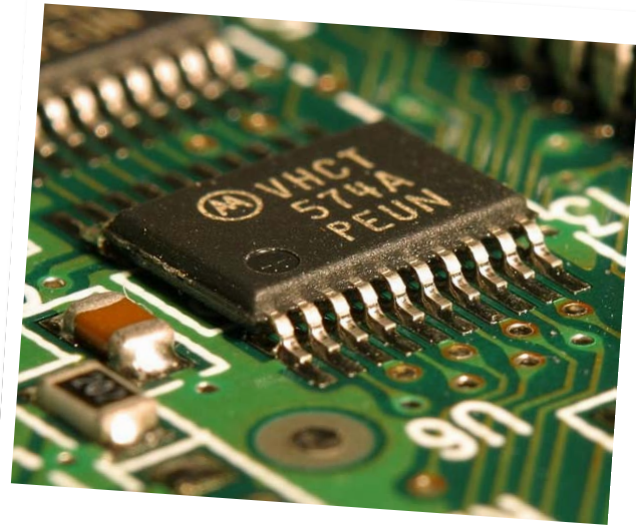


# Expand Beyond Our Core Business

## In-Memory Computing

Exponential potential for change

- Ground-breaking innovation – next generation database
- Data is stored in memory rather than on hard-disk
- 100x-1000x faster than traditional databases
- Potential to revolutionize business intelligence
- Paves the way for a new breed of applications



In-Memory

# Expand Beyond Our Core Business

## Mobile Solutions / On Device

- Make SAP solutions available on a broad number of devices
- Access SAP anytime and anywhere
- ~60% of world's population on Mobile already, more than 1 billion mobile workers globally as of today
- Corporate applications accessed from mobile devices growing at >40% p.a.



Mobile

# Our Product Strategy

## Extend from the Core to the People

Orchestration

On Device

- All devices
- All user experiences
- Easy to extend

On Demand

- Instant value
- LOB or suite
- Integrated to on premise

On Premise

- SOA enabled
- Best practice packages
- Non-disruptive enhancements

# "Networked Solutions"







## Agenda

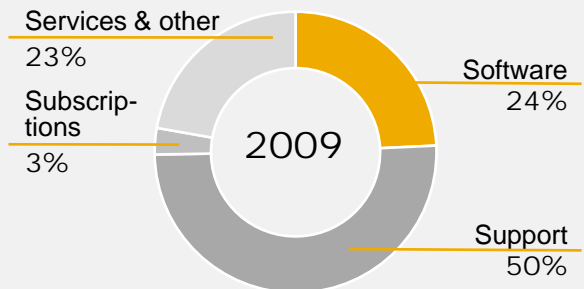
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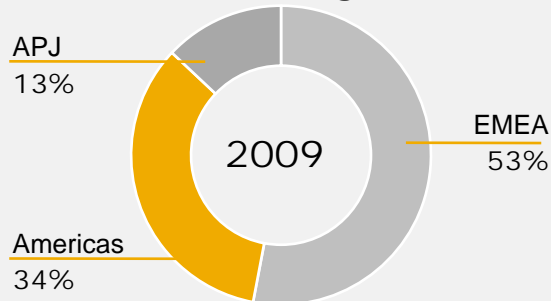
→ Summary

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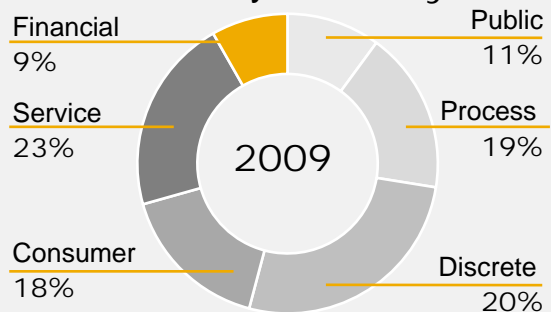
## Total Revenue by Revenue Type



## Total Revenue by Region



## Total Revenue by Industry



Note: FY2009, based on IFRS

- Global market leader in Business Application Software
- Robust business model providing a rare combination of defensive strength and growth potential
- Diversified revenue streams across
  - Geographies
  - Industries
  - Customer Segments
- Strongest and broadest solution portfolio in the industry
- Highly skilled workforce
- Excellent reputation and brand
- Unique ecosystem of partners
- Driven by innovation

