



Dr. Werner Brandt

CFO and Member of the Executive Board, SAP AG

Cheuvreux 10th German Corporate Conference
Frankfurt, January 17, 2011

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 “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 Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.





Agenda

➔ SAP at a Glance

SAP's Strategy: Expanding the Addressable Market

SAP's Product Strategy

Snapshot: Q4 & FY 2010 Preliminary Results

Summary



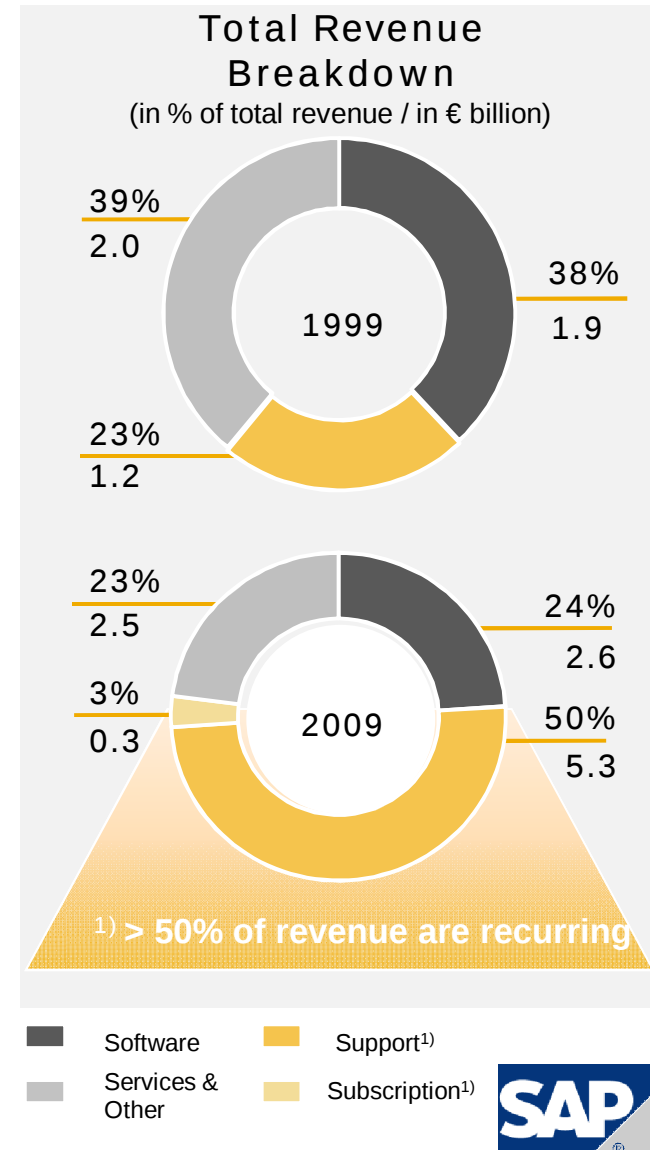
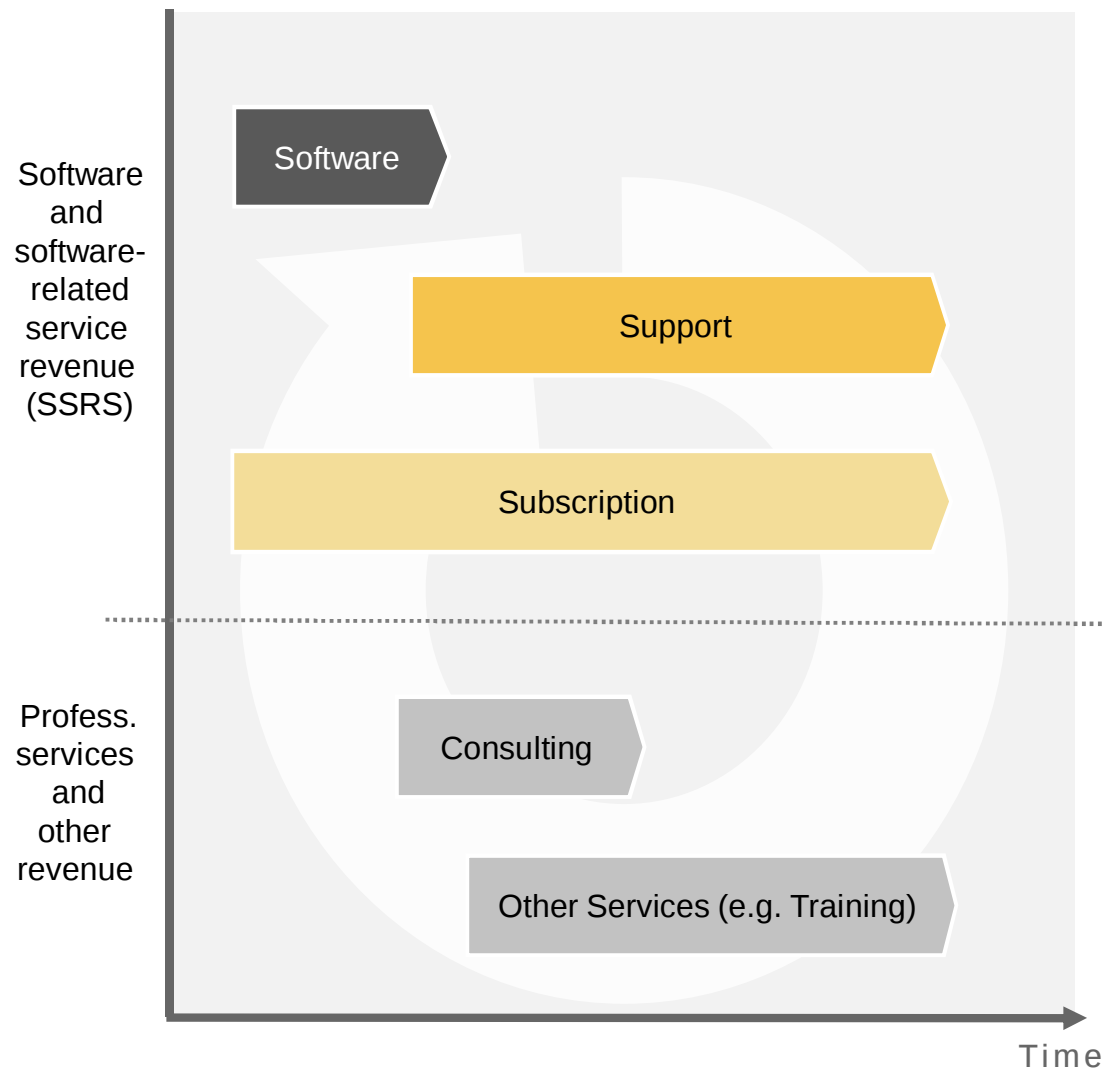
SAP at a Glance – Executive Summary

- SAP is the undisputed market leader in enterprise business applications software
 - 105,000+ customers in 120 countries around the world
 - €12.5bn total revenue
 - 31%+ operating margin
 - Leading vertical strategy with more than 24 industry-specific solutions
- Leader in large, midsized and small enterprise segments with tremendous growth opportunities in each segment
- Unique ability to deliver to its customers software solutions on premise, on demand and on device all seamlessly integrated

SAP's Business Model

Defensive Characteristics and Significant Growth Potential



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



Agenda

SAP at a Glance

➔ SAP's Strategy: Expanding the Addressable Market

SAP's Product Strategy

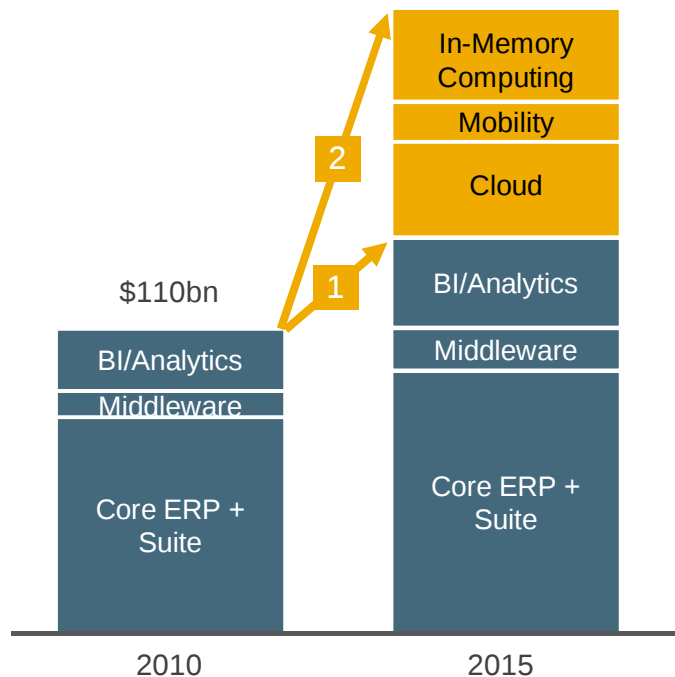
Snapshot: Q4 & FY 2010 Preliminary Results

Summary



SAP Accelerates the Expansion of its Addressable Market

Expansion of SAP's Addressable Market



- Expansion of addressable market due to:
 - 1 market growth within SAP's established solution categories
 - 2 addition of new solution categories
- With the acquisition of Sybase and the launch of OnDemand solutions and In-Memory Computing, SAP accelerates the expansion of its addressable market

Expanding SAP's Addressable Market

Cloud Computing / On Demand

Integrated On-demand Suite for Small and Midsized Enterprises

- SAP Business ByDesign is a complete on-demand suite based on industry-leading architecture
- Available in six major countries since beginning of August (Feature Pack 2.5)
- Core to SAP's on-demand strategy

Line of Business Solutions for Large Enterprises

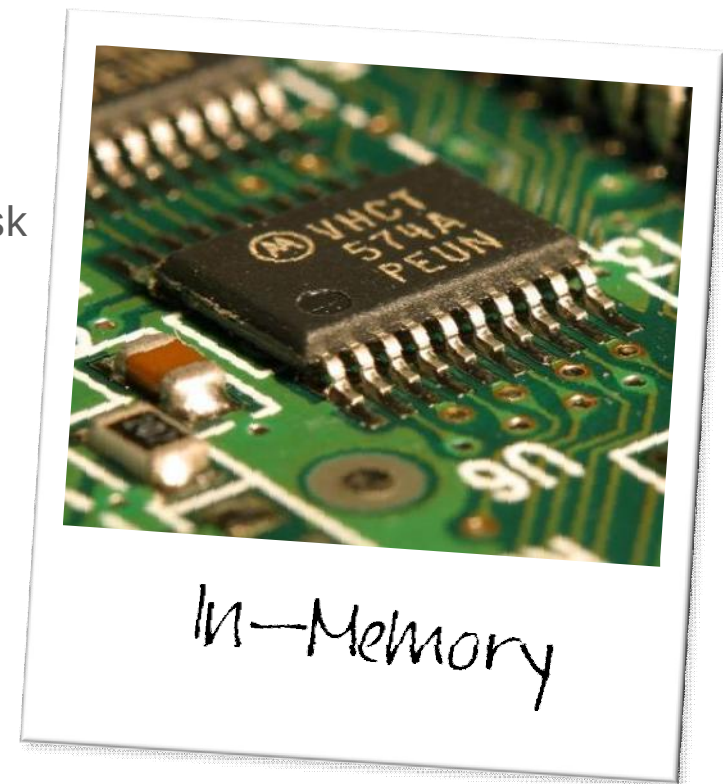
- Aimed at areas most suitable for on-demand extensions to an on-premise core, e.g.:
 - ➔ Customer Relationship Management
 - ➔ Expense Management
 - ➔ Talent Management
 - ➔ Carbon Management
- Seamless integration with on-premise SAP Business Suite



Expanding SAP's Addressable Market

In-Memory Computing: Potential to Revolutionize Data Storage and Access

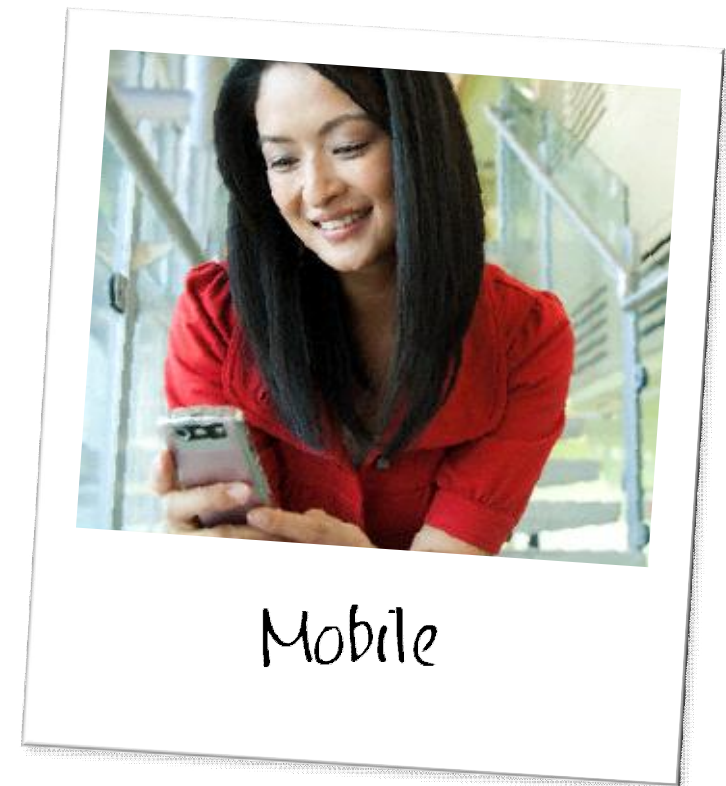
- The SAP in-memory computing engine is an integrated database and calculation layer that **allows the processing of massive quantities of real-time data to provide immediate results:**
 - **100x – 1,000x faster** than traditional data processing
 - Data is stored **in-memory** rather than on hard disk
- SAP launched its first product with in-memory technology (**SAP HANA 1.0**) in Dec. 2010. It demonstrates fundamental improvements in:
 - **Speed:** Columnar storage of data enables breakthrough performance in scan, grouping and aggregation operations that are the heart of analytics
 - **Scalability:** Performance scales linearly by the number of cores per blade
 - **Compression:** SAP's technology employs advanced compression algorithms and data structures that minimize the memory footprint required to run the system



Expanding SAP's Addressable Market

Mobile Solutions / On Device

- Make SAP solutions available on a broad number of devices
- Access SAP anytime and anywhere
- Based on Sybase's leading mobile solutions portfolio
- ~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.





Agenda

SAP at a Glance

SAP's Strategy: Expanding the Addressable Market

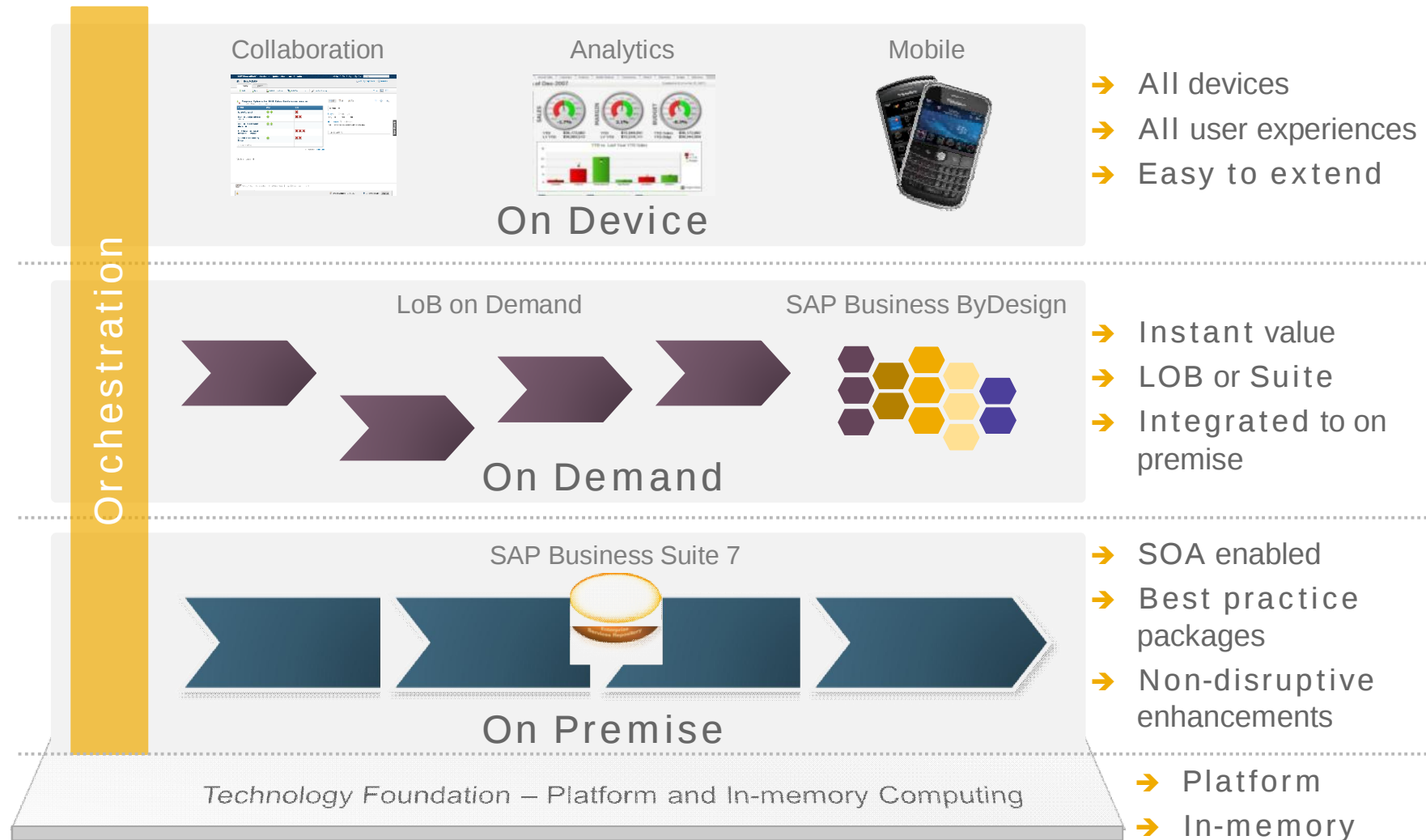
➔ SAP's Product Strategy

Snapshot: Q4 & FY 2010 Preliminary Results

Summary



SAP's Product Strategy is a Reflection of its Market Expansion Strategy



On Premise: The Foundation of SAP's Business Innovation without Disruption & Lowest TCO in the Market

SAP Business Suite 7.0

- SAP's flagship product
- New modular, reduced-risk IT approach enables further TCO reduction for customers
- Enhancement package strategy: Win-win for customers and SAP
- Expanded industry specific footprint
- Embedded analytics tools
- Improved Usability (Mobile)

Analytics

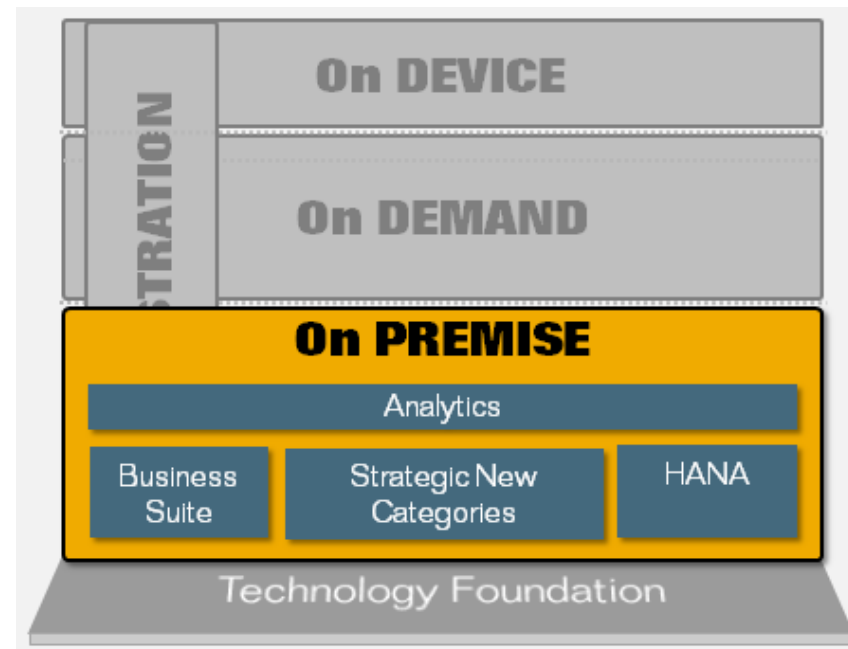
- Comprehensive analytics suite

Strategic New Categories

- New solutions outside the suite, e.g. transportation management, banking solution, etc.
- Advantages:
 - Independent release cycle (cheaper and easier to maintain)
 - Stand-alone is possible and easy integration is guaranteed

In-Memory Technology / HANA

- Breakthrough data management



On Demand: Lowest Time to Value

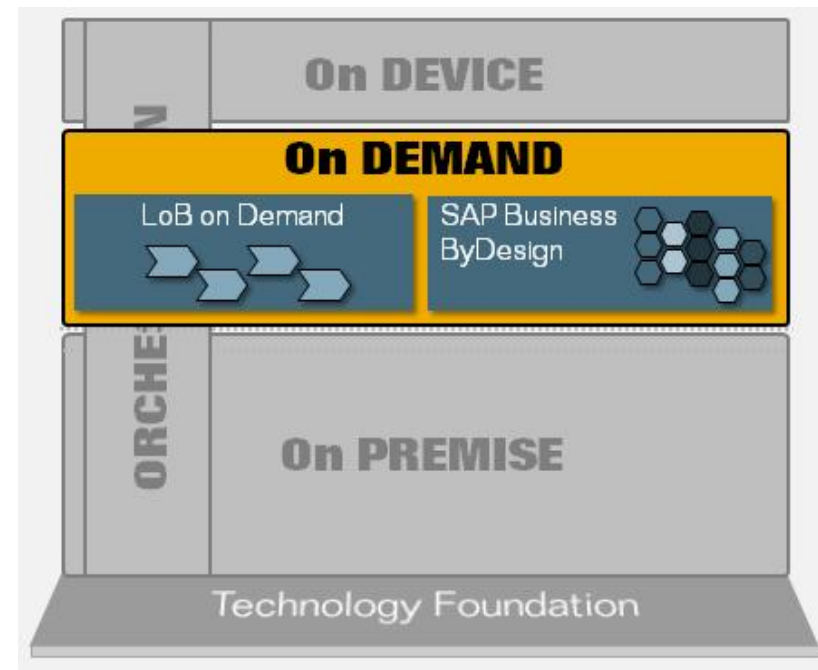
Integrated to On Premise & Most Modern Platform

SAP Business ByDesign

- Six country versions available
- Subsidiary scenario
- New database (In-memory technology)
- On Demand platform convergence

LoB on Demand: People-Centric Apps

- Today already available: E-Sourcing, Carbon On Demand (OD)
- In 2011: Sales OD, Travel OD, Career OD
- Mobile consumption
- People centric design
- Collaborative in nature



On Device: Ease of Building Mobile Experiences and Ecosystem Innovation

Sybase 365 (Mobile Infrastructure)

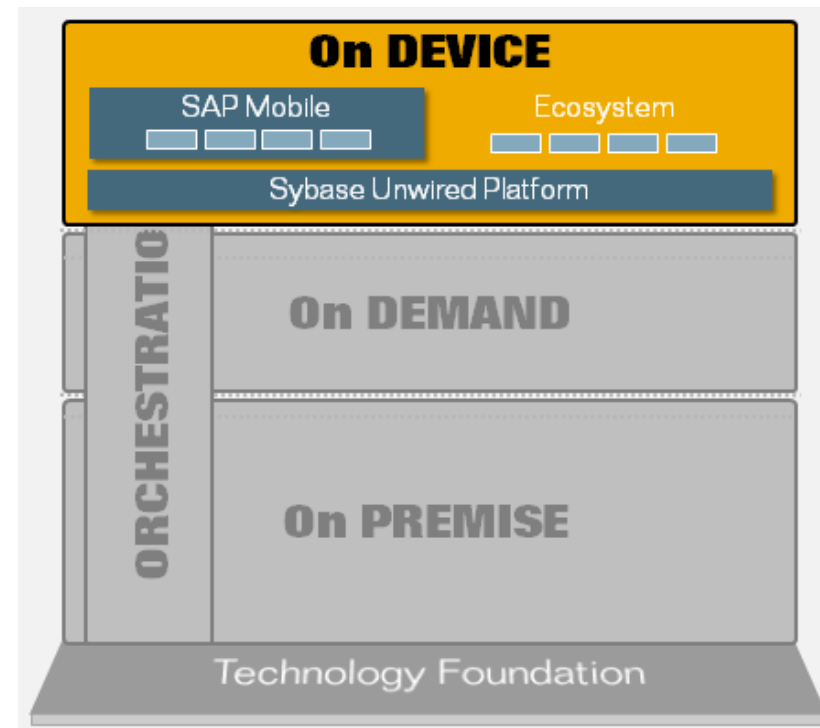
- Helps to manage and operate a mobile infrastructure
- Enables mobile devices to execute business processes (e.g. mobile commerce)

Sybase Unwired Platform (Mobile Platform)

- The Sybase “Unwired Platform” allows SAP to bring enterprise applications to a broad range of mobile devices quickly and efficiently
- Manages the complexity of devices (e.g. devices that are “always on” or “sometimes on”)

SAP Mobile & Ecosystem

- The Sybase unwired platform is the opportunity to build mobile experiences for SAP (e.g. CRM running on an iPad), but also for SAP’s partner ecosystem



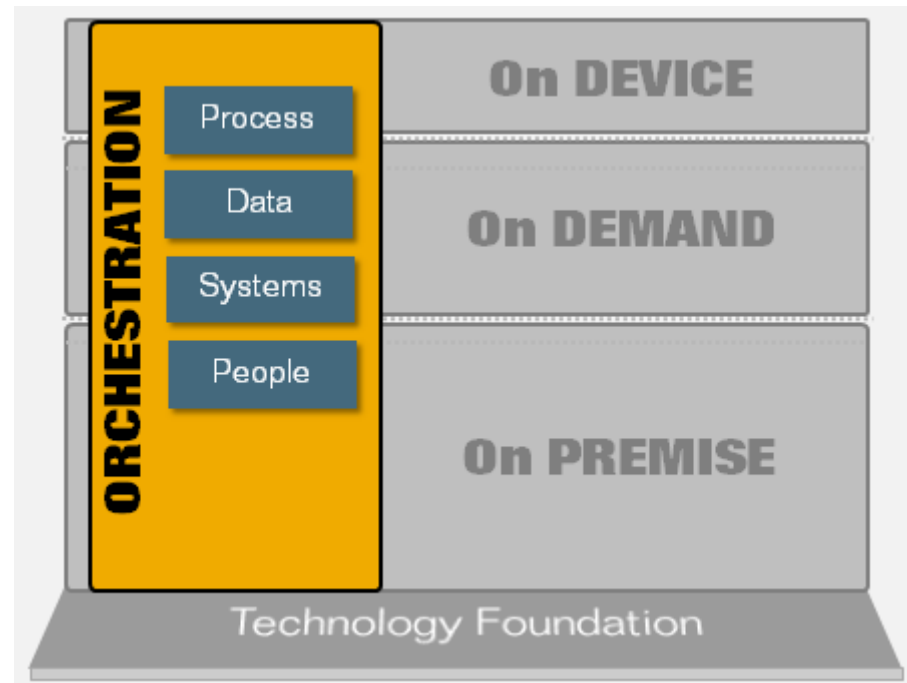
Orchestration – Consistency, Lowest Cost & Customer Choice

Networked Solutions

- SAP's blueprint of how to built a piece of software to make sure that all pieces fit together seamlessly

Built-in Orchestration

- SAP NetWeaver is the technology platform that runs all SAP applications
- It enables consistency across master data, systems to manage and takes customer experience to the next level
- Integration Out of the Box



Leveraging Sybase's Assets and Expertise

1 Leading Mobile Platform

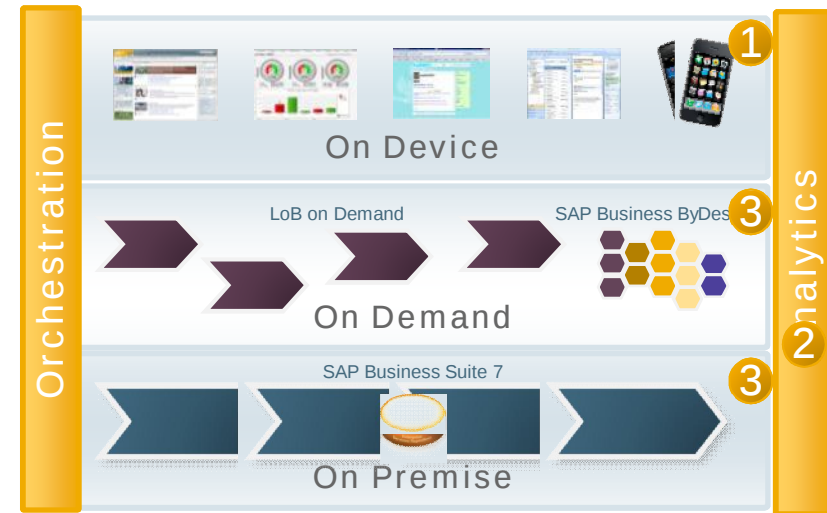
- Sybase is the global leader in mobile application platforms and mobile device management
- “Make SAP available anytime, anywhere, for everyone”

2 Data Management and Analytics

- Sybase is a leading provider of high-performance databases in focus industries like financial services and telecommunications (Sybase ASE, Sybase IQ)
- Sybase databases will support SAP applications and get combined with the SAP Business Objects analytical front-end

3 In-Memory Technology

- Sybase's expertise in data storage, administration and security as well as its customer base enable SAP to shorten time-to-market for SAP's breakthrough In-Memory Technology
- In-Memory Technology facilitates real-time analytics and next-generation applications for on-premise and on-demand platforms





Agenda

SAP at a Glance

SAP's Strategy: Expanding the Addressable Market

SAP's Product Strategy

➔ Snapshot: Q4 & FY 2010 Preliminary Results

Summary



Selected Income Statement Items – Overview

Q4 & FY 2010 (Preliminary)

SAP announced record fourth quarter 2010 software revenue

- Full-year SSRS revenue increased 13% at const. curr. and exceeded company guidance
- Fourth quarter software revenue increased 24% at const. curr. to approx. €1.5bn

4th Quarter 2010 Performance (all numbers are approximate)

Software revenue (IFRS)	€1.50bn	+34%	+24%*
SSRS revenue (Non-IFRS)	€3.30bn	+28%	+20%*
Total revenue (Non-IFRS)	€4.08bn	+28%	+19%*
Operating margin (Non-IFRS)	39%	+4pp	+3pp*

Full Year 2010 Performance (all numbers are approximate)

Software revenue (IFRS)	€3.26bn	+25%	+16%*
SSRS revenue (Non-IFRS)	€9.85bn	+20%	+13%*
Total revenue (Non-IFRS)	€12.52bn	+17%	+11%*
Operating margin (Non-IFRS)	31.5%	+4pp	+3pp*

* at constant currency



FY 2010 – Performance vs. Guidance

	SAP's Outlook* FY 2010	Actual Performance FY 2010
Software and Software Related Service Revenue (Non-IFRS)	Increase in a range of 9% – 11% at constant currencies	Increase of ~13%  at constant currencies
Operating Margin (Non-IFRS)	Range of 30% – 31% at constant currencies	~30.5%  at constant currencies

* Status as of Q3 2010





Agenda

SAP at a Glance

SAP's Strategy: Expanding the Addressable Market

SAP's Product Strategy

Snapshot: Q4 & FY 2010 Preliminary Results

➔ Summary



Summary

- SAP is the clear market leader in the enterprise business applications industry
- Strong growth opportunities supported by a sustainable, robust, long term business model
- Diversified revenue streams across geographies, industries and customer segments
- SAP's aspiration for further margin expansion
- Highly skilled workforce
- Excellent reputation and brand recognition



