

SAP – The World's Leading Business Software Company

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Safe Harbor Statement

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Agenda

- SAP at a Glance
- Driving Innovation at SAP – Products and Strategy
- SAP's Strategy for Continued Profitable Growth

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SAP is the World's Leading Business Software Company

SAP is...

- **#1** in enterprise applications
- **#1** in SME applications
- **#1** in business analytics
- **#1** in enterprise mobility

SAP is a truly global company...

- **€12.5bn** total revenue
- **172,000** customers
- **120** countries
- **34** global technology partners
- **2,900+** certified partners



Our Purpose

VISION

MAKE THE WORLD RUN BETTER

MISSION

MAKE EVERY CUSTOMER A
BEST-RUN BUSINESS

BY MID OF THE DECADE

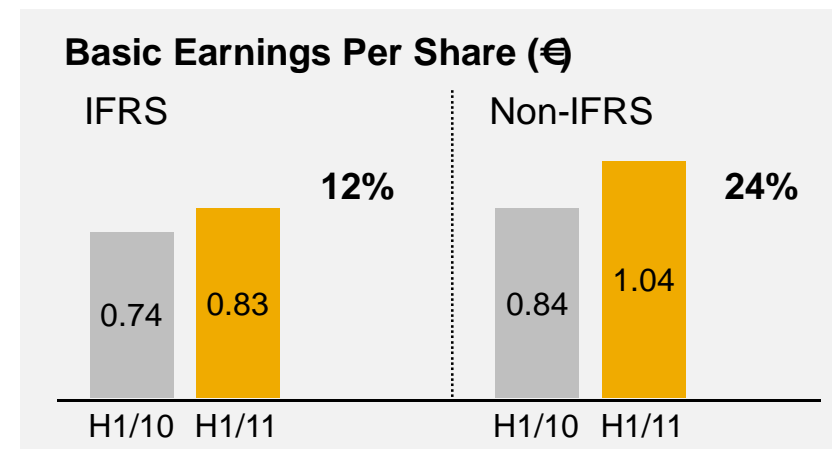
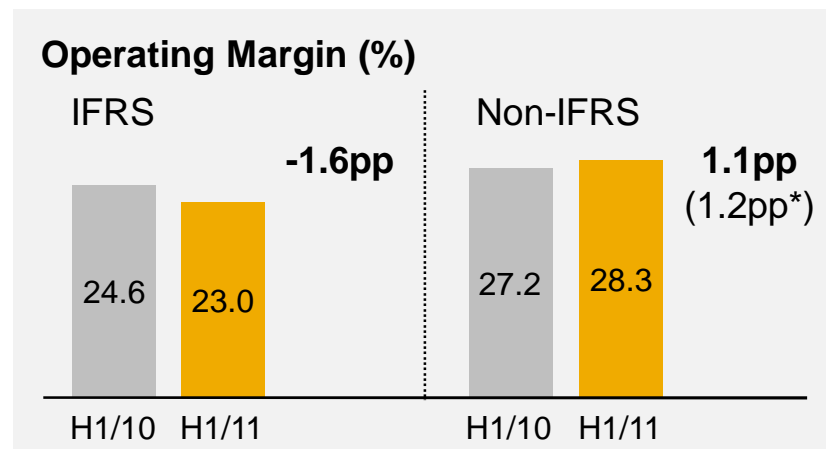
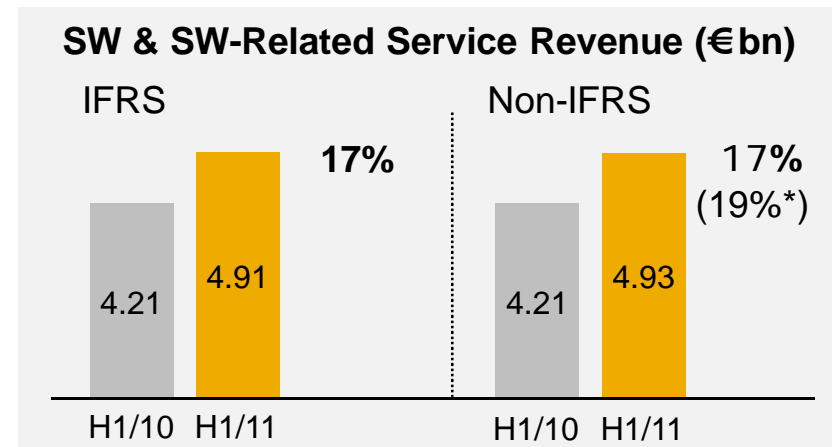
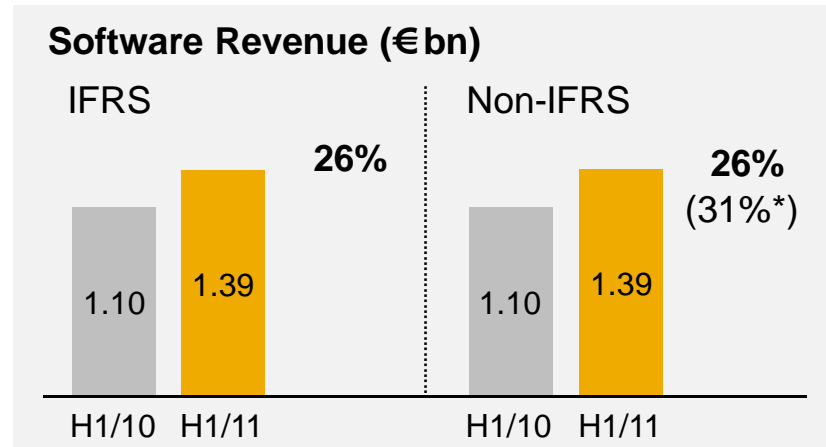
€20bn

35% MARGIN

1 BILLION PEOPLE



Top-Line Growth in First Half 2011 Combined with Operational Excellence Results in Strong Profitability

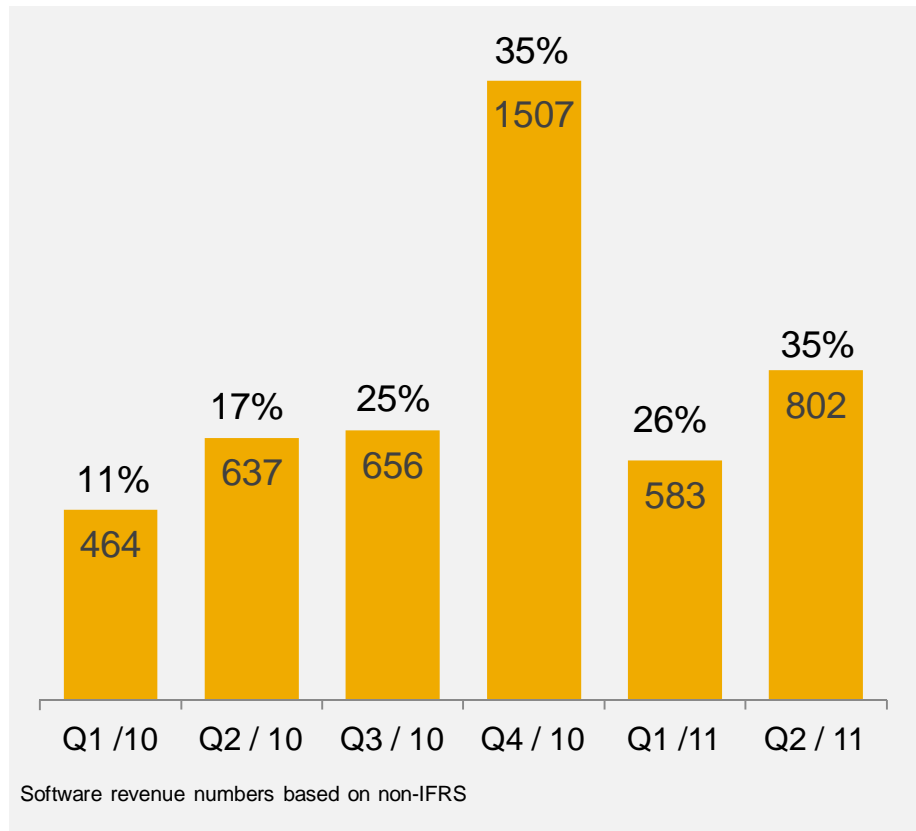


* at constant currencies

Strong Financial Results – Six Quarters of Double-Digit Growth

Software Revenue

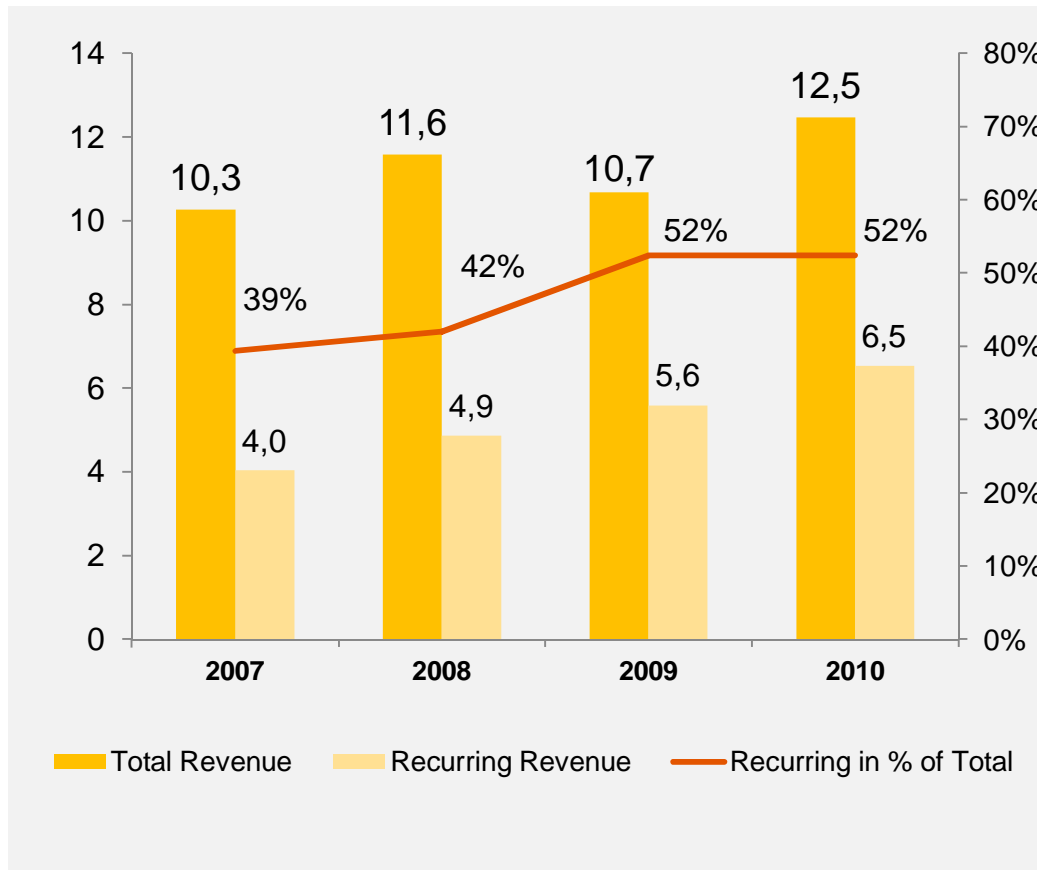
YOY Growth Rates (€ millions)



Q2 / 2011

- Continued double-digit revenue growth
- 88% of order entry from existing customers
- ~1/3 order entry from SME
- Diversified revenue stream by region and industry
- Record operating cash flow: €2.3 billion
- Continued margin progression - year-over-year operating margin +100 bps

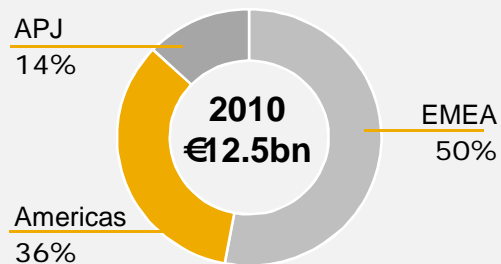
Increasing Recurring Revenue Streams – Basis for Sustainable and Stable Cash Flows



- Share of recurring revenues increased by 13pp between 2007 and 2010 (from 39% to 52%)
- Recurring revenues had a CAGR of +17.9% between 2007 and 2010
- Stability through steadily growing share of recurring revenues

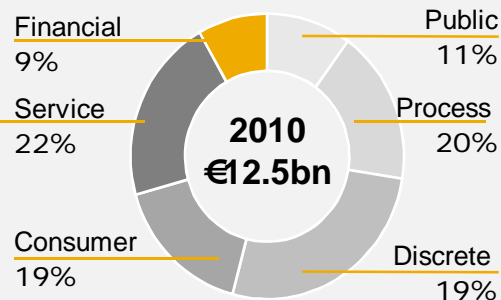
Diversification of Revenue Streams Across Geographies and Industries

Total Revenue by Region



- All regions grew double-digit yoy in 2010 with APJ leading the way at 26%
- In Q2 2011 software revenue grew in all regions by approx. 35% yoy at cc

Total Revenue by Industry



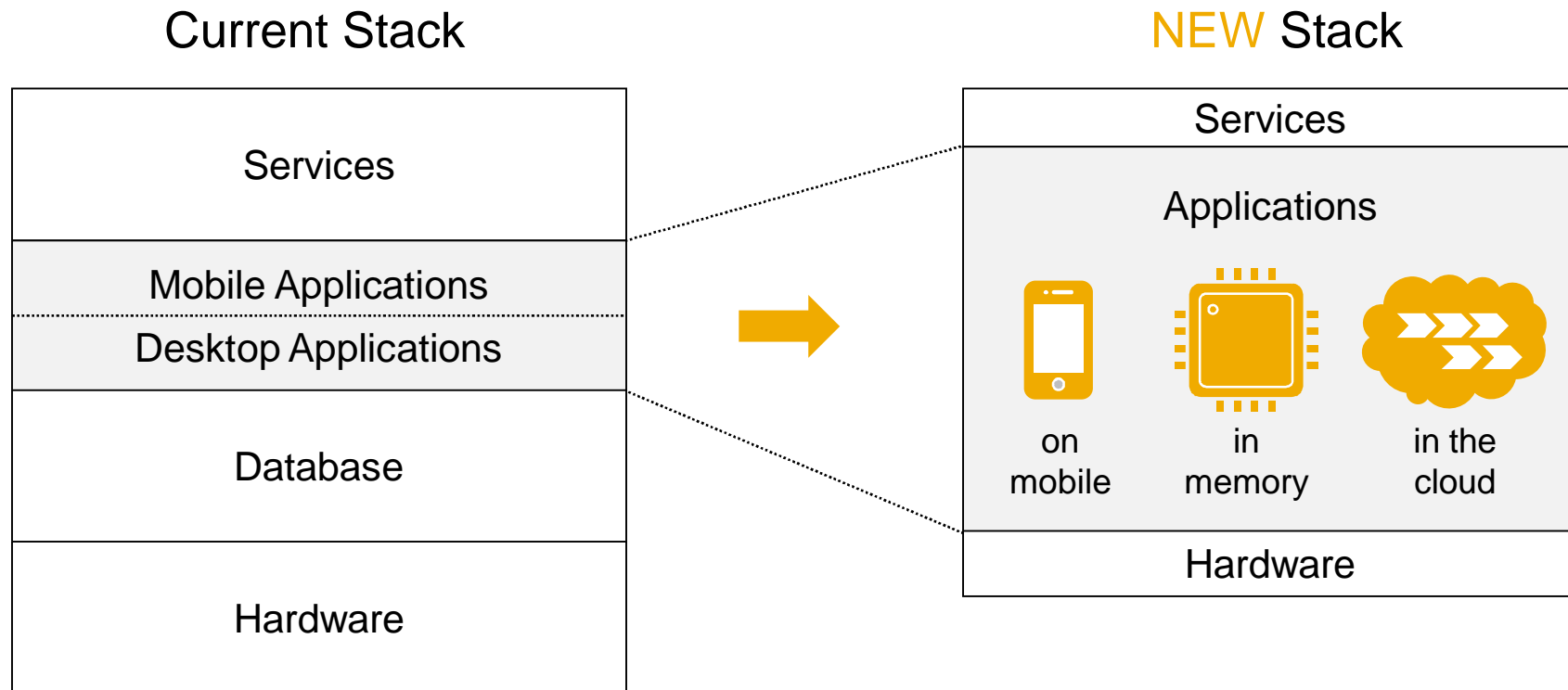
- Leading vertical strategy with more than 24 industry-specific solutions
- We achieved double-digit growth in all six industry sectors in 2010
- In Q2 2011 financial services and discrete industries showed significant growth

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Overall IT Trends – Structural Shift in IT Spending Towards the Value Drivers in Applications Software

Transformation of the IT stack – Structural shift in IT spending away from commoditized hardware and towards the value drivers in applications software



Overall IT Trends – Convergence

In Memory Big Data



- Data volume for enterprise applications is doubling every 18 months
- 100x – 1.000x faster in data processing¹

On Mobile IT-Consumerization



- “Bring your own”
- App explosion
- 1B smartphones, 1.2B mobile workers by 2013
- Corporate applications access via mobile growing >40% p.a.

In the Cloud Increased availability



- Any access, any workload anywhere
- 80% of new software in 2011 will be available as cloud services
- Hybrid cloud solutions drive TCO and integration



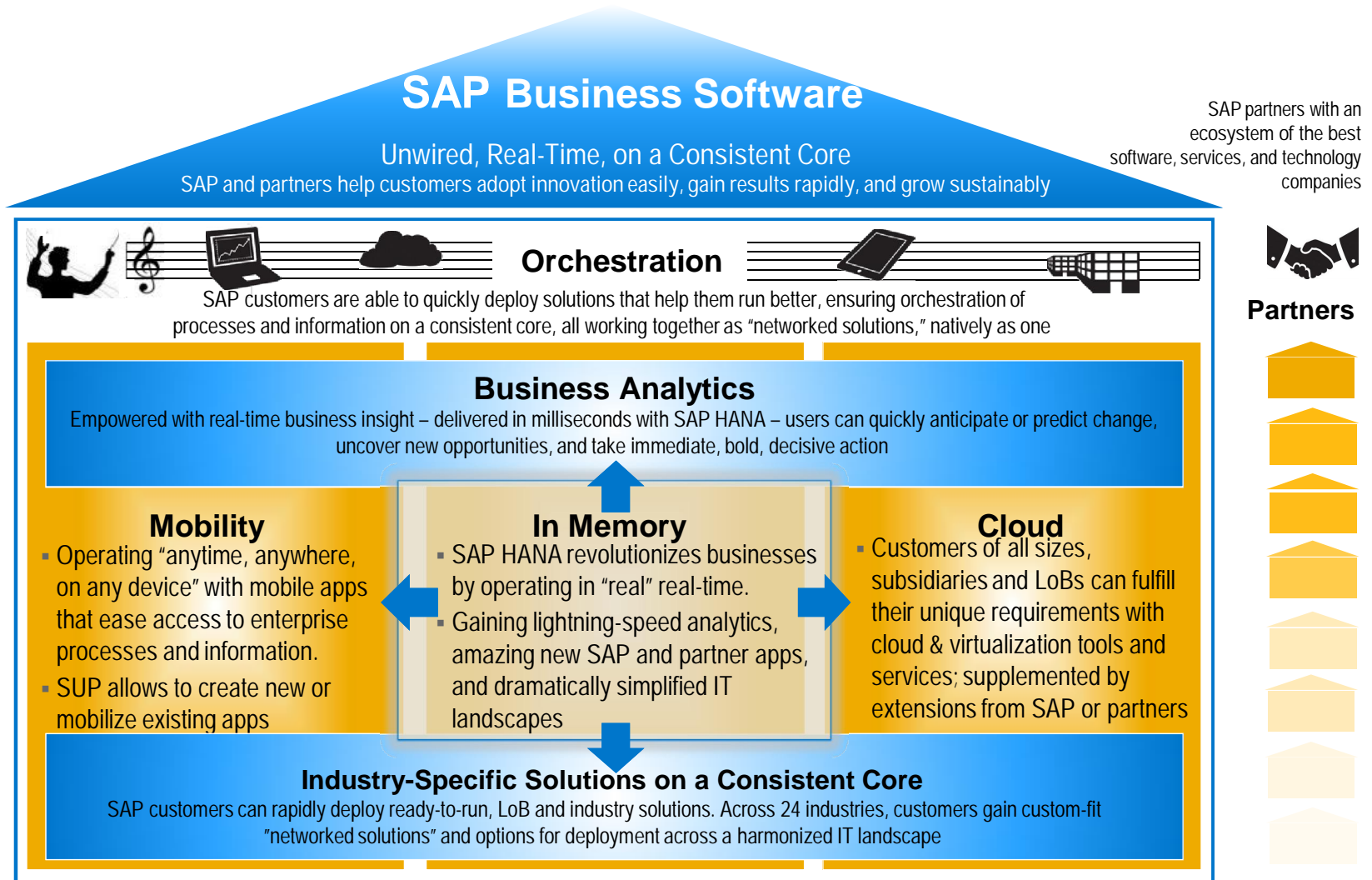
New Business Models



- “Real”- real time business
- Extending the enterprise
- Mobile scenarios

1- SAP HANA customer benchmark

Innovations Reshape Business IT World – SAP Orchestrates Analytics, Mobility, Cloud & In-Memory Capabilities



SAP's Answer to Big Data – In-Memory Technology Enables “Real” Real-Time Computing with SAP HANA

In Memory Big Data	On Mobile IT-Consumerization	In the Cloud Increased availability
<p>Data volume for enterprise applications is doubling every 18 months 100x - 1,000x faster in data processing!</p>	<p>• “Bring your own” App explosion • 1.2B smartphones, 1.2B mobile workers by 2013 • Corporate applications access via mobile growing >40% p.a.</p>	<p>• Any access, any workload anywhere • 80% of new software in 2011 will be available as cloud services • Hybrid cloud solutions drive TCO and integration</p>



SAP HANA

- Make decisions faster by analyzing large volumes of data in real-time
- Data stored in-memory rather than on hard disk
- In-memory columnar processing optimized for modern multi-core
- Data source agnostic appliance
- 5 leading hardware partners: Cisco, IBM, HP, Fujitsu, Dell (80% of HW market)



Key differentiators

- Build new class of real-time applications and analytics
- Sophisticated planning engines, business functions and predictive analytics to provide insights on granular data
- Simplifying existing IT landscapes
- Direct access to operational data w/o affecting performance of ERP
- Strong pipeline for SAP HANA
- Strategic Workforce Planning is 1st HANA-enabled application

Taking Hours
Before SAP HANA

Sub-seconds with HANA
100x-1,000x faster than traditional disk-based relational databases

SAP is #1 in Enterprise Mobility – Most Comprehensive Mobile Enterprise Solution Set



Mobility

- Access SAP anytime & anywhere
- Building-up a device agnostic mobility strategy is critical
- Integrate “bring-your-own” in mobility strategy
- Security is key topic in mobility strategy
- Making mobile technology integral to business strategy will gain competitive advantage for customers




SAP Offering

- Integration to Back-end- and Core-Systems
- SUP allows IT units & partners to easily create new/mobilize existing apps
- Mobile Apps to boost employee productivity, CRM and service for key industries; 50 Apps to be delivered end FY11
- Afaria ensures reliable, secure data across multiple device platforms

Unique combination of SAP Business Analytics, SAP HANA and new mobile capabilities puts answers to complex questions into the hands of mobile users instantly



Customers of All Sizes, Subsidiaries and Line of Businesses Benefit from Cloud & On-Demand Offering

In Memory Big Data	On Mobile IT-Consumerization	In the Cloud Increased availability
 <ul style="list-style-type: none">Data volume for enterprise applications is doubling every 18 months100x – 1.000x faster in data processing¹	 <ul style="list-style-type: none">"Bring your own" App explosion18 smartphones, 1.2B mobile workers by 2013Corporate applications access via mobile growing >40% p. a.	 <ul style="list-style-type: none">Any access, any workload anywhere80% of new software in 2011 will be available as cloud servicesHybrid cloud solutions drive TCO and integration



Comprehensive SAP cloud portfolio:

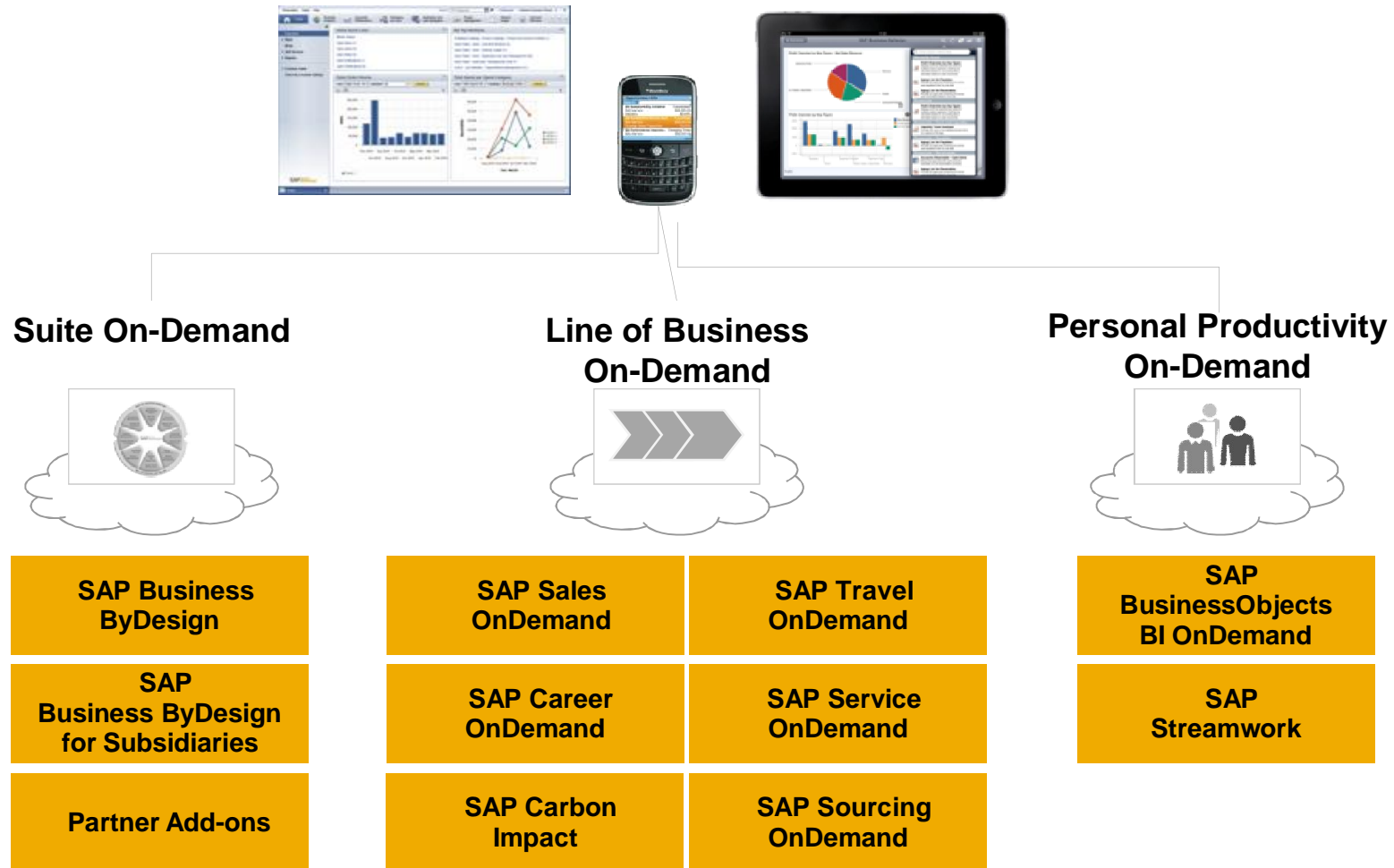
- SAP Business ByDesign – integrated on-demand suite for mid market customers and subsidiaries
- Line-of-Business solutions (e.g. Sales & Sourcing OD) – extend on-premise core with on-demand
 - Seamless integration on-premise & on-demand
- For SAP Business Suite customers:
 - SAP Virtualization and Cloud Mgmt product to come Nov 2011



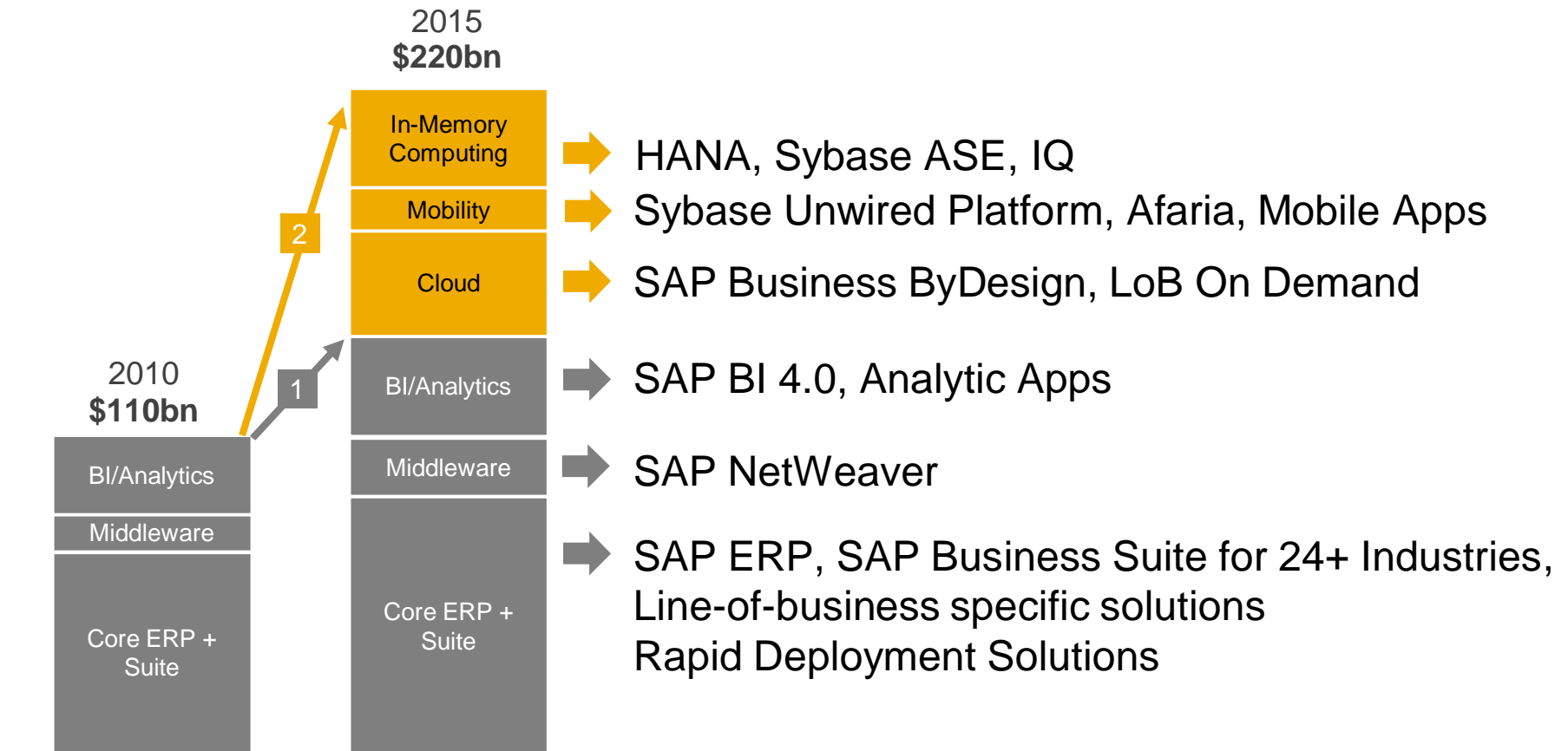
Business Value

- SAP helps customers to run on-premise systems in the cloud and on virtualized and abstracted infrastructure
- Significant TCO-reduction through tools and services
- Simultaneously enabling as much automation as possible
- Customers and partners can combine all on-demand and on-premise solutions and services in a hybrid environment – incl. real-time analytics, in-memory computing and mobility

Comprehensive Cloud & On-Demand Solution Portfolio – Seamlessly Integrated for a Hybrid World



SAP's Product Strategy – Accelerates the Expansion of its Addressable Market



Expansion of SAP's addressable market due to:

- 1 market growth within established solution categories
- 2 addition of new solution categories

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SAP's Strategy for Continued Profitable Growth

- Drive double-digit organic growth with a strong pipeline of new products
- Continuous margin expansion
- SAP strives to significantly expand its addressable market by the middle of decade and achieve
 - at least €20bn in total revenue
 - an operating margin of 35%
- SAP expects the key drivers of growth will be innovation:
 - Core business
 - In-Memory technology
 - On-device solutions
 - On-demand solutions



Together with our customers and partners, SAP helps people in businesses of all sizes and industries to collaborate better, decide better, adapt better and operate better.

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