

# SAP – The World's Leading Business Software Company

Investor Presentation  
SAP Senior Management  
Global Investor Roadshow, Nov. 2 - 4, 2011



# Safe Harbor Statement

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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
- Driving Innovation at SAP – Expanding the Addressable Market
- SAP's Strategy for Continued Profitable Growth
- Appendix

# 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
- **176,000** customers
- **120** countries
- **34** global technology partners
- **2,900+** certified partners



# Our Purpose

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## VISION

MAKE THE WORLD RUN BETTER

## MISSION

MAKE EVERY CUSTOMER A  
BEST-RUN BUSINESS

## BY MID OF THE DECADE

€20bn

35% MARGIN

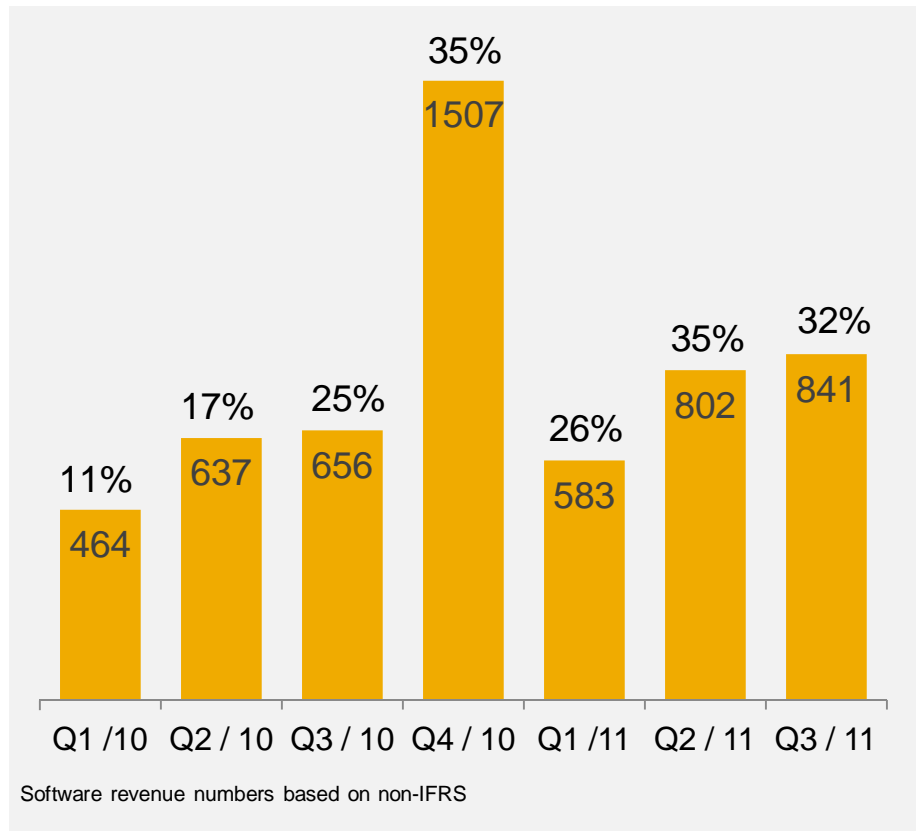
1 BILLION PEOPLE



# Strongest Third Quarter in a Decade

## Software Revenue

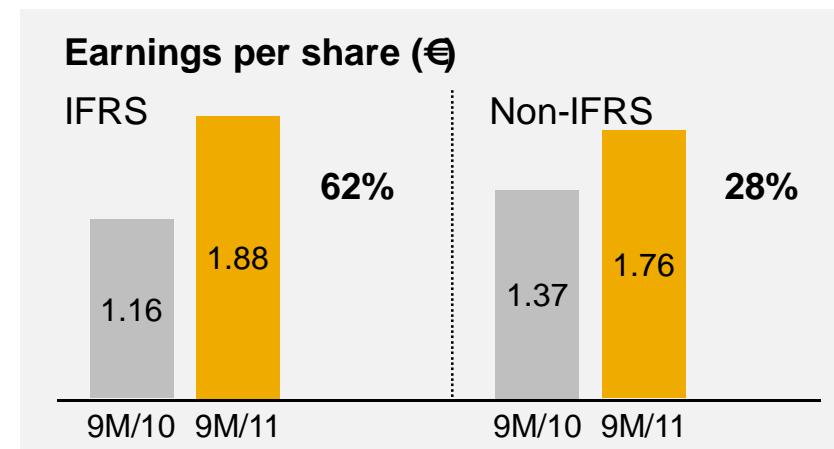
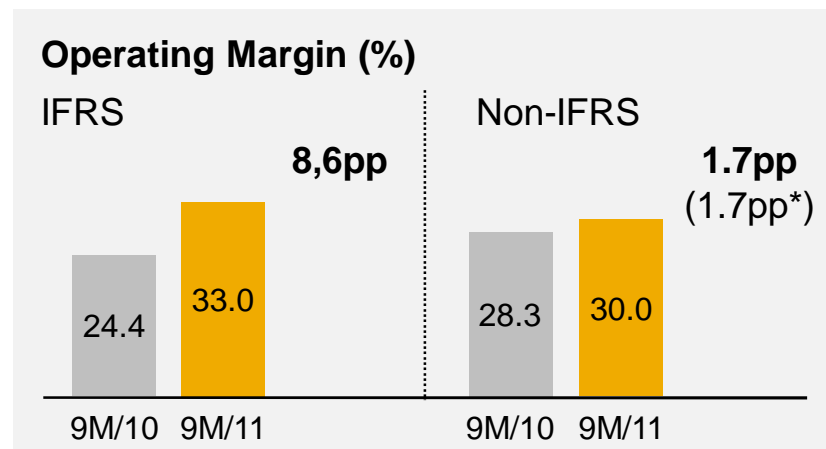
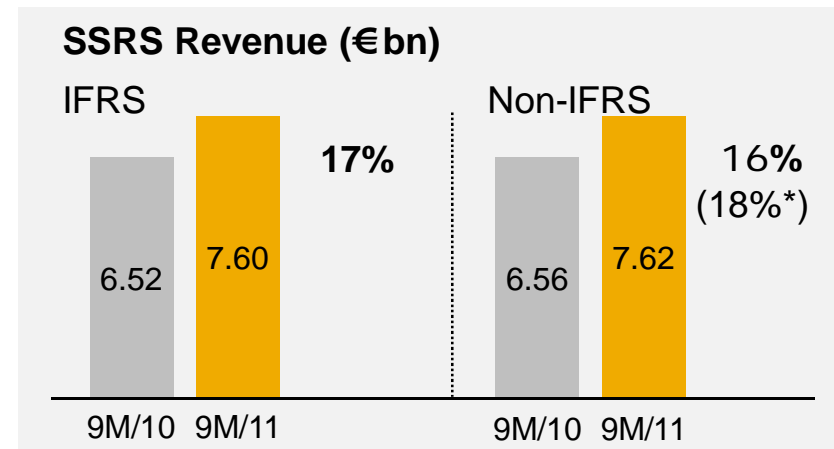
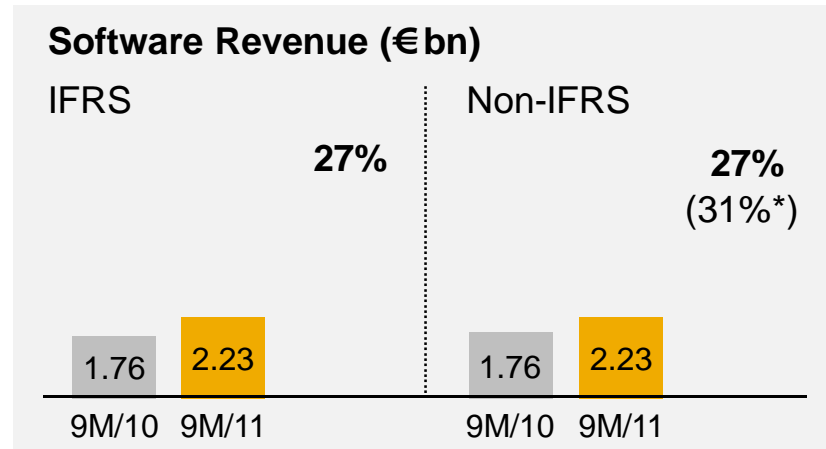
YOY Growth Rates (€ millions)



## Q3 / 2011

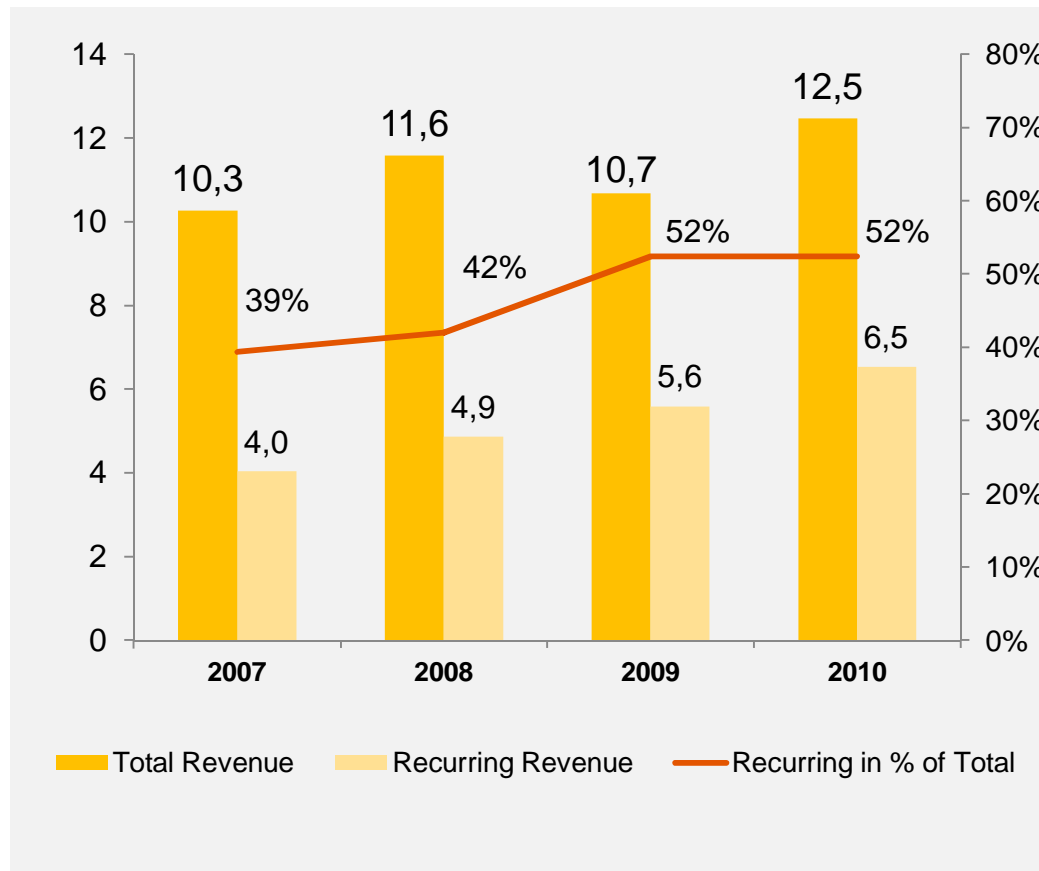
- 7<sup>th</sup> Quarter of Double-Digit Growth
- 86% of order entry from existing customers
- ~1/3 order entry from SME
- Diversified revenue stream by region and industry
- Record operating cash flow of €3.0 billion in first 9M
  - Plan to further evaluate buying back shares in future
- Continued margin progression - year-over-year operating margin +310 bps

# Strong Revenue and Profit Despite of Challenging Macroeconomic Situation in the First Nine Months



\* At constant currencies

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

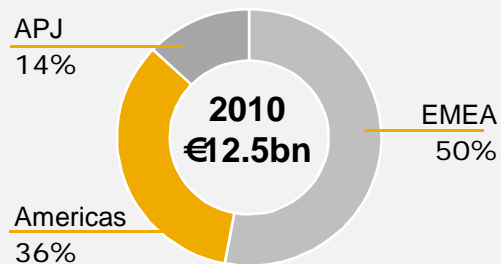


- Share of recurring revenues increased by 13pp between 2007 and 2010 (from 39% to 52%)
- Recurring revenues had a CAGR of +17.9% between 2007 and 2010
- Stability through steadily growing share of recurring revenues



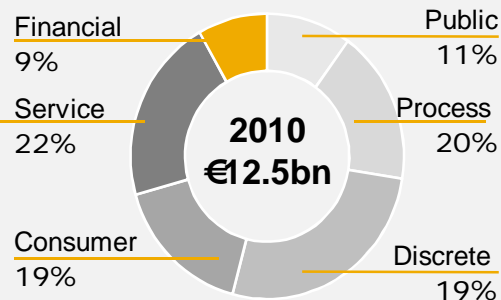
# Diversification of Revenue Streams Across Geographies and Industries

Total Revenue by Region



- In Q3/11, best ever third quarter in both traditional and emerging markets
- Software revenue grew in EMEA +26%, Americas +35%, APJ +42% and BRIC >60% yoy at cc
- All regions grew double-digit yoy in 2010 with APJ leading the way at 26%

Total Revenue by Industry



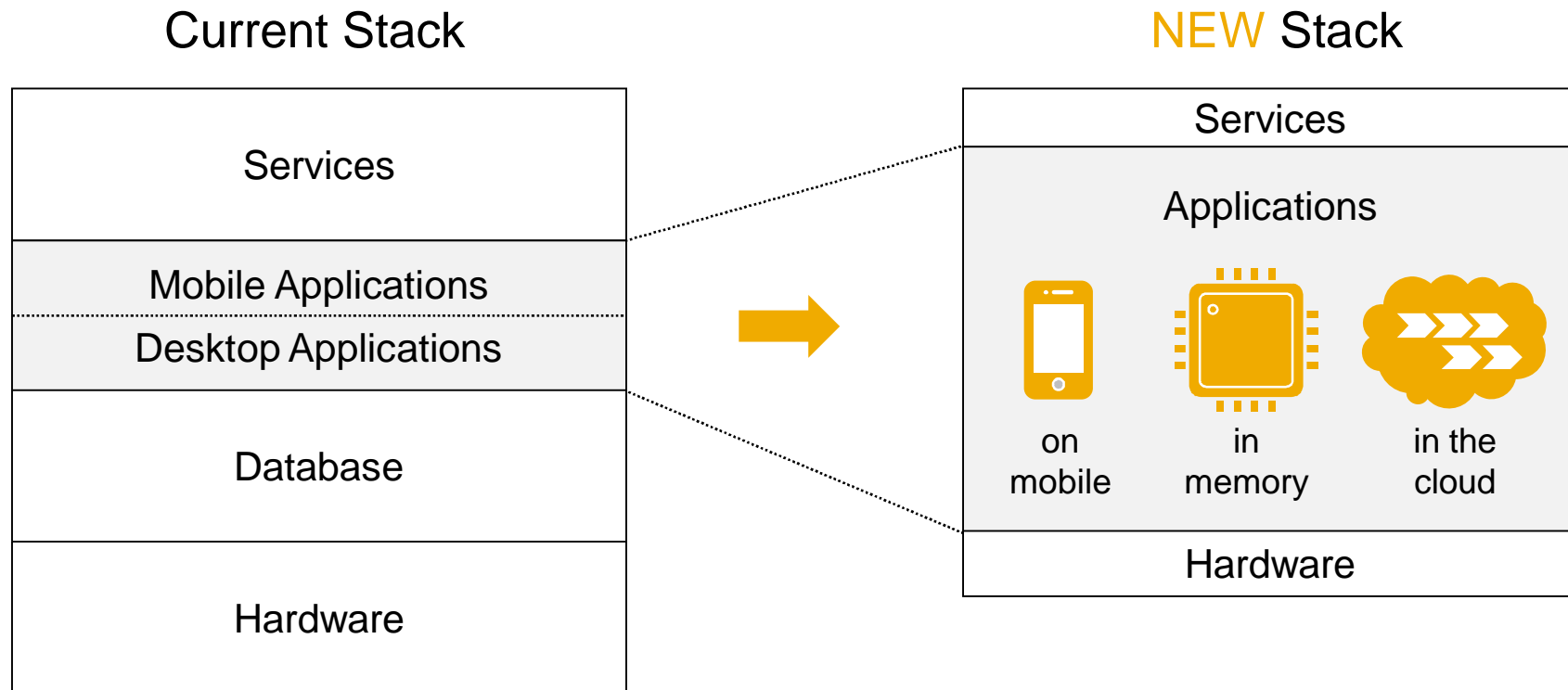
- In Q3/11 consumer industries, financial services and process industries showed significant growth
- Leading vertical strategy with more than 24 industry-specific solutions
- We achieved double-digit growth in all six industry sectors in 2010

# Agenda

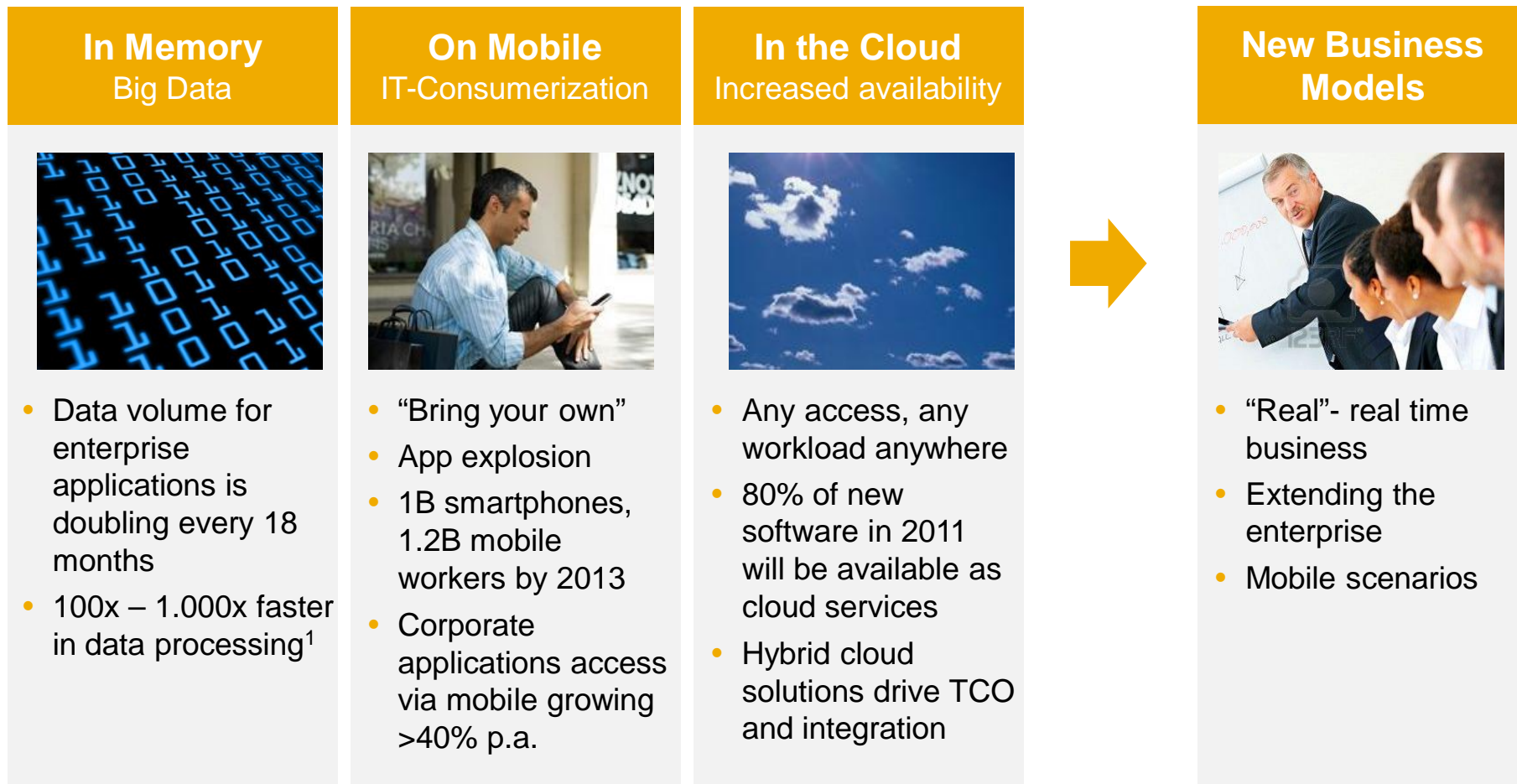
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# Overall IT Trends – Structural Shift in IT Spending Towards the Value Drivers in Applications Software

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

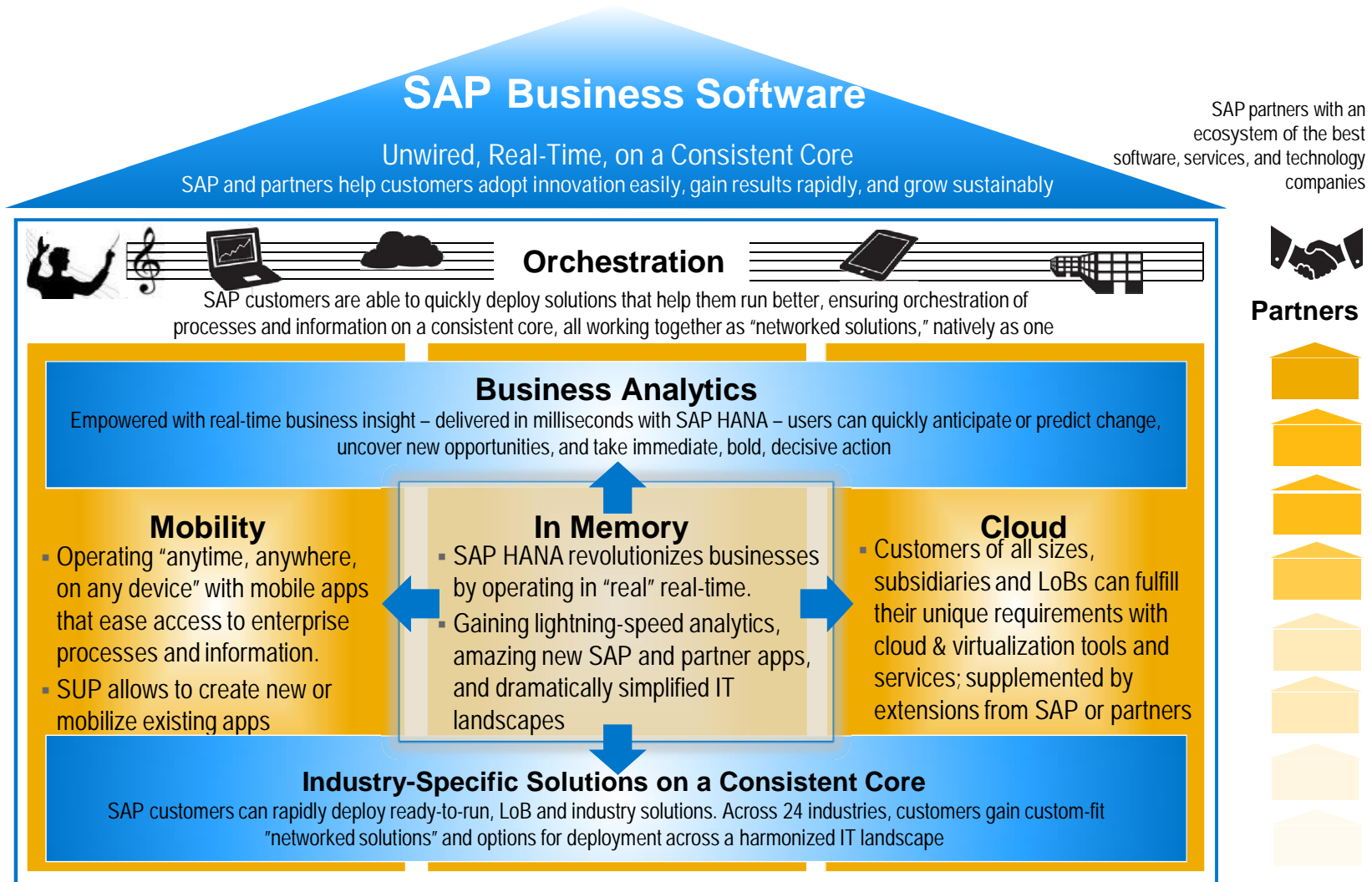


# Overall IT Trends – Convergence

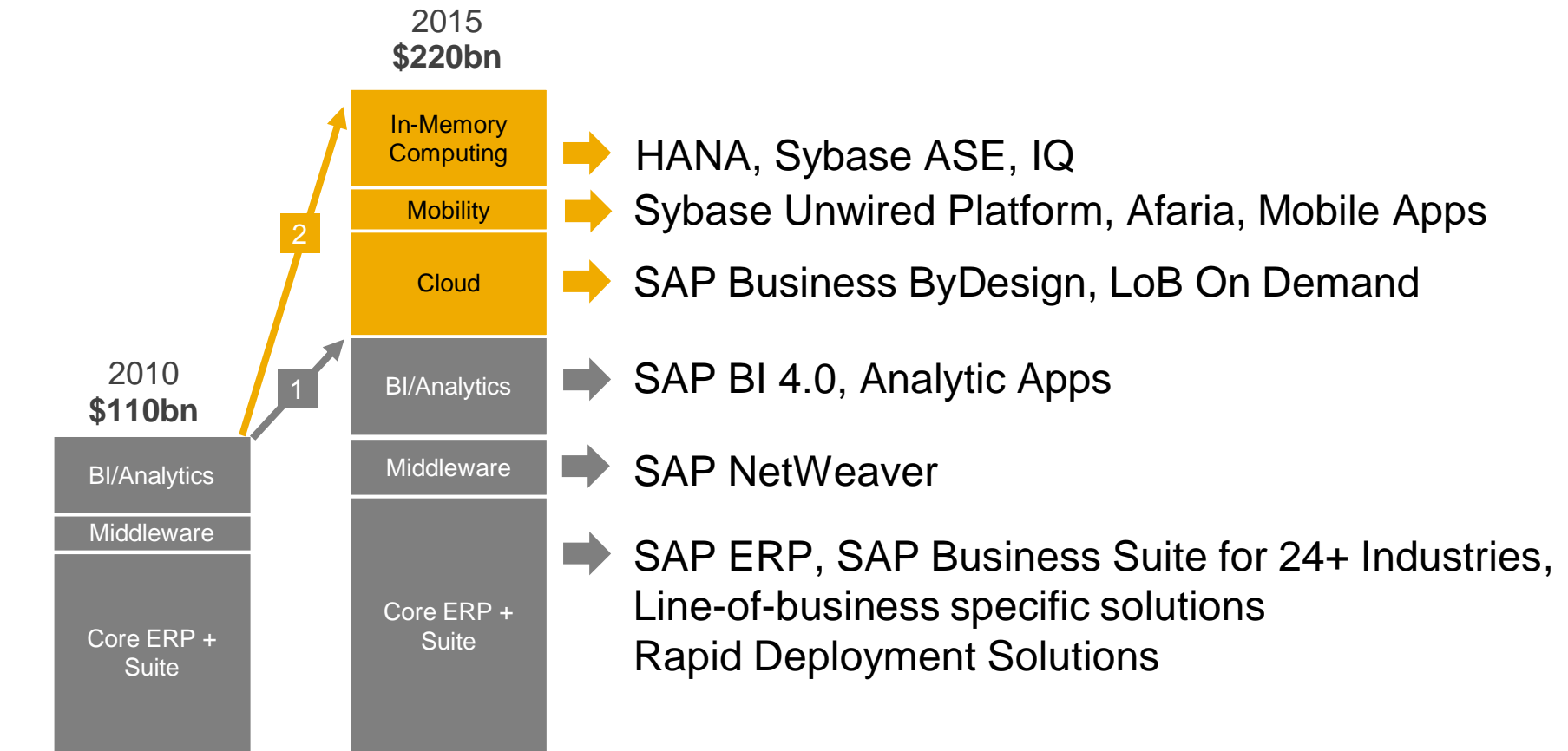


1- SAP HANA customer benchmark

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



# 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

- SAP strives to significantly expand its addressable market by the middle of the decade and achieve
  - at least €20bn in total revenue
  - an operating margin of 35%
- Continuous margin expansion
- Drive double-digit organic growth with a strong pipeline of new products
- 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.**



## Macroeconomic Environment Remains Uncertain – Outlook for FY/11 Unchanged (Except Effective IFRS Tax Rate)

|                                      | <b>SAP's Outlook**<br/>FY 2011</b> | <b>Basis for comparison<br/>FY 2010</b>                        |
|--------------------------------------|------------------------------------|--|
| SSRS Revenue<br>(Non-IFRS at cc)     | + 10% to 14%                       | Company expects to reach the high end of the range.<br>€9.87bn |
| Operating Profit<br>(Non-IFRS at cc) | €4.45bn to €4.65bn                 | Company expects to reach the high end of the range.<br>€4.01bn |
| Operating Margin<br>(Non-IFRS at cc) | +0.5pp to +1.0pp                   | 32.0%  |
| Effective Tax Rate<br>(IFRS)         | 28.5% to 29.5%                     | 22.5%*   |
| Effective Tax Rate<br>(Non-IFRS)     | 27.5% to 28.5%                     | 27.3%  |

\* Impacted by 4.7pp due to increased provisions for TomorrowNow Litigation

\*\* Business outlook was provided on July 27th, 2011 at the time of SAP's second quarter 2011 results announcement, reiterated - except the guidance for the IFRS tax rate - on October 16<sup>th</sup> announcing SAP's third quarter 2011 results

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



## 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

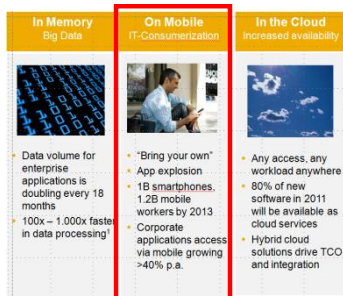
- Build new class of real-time applications and analytics
- Sophisticated planning engines, business functions and predictive analytics to provide insights on granular data
- Simplifying existing IT landscapes
- Direct access to operational data w/o affecting performance of ERP
- Strong pipeline for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

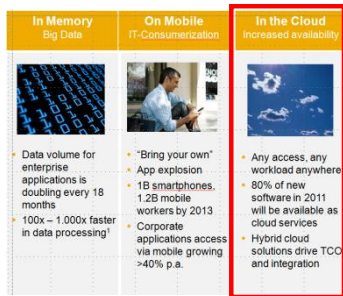
## SAP Offering

- 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



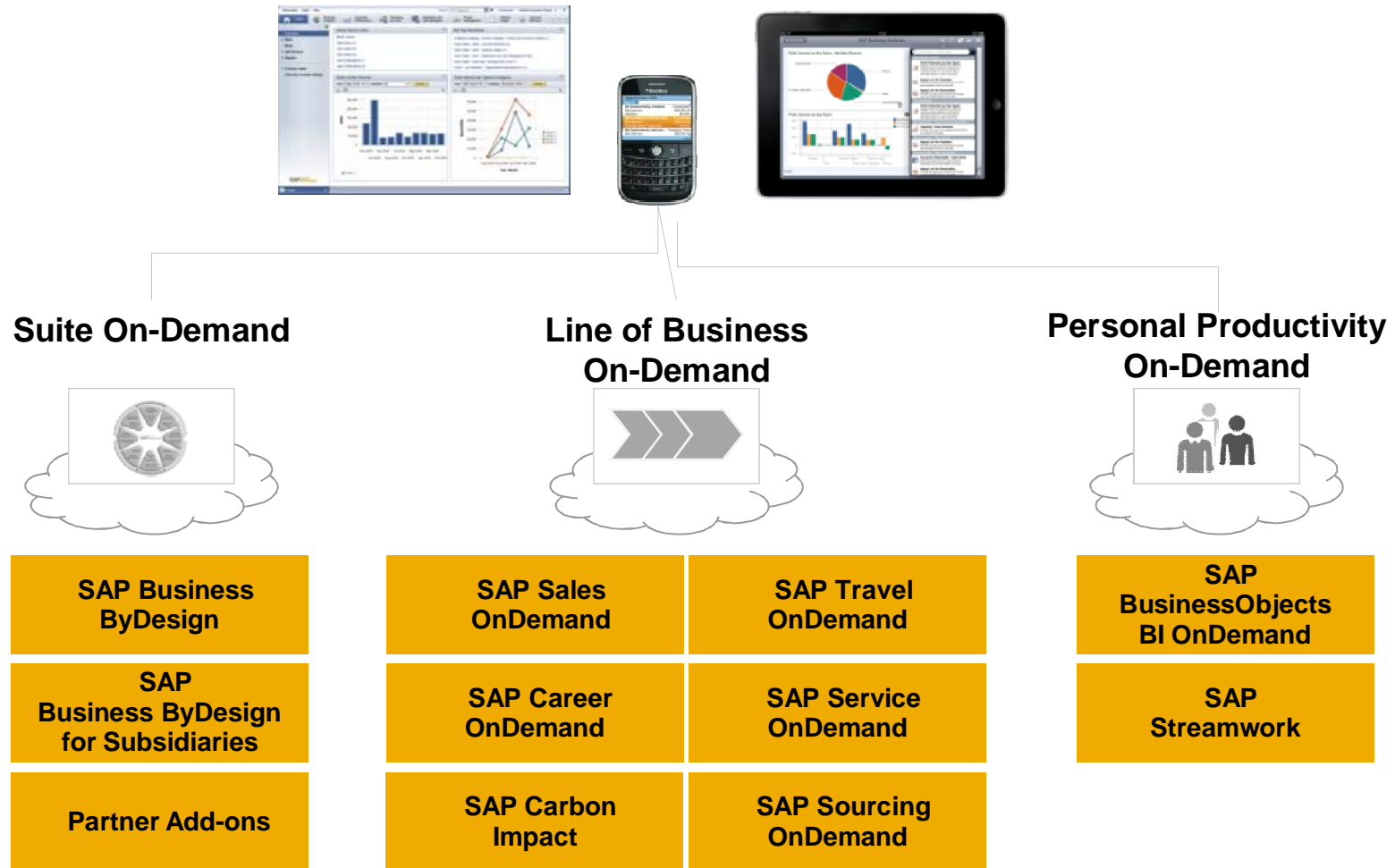
## Comprehensive SAP cloud portfolio:

- 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



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