

Fourth-Quarter and Full-Year 2011 Preliminary Results Release

Frankfurt, Germany

Wednesday, January 25, 2012





Werner Brandt

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Wednesday, January 25, 2012

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.

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Strong performance in FY 2011 – SAP exceeds guidance

	SAP's Outlook* FY 2011		Actual Performance FY 2011
SSRS Revenue (Non-IFRS at cc)	+ 10% to 14%	Company expects to reach the high end of the range	+17% 
Operating Profit (Non-IFRS at cc)	€4.45bn to €4.65bn	Company expects to reach the high end of the range	€ 4.78bn 
Operating Margin (Non-IFRS at cc)	+0.5pp to +1.0pp		+1.1pp 
Effective Tax Rate (IFRS)	28.5% to 29.5%		27.8% 
Effective Tax Rate (Non-IFRS)	27.5% to 28.5%		26.5% 

* Business outlook was provided in January 2011, updated on July 27th, 2011 and reiterated on October 26nd, 2011 – except the guidance for the IFRS tax rate – announcing SAP's third quarter 2011 results

Key highlights of FY 2011

Strong organic growth

- Software revenue grew 25% at constant currencies, thereof organic +19PP
- SSRS revenue grew 17% at constant currencies, thereof organic +12PP

Solid contribution from Sybase

- Sybase software license revenue €385 million – fully in line with SAP's expectations

Revenue and Profit per FTE (Full Time Equivalent)

- Revenue/FTE FY 2011: €262K (FY 2010: €251K)
- Operating profit/FTE FY 2011: €87K (FY 2010: €80K)

Strongest operating cash flow ever

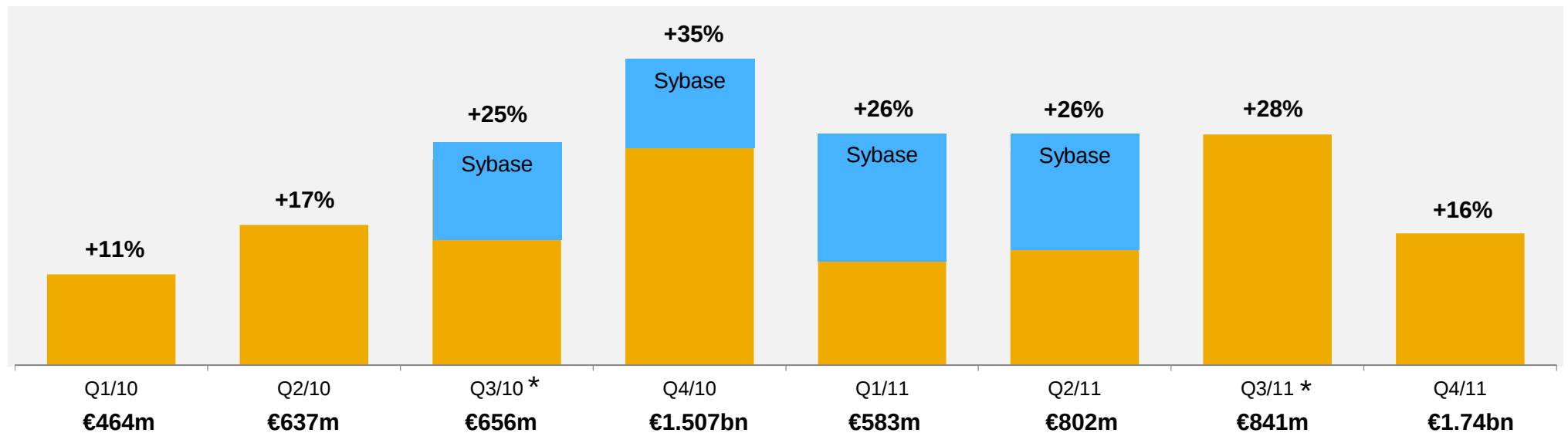
- FY 2011: € 3,776 million, +29% yoy (FY 2010: €2,922 million)

Eight consecutive quarters of double digit growth

Sybase contributed right from the beginning

Software revenue

YOY Growth Rates in %



* Sybase numbers are included since its acquisition as of July 26, 2010.

Strong top- and bottom-line results over several quarters lead to impressive operating profit in FY 2011

€ millions, unless otherwise stated							
	IFRS			Non-IFRS			
Revenue Numbers	2011	2010	Δ%	2011	2010	Δ%	Δ% at cc
Software revenue	3,970	3,265	22	3,970	3,265	22	25
Support revenue	6,967	6,133	14	6,994	6,207	13	14
Subscription & other SW-rel. serv. rev.	381	396	-4	381	396	-4	-4
SSRS revenue	11,318	9,794	16	11,345	9,868	15	17
Professional services & other serv. rev.	2,914	2,670	9	2,914	2,670	9	11
Total revenue	14,232	12,464	14	14,259	12,538	14	15
Operating Expense Numbers							
Total operating expenses	-9,353	-9,873	-5	-9,549	-8,531	12	13
Profit Numbers							
Operating profit	4,879	2,591	88	4,710	4,007	18	19
Finance income, net	-37	-67	-45	-45	-55	-18	
Profit before tax	4,763	2,338	104	4,586	3,762	22	
Income tax expense	-1,322	-525	152	-1,215	-1,024	19	
Profit after tax	3,441	1,813	90	3,371	2,738	23	
Basic earnings per share, in €	2.89	1.52	90	2.83	2.30	23	

Full reconciliation
see appendix

Margin overview

€ millions, unless otherwise stated	IFRS			Non-IFRS		
	2011	2010	Δ%	2011	2010	Δ%
Gross margin	69.5%	68.8%	0.7p	71.8%	70.7%	1.1pp
Operating margin	34.3%	20.8%	13.5pp	33.0%	32.0%	1.0pp

IFRS operating margin expanded 13.5 percentage points in FY 2011

- IFRS operating margin increased to 34.3% yoy; including positive impact of +5.06pp by TomorrowNow

Non-IFRS operating margin expanded 100 basis points in FY 2011

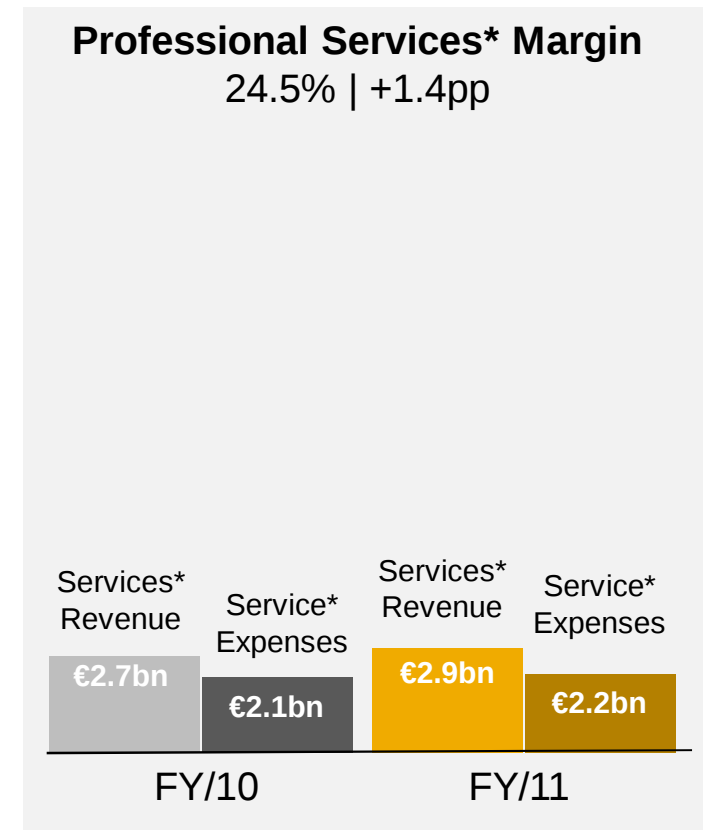
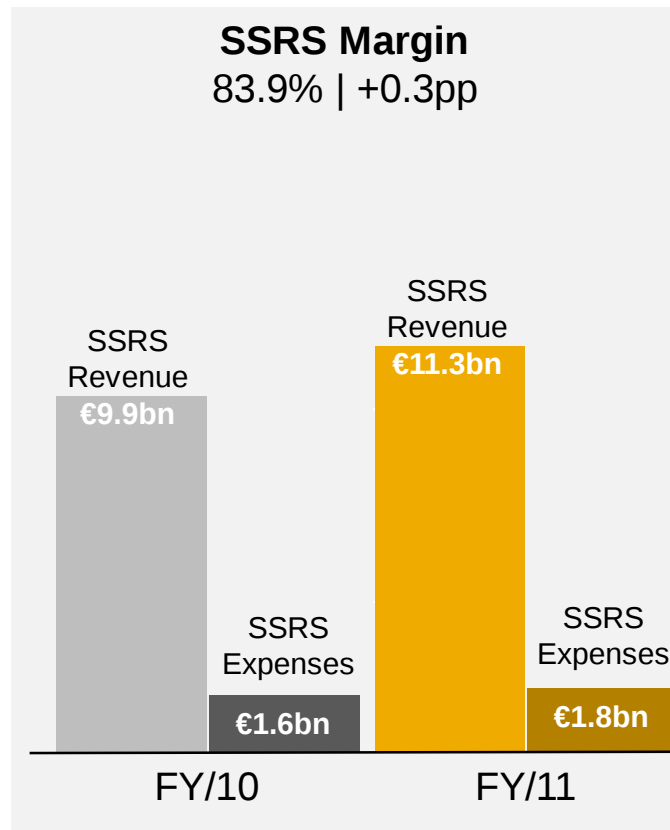
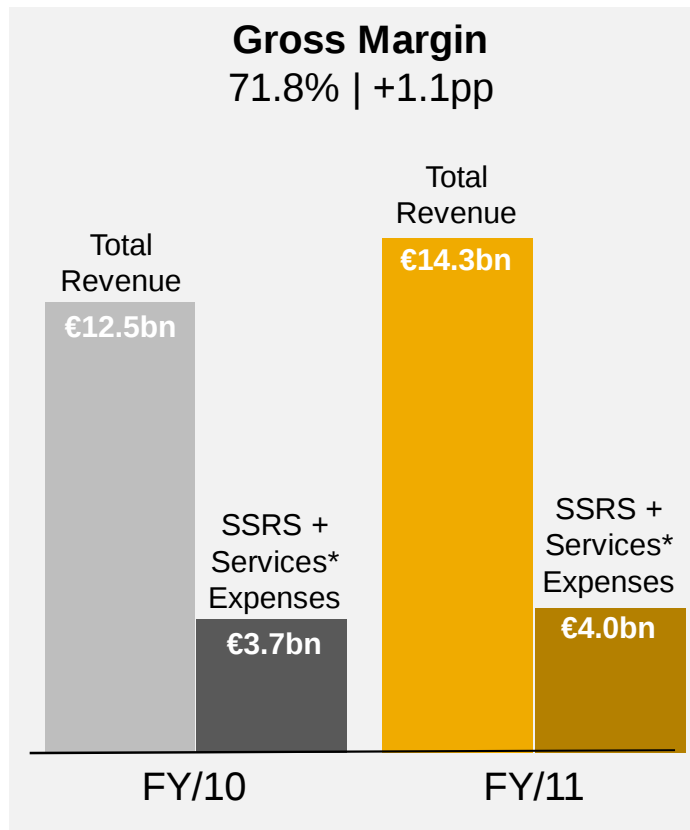
Despite ongoing investments in our growth strategy the strong top-line result paired with continued focus on operational excellence resulted in further margin expansion

- In FY 2011, non-IFRS operating margin increased 1.0pp to 33.0% yoy
- In Q4 2011, we continued to invest in go-to-market activities to leverage growth opportunities: headcount in sales and marketing grew sequentially by ~500 FTE's

Gross margin expansion supported by all line items

FY 2011

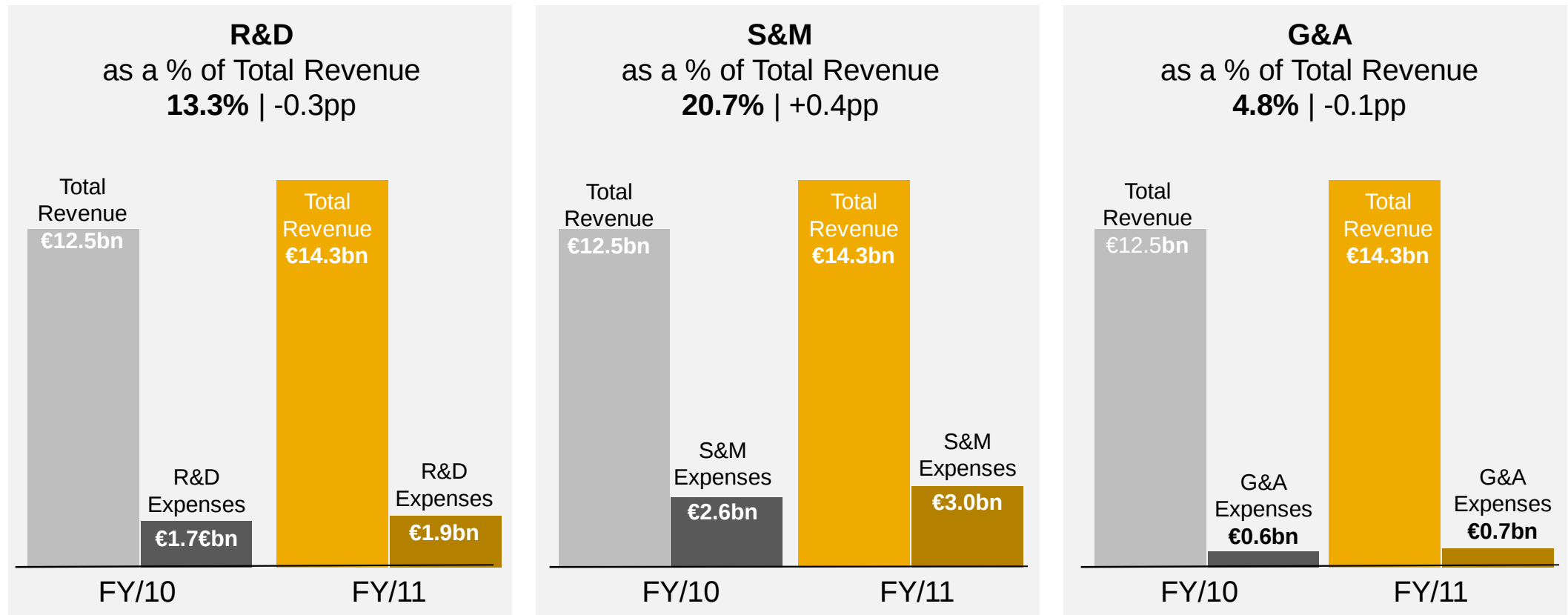
Non-IFRS, FY/11



* Professional services and other services

S&M to total revenue ratio increased in FY 2011 due to ongoing investments in go-to-market activities

Non-IFRS, FY/11



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Balance sheet, condensed

December 31, 2011, IFRS

Assets € millions	12/31/11	12/31/10
Cash, cash equivalents and other financial assets	5,781	3,676
Trade and other receivables	3,494	3,099
Other non-financial assets and tax assets	419	368
Total current assets	9,694	7,143
Goodwill	8,709	8,428
Intangible assets	2,024	2,376
Property, plant, and equipment	1,551	1,449
Other non-current assets	1,273	1,443
Total non-current assets	13,557	13,696
Total assets	23,251	20,839

Equity and liabilities € millions	12/31/11	12/31/10
Financial liabilities	1,331	142
Deferred income	1,048	911
Provisions	546	1,287
Other liabilities	3,352	2,813
Current liabilities	6,277	5,153
Financial liabilities	2,925	4,449
Provisions	273	292
Other non-current liabilities	1,065	1,121
Non current liabilities	4,263	5,862
Total liabilities	10,540	11,015
Total equity	12,711	9,824
Equity and liabilities	23,251	20,839

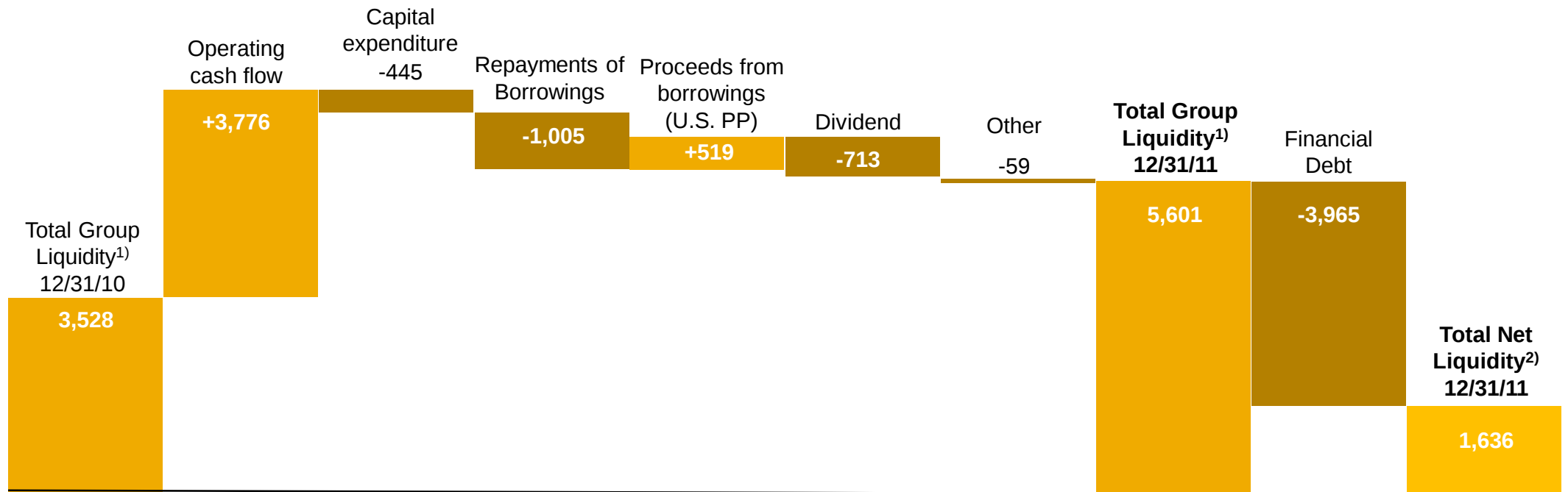
Highest operating cash flow ever

FY 2011

€ millions, unless otherwise stated	12/31/11	12/31/10	Δ
Operating cash flow	3,776	2,922	29%
- Capital expenditure	-445	-334	33%
Free cash flow	3,331	2,588	29%
Free cash flow as a percentage of total revenue	23%	21%	+2pp
Cash conversion rate	1.10	1.61	-32%
Days sales outstanding (DSO)	60	65	-5 days

Record cash flow year – net group liquidity increased by €2.5bn driven by strong revenues and good working capital management

€ millions



Total net liquidity as of 12/31/10 was €-850m

1) Cash and cash equivalents + current investments

2) Total Group Liquidity minus bank loans, private placement transactions, and bonds

SAP to Accelerate Cloud Strategy with Planned Acquisition of SuccessFactors – Current Status

- SAP to buy SuccessFactors (SFSF) for \$40.00 per share in cash*, representing an enterprise value of approximately \$3.4 bn
- On January 19, SAP announced that its indirectly wholly-owned subsidiary, Saturn Expansion Corporation, has extended the expiration of its cash tender offer for all outstanding shares of common stock of SFSF to **5:00 p.m., EST on January 25, 2012**
- Tender offer will be extended for at least another 5 business days if the parties have not yet received approval of the CFIUS (Committee on Foreign Investment in the United States) under U.S. national security regulations, which is a condition to the offer, by the end of the day today
 - Parties filed a joint voluntary notice with CFIUS pursuant to the relevant law and its implementing regulations, which was accepted with an effective date of December 22, 2011
 - CFIUS review may take up to thirty calendar days, at which time CFIUS may either inform the parties that there are no national security concerns and terminate the review or initiate an investigation, which may last up to 45 calendar days. On January 20, 2012, the parties received written notification from CFIUS that it would initiate an investigation to complete its review. The additional 45-day investigation period expires on March 5, 2012, though it is possible CFIUS' investigation could be completed sooner. We are hopeful we can resolve the open questions CFIUS has quickly, well in advance of March 5, 2012, and we will work with CFIUS to resolve any open questions as soon as possible. Because the CFIUS filing is a voluntary filing, the parties may consider waiving the offer condition requiring CFIUS approval, but no decision has been made to do so at this time.

* Tender offer is being made pursuant to an Offer to Purchase dated December 16, 2011 and in connection with an Agreement and Plan of Merger dated as of December 3, 2011, which are publicly available at www.sec.gov. SAP and SuccessFactors first announced this transaction on December 3, 2011.

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Business Outlook for the full-year 2012 – Based on expectation of a successful closing of the SuccessFactors acquisition in Q1 2012

	SAP's Outlook FY 2012		Basis for comparison FY 2011
SSRS Revenue (Non-IFRS at cc)	+ 10% to 12%	This includes a contribution of up to 2pp from SuccessFactors' business	€11.35bn
Operating Profit (Non-IFRS at cc)	€5.05bn to €5.25bn	Full-year 2012 non-IFRS operating profit excluding SuccessFactors is expected to be in a similar range	€4.71bn
Effective Tax Rate (IFRS)	26.5% to 27.5%		27.8%
Effective Tax Rate (Non-IFRS)	27.0% to 28.0%		26.5%

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More transparency on cloud revenues

Revised P&L structure starting in 2012

- Planned acquisition of SuccessFactors will enable us to accelerate our cloud strategy
- SAP will realign its income statement to provide additional transparency on cloud related revenue streams and revenues from multi year licensing arrangements (formerly known as software subscriptions)
- **'Cloud subscriptions and support'** will no longer be included in the line item 'Subscription and other software-related service revenue' but will be presented as a separate line item within 'Software and software-related service revenue'

More transparency on cloud revenues

Revised P&L structure starting in 2012 – top-line structure will change

Previous structure

€ millions, non-IFRS	FY11	FY10	Δ%
Software revenue	3,970	3,265	22
Support revenue	6,994	6,207	13
Subscription & other SW-rel. serv. rev.	381	396	-4
SSRS revenue	11,345	9,868	15
Consulting revenue	2,341	2,197	7
Other service revenue	573	473	21
Professional services & other serv. rev.	2,914	2,670	9
Total revenue	14,259	12,538	14
Cost of software and software-related serv	-1,826	-1,621	13
Cost of professional services & other servi	-2,199	-2,053	7
Research and development	-1,898	-1,706	11
....			

New structure

€ millions, non-IFRS	FY11	FY10	Δ%
Software	4,106	3,410	20
Support	7,221	6,444	12
Cloud subscriptions and support	18	14	29
SSRS revenue	11,345	9,868	15
Consulting	2,341	2,197	7
Other service	573	473	21
Professional services & other serv. rev.	2,914	2,670	9
Total revenue	14,259	12,538	14
Cost of software and software-related serv	-1,826	-1,621	13
Cost of professional services & other servi	-2,199	-2,053	7
Total cost of revenue	-4,025	-3,674	10
Gross profit	10,234	8,864	15
Research and development	-1,898	-1,706	11

- Reclassification only affects sub items of 'SSRS'
- Total of 'SSRS' and consequently 'Total Revenue', profit numbers, operating margin figures are not affected

More transparency on cloud revenues

Revised P&L structure starting in 2012

Previous structure			New structure	
current FY11, non-IFRS		Δ	new FY11, non-IFRS	
Software	3,970	+136	4,106	Software
Support	6,994	+227	7,221	Support
Subscription & other software-related service revenue	381	-363	18	Cloud subscription and support
SSRS revenue	11,345		11,345	

- Revenues from multi-year licensing arrangements and all other revenues so far included in the **‘Subscription and other software-related service revenue’** line item will be split into their
 - software portion and (being allocated to the **‘Software revenue’**)
 - support portion (being allocated to the **‘Support revenue’**)
- This reclassification only affects sub items of ‘SSRS revenue’. Total of ‘SSRS revenue’ and consequently total revenue as well as profit numbers and operating margin figures are not affected by this change
- In addition, SAP intends to modify the definition of its non-IFRS revenue and profit measures (details in press release ‘Adjustment to Definition of non-IFRS Measures’)

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Explanations of non-IFRS measures

Adjustments in the revenue line items are for support revenue that entities acquired by SAP would have recognized had they remained stand-alone entities but that SAP is not permitted to recognize as revenue under IFRS as a result of business combination accounting rules. Adjustments in the operating expense line items are for acquisition-related charges, share-based compensation expenses, restructuring expenses and discontinued activities.

Constant currency revenue figures are calculated by translating revenue of the current period using the average exchange rates from the previous year's respective period instead of the current period. Constant currency period-over-period changes are calculated by comparing the current year's non-IFRS constant currency numbers with the non-IFRS number of the previous year's respective period.

For a more detailed description of all of SAP's non-IFRS adjustments and their limitations as well as our constant currency and free cash flow figures see Explanations of non-IFRS Measures online (www.sap.com/investor).

Adjustment to definition of non-IFRS revenue and profit measures

In light of SAP's strong focus on the cloud market and considering the planned acquisition of SuccessFactors, SAP widens the range of revenues for which acquisition-related deferred revenue write-downs are adjusted in determining SAP's non-IFRS revenue and profit numbers. SAP continues to adjust for deferred revenue write-downs, i.e. for revenues that would have been recognized had the acquired entities remained stand-alone entities but that SAP is not permitted to recognize as revenue under IFRS as a result of business combination accounting rules. However, in the definitions of SAP's non-IFRS measures used through 2011, such adjustments for deferred revenue write downs were limited to support revenues. From 2012 onwards, SAP will additionally make such deferred revenue write-down adjustments for cloud subscription revenues and other similarly recurring revenues.

All other non-IFRS measures will remain unchanged. Since the deferred revenue write-down adjustments for recurring revenues other than support revenue from acquisitions that were executed through 2011 were immaterial, SAP does not restate prior period non-IFRS measures to align with the new definition.

Reconciliation from non-IFRS numbers to IFRS numbers

Twelve months ended December 31											
€ millions, unless otherwise stated	2011					2010			Change in %		
	IFRS	Adj.*	Non-IFRS*	Currency impact**	Non-IFRS constant currency**	IFRS	Adj.*	Non-IFRS*	IFRS	Non-IFRS*	Non-IFRS constant currency**
Non-IFRS Revenue Numbers											
Software revenue	3,970	0	3,970	96	4,066	3,265	0	3,265	22	22	25
Support revenue	6,967	27	6,994	58	7,052	6,133	74	6,207	14	13	14
Subscription and other software-related service revenue	381	0	381	-1	380	396	0	396	-4	-4	-4
Software and software-related service revenue	11,318	27	11,345	153	11,496	9,794	74	9,868	16	15	17
Consulting revenue	2,341	0	2,341	35	2,376	2,197	0	2,197	7	7	8
Other service revenue	573	0	573	8	581	473	0	473	21	21	23
Professional services and other service revenue	2,914	0	2,914	43	2,957	2,670	0	2,670	9	9	11
Total revenue	14,232	27	14,259	196	14,455	12,464	74	12,538	14	14	15
Non-IFRS Operating Expense Numbers											
Total operating expenses	-9,353	-196	-9,549	-128	-9,677	-9,873	1,342	-8,531	-5	12	13
Non-IFRS Profit Numbers											
Operating profit	4,879	-169	4,710	68	4,778	2,591	1,416	4,007	88	18	19
Other non-operating income/expense, net	-79	0	-79			-186	-4	-190	-58	-58	
Financial income, net	-37	-8	-45			-67	12	-55	-45	-18	
Profit before tax	4,763	-177	4,586			2,338	1,424	3,762	104	22	
Income tax expense	-1,322	107	-1,215			-525	-499	-1,024	152	19	
Profit after tax	3,441	-70	3,371			1,813	925	2,738	90	23	
Non-IFRS Key Ratios											
Operating margin in %	34.3		33.0		33.1	20.8		32.0	13.5pp	1.0pp	1.1pp
Effective tax rate in %	27.8		26.5			22.5		27.2	5.3pp	-0.7pp	
Basic earnings per share, in €*	2.89		2.83			1.52		2.30	90	23	

Bill McDermott

Co-CEO, SAP AG

Frankfurt, Germany

Wednesday, January 25, 2012



Best ever year

Software Revenue

+25%*

SSRS Revenue

+17%*

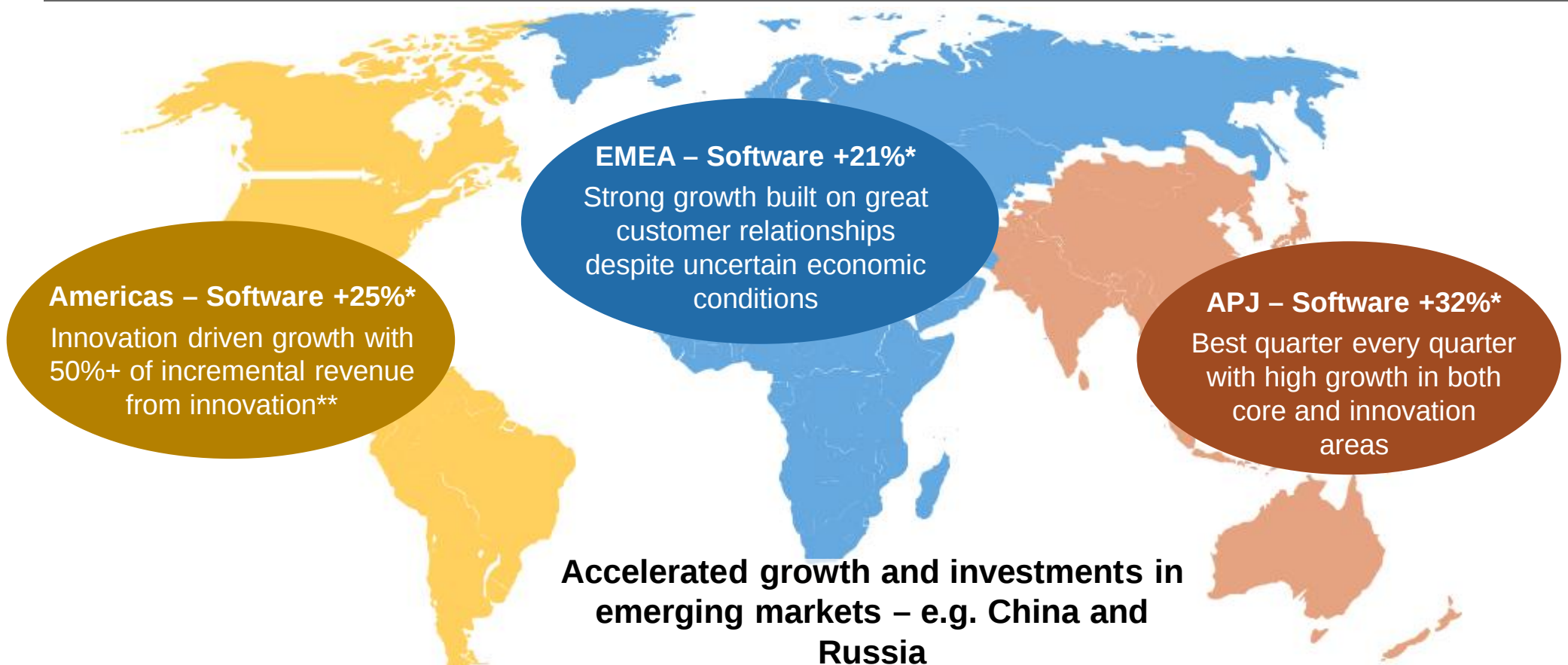
Operating Margin

+110bps*

- Best year in SAP's 40 year history driven by our successful innovation strategy
- Q4 was the largest quarter ever
- 8th consecutive quarter of double digit SSRS growth
- Significant momentum resulting in separation from competition
- Outperformed company guidance and market expectations

* Full year 2011 numbers, based on non-IFRS, at constant currencies

Stunning 20%+ growth across all regions



* Full year 2011 software revenue growth at constant currencies

** Full year incremental revenue in actual currency

Customers embracing SAP's strategy

Strong performance in Core Applications and Analytics

- Across industries
- 40%+ growth in LoB
- Expanding market share

Innovations accelerate growth

- €160 million in SAP HANA revenue
- €110 million in Mobile revenue
- 1,000+ companies chose SAP Business ByDesign

Enhancing customer value

- Innovative Rapid Deployment Solutions (850+ customers)
- High value services and support – delivering innovation, lowering TCO, and extending customer value
- Open ecosystem generating significant growth (40%+)

All growth and revenue numbers based on full year 2011 software revenue



Why is SAP a better choice?

- Innovative software is the future – spending is shifting
- SAP driving industry renewal – defining the future
- Breakthrough innovation without disruption
- SAP perfectly positioned – reinventing cloud and database markets
- Open ecosystem approach
- Co-innovation with customers and partners

Key Q4 2011 customer wins

Americas



EMEA



APJ





Jim Hagemann Snabe

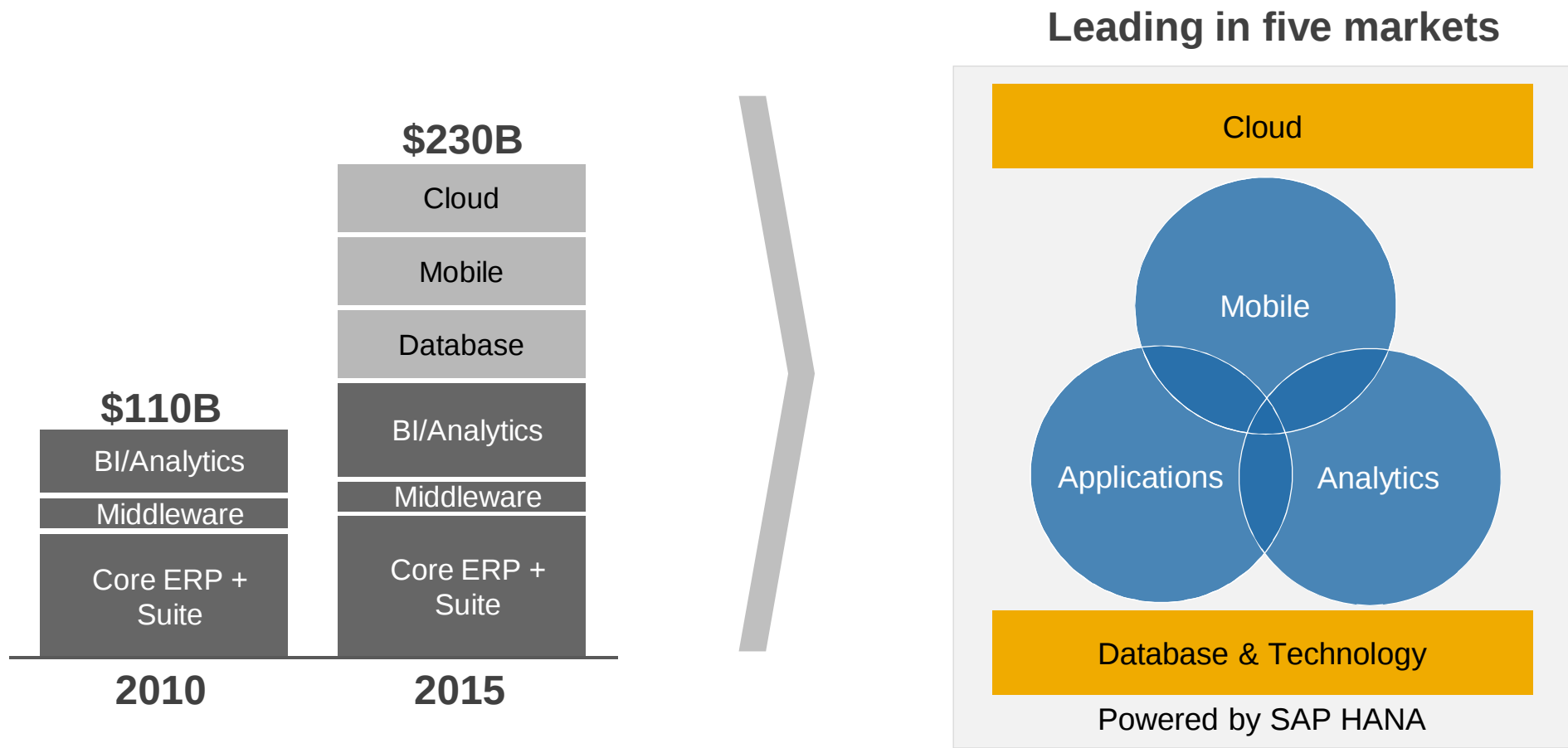
Co-CEO, SAP AG

Frankfurt, Germany

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Doubling SAP's addressable market – through innovation



Winning in five markets – powered by SAP HANA



Extending
leadership in
applications



Broadening
analytics
footprint



Strengthening
leadership in
mobile



Fastest
growing
**database &
technology**



Becoming a
profitable **cloud**
leader

SAP HANA

Services

Accelerating SAP's value to customers

Accelerate

- Faster innovation
- More innovation
- No disruption

Innovate

- Customer driven
- Open ecosystem
- Powered by SAP HANA

Simplify

- Faster value through rapid deployment solutions (RDS)
- Intuitive product experience
- Lower TCO



Enabling sustainable customer success

**Helping the world run better by
allowing organizations to:**

Optimize use of resources

Innovate for growth

Inspire people to be their best



Expanding SAP's 2015 medium-term ambition



- Exceed **€20 billion** of total revenue
- Reach **35%** non-IFRS operating margin
- Reach **1 billion** people
- Build a **€2 billion** Cloud business
- Become the **fastest growing database** company