

First Quarter 2012 Results Release

Walldorf, Germany

Wednesday, April 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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- More Transparency on Cloud Revenues
- Non-IFRS Definition

Key highlights of Q1 2012

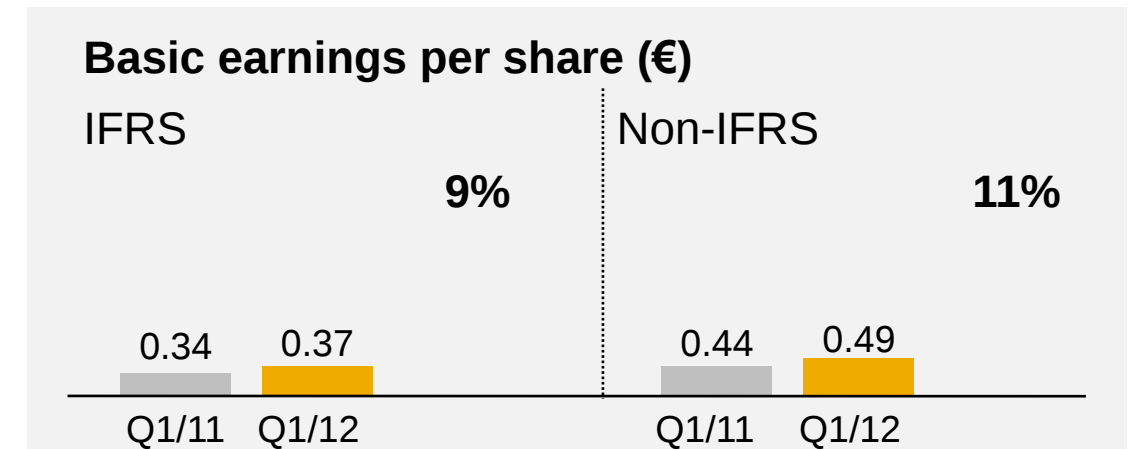
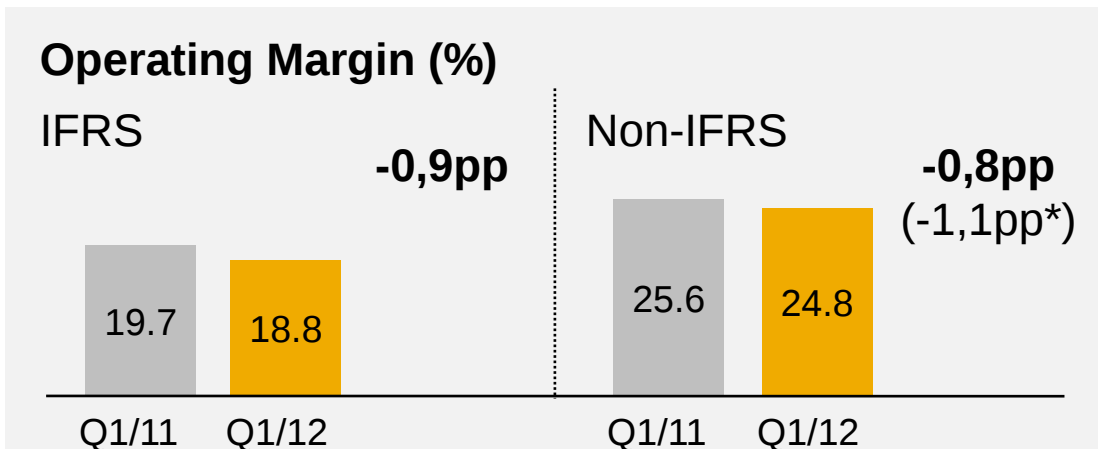
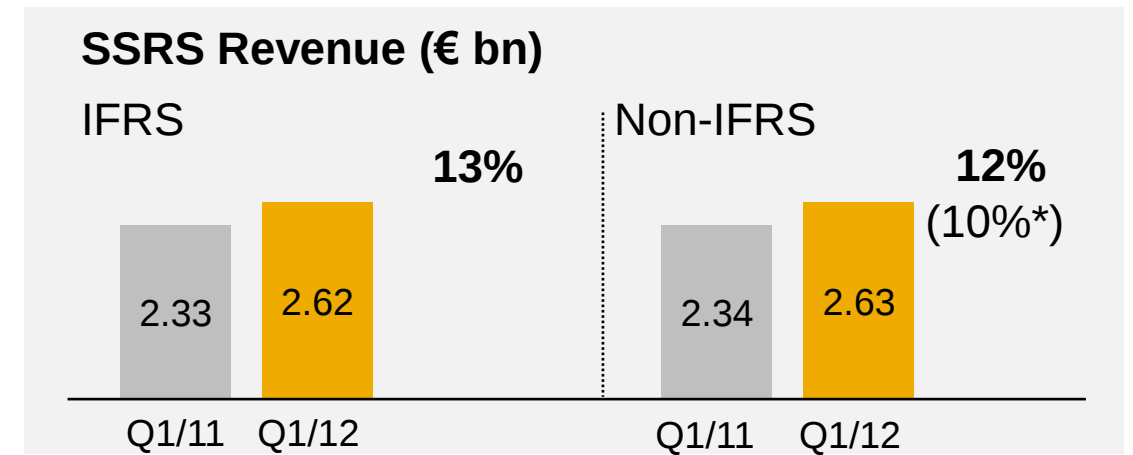
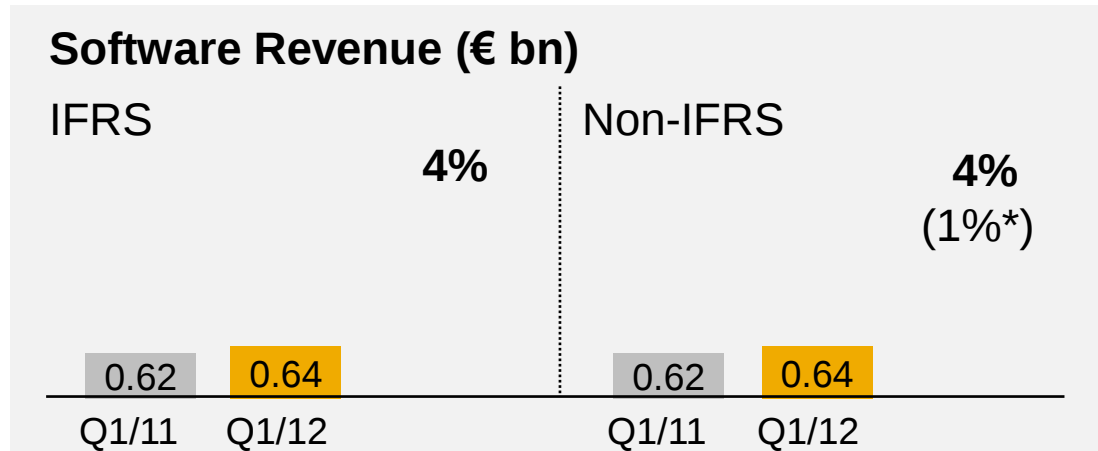
Growth momentum continued in 2012

- Record quarter in APJ – APJ is clearly our number 1 growth region
- Double-digit growth in many markets, e.g. Latin America, BRIC and Germany
- We moved swiftly to address the sales execution issues and are back on track in
 - North America, where we saw a weaker performance than expected
 - some European markets, which started slower in 2012

Revenue contribution from innovations

- HANA €28 million – FY 2012 target at least €320 million
- Mobile €21 million – FY 2012 target €220 million
- Cloud €35 million
 - On a stand-alone basis, SuccessFactors achieved a 69% increase in its 12 month billings from new business in the first quarter (compared to their first quarter 2011)
 - SAP's cloud solutions also performed well
 - SAP Business ByDesign is gaining further traction among larger customers

9th consecutive quarter of double-digit Non-IFRS SSRS revenue growth demonstrates SAP's continued strong growth opportunities



* At constant currencies

Increased cloud subscription and support revenues in Q1 2012 mainly due to acquisition but also to improved SAP cloud business

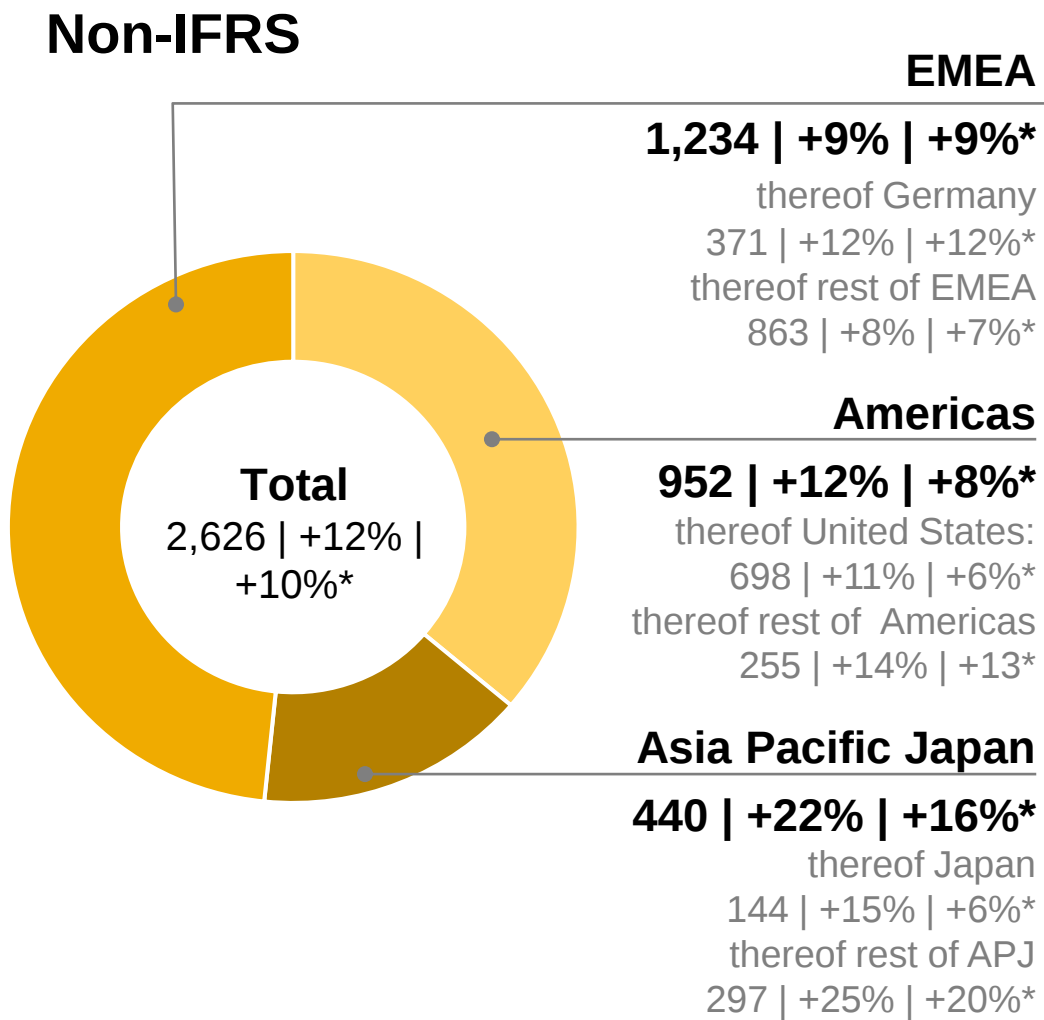
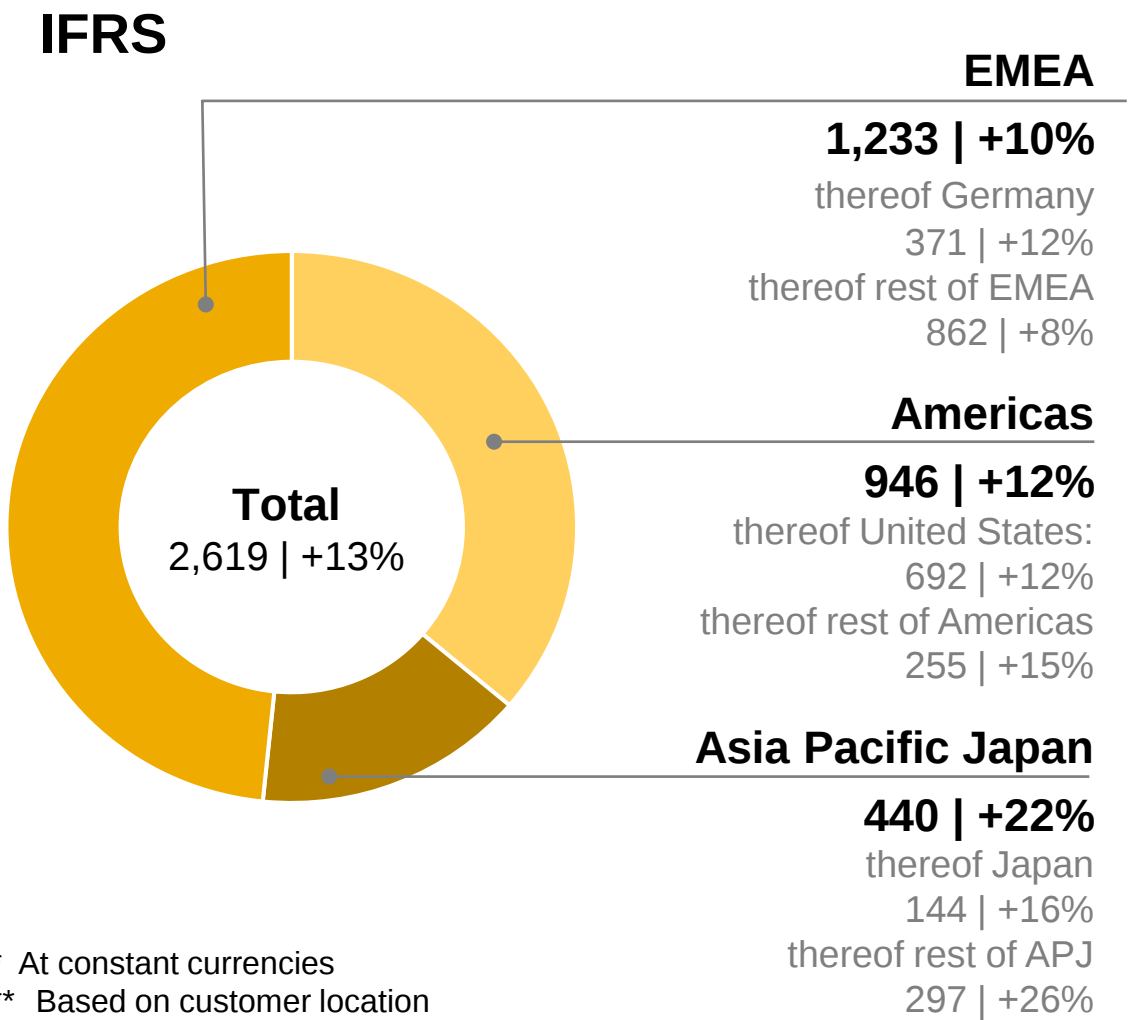
€ millions, unless otherwise stated

Revenue Numbers	IFRS			Non-IFRS			
	Q1/12	Q1/11	Δ%	Q1/12	Q1/11	Δ%	Δ% at cc
Software	637	615	4	637	615	4	1
Support	1,953	1,708	14	1,954	1,725	13	11
Cloud subscriptions and support	29	4	625	35	4	775	725
SSRS revenue	2,619	2,327	13	2,626	2,344	12	10
Professional services & other serv. rev.	731	697	5	731	697	5	3
Total revenue	3,350	3,024	11	3,357	3,041	10	8
Operating Expense Numbers							
Total operating expenses	-2,719	-2,427	12	-2,523	-2,262	12	10
Profit Numbers							
Operating profit	631	597	6	834	779	7	3
Finance income, net	-16	-14	14	-15	-14	7	
Profit before tax	607	583	4	811	765	6	
Income tax expense	-163	-180	-9	-228	-237	-4	
Profit after tax	444	403	10	583	528	10	
Basic earnings per share, in €	0.37	0.34	9	0.49	0.44	11	

SSRS Revenue Breakdown by Region**

First Quarter 2012

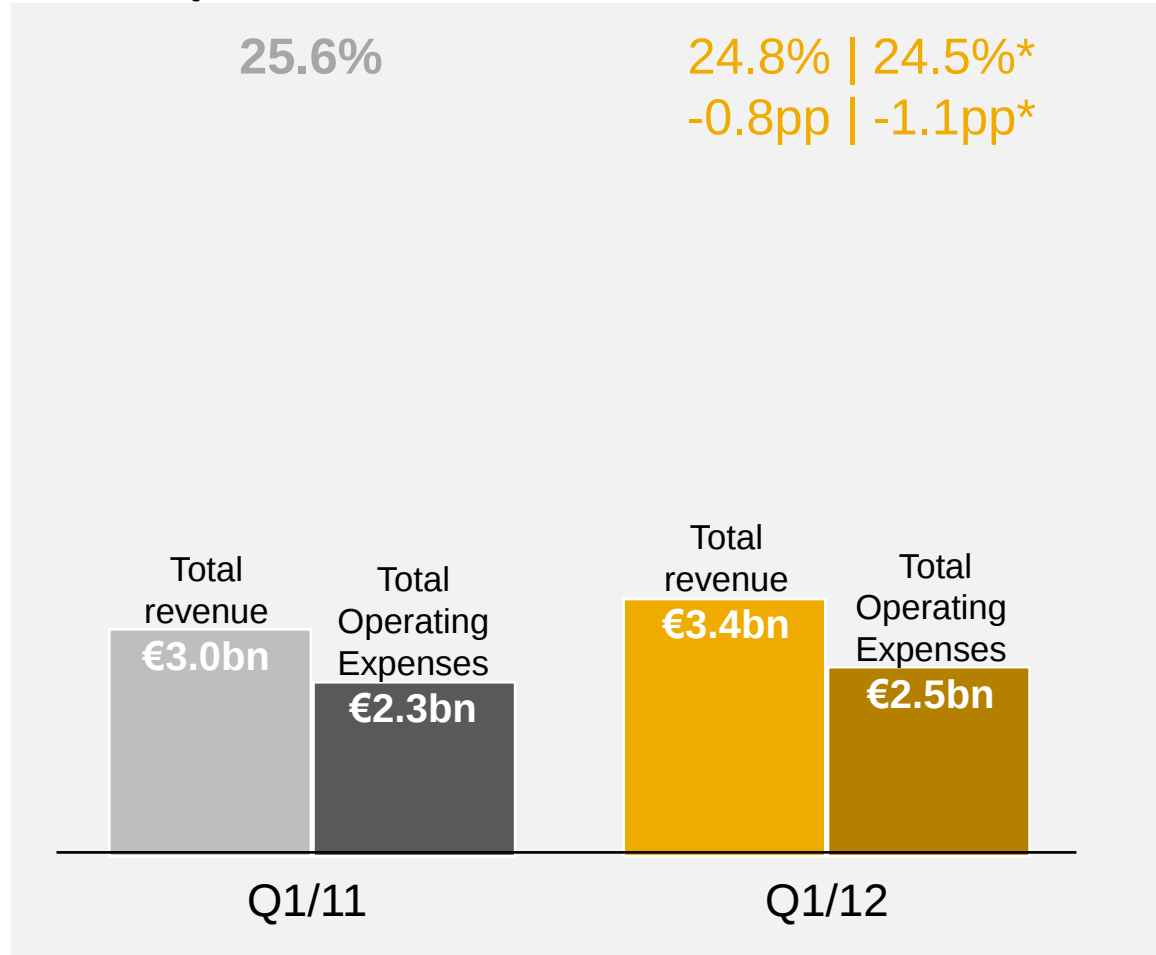
€ millions | yoy percent change



* At constant currencies
** Based on customer location

Non-IFRS operating margin decreased by 80 basis points in the first quarter 2011

Non-IFRS, Q1/12



Lower than expected software revenues paired with increased expenses mainly for the acquisition of SuccessFactors and for investments made in our workforce resulted in margin decline

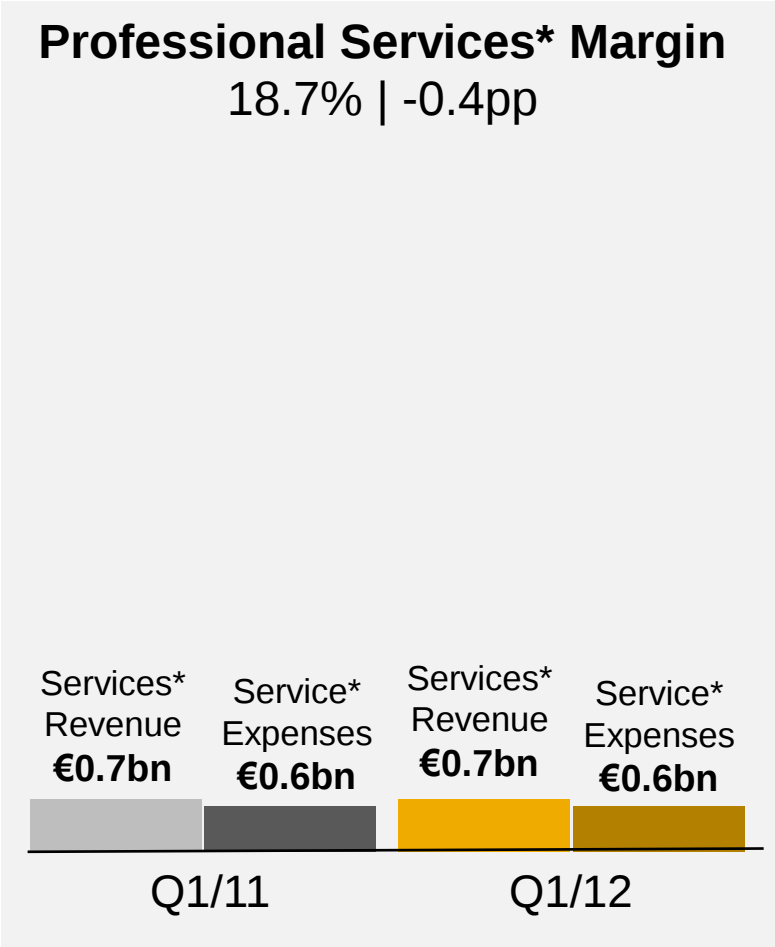
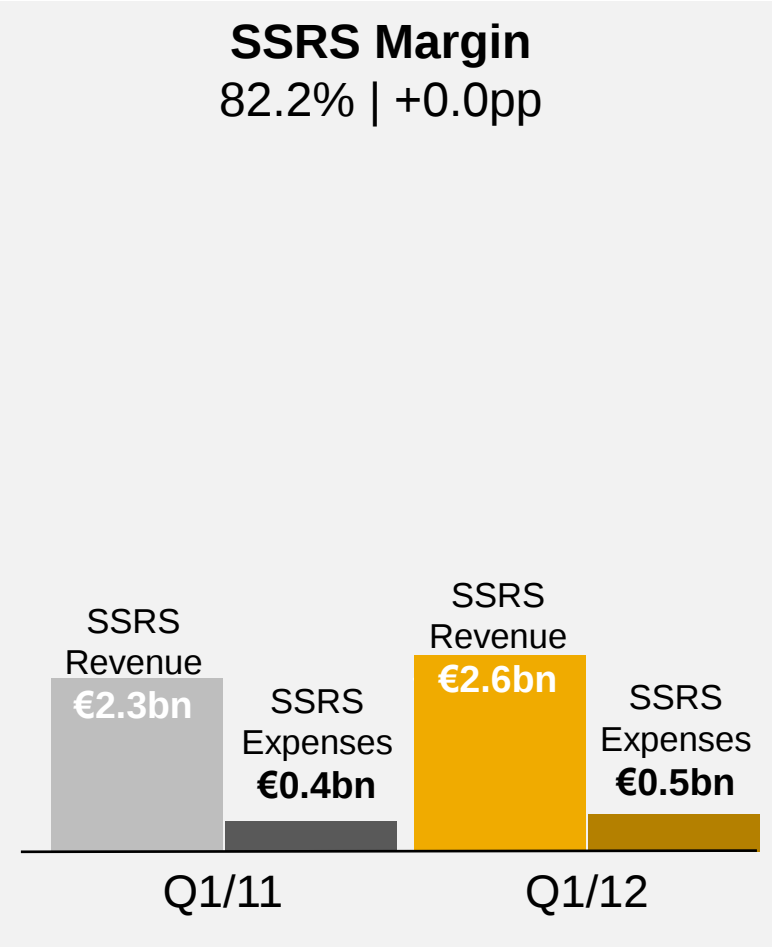
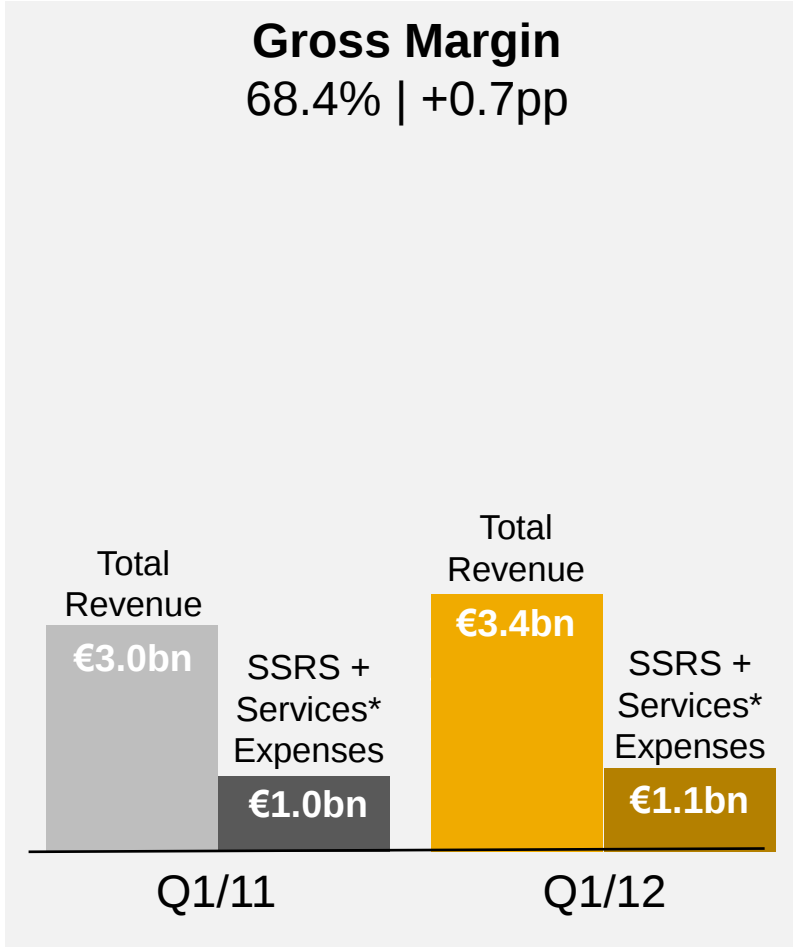
- In Q1 2012, non-IFRS operating profit decreased by 7% to €0.8bn yoy
- In Q1 2012, non-IFRS operating margin decreased -0.8pp to 24.8% yoy
- In Q1 2012, non-IFRS operating margin at constant currencies decreased -1.1pp to 24.5% yoy

* At constant currencies

Gross margin improved by 70 bps

Q1 2012

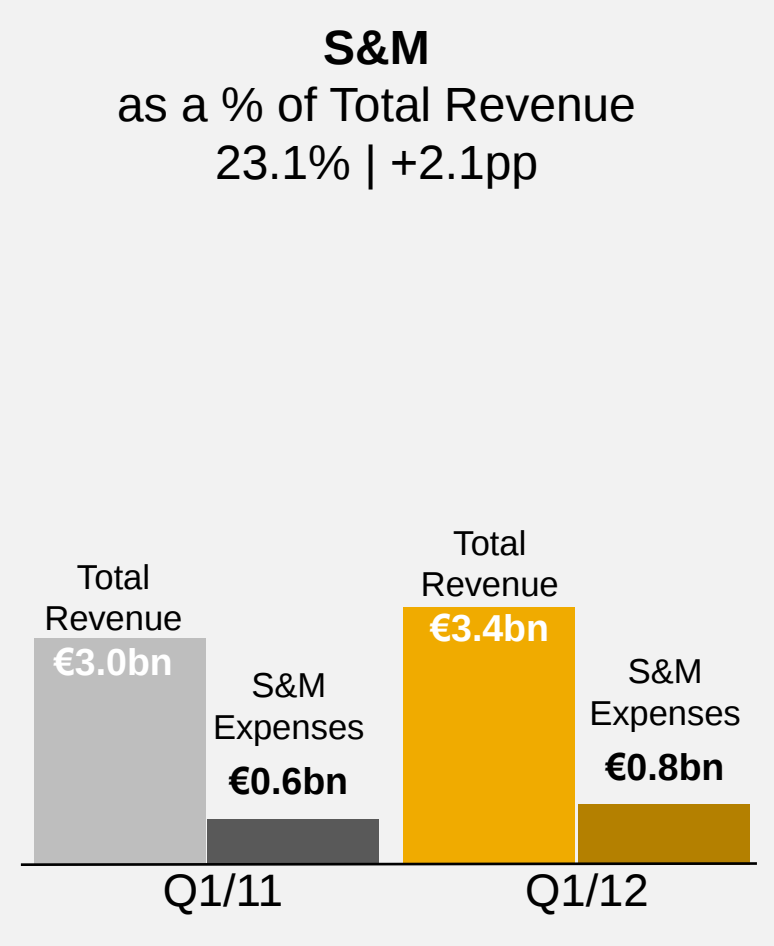
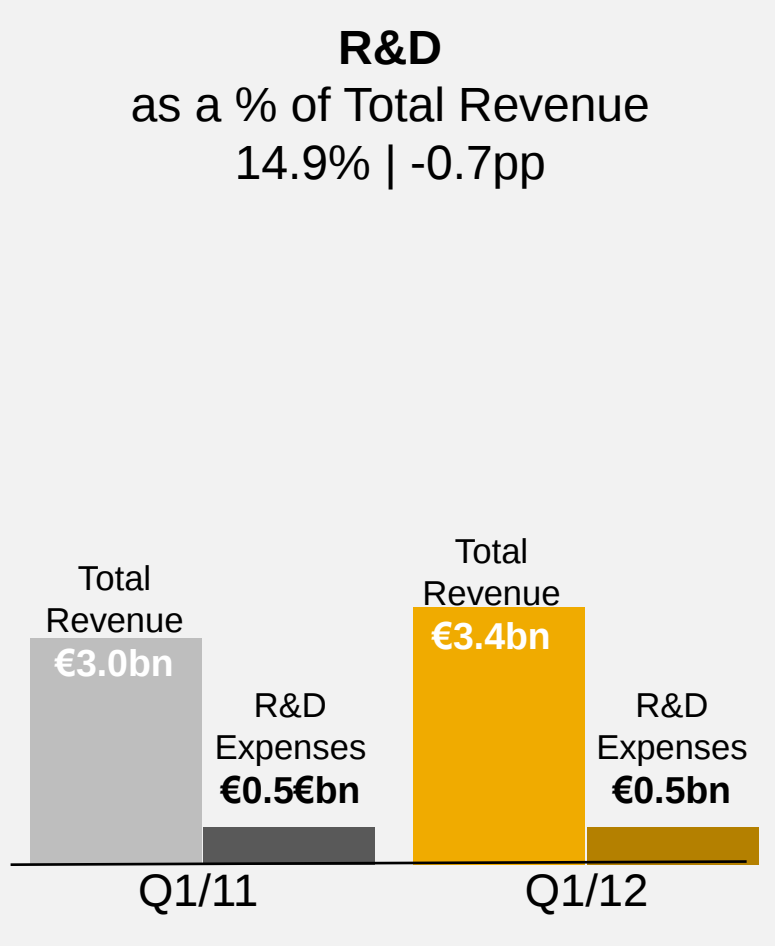
Non-IFRS, Q1/12



* Professional services and other services

S&M to total revenue ratio increased in Q1/12 due to ongoing investments in go-to-market activities and increased headcount

Non-IFRS, Q1/12



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Balance sheet, condensed

March 31, 2012, IFRS

Assets € millions	03/31/12	12/31/11
Cash, cash equivalents and other financial assets	5,301	5,782
Trade and other receivables	3,442	3,493
Other non-financial assets and tax assets	450	394
Total current assets	9,193	9,669
Goodwill	10,765	8,711
Intangible assets	2,679	2,024
Property, plant, and equipment	1,576	1,551
Other non-current assets	1,420	1,272
Total non-current assets	16,440	13,558
Total assets	25,633	23,227

Equity and liabilities € millions	03/31/12	12/31/11
Financial liabilities	1,675	1,331
Deferred income	3,389	1,046
Provisions	608	562
Other liabilities	2,470	3,327
Current liabilities	8,142	6,266
Financial liabilities	2,893	2,925
Provisions	369	268
Other non-current liabilities	1,182	1,061
Non current liabilities	4,444	4,254
Total liabilities	12,586	10,520
Total equity	13,047	12,707
Equity and liabilities	25,633	23,227

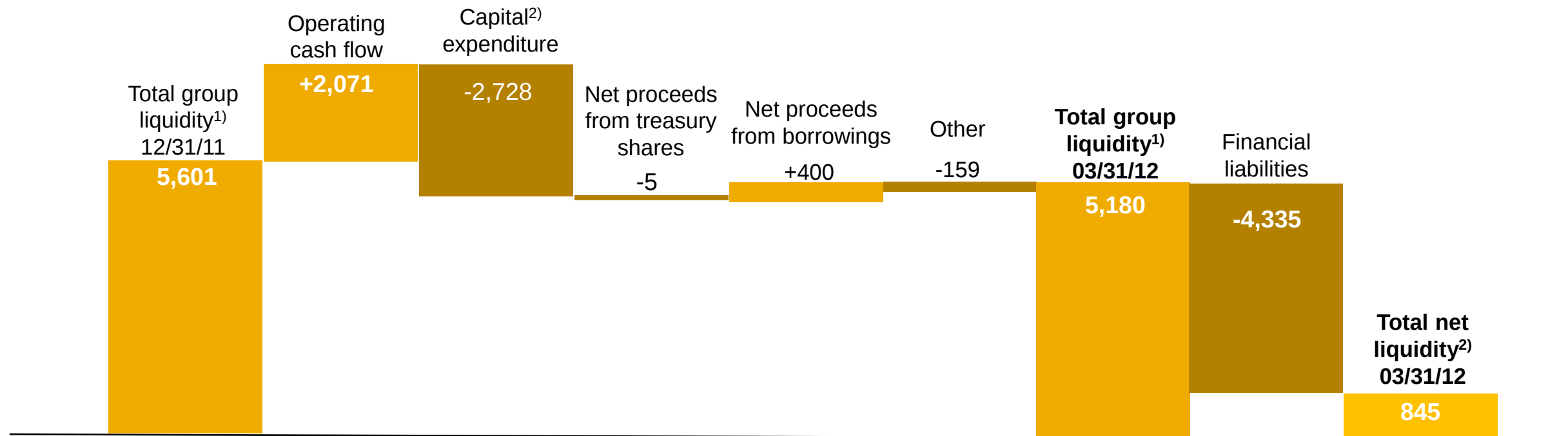
Highest operating cash flow in a first quarter ever

Q1 2012

€ millions, unless otherwise stated	03/31/12	03/31/11	Δ
Operating cash flow	2,071	1,592	30%
- Capital expenditure	-113	-141	-20%
Free cash flow	1,958	1,451	35%
Free cash flow as a percentage of total revenue	58%	48%	+10pp
Cash conversion rate	4.66	3.95	+18%
Days sales outstanding (DSO)	60	66	-6 days

Record cash flow ever achieved in a 1st quarter enabled us to return to positive net liquidity faster than expected after acquisition

€ millions



- 1) Cash and cash equivalents + restricted cash + current investments
- 2) Business combinations, net of cash and cash equivalents acquired = €2,615m
- 3) Total Group Liquidity less financial liabilities (=bank loans, private placement transactions and bonds)

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Reiteration of business outlook for the full-year 2012

Additional guidance for Q2 2012 provided

	SAP's Outlook Q2 2012*	SAP's Outlook FY 2012	Basis for comparison 2011	
Software Revenue (Non-IFRS at cc)	+ 15% to 20%			€ 838m
SSRS Revenue (Non-IFRS at cc)	+ 14% to 16%	+ 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%		27.9%
Effective Tax Rate (Non-IFRS)		27.0% to 28.0%		26.6%

*SAP does not plan to provide a quarterly guidance going forward

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More transparency on cloud revenues

Revised P&L structure for FY 2012 – published on February 17, 2012

- In light of SAP's strong focus on the cloud market, SAP realigned its income statement to provide additional transparency on cloud-related revenue streams. On February 17, 2012, SAP published a Webmessage discussing this change. For more details see [More Transparency On Cloud Revenue: SAP Realigns Its Income Statement \(Webmessage\)](#) online.
- Acquisition of SuccessFactors will enable us to accelerate our cloud strategy
- SAP realigned 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'** are no longer included in the line item 'Subscription and other software-related service revenue' but are 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 changed

Previous structure

€ millions, non-IFRS	FY11	FY10	Δ%
Software revenue	3,971	3,265	22
Support revenue	6,994	6,207	13
Subscription & other SW-rel. serv. rev.	381	396	-4
SSRS revenue	11,346	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	14,260	12,538	14
Cost of software and software-related serv	-1,822	-1,621	13
Cost of professional services & other servi	-2,216	-2,053	7
Research and development	-1,898	-1,706	11
....			

New structure

€ millions, non-IFRS	FY11	FY10	Δ%
Software	4,107	3,410	20
Support	7,221	6,444	12
Cloud subscriptions and support	18	14	29
SSRS revenue	11,346	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	14,260	12,538	14
Cost of software and software-related serv	-1,822	-1,621	12
Cost of professional services & other servi	-2,216	-2,053	8
Total cost of revenue	-4,038	-3,674	10
Gross profit	10,222	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	3,971	+136	4,107	Software
Support	6,994	+227	7,221	Support
Subscription & other software-related service revenue	381	-363	18	Cloud subscription and support
SSRS revenue	11,346		11,346	

- 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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Non-IFRS Definition

IFRS Profit Measure	Actual amounts for 2011	Estimated amounts for 2012
+ Deferred revenue write-down	€27m	€110m to €130m
+/- Discontinued activities	€+717m	< €10m
+ Share-based compensation expenses	€69m	€460m to €500m
+ Acquisition-related charges	€448m	€480m to €520m
+ Restructuring charges	€4m	< €25m
= Non-IFRS profit measure		

Explanations of non-IFRS measures

SAP has provided estimates for its 2012 non-IFRS adjustments and widened the range of revenues for which acquisition-related deferred revenue write-downs are adjusted in determining SAP's non-IFRS revenue and profit numbers. On March 23, 2012, SAP published a Webmessage discussing this change. For more details see [SAP`s Non-IFRS financial measures: 2012 estimates of the differences between IFRS and Non-IFRS \(Webmessage\)](#) online.

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 [Explanation of Non-IFRS Measures](#) online.