

Third Quarter 2012 Results Release

Walldorf, Germany

Wednesday, October 24, 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.

Agenda

Income Statement

Balance Sheet and Cash Flow Analysis

Appendix

- Non-IFRS Definition
- New segment reporting

11th consecutive quarter of double-digit growth in non-IFRS SSRS revenue supported by strong SAP HANA, Mobile & Cloud results (1)

Strong organic growth, with 17% (12% at cc) year-over-year growth in software licenses in Q3 2012

Regional performance

- Americas delivered strong Q3 with +37 % yoy software growth (+29% at cc)
 - Latin America delivered an exceptional quarter. Mexico and Brazil were instrumental in driving this growth with outstanding performance
- APJ delivered another impressive quarter, growing + 18% (+11% at cc) on software revenue
 - Driven by the two largest economies in this region, Japan and China
 - China grew by more than 40% and this market is now our sixth largest by revenue
- EMEA was basically flat yoy which was a solid performance considering the tremendous Q3/11
 - Germany once again showed double-digit growth rates
 - Emerging geographies, such as the Middle East and Africa, performed especially well

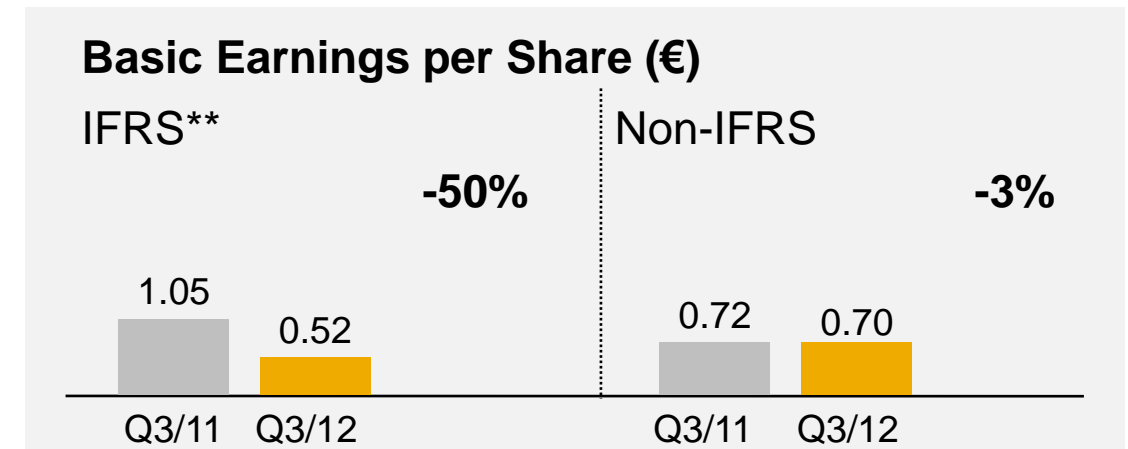
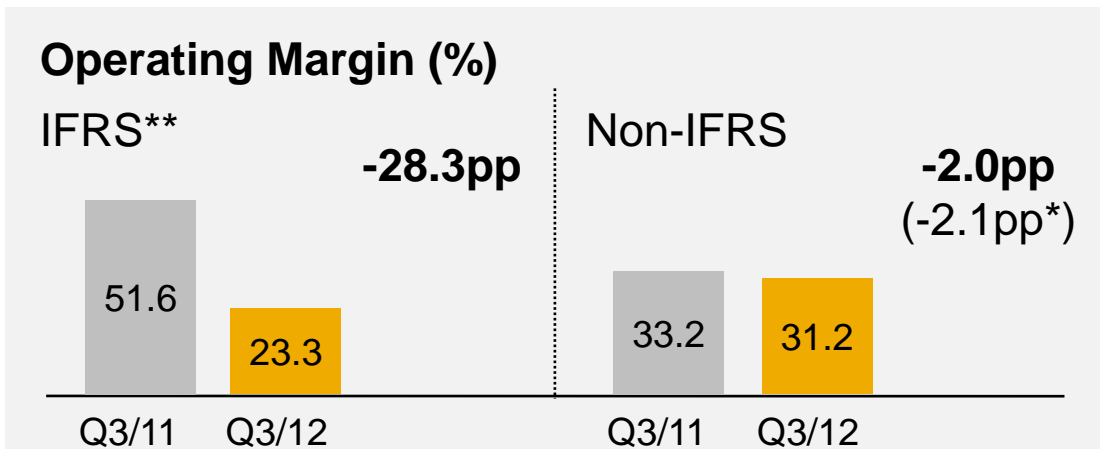
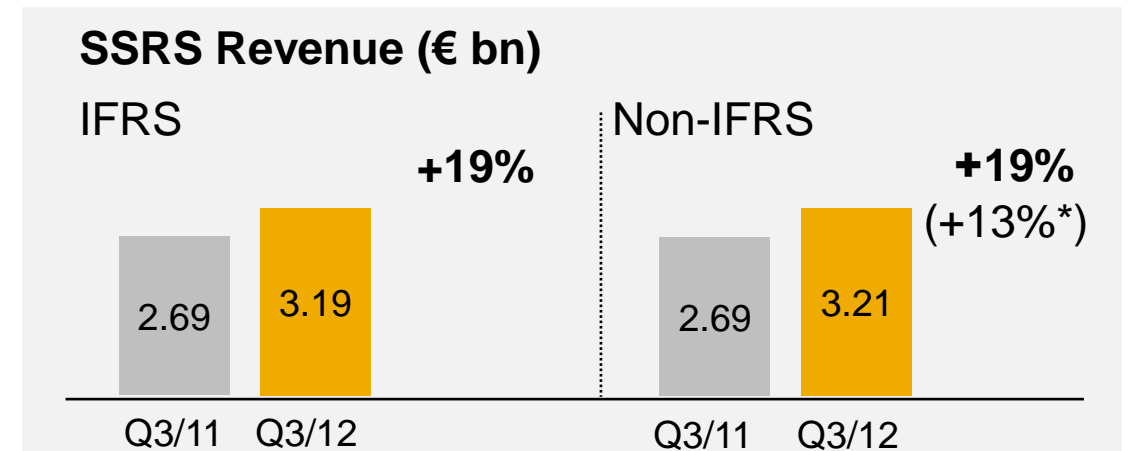
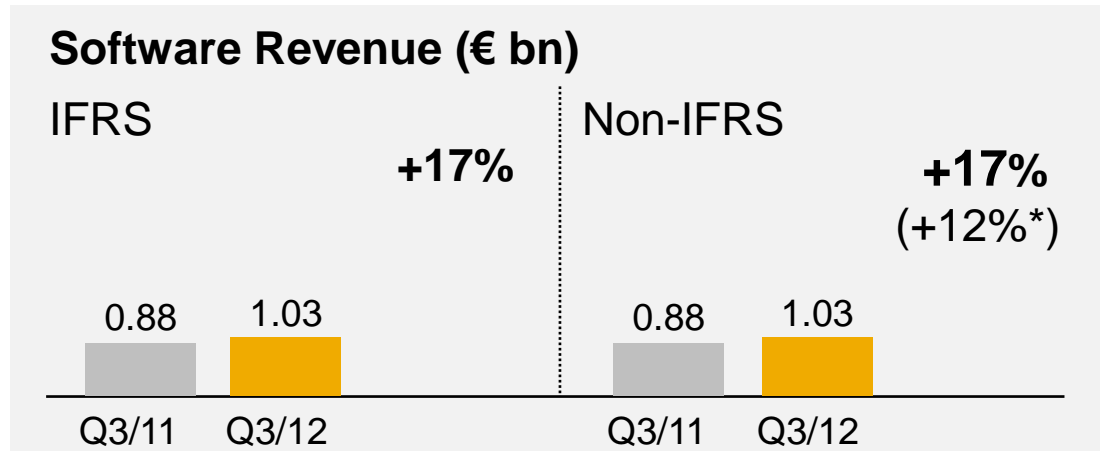
11th consecutive quarter of double-digit growth in non-IFRS SSRS revenue supported by strong SAP HANA, Mobile & Cloud results (2)

Strong growth momentum from key innovations

- HANA €83 million in Q3/12 (Q3/11: €34 million)
- Mobile €48 million in Q3/12 (Q3/11: €22 million)
- Cloud €80 million in Q3/12 (Q3/11: €4 million)
 - 12 months new and upsell subscription billings increased fourteenfold. Even when including SuccessFactors in our 2011 numbers the growth is triple digit at 116%*.
 - For SuccessFactors on a stand-alone basis, 12 months new and upsell subscription billings grew 92%.
- HANA €196 million in 9M/12 (9M/11: €61 million) – FY 2012 target at least €320 million
- Mobile €123 million in 9M/12 (9M/11: €64 million) – FY 2012 target €220 million
- Cloud €183 million in 9M/12 (9M/11: €12 million)
 - SuccessFactors +93% yoy in its 12-month subscription billings from new business (i.e. new and upsell subscription billings) in 9M/12

*This growth rate is a pro forma growth rate assuming that the acquisition of SuccessFactors was completed as of January 1, 2011.

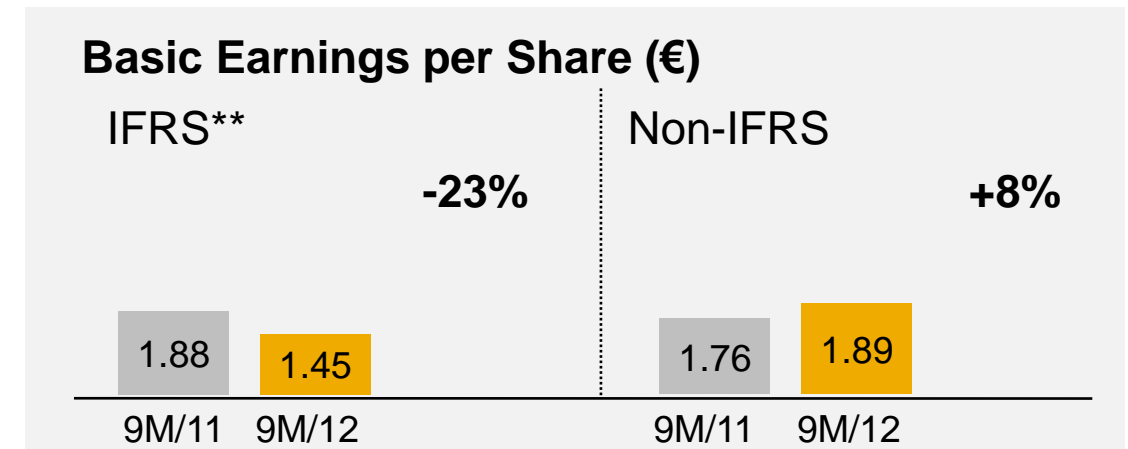
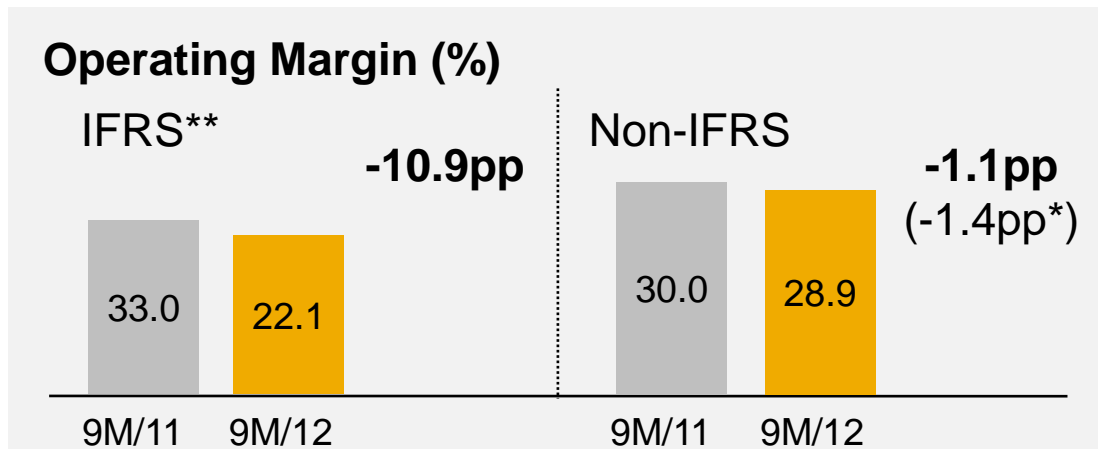
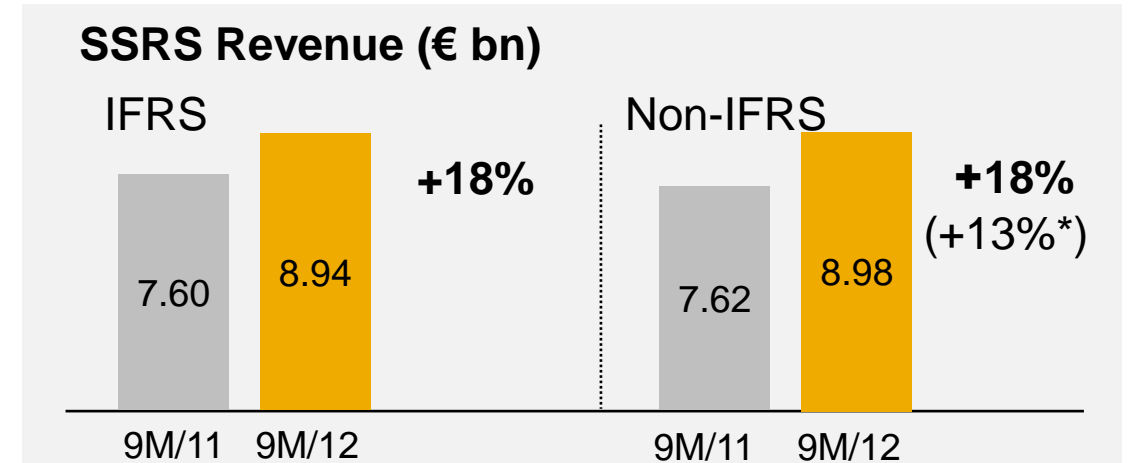
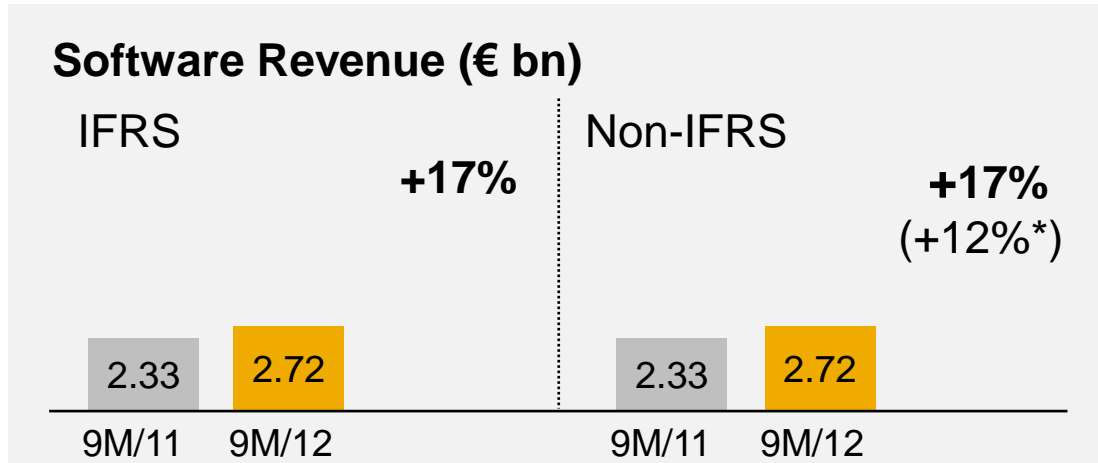
SAP exceeded €1 billion in software revenue for the first time in a third quarter



* At constant currencies

**IFRS profit Q3/11 impacted by reduction in the TomorrowNow provision

Strong top-line performance in the first nine months shows that SAP is on track to achieve fiscal year targets



* at constant currencies

**IFRS profit Q3/11 impacted by reduction in the TomorrowNow provision

SAP set once again new records

€ millions, unless otherwise stated	IFRS			Non-IFRS			
Revenue Numbers	Q3/12	Q3/11	Δ%	Q3/12	Q3/11	Δ%	Δ% at cc
Software	1,026	875	17	1,026	875	17	12
Support	2,105	1,812	16	2,106	1,813	16	10
Cloud subscriptions and support	63	4	1,475	80	4	1,900	1,700
SSRS revenue	3,194	2,691	19	3,212	2,692	19	13
Professional services & other serv. rev.	758	718	6	758	718	6	0
Total revenue	3,952	3,409	16	3,970	3,410	16	10
Operating Expense Numbers							
Total operating expenses	-3,031	-1,650	84	-2,731	-2,279	20	14
Profit Numbers							
Operating profit	921	1,759	-48	1,239	1,131	10	4
Finance income, net	-7	-2	>100	-7	-9	-22	
Profit before tax	822	1,757	-53	1,140	1,122	2	
Income tax expense	-204	-505	-60	-304	-261	16	
Profit after tax	618	1,251	-51	836	860	-3	
Basic earnings per share, in €	0.52	1.05	-50	0.70	0.72	-3	

Double-digit top-line growth in the first nine months 2012

€ millions, unless otherwise stated	IFRS			Non-IFRS			
Revenue Numbers	9M/12	9M/11	Δ%	9M/12	9M/11	Δ%	Δ% at cc
Software	2,722	2,328	17	2,722	2,328	17	12
Support	6,071	5,257	15	6,075	5,283	15	10
Cloud subscriptions and support	144	12	1,100	183	12	1,425	1,300
SSRS revenue	8,937	7,597	18	8,980	7,623	18	13
Professional services & other serv. rev.	2,263	2,136	6	2,263	2,136	6	1
Total revenue	11,200	9,733	15	11,243	9,759	15	10
Operating Expense Numbers							
Total operating expenses	-8,727	-6,520	34	-7,998	-6,830	17	13
Profit Numbers							
Operating profit	2,473	3,213	-23	3,245	2,929	11	5
Finance income, net	-33	-34	-3	-32	-41	-22	
Profit before tax	2,295	3,145	-27	3,068	2,854	7	
Income tax expense	-572	-902	-37	-819	-762	7	
Profit after tax	1,723	2,242	-23	2,249	2,091	8	
Basic earnings per share, in €	1.45	1.88	-23	1.89	1.76	8	

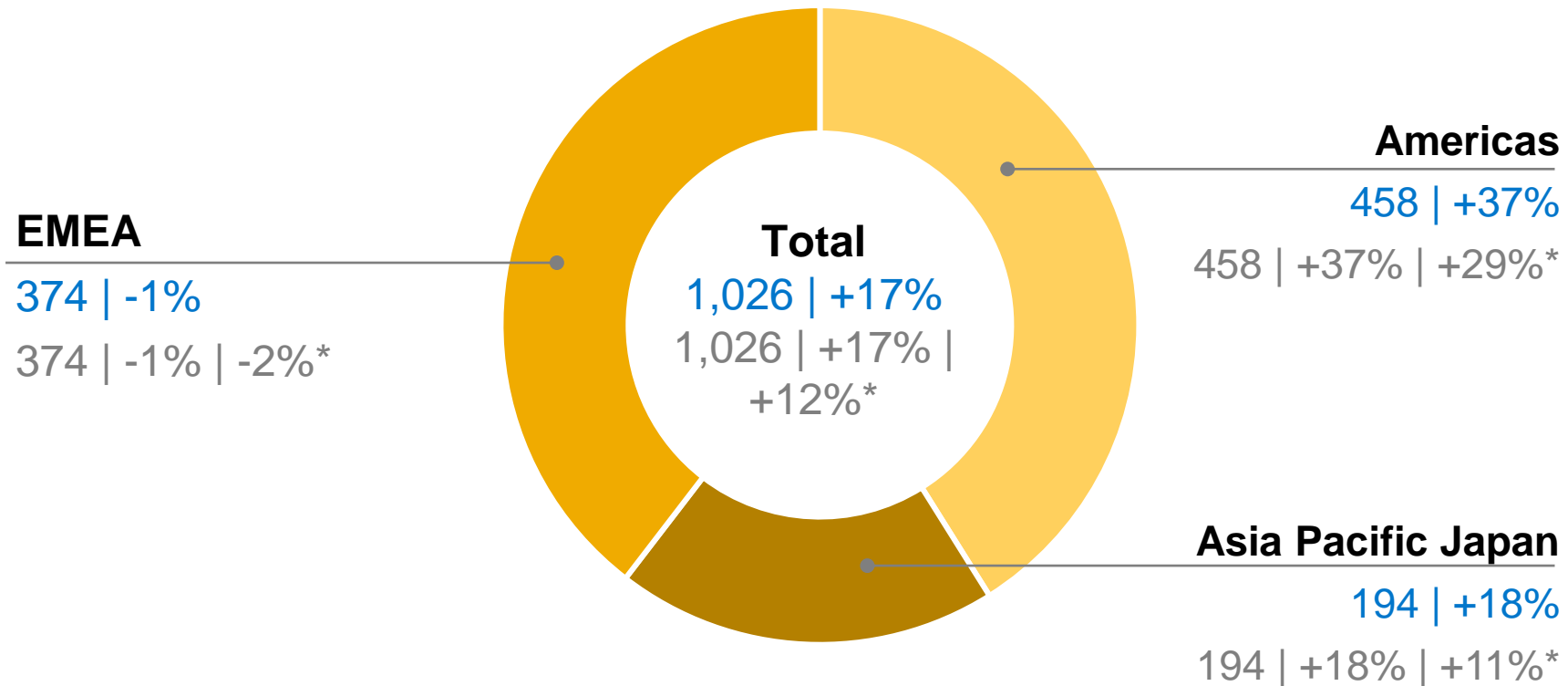
Software revenue by region**

Third Quarter 2012

€ millions | yoy percent change

IFRS

Non-IFRS



* At constant currencies

** Starting Q2/2012, SAP provides, in addition to the traditional split by customer location, a regional split of software revenues based on the location where the contract was negotiated. For details on this change and its reasoning and the traditional split by customer location please refer to note 16 in the interim financial statements included in our Q2 interim report.

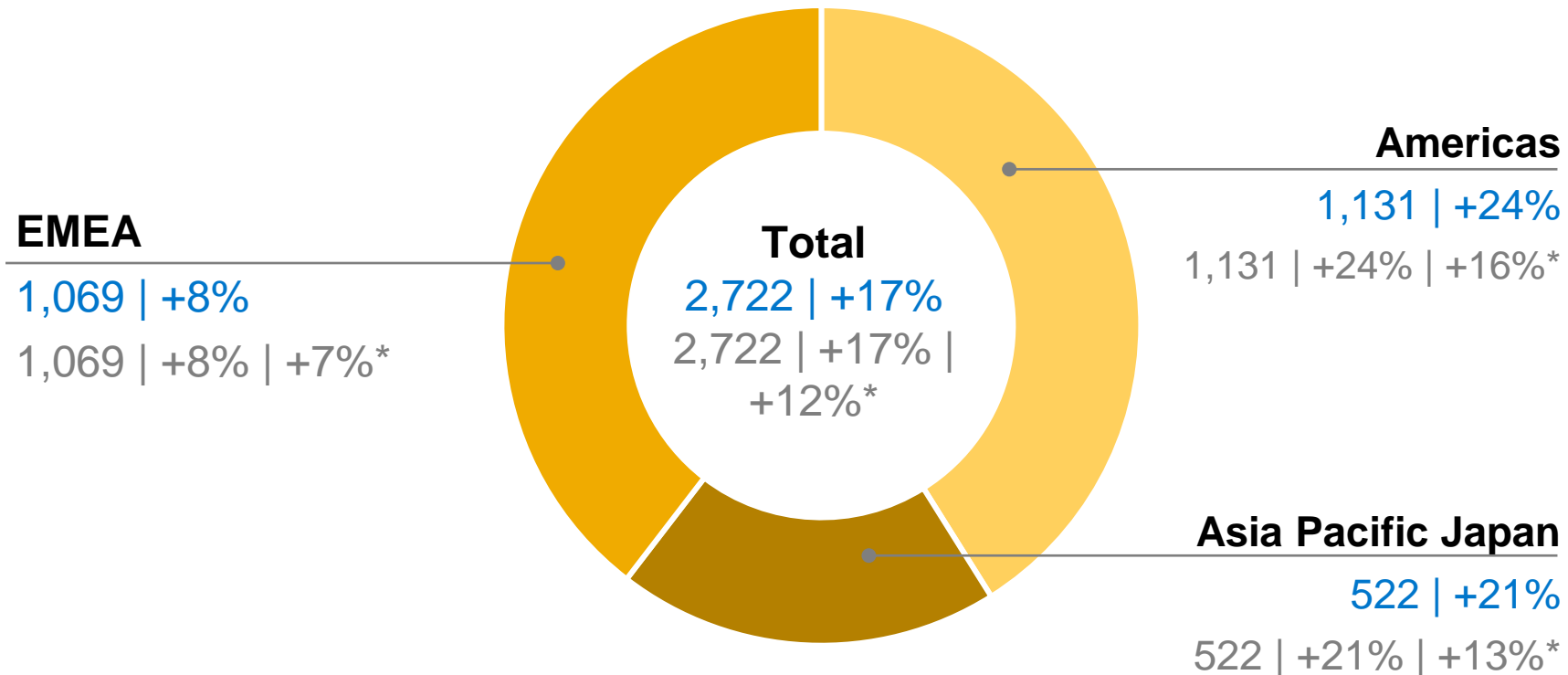
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First nine months 2012

€ millions | yoy percent change

IFRS

Non-IFRS



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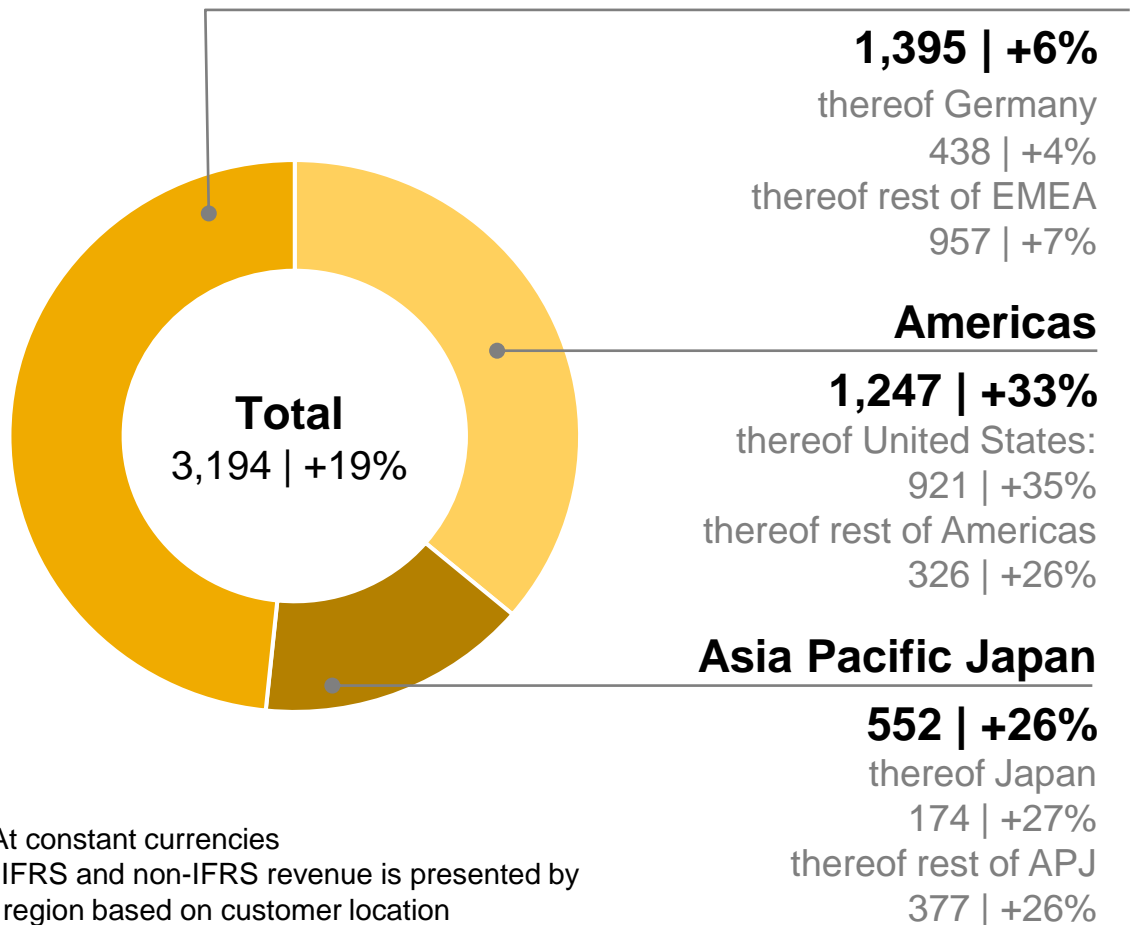
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SSRS revenue by region**

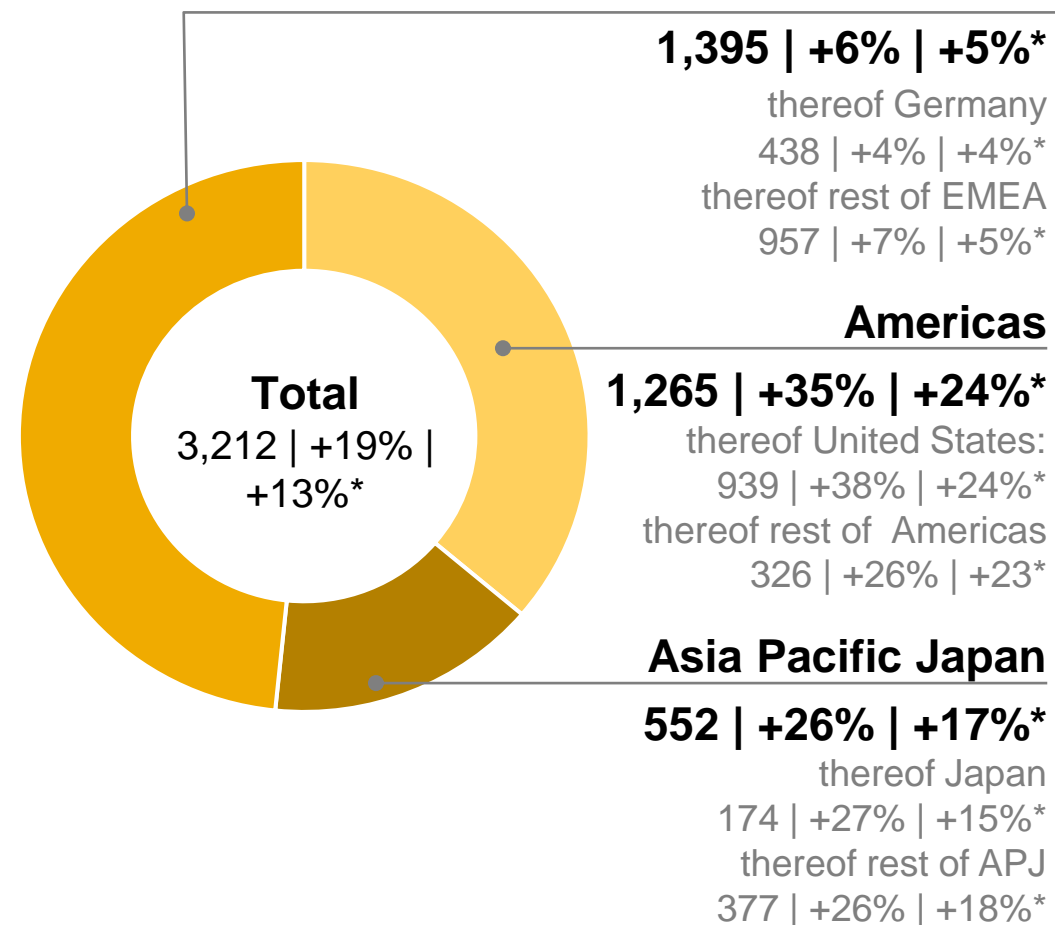
Third Quarter 2012

€ millions | yoy percent change

IFRS



Non-IFRS



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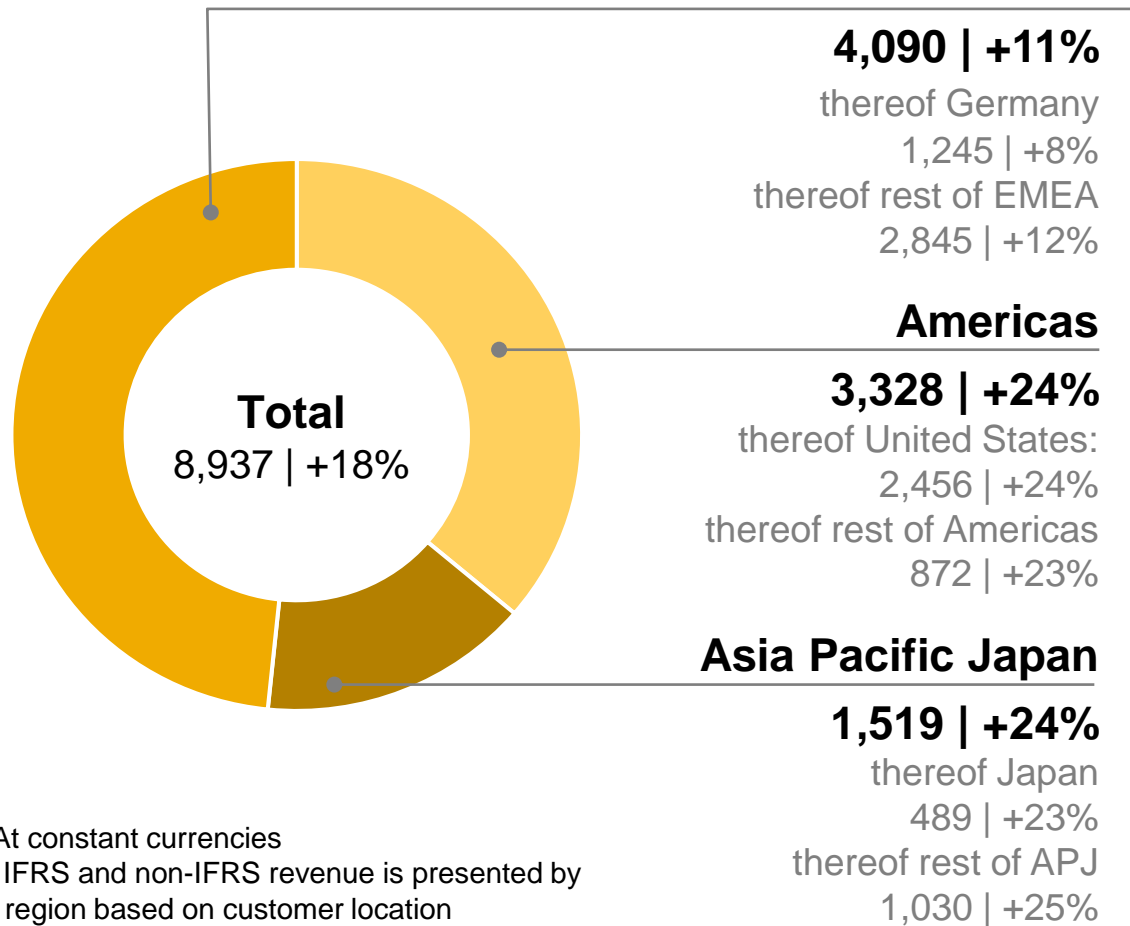
** IFRS and non-IFRS revenue is presented by region based on customer location

SSRS revenue by region**

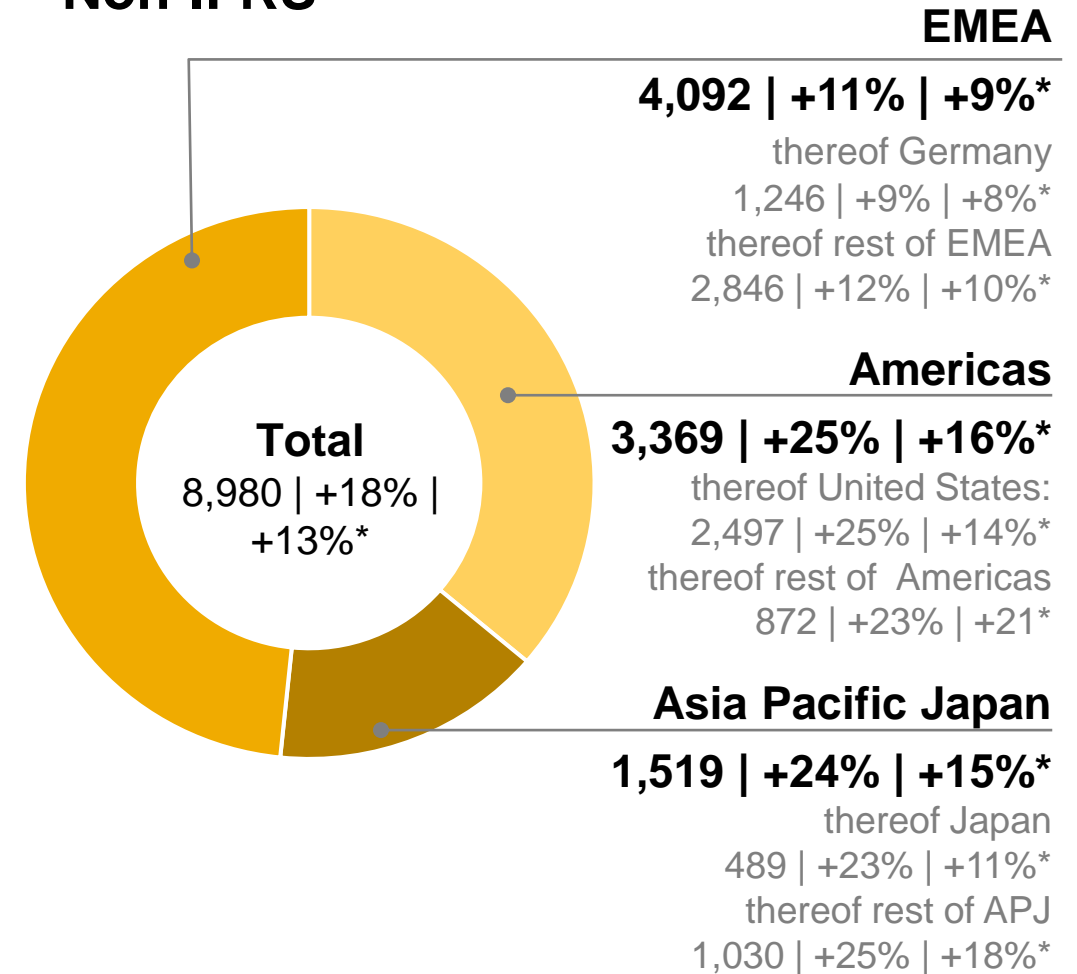
First nine months 2012

€ millions | yoy percent change

IFRS



Non-IFRS

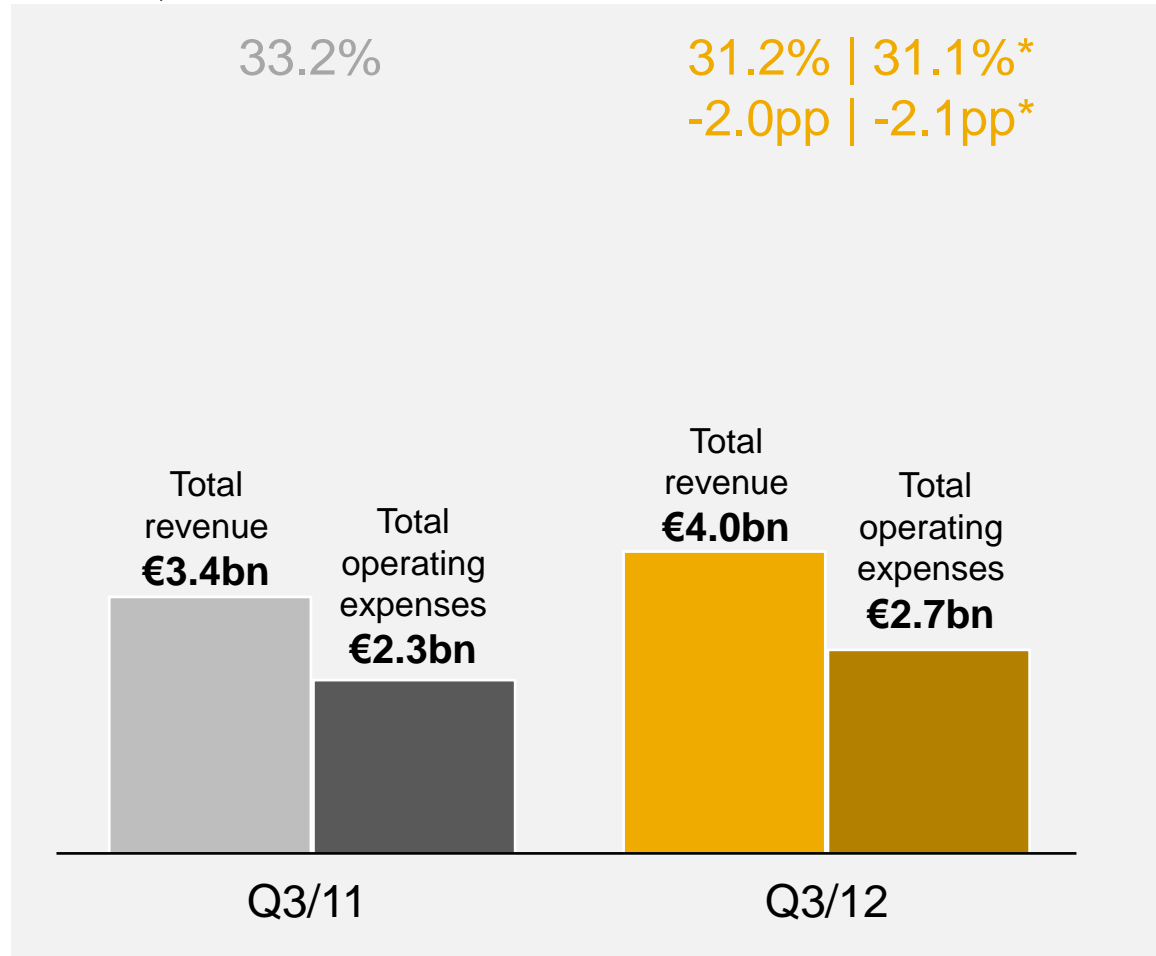


* At constant currencies

** IFRS and non-IFRS revenue is presented by region based on customer location

Non-IFRS operating profit decreased by 2.0pp in the third quarter

Non-IFRS, Q3/12



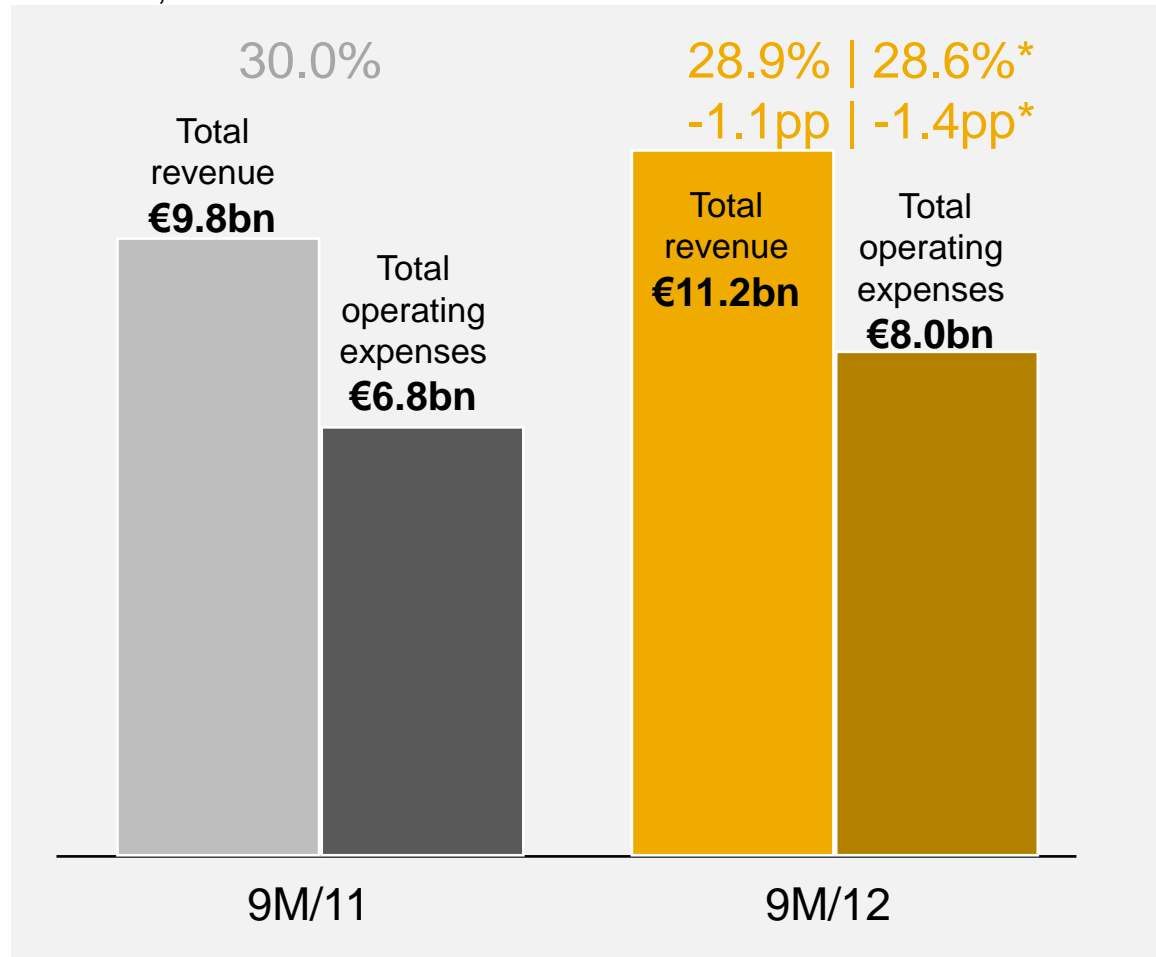
Non-IFRS operating profit and margin were impacted by severance expenses of €10 million (2011: €13 million) and investments in Cloud, which impacted the non-IFRS operating margin by 1.0pp at CC.

- In Q3 2012, non-IFRS operating profit increased by 10% to €1.2bn yoy
- In Q3 2012, non-IFRS operating margin decreased -2.0pp to 31.2% yoy
- In Q3 2012, non-IFRS operating margin at constant currencies decreased -2.1pp to 31.1% yoy

* At constant currencies

Non-IFRS operating profit decreased by 1.1pp in the first nine months

Non-IFRS, 9M/12



* At constant currencies

Non-IFRS operating profit and margin were impacted by severance expenses of €53 million (2011: €41 million) and investments in Cloud, which impacted the non-IFRS operating margin by 0.9pp at cc.

- In 9M 2012, non-IFRS operating profit increased by 11% to €3.2bn yoy
- In 9M 2012, non-IFRS operating margin decreased -1.1pp to 28.9% yoy
- In 9M 2012, non-IFRS operating margin at constant currencies decreased -1.4pp to 28.6% yoy

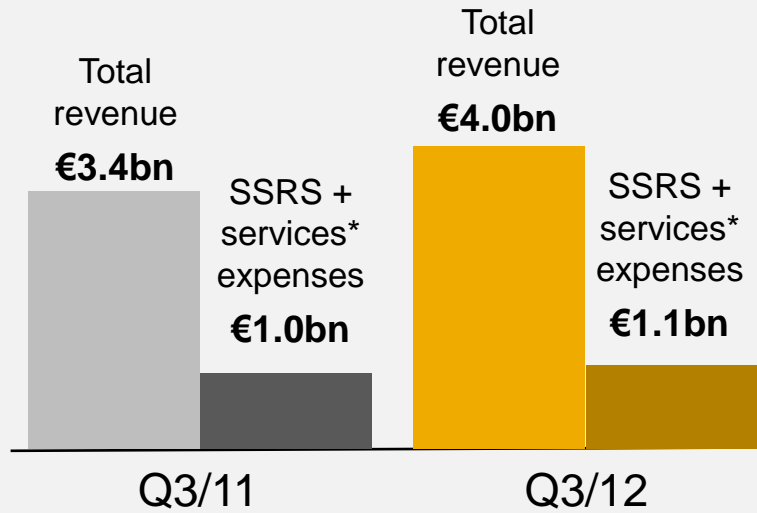
Gross margin improved by 80 bps

Q3 2012

Non-IFRS, Q3/12

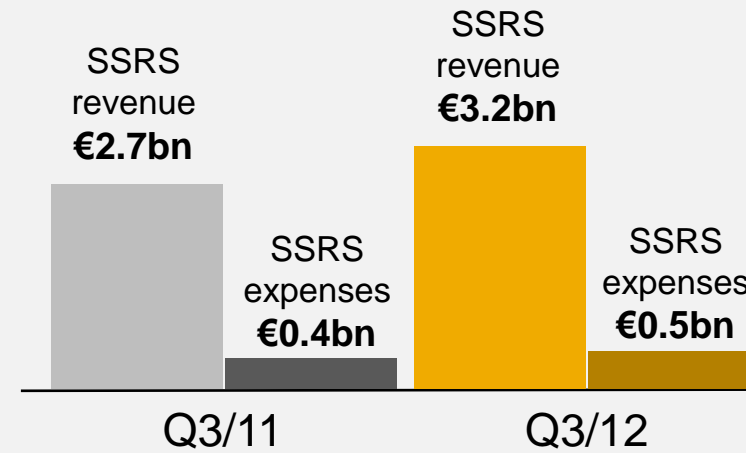
Gross Margin

72.1% | +0.8pp



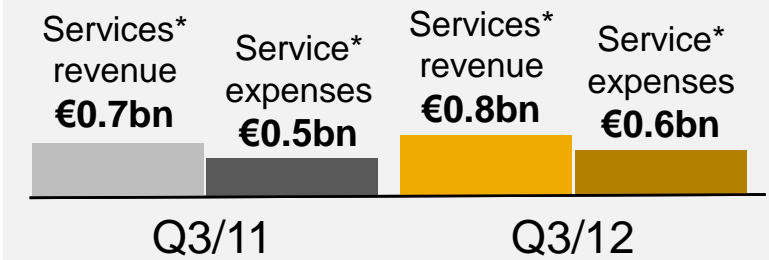
SSRS Margin

83.4% | -0.1pp



Professional Services* Margin

24.0% | -1.6pp

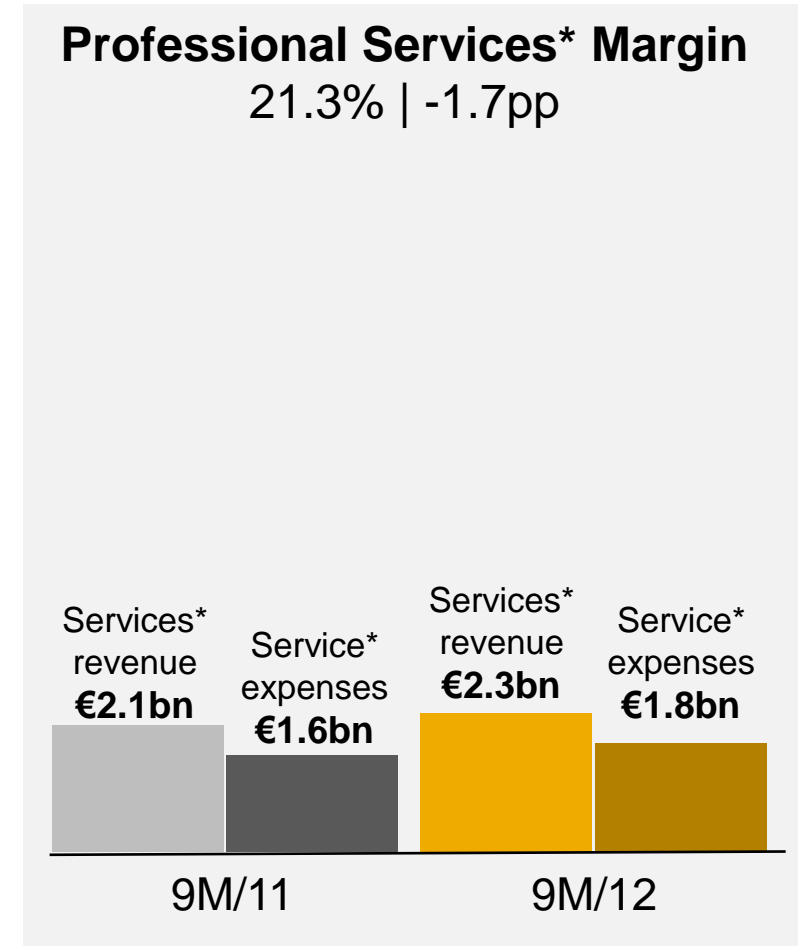
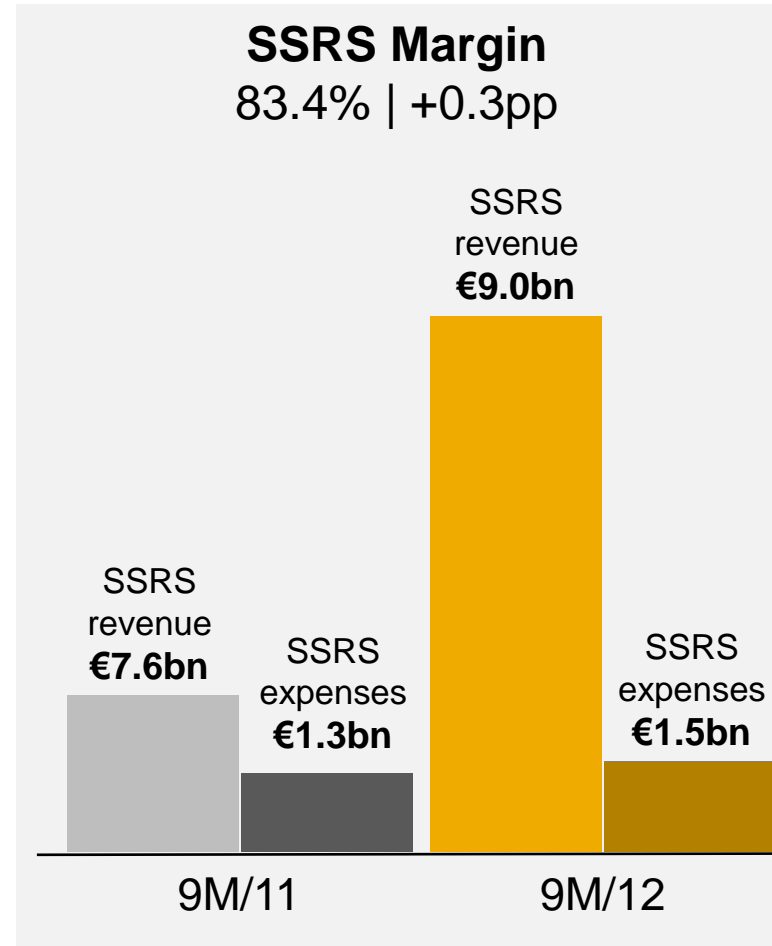
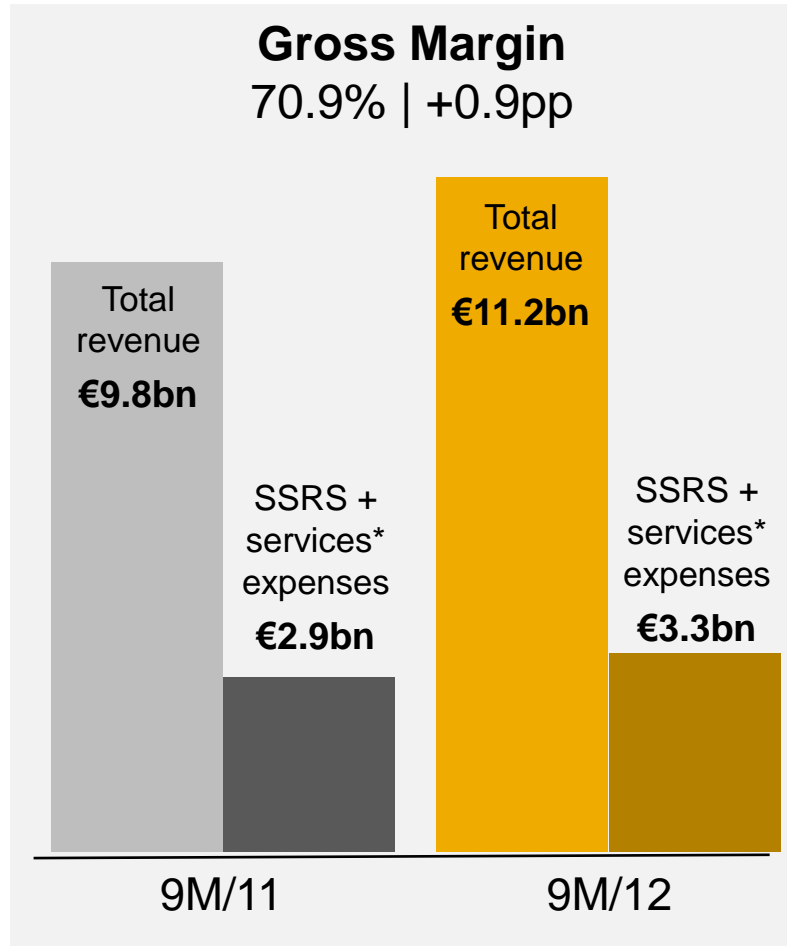


* Professional services and other services

Gross margin improved by 90 bps

9M 2012

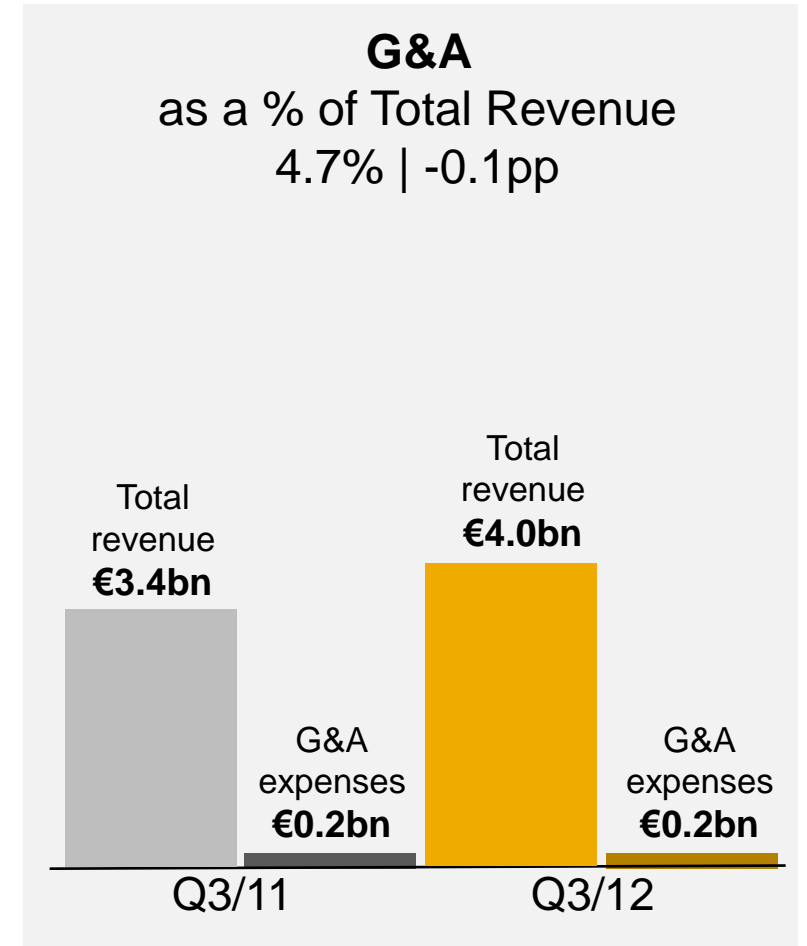
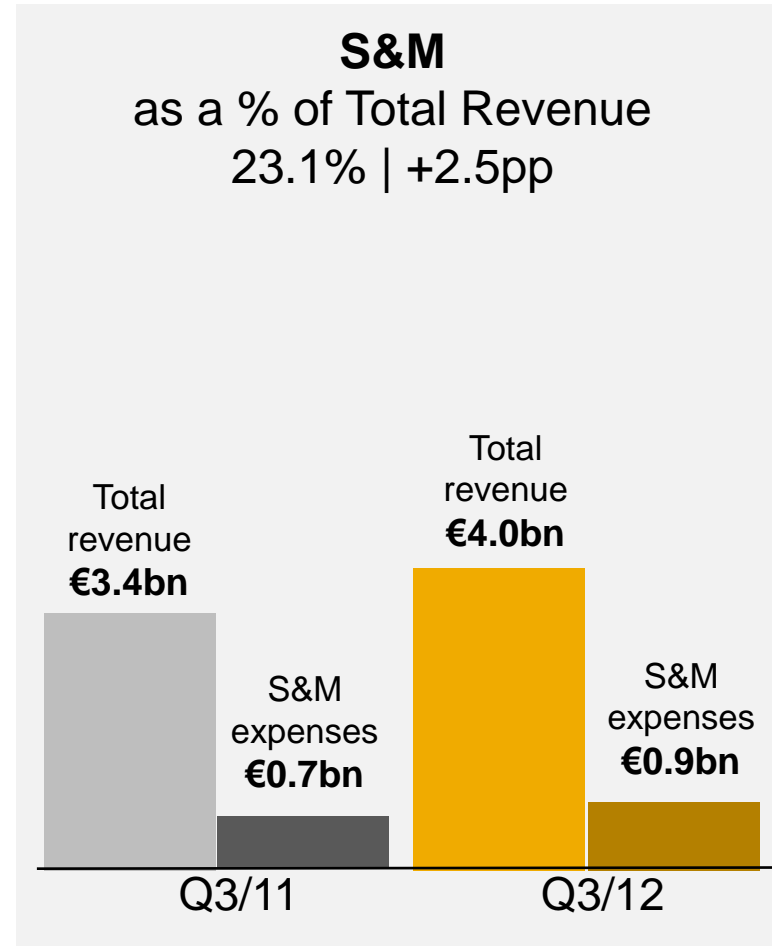
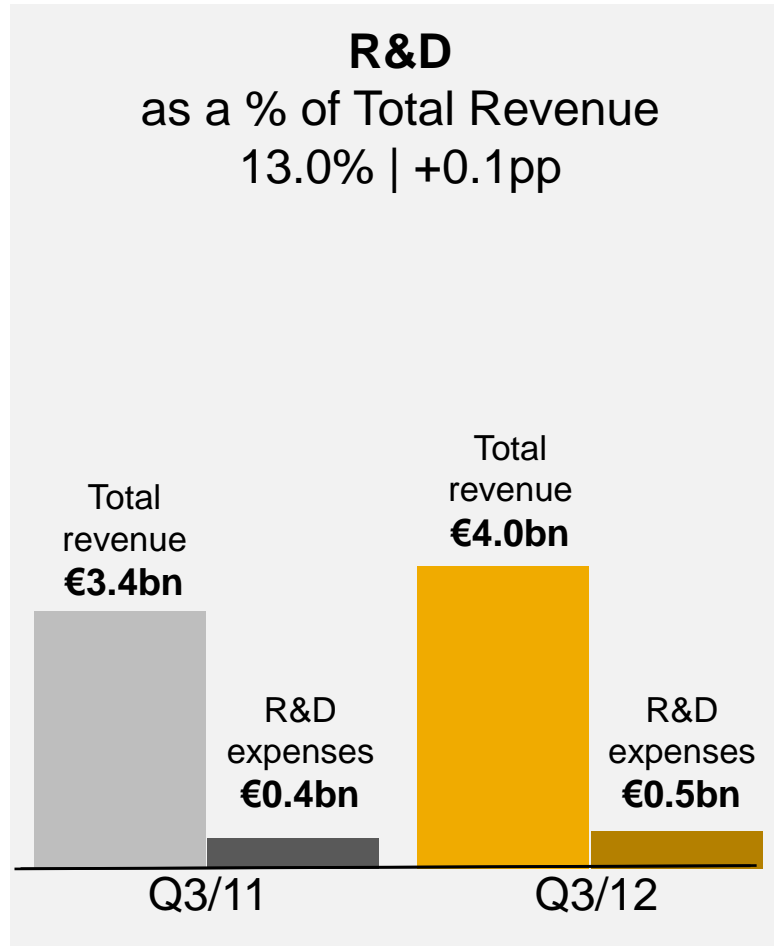
Non-IFRS, 9M/12



* Professional services and other services

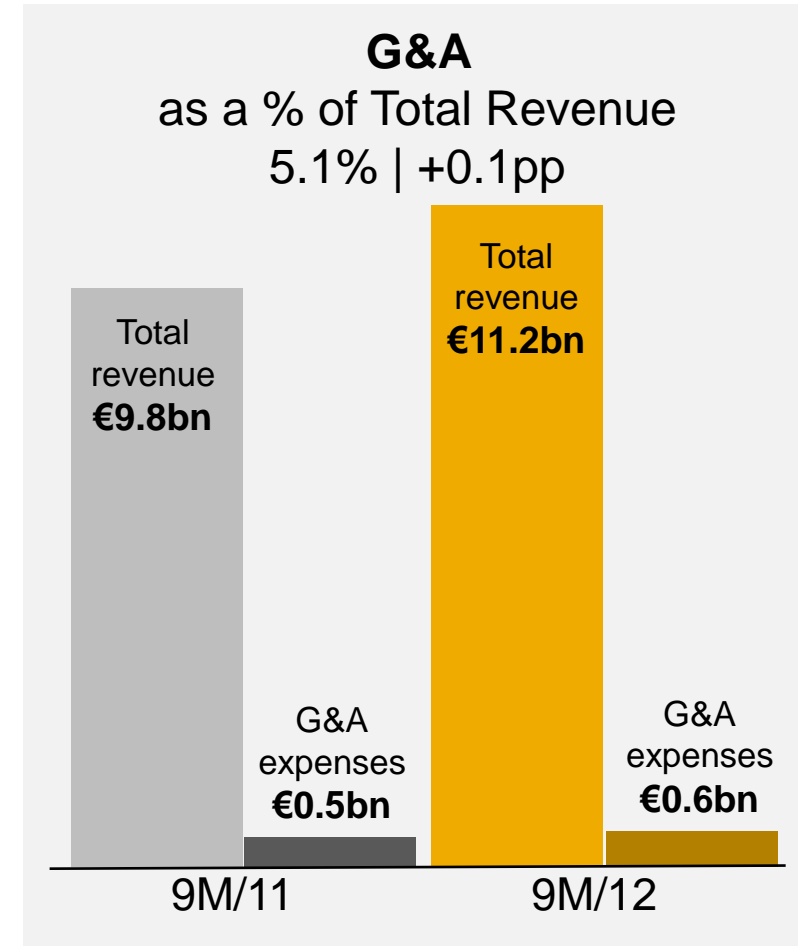
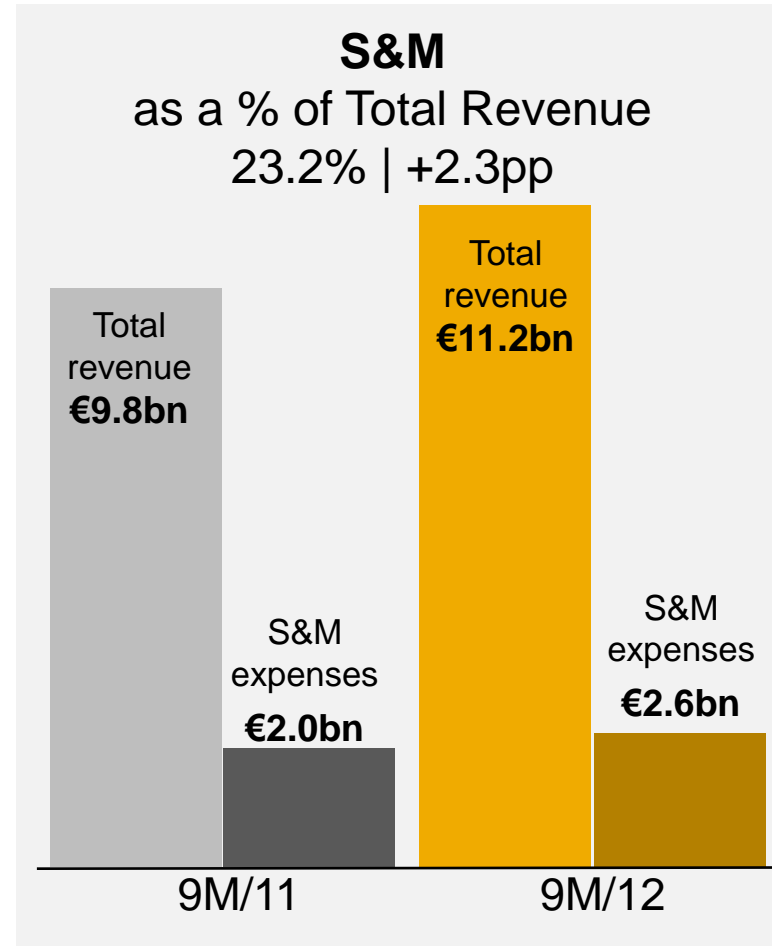
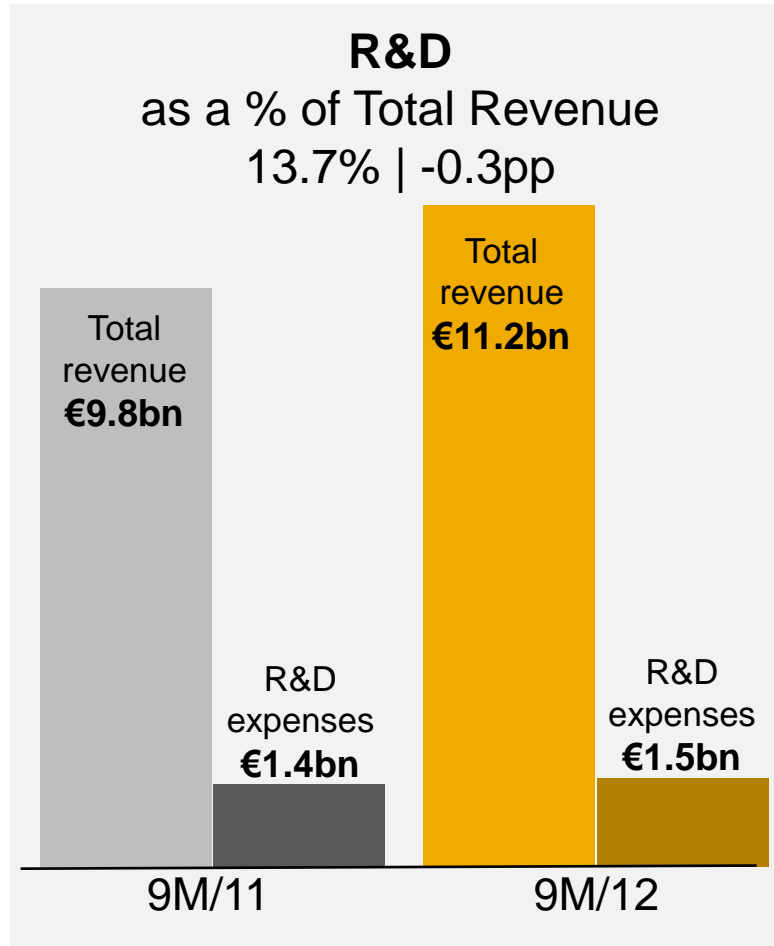
S&M to total revenue ratio increased mainly due to additional sales headcount in H1 to capture growth opportunities

Non-IFRS, Q3/12



S&M to total revenue ratio increased mainly due to additional sales headcount in H1 to capture growth opportunities

Non-IFRS, 9M/12



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- Non-IFRS Definition
- New segment reporting

Balance sheet, condensed

September 30, 2012, IFRS

Assets € millions	09/30/12	12/31/11
Cash, cash equivalents and other financial assets	4,107	5,782
Trade and other receivables	2,962	3,493
Other non-financial assets and tax assets	587	394
Total current assets	7,656	9,669
Goodwill	11,015	8,711
Intangible assets	2,527	2,024
Property, plant, and equipment	1,632	1,551
Other non-current assets	1,502	1,272
Total non-current assets	16,676	13,558
Total assets	24,332	23,227

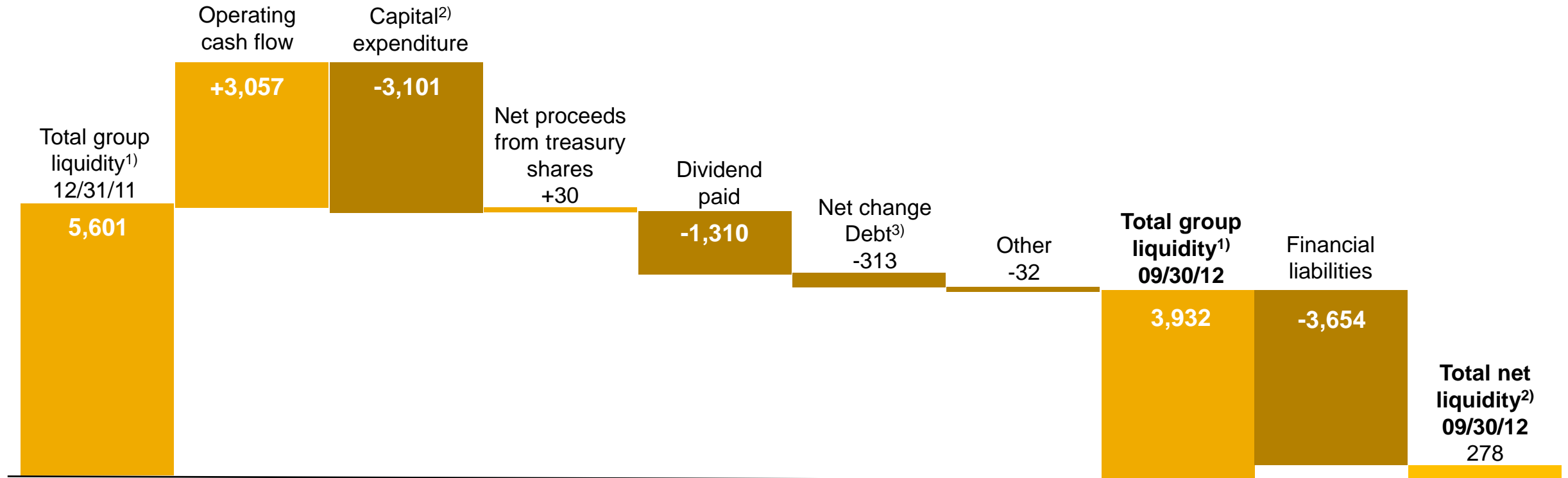
Equity and liabilities € millions	09/30/12	12/31/11
Financial liabilities	1,808	1,331
Deferred income	2,032	1,046
Provisions	831	562
Other liabilities	2,732	3,327
Current liabilities	7,403	6,266
Financial liabilities	2,119	2,925
Provisions	312	268
Other non-current liabilities	1,189	1,061
Non current liabilities	3,620	4,254
Total liabilities	11,023	10,520
Total equity	13,309	12,707
Equity and liabilities	24,332	23,227

Operating cash flow for the first nine months crossed the €3 billion mark for the first time

€ millions, unless otherwise stated	01/01/12 - 09/30/12	01/01/11 - 09/30/11	Δ
Operating cash flow	3,057	2,966	+3%
- Capital expenditure	-370	-329	+12%
Free cash flow	2,687	2,637	+2%
Free cash flow as a percentage of total revenue	24%	27%	-3pp
Cash conversion rate	1.77	1.32	+34%
Days sales outstanding (DSO)	60	62	-2 days

Positive net liquidity despite dividend payments and expenses related to the acquisition of SuccessFactors

€ millions



1) Cash and cash equivalents + restricted cash + current investments

2) Business combinations, net of cash and cash equivalents acquired = €2,731m

3) SFSF acquisition term loan (+1,000m), SFSF bank loan (-2m), repayment Schuldschein (-611m), RZB Schuldschein (-100m) and Eurobond (-600m)

4) Total Group Liquidity less financial liabilities (=bank loans, private placement transactions and bonds)

SAP has refined outlook for non-IFRS SSRS revenue at cc and included Ariba's expected revenue and profit contribution

	SAP's Outlook FY 2012		Basis for comparison 2011
SSRS Revenue (Non-IFRS at cc)	+ 10.5% to 12.5%	This includes a combined contribution of approx. 2.5pp from SuccessFactors & Ariba. Assuming that macroeconomic environment does not deteriorate SAP expects to reach upper end.	€ 11.35bn
Operating Profit Non-IFRS at cc)	€5.05bn to €5.25bn	Full-year 2012 non-IFRS operating profit excluding SuccessFactors & Ariba 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%

Business Outlook was provided on January 25th, 2012, at the time of SAP's fourth quarter 2011 results announcement. Today, announcing SAP's third quarter 2012 results, SAP has refined the outlook for non-IFRS software and software-related service revenue at constant currencies and has included Ariba's expected revenue and profit contribution from the acquisition date.

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- **Non-IFRS Definition**
- New segment reporting

Non-IFRS Definition

IFRS Profit Measure	Actual amounts 9M/2011	Actual amounts 9M/2012	Estimated amounts for 2012
+ Deferred revenue write-down	€26m	€43m	€90m to €110m
+/- Discontinued activities	€-711m	€1m	< €10m
+ Share-based compensation expenses	€66m	€333m	€470m to €510m
+ Acquisition-related charges	€333m	€387m	€560m to €600m
+ Restructuring charges	€2m	€8m	< €25m
= Non-IFRS profit measure			

Explanations of non-IFRS measures

SAP has updated its non-IFRS estimates for the full-year 2012. For the updated estimates please see SAP's second quarter 2012 interim report. For a more detailed description of all of SAP's non-IFRS measures and their limitations as well as our constant currency and free cash flow figures see [Explanation of Non-IFRS Measures](#) 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.

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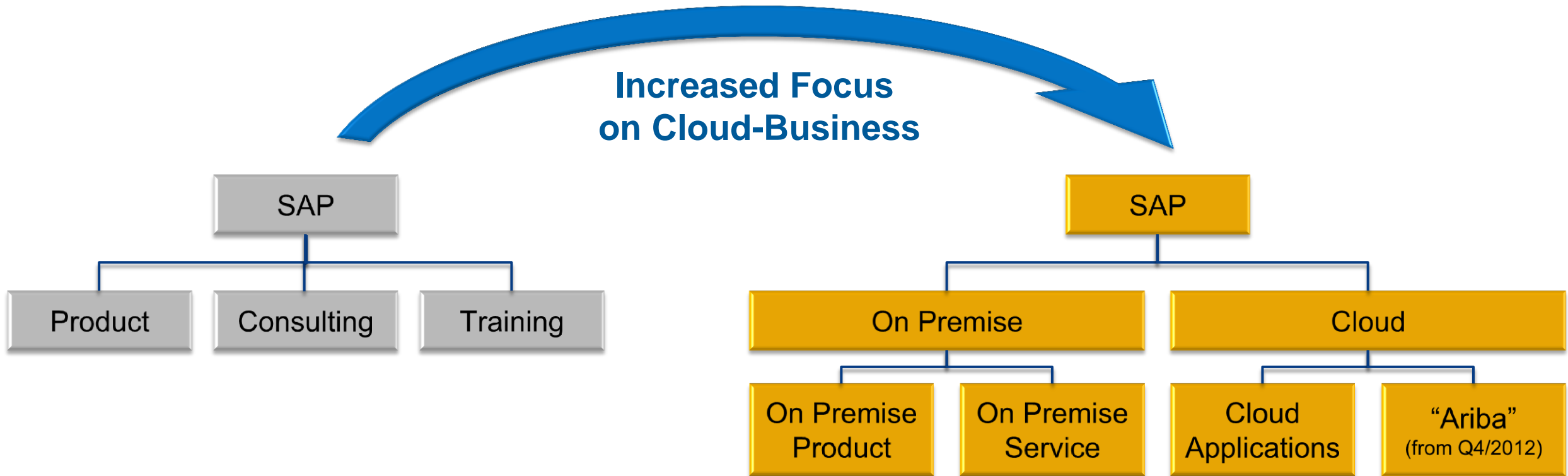
– Non-IFRS Definition

– **New segment reporting**

Why is SAP adjusting the segment reporting structure?

- Segment reporting fulfills requirements of IFRS: it reflects the view of the business "through the eyes of management" and corresponds with the internal management of the company
- SAP has changed the management structure due to its changed focus in its operating business
- SAP is focusing more on cloud business and also wants to provide more transparency on its performance, in order to reflect the growing significance of cloud business
- SAP adjusted its segment reporting and provides revenue and profit for the 2 divisions "On Premise" and "Cloud" in future
- From Q4/2012 on, Ariba will be integrated into the Cloud Division and will be reported separately
- With the segment reporting, a comparison with competitors in cloud becomes possible
- SAP has altered the structure of its profit and loss statement early 2012 providing a revenue item line "cloud subscriptions and support"

Change in SAP's segment structure



Former segment structure:

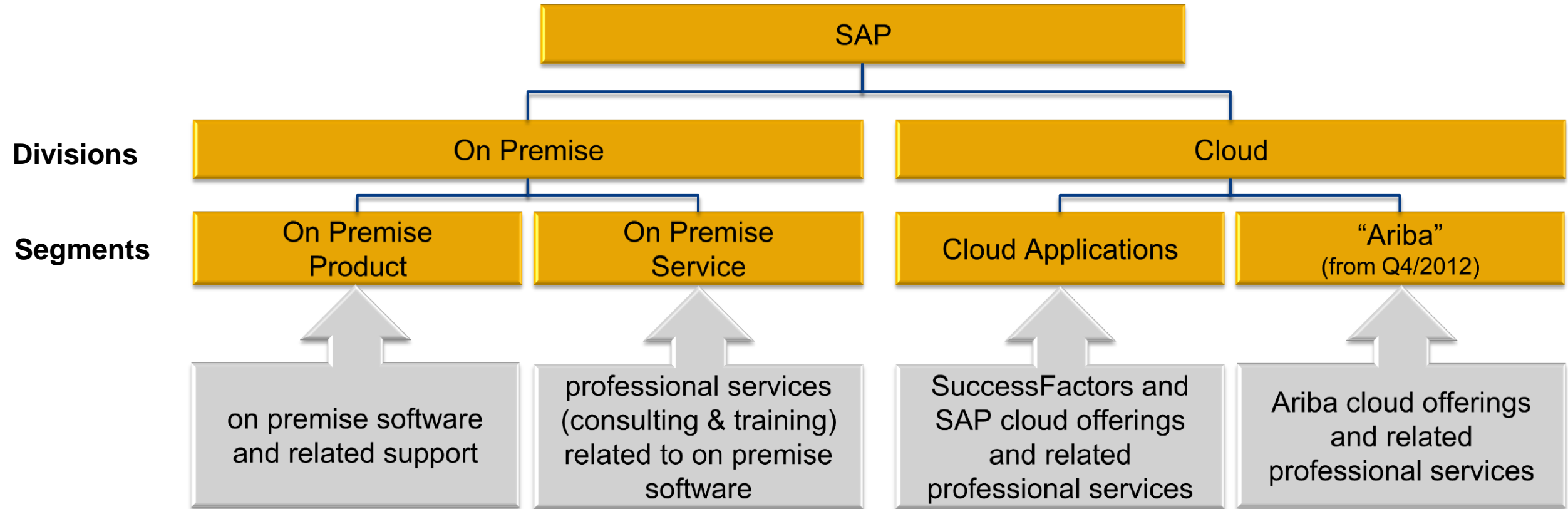
3 segments*

New segment structure:

2 divisions,
each with two segments

* Sybase was an additional segment until Q4/2011

SAP's new segment structure



SAP's new segment reporting

Q3 2012	On Premise Division			Cloud Division			Total
	On Premise Division	On Premise Services	Division Total	Cloud Applications	Ariba (from Q4/2012)	Division Total	
External revenue 1	3,129	736	3,865	2 101		101	3,966
Cost of revenue	-497	-555	-1,052	4 -49		-49	-1,101
Gross Profit	2,632	181	2,813	52		52	2,865
Cost of Sales and Marketing	-846	0	-846	-69		-69	-915
Reportable Segment Profit/Loss 3	1,786	181	1,968	-17		-17	1,950

- 1** Same definition than SAP's non-IFRS revenue numbers
- 2** Includes ALL revenue recognized in this segment – not only cloud subscription revenue as in P&L item line, but also cloud-related professional services revenues
- 3** Is NOT identical to SAP's non-IFRS operating profit because research & development and general & admin expenses are not included. But reconciliation is provided in the interim report
- 4** Includes primarily costs for hosting, maintenance and software updates

SAP's new segment reporting

Q3 2011	On Premise Division			Cloud Division			Total
	On Premise Division	On Premise Services	Division Total	Cloud Applications	Ariba (from Q4/2012)	Division Total	
External revenue 1	2,688	716	3,404	2 6		6	3,410
Cost of revenue	-429	-531	-960	4 -18		-18	-978
Gross Profit	2,259	185	2,444	-12		-12	2,432
Cost of Sales and Marketing	-694	0	-694	-7		-7	-701
Reportable Segment Profit/Loss 3	1,565	185	1,750	-19		-19	1,731

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