

Commerzbank Sector Conference Week

Rainer Zinow, Senior Vice President Cloud Unit, SAP AG
Frankfurt am Main, August 28, 2013

The SAP logo is located in the bottom left corner of the slide. It consists of the letters 'SAP' in a bold, white, sans-serif font, set against a blue rectangular background that is slightly tilted to the right. The background of the entire slide is a photograph of a cable-stayed bridge with two tall, dark pylons and numerous stay cables, viewed from a low angle looking down the length of the bridge towards the horizon under a clear blue sky with a bright sun flare.

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

Performing in a fast moving market

With SAP's innovation strategy leading the transition

Appendix

Market trends and customer requirements

Cloud

Business opportunities through cloud offerings

Consumerization

Business users driving corporate IT decisions

Big Data

Data volume for enterprise applications is doubling every 18 months

Mobility

Smart-phones outsell PCs
By 2013, mobile devices will be the primary method of internet access worldwide

Social

Technology allows people to be more connected than ever



New Business Models

Big Data and mobility open opportunities for new business models that customer need to adopt

Cost efficiency

Customer have to manage TCO tightly

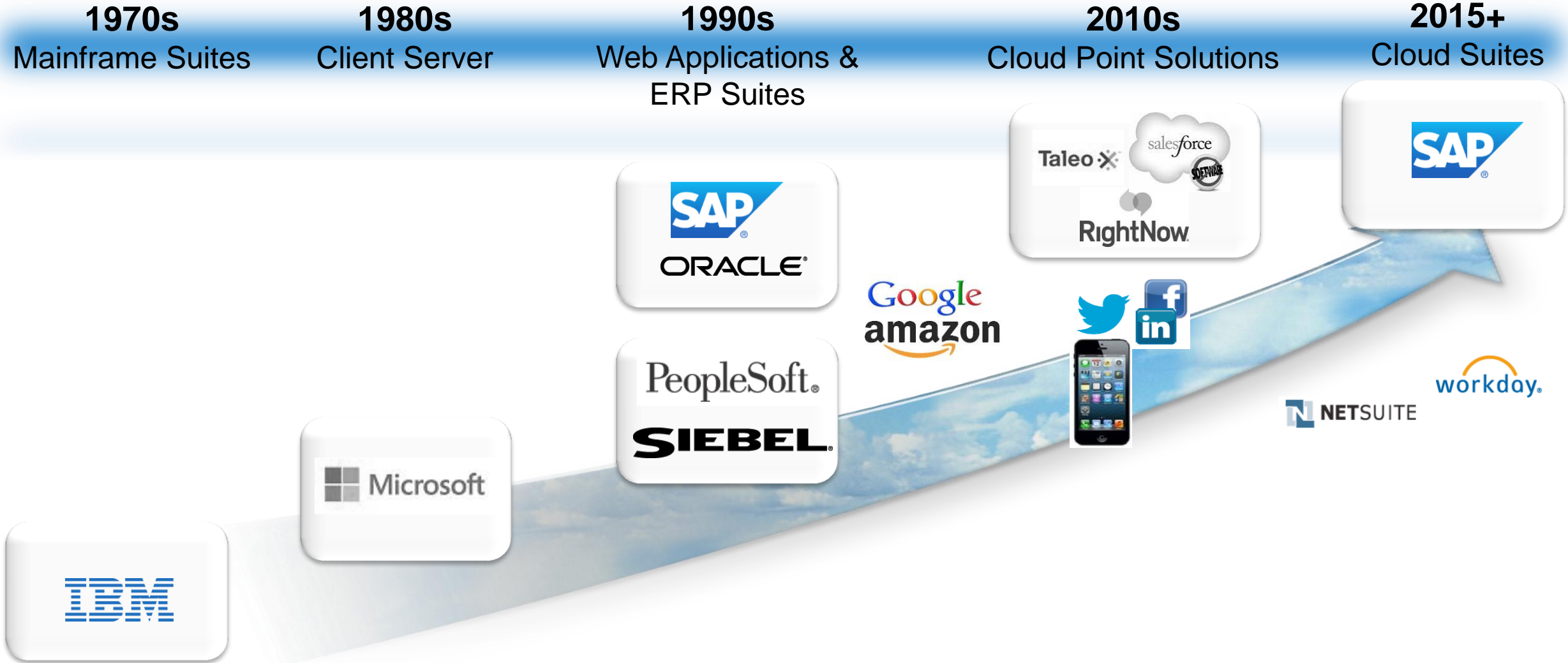
Simplification

Companies want simpler infrastructure
Users expect intuitive software

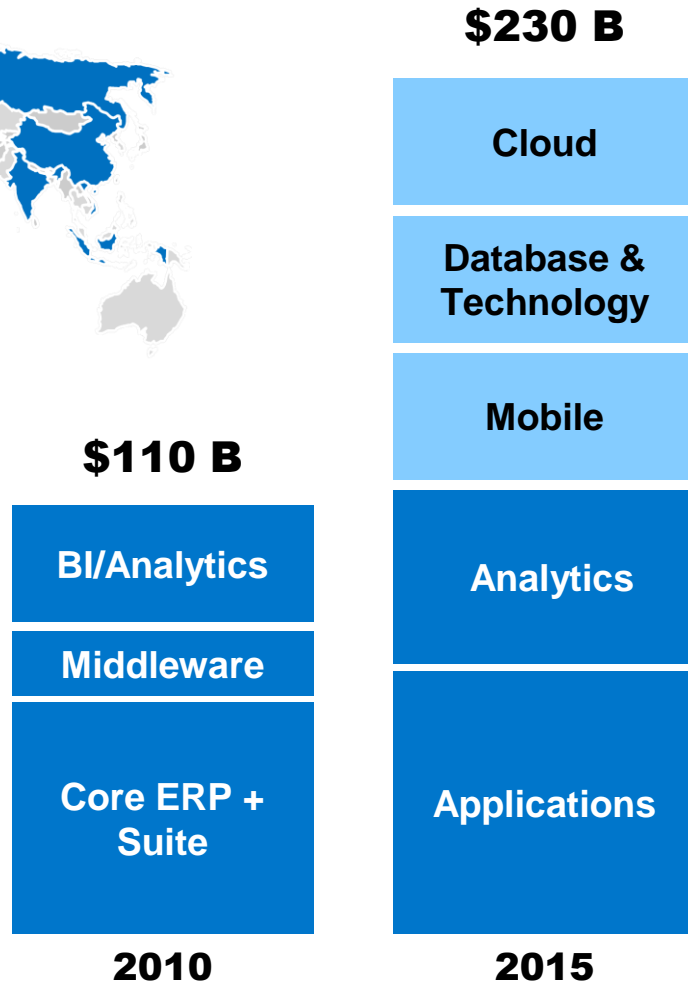
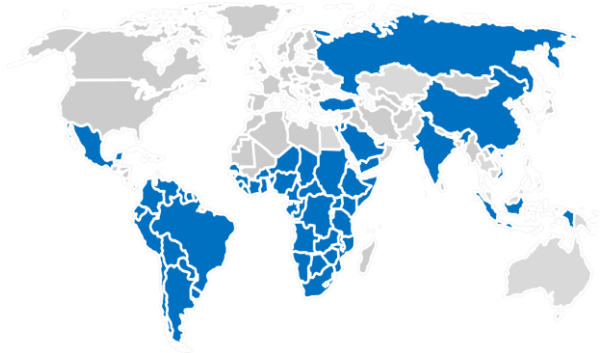
Investment Security

Customers require investment security according to their planning horizons

Cycles of IT adoption favor suites



Doubling addressable market through innovation



successfactors™
BUSINESS EXECUTION SOFTWARE

CRESSGATE
SAP Business
ByDesign™

ARIBA®
Better Commerce.

SAP HANA

SYBASE®

NetWeaver

SYBASE®

Syclo

Gateway

SAP BusinessObjects

Visual
Intelligence

BPC

BW on SAP HANA

Predictive

GRC

SAP Business Suite
on SAP HANA

Best in class
industry solutions

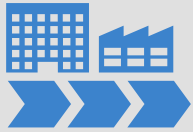
RIGHT
HEMISPHERE™

Source: IDC, CMI, strategy reviews with consulting firms, team analysis

Our market position is stronger than ever

SAP is either number one or the fastest growing company

Applications



#1

extending
leadership



12.5%
13.3%*

Analytics



#1

growing
again



18.1%
18.3%*

Mobile



#1

accelerating



10.5%
11.1%*

Database & Technology



#4

fastest
growing



3.9%
4.5%*

Cloud



#3

accelerating



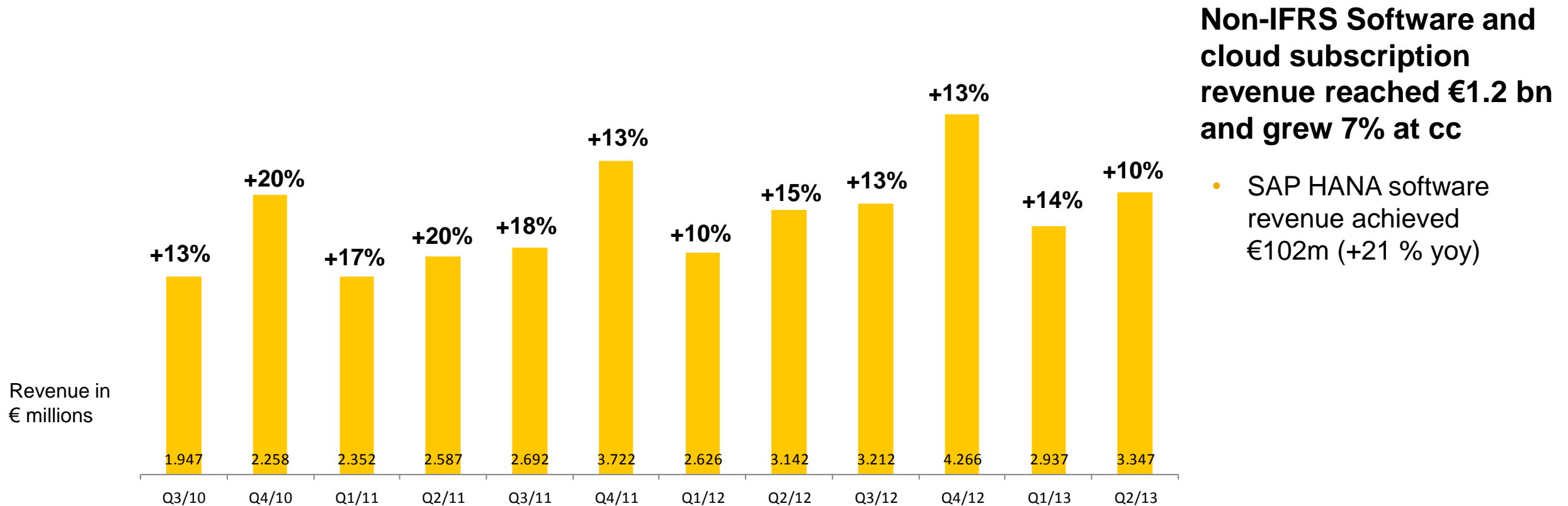
3.8%
4.3%*

*Market share growth from 2011 to 2012

Track record of 3 years of double-digit non-IFRS SSRS revenue growth

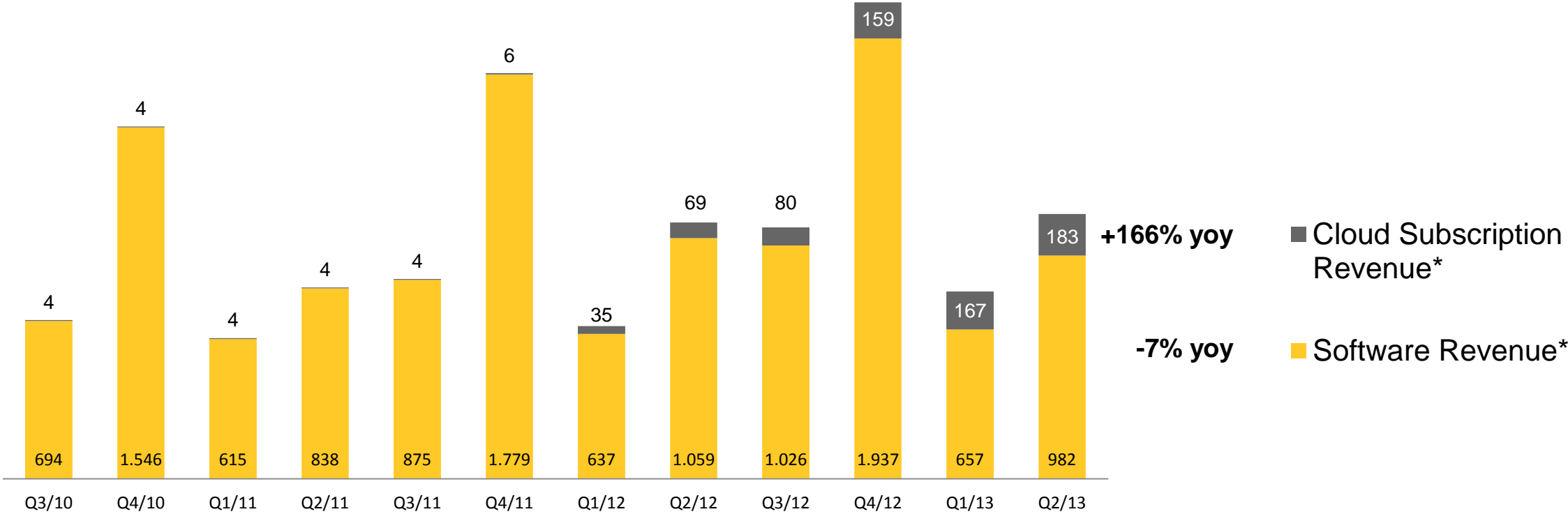
Non-IFRS SSRS revenue : +10% at cc

Year on year growth rates in % @cc



Cloud is gaining momentum

Non-IFRS Software & cloud subscription revenue reached €1.2bn and grew 7% at cc



* Non-IFRS

Solid top and bottom line growth in H1/13 – Improved efficiency in core business with cloud business being on its way to profitability

Total revenue	€7.73 bn +6% / +9% @cc
Software	€1.64 bn -3% / +/-0% @cc
SSRS	€6.28 bn +9% / +12% @cc
Operating Margin	27.4 % -0.2pp / +0.4pp @cc
Additional FTE's	515 thereof 269 from acquisitions

Strong growth momentum from key innovations in H1/13

- ✓ HANA €188 m – FY/13 target €650-700m
- ✓ Cloud momentum continued
 - Cloud subscriptions and support: €350 m (+238%)

All numbers non-IFRS

Software & cloud subscription revenue increased 7% at constant currencies yoy in Q2 2013 (3% at actual currencies to €1.17 billion)

Americas – Software & cloud +18%*

- Cloud in North America already contributes more than 25% of overall software & cloud subscription revenues
- Driven by excellent growth in software and cloud in Latin America

EMEA – Software & cloud +3%*

- Even in light of continued market uncertainty in Europe, we saw a solid performance in EMEA
- High single-digit software growth in Germany and growing strong double-digits in Africa and the Middle East

APJ – Software & cloud -7%*

- Below expectations, mainly due to continued macroeconomic challenges
- Trend consistent with what our competitors and partners experienced

* Non-IFRS software and cloud subscription revenue on this page is calculated as the combination of software revenue based on location of negotiation and cloud subscription and support revenue based on customer location; growth rates at constant currencies.

Agenda

Performing in a fast moving market

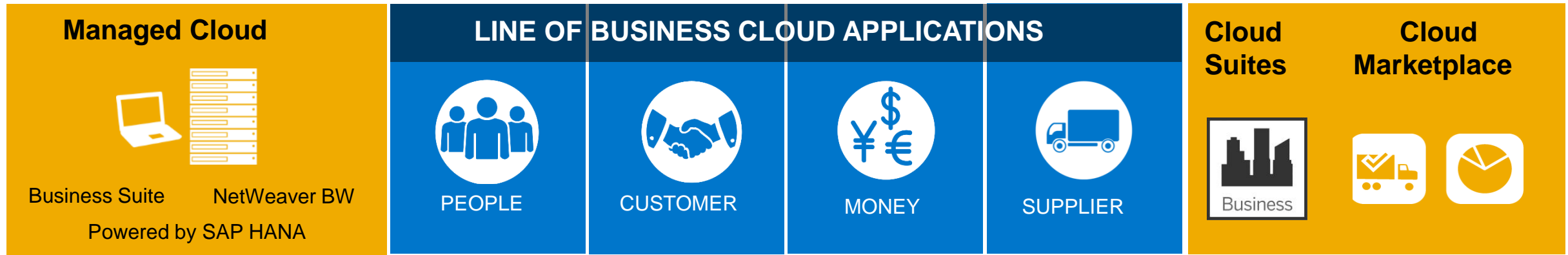
With SAP's innovation strategy leading the transition

Appendix

SAP is leading the Cloud transition in the industry

SAP's Cloud strategy – Choice of public, private & hybrid cloud

SOCIAL PEOPLE TO PEOPLE COLLABORATION



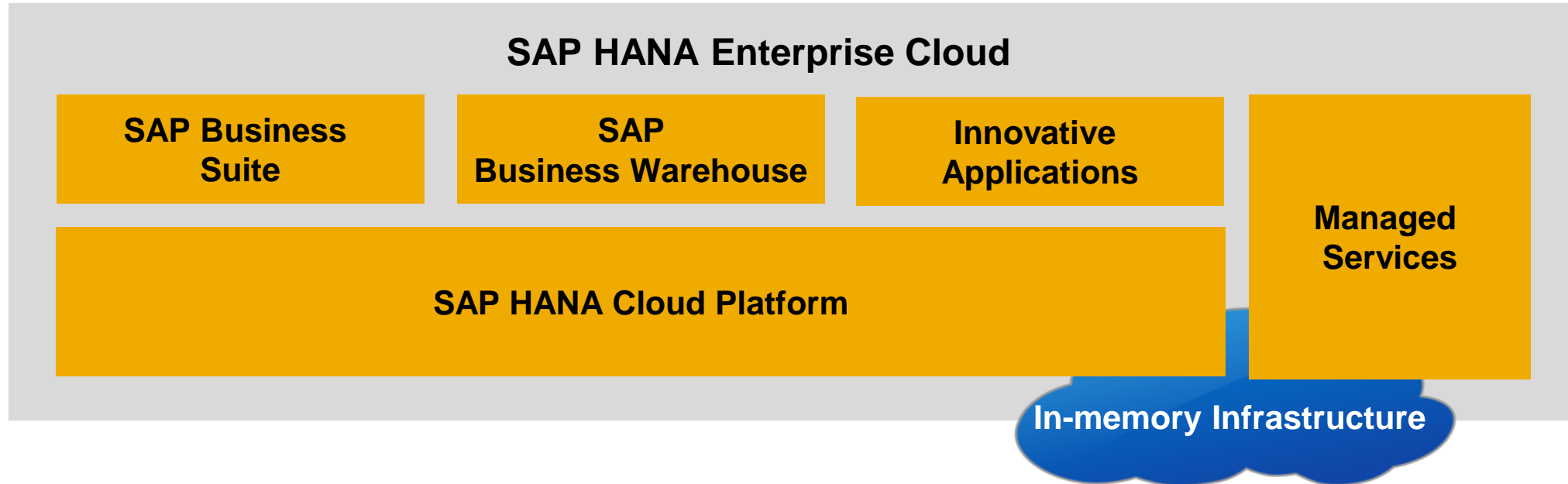
BUSINESS NETWORK BUSINESS TO BUSINESS COLLABORATION

SAP HANA CLOUD PLATFORM

Application Development | Integration | Database and Analytics | Foundation

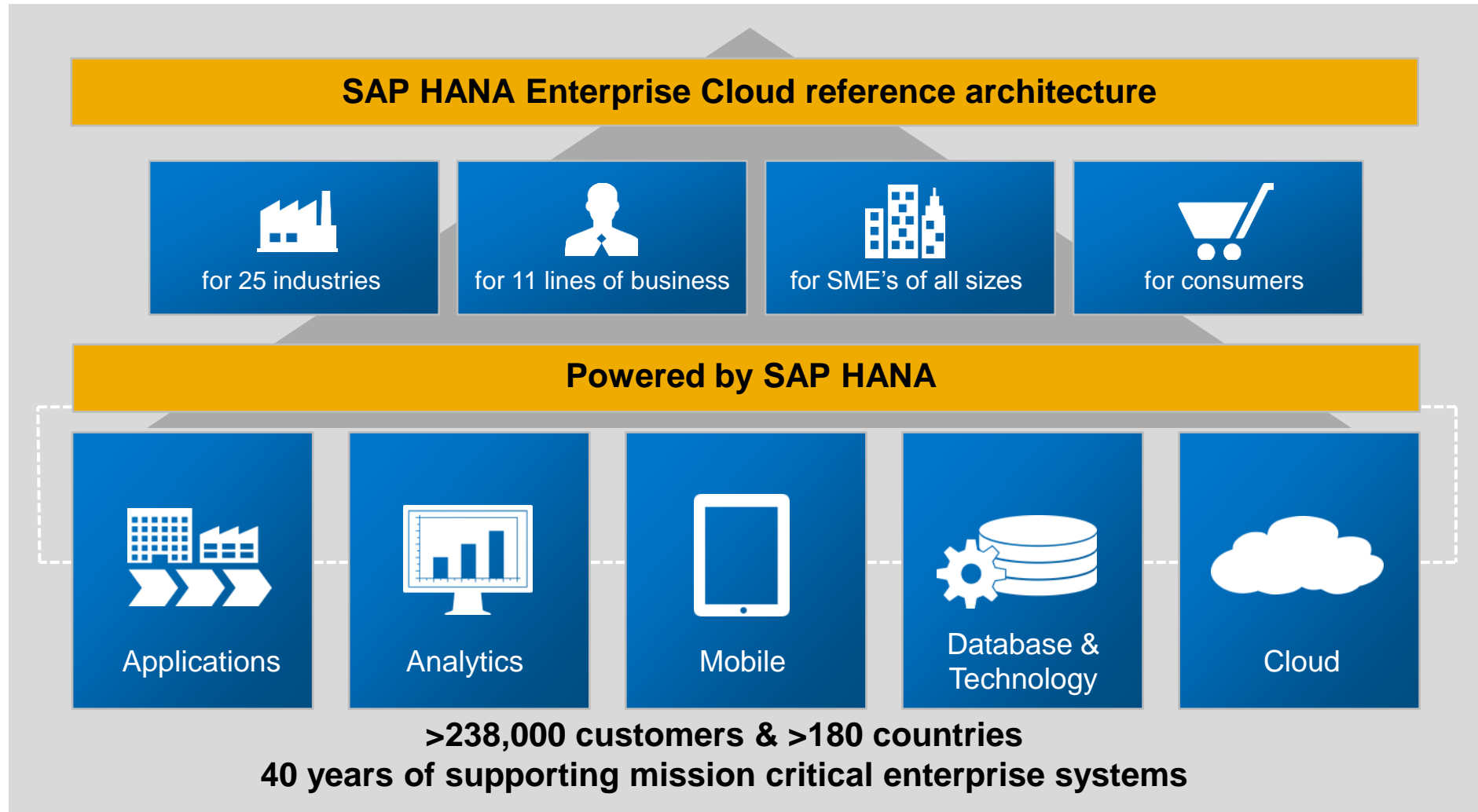
SAP HANA Enterprise Cloud (Managed Cloud Services)

HANA Cloud Platform is the foundation of our entire approach



- **Power of real time combined with the simplicity of the cloud**
- **Choice with fast time to value**
- **Mission critical operations with cloud elasticity**

Ensemble of all categories



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

40% from indirect channel

Agenda

Performing in a fast moving market

With SAP's innovation strategy leading the transition

Appendix

SAP driving the transition to the cloud and gaining market share – Annual cloud revenue run rate³⁾ exceeded €930 million

- **Total cloud revenue (Cloud division), Q2 2013:** €233 million
- **Non-IFRS cloud subscription and support revenue, Q2 2013:** €183 million, +166% yoy (+171% @cc)
- **Deferred cloud subscription and support revenue¹⁾** (non-IFRS as of June 30): €361 million +68% yoy
- **Cloud subscription and support backlog²⁾:** €800 million as of December 31, 2012
- **Run rate:** Annual Cloud revenue run rate³⁾ exceeded €930 million
- **Number total cloud users:** > 30 million
- **Ariba segment:**
 - trailing 12 month network spend volume⁴⁾: ~\$465 billion (+27% yoy)
 - >1.1 million companies connected through the Ariba network, the world's largest web-based trading community

1) Beginning in Q1 2013, SAP discloses non-IFRS deferred cloud subscription and support revenue, which is a subset of the total non-IFRS deferred revenue number reported on the balance sheet.

2) Cloud subscription and support backlog represents expected future cloud subscription and support revenue that is contracted but not yet invoiced and thus not recorded in deferred revenue

3) The annual revenue run rate is the second quarter 2013 cloud division revenue of €233 million multiplied by 4.

4) Network spend volume is the total value of purchase orders transacted on the Ariba Network in the trailing 12 months

SAP's five strategic categories

Cloud – Achieve velocity in your lines of business...

SOCIAL COLLABORATION

Drive effective people collaboration by natively integrating social capabilities into business processes



PEOPLE

- Drive workforce strategies and insights with confidence
- Empower employees to take charge of their performance and career
- Optimize HR operations across geographies, organizations, and employee types



CUSTOMER

- Engage your customers in a whole new way, from prospect to promoter
- Guide your customers in the right direction with predictive and industry insights, while delivering a seamless experience
- Grow business with your existing customers and find new customers



MONEY

- Drive real-time, intuitive financial insights to everyone across the business
- Ensure compliant accounting and financial reporting for global enterprises
- Optimize finance operations to improve efficiency, working capital, and mitigate risk



SUPPLIER

- Realize sustainable savings and reduced supply chain risk driving sourcing optimization
- Increase visibility and compliance across your procurement processes
- Inform your business with spend analytics and supplier performance insights

BUSINESS NETWORK

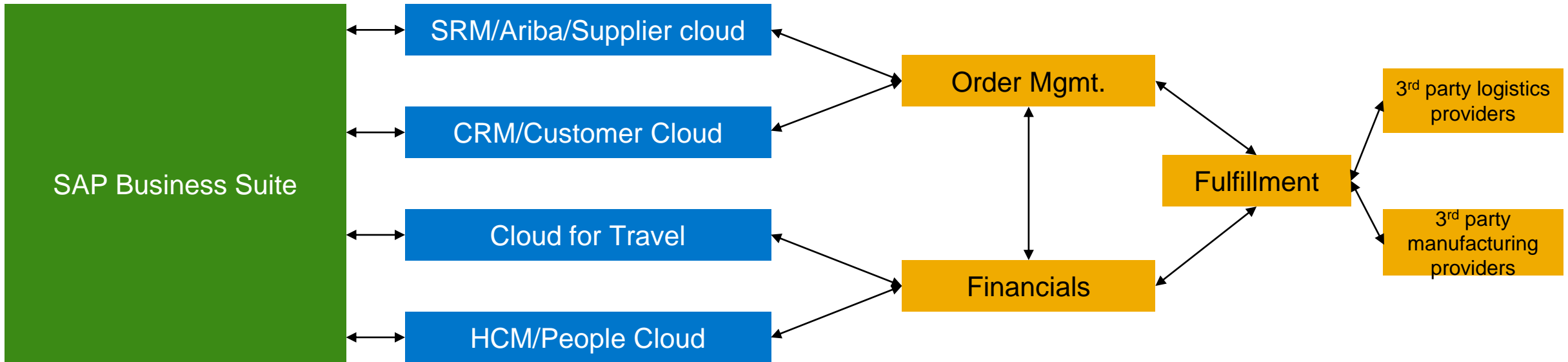
Improve the way you buy, sell, and manage cash by connecting, collaborating, and transacting with all your global trading partners

Large enterprise offering

3-tier-CS Architecture
on-premise & HANA
Enterprise

Hybrid LoB Cloud Solutions
connect both with on-premise &
Cloud apps

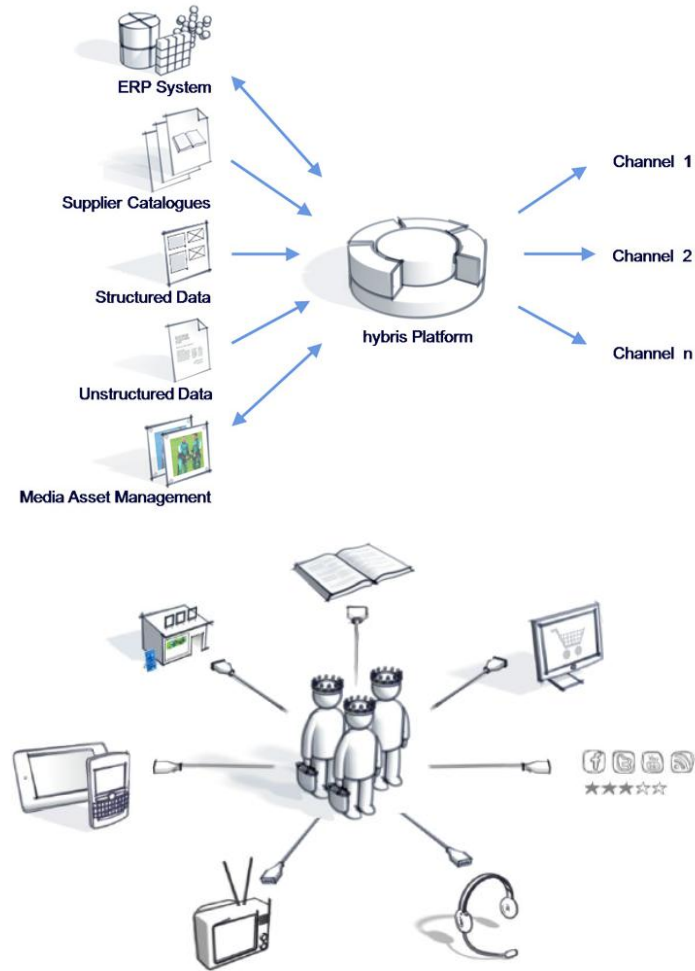
Cloud only SaaS Architecture
SAP Business ByDesign
SAP Cloud for Financials



HANA Cloud Integration (Data & Process Integration)

Planned acquisition of hybris

The market-leading, next-generation e-commerce platform



- Founded in 1997, hybris is a rapidly growing and widely recognized leader in e-commerce technology
- Today, shoppers expect much more than an online presence. They demand a consistent brand experience and a seamless shopping experience across all channels – in person, online, mobile and more
- Hybris helps businesses on every continent sell more goods, services and digital content through an ever-growing number of delivery channels, devices and touch points
- The acquisition positions SAP to deliver the next-generation e-commerce platform, with the choice of on-premise or cloud deployment, as enterprises around the world seek to optimize the customer experience for businesses and consumers
- The combination of hybris' commerce platform with the flagship in-memory platform SAP HANA, analytical and cloud applications, and the SAP JAM social software platform will give SAP a significant edge in delivering new levels of customer insight and engagement – and define the next generation customer experience

Segment reporting

Q2 2013

€ millions	On Premise Division			Cloud Division						
	On Premise Product	On Premise Services	On Premise Division Total 2013	On Premise Division Total 2012	Cloud Applications	Ariba	Cloud Division Total 2013	Cloud Division Total 2012	Total 2013	Total 2012
Q2 2013										
Software	982	0	982	1.058	0	0	0	0	982	1.059
Cloud subscriptions & support	0	0	0	0	97	86	183	69	183	69
Software & cloud subscription	982	0	982	1.058	97	86	183	69	1.165	1.127
Support	2.172	0	2.172	2.012	3	8	11	3	2.182	2.014
SSRS	3.153	0	3.153	3.070	100	94	194	72	3.347	3.142
PSOS	0	705	705	754	18	21	39	20	744	774
Total revenue	3.153	705	3.858	3.824	118	115	233	92	4.091	3.916
Cost of revenue	-471	-549	-1.020	-1.052	-46	-42	-88	-49	-1.108	-1.101
Gross profit	2.683	156	2.838	2.772	72	73	145	43	2.984	2.815
Cost of sales & marketing	-894	0	-894	-854	-82	-39	-122	-62	-1.015	-916
Reportable Segment Profit/Loss	1.789	156	1.945	1.918	-11	34	23	-19	1.968	1.900

Segment reporting

H1 2013

€ millions	On Premise Division				Cloud Division					
	On Premise Product	On Premise Services	On Premise Division Total 2013	On Premise Division Total 2012	Cloud Applications	Ariba	Cloud Division Total 2013	Cloud Division Total 2012	Total 2013	Total 2012
H1 2013										
Software	1.638	0	1.638	1.695	0	0	0	1	1.638	1.696
Cloud subscriptions & support	0	0	0	0	184	167	350	104	350	104
Software & cloud subscription	1.638	0	1.638	1.695	184	167	351	105	1.989	1.799
Support	4.271	0	4.271	3.964	9	15	24	4	4.295	3.968
SSRS	5.909	0	5.909	5.659	193	182	375	109	6.284	5.768
PSOS	0	1.360	1.360	1.474	40	42	82	31	1.443	1.505
Total revenue	5.909	1.360	7.270	7.133	233	224	457	140	7.727	7.273
Cost of revenue	-928	-1.088	-2.016	-2.076	-88	-88	-176	-85	-2.192	-2.162
Gross profit	4.982	273	5.254	5.057	144	136	281	55	5.535	5.111
Cost of sales & marketing	-1.709	0	-1.709	-1.594	-154	-76	-230	-98	-1.939	-1.692
Reportable Segment Profit/Loss	3.273	273	3.545	3.463	-9	60	51	-44	3.596	3.419

Q2 2013: SAP maintained operating discipline and increased its operating profit despite strong currency headwinds

€ millions, unless otherwise stated

	IFRS			Non-IFRS			
	Q2/13	Q2/12	Δ%	Q2/13	Q2/12	Δ%	Δ% at cc
Revenue Numbers							
Software	982	1.059	-7	982	1.059	-7	-3
Cloud subscriptions and support	159	52	206	183	69	166	171
Software & Cloud subscriptions	1.141	1.110	3	1.165	1.127	3	7
Support	2.177	2.013	8	2.182	2.014	8	11
SSRS revenue	3.318	3.124	6	3.347	3.142	7	10
PSOS revenue	744	774	-4	744	774	-4	-1
Total revenue	4.062	3.898	4	4.091	3.916	4	8
Operating Expense Numbers							
Total operating expenses	-3.074	-2.977	3	-2.873	-2.743	5	7
Profit Numbers							
Operating profit	988	921	7	1.219	1.173	4	10
Finance income, net	-23	-11	<-100	-23	-11	<-100	
Profit before tax	963	865	11	1.194	1.117	7	
Income tax expense	-239	-204	17	-320	-286	12	
Profit after tax	724	661	10	874	831	5	
Operating margin in %	24,3	23,6	+0,7pp	29,8	30,0	-0,2pp	+0,6pp
Basic earnings per share, in €	0,61	0,55	11	0,73	0,7	4	

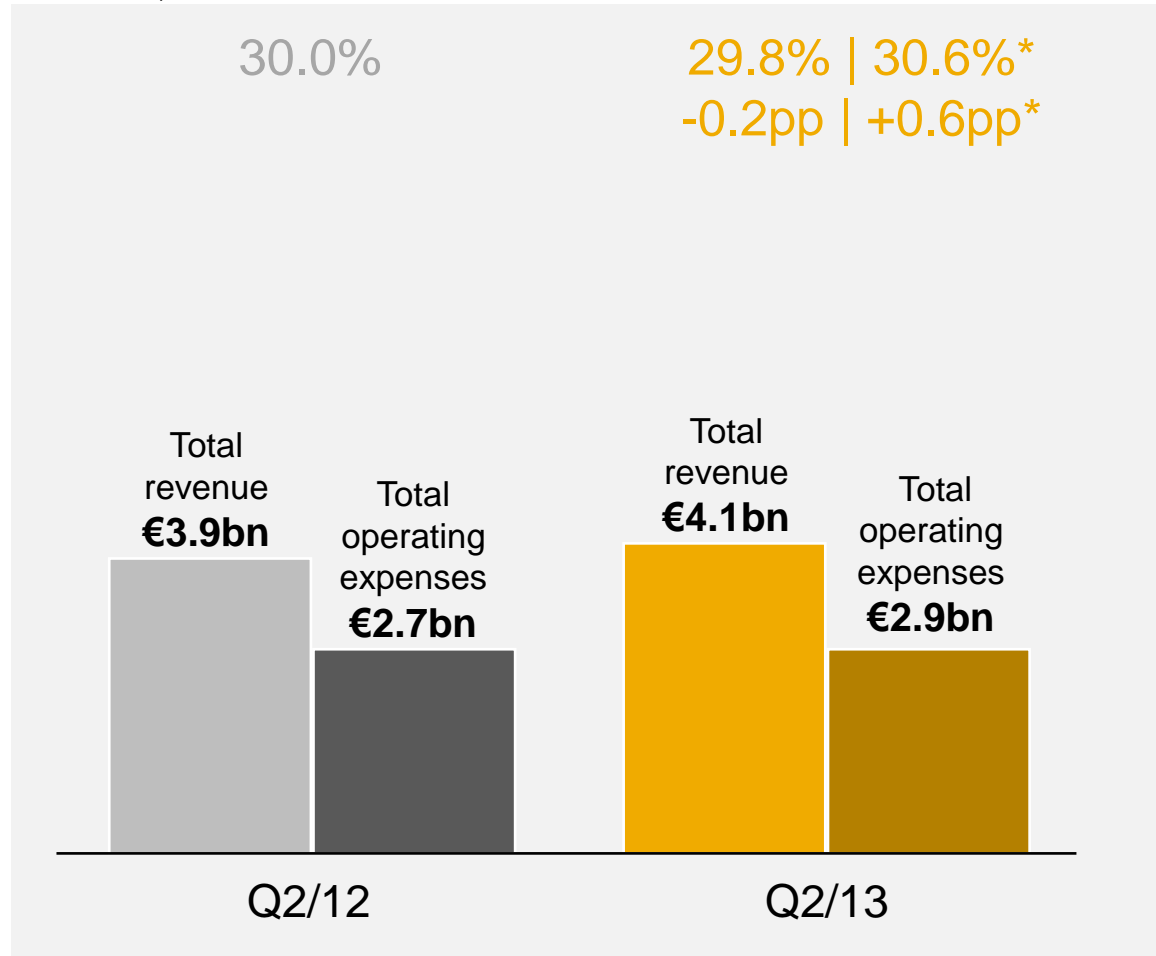
H1 2013: Solid top and bottom line growth

€ millions, unless otherwise stated

Revenue Numbers	IFRS			Non-IFRS			
	H1/13	H1/12	Δ%	H1/13	H1/12	Δ%	Δ% at cc
Software	1.638	1.696	-3	1.638	1.696	-3	0
Cloud subscriptions and support	296	81	266	350	104	238	243
Software & Cloud subscriptions	1.935	1.777	9	1.989	1.799	11	14
Support	4.286	3.966	8	4.295	3.968	8	11
SSRS revenue	6.220	5.743	8	6.284	5.768	9	12
PSOS revenue	1.443	1.505	-4	1.443	1.505	-4	-2
Total revenue	7.663	7.248	6	7.727	7.273	6	9
Operating Expense Numbers							
Total operating expenses	-6.029	-5.696	6	-5.607	-5.266	6	8
Profit Numbers							
Operating profit	1.634	1.551	5	2.120	2.007	6	11
Finance income, net	-37	-26	41	-37	-25	48	
Profit before tax	1.584	1.472	8	2.070	1.929	7	
Income tax expense	-340	-368	-8	-507	-515	-2	
Profit after tax	1.244	1.104	13	1.563	1.414	11	
Operating margin in %	21,3	21,4	-0,1pp	27,4	27,6	-0,2pp	+0,4pp
Basic earnings per share, in €	1,04	0,93	12	1,31	1,19	10	

Non-IFRS operating margin increased by 0.6pp at constant currency in the second quarter

Non-IFRS, Q2/13



* At constant currencies

Non-IFRS operating profit:

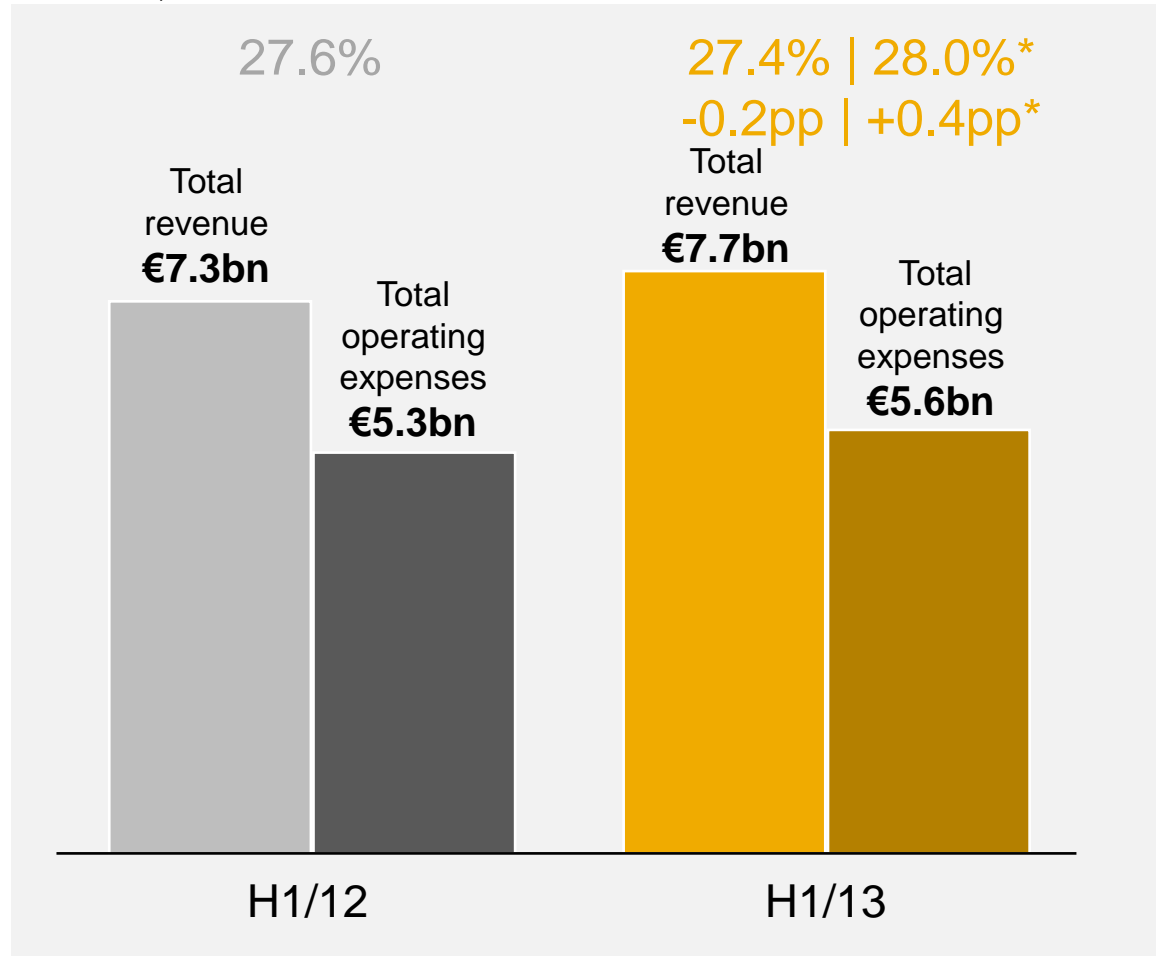
- +4% to €1.22bn
- +10% to €1.29bn at cc

Non-IFRS operating margin:

- -0.2pp to 29.8% (Q2/12: 30.0%)
- Solid increase of 60 basis points to 30.6% in non-IFRS operating margin at cc despite the impact from Ariba of approx. 40 basis points
- Demonstrating that efficiency in our core business has further improved and cloud business is on its way to being profitable

Non-IFRS operating margin increased by 0.4pp at constant currency in the first half

Non-IFRS, H1/13



* At constant currencies

Non-IFRS operating profit:

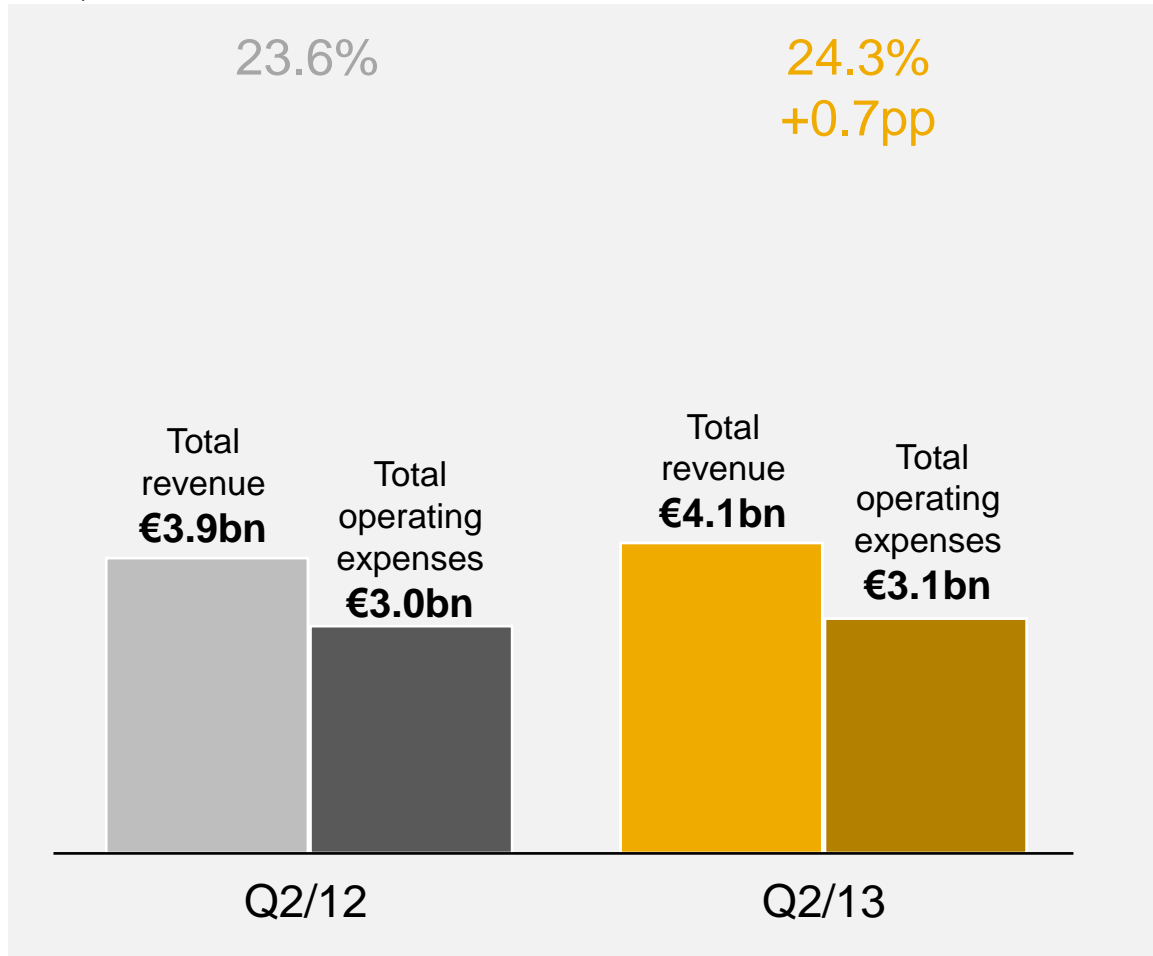
- +6% to €2.12bn
- +11% to €2.22bn at cc

Non-IFRS operating margin:

- -0.2pp (+0.4pp at cc) to 27.4% (H1/12: 27.6%)
- Non-IFRS operating profit and operating margin were affected by the acquisitions of SuccessFactors and Ariba to the same extent. The operating margin was impacted in total by approximately 60 basis points.

IFRS operating profit increased by 7% in Q2 2013

IFRS, Q2/13



IFRS operating profit:

- +7% to €988m (Q2/12: €921m)

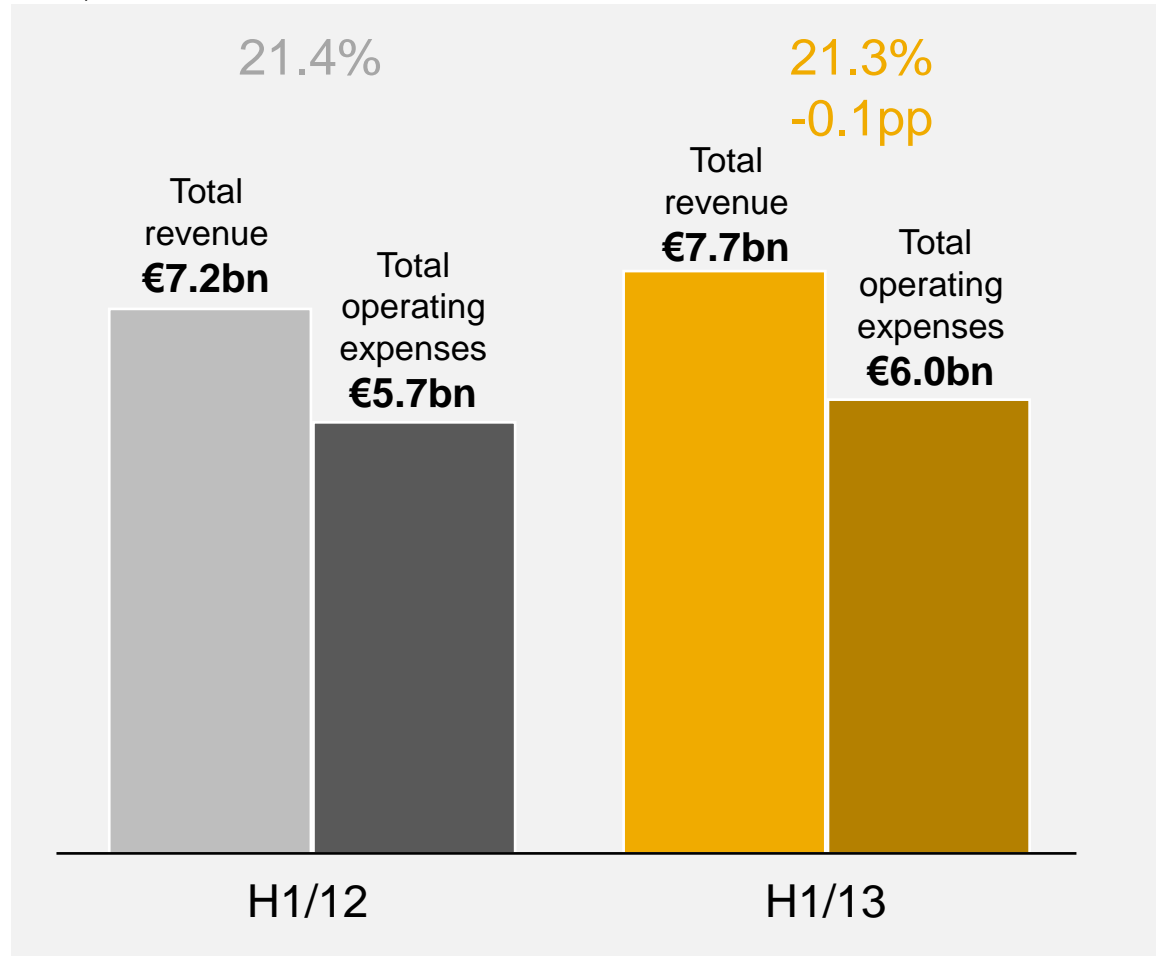
IFRS operating margin:

- Operating margin increased by 0.7 percentage points to 24.3% (Q2 2012: 23.6%)

* At constant currencies

IFRS operating profit increased by 5% in H1 2013

IFRS, H1/13



* At constant currencies

IFRS operating profit:

- +5% to €1.63bn (Q2/12: €1.55bn)

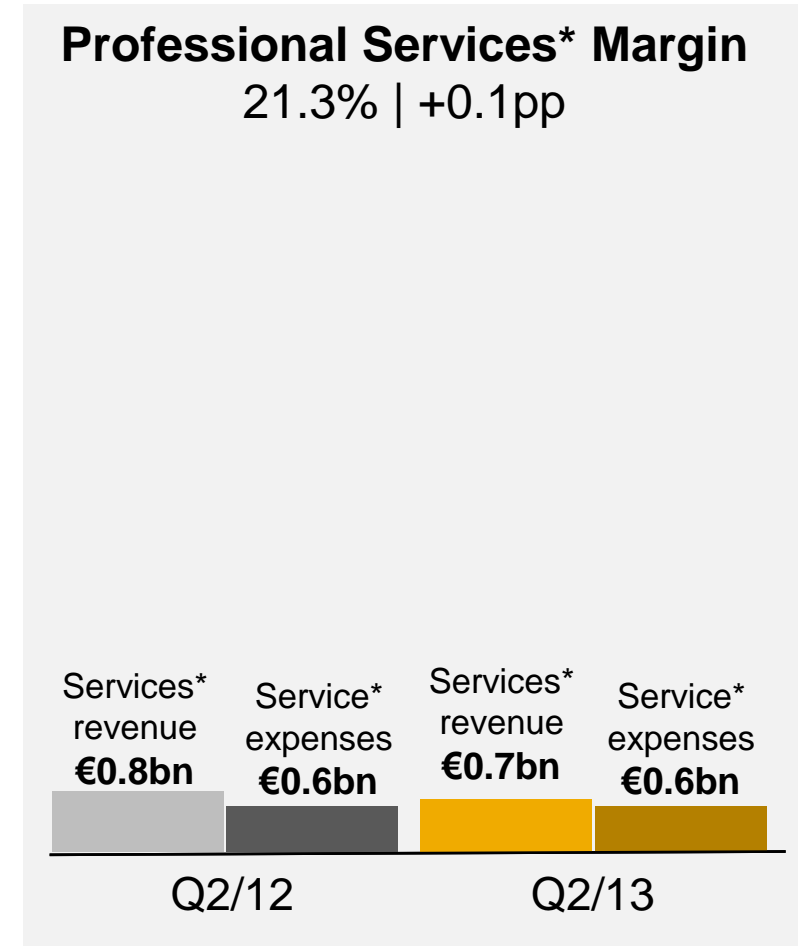
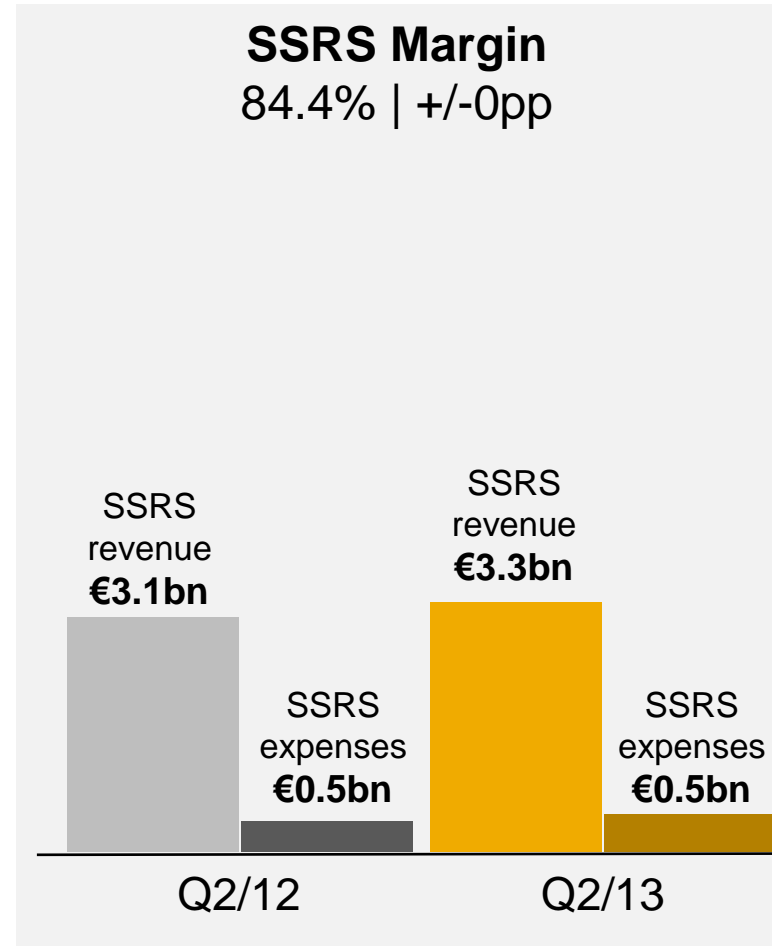
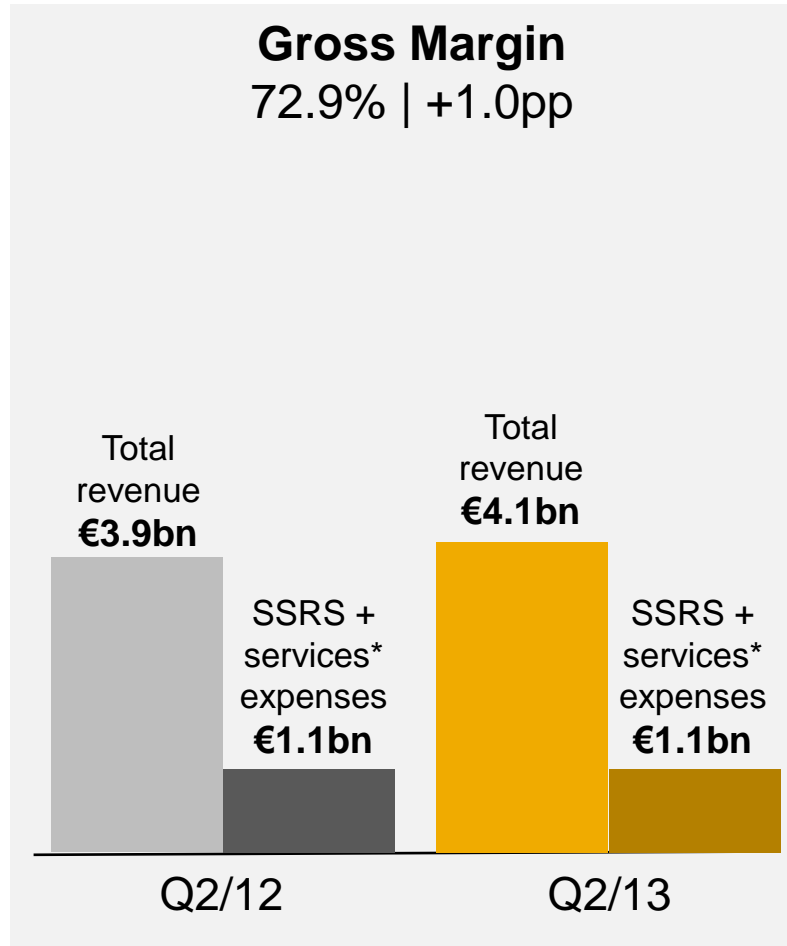
IFRS operating margin:

- Operating margin decreased slightly by 0.1 percentage points to 21.3% (H1 2012: 21.4%)

Gross margin improved by 100 bps

Q2 2013

Non-IFRS, Q2/13

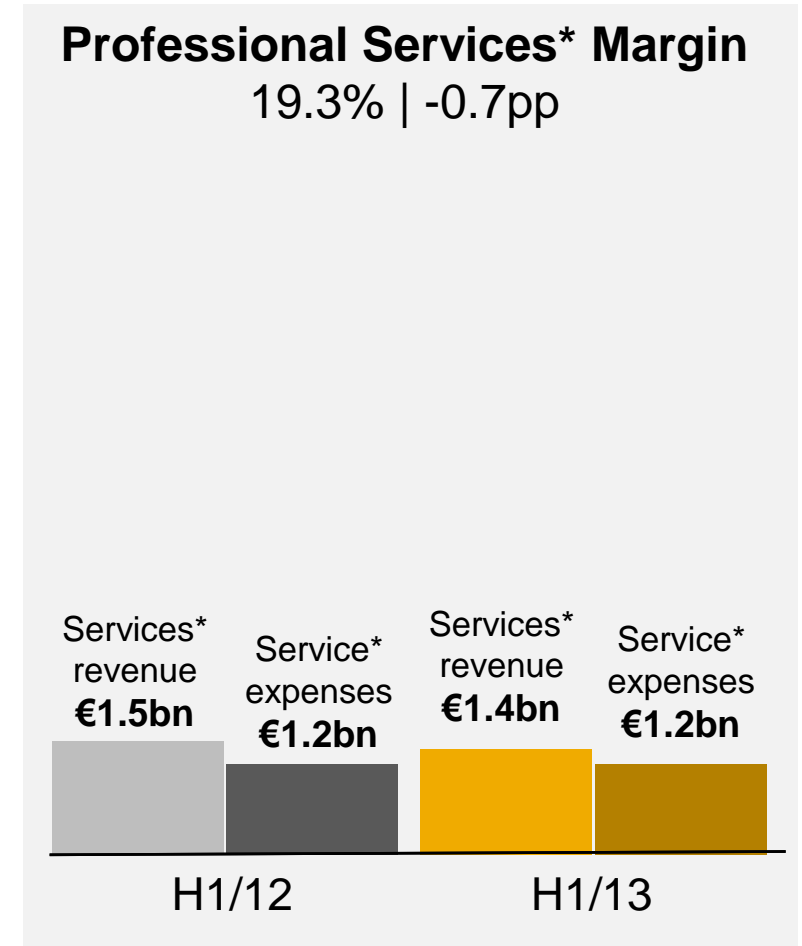
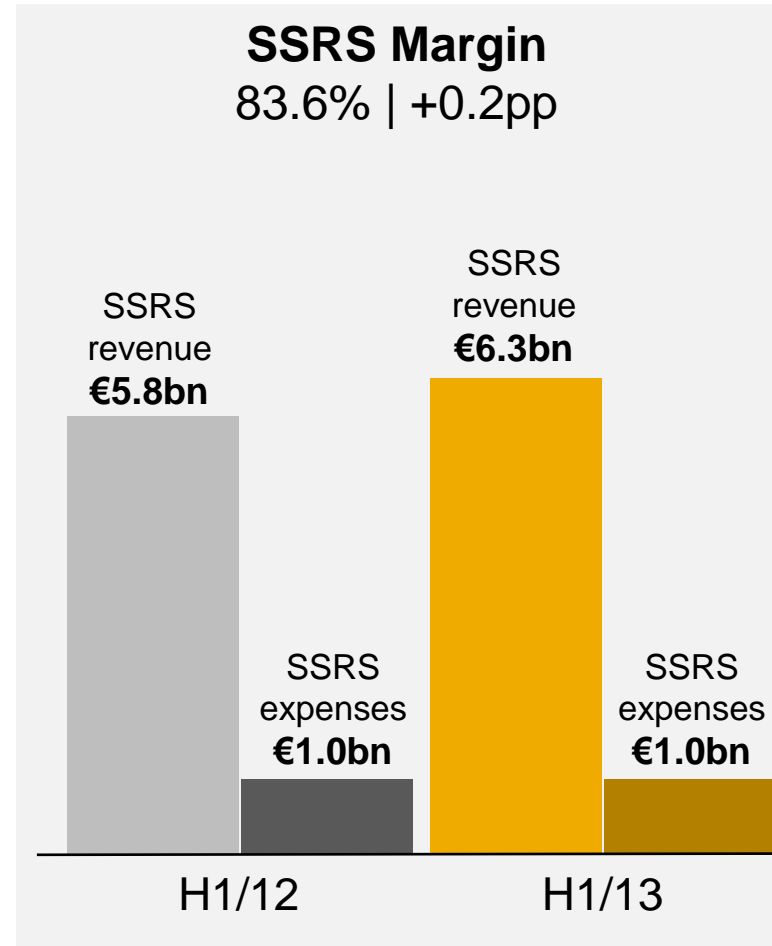
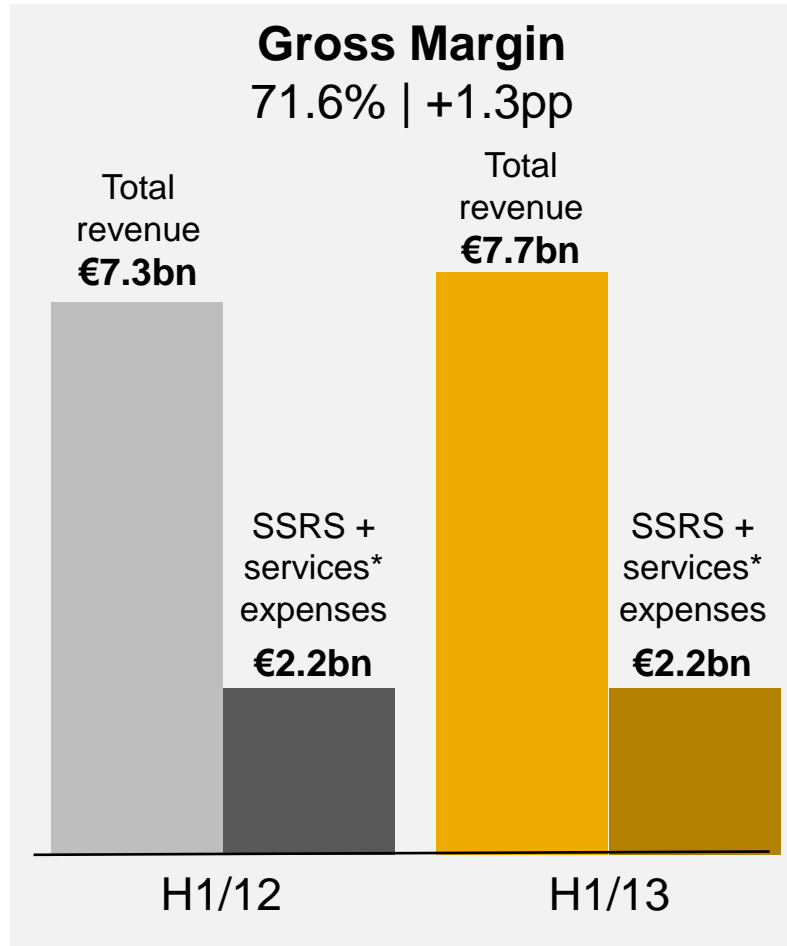


* Professional services and other services

Gross margin improved by 130 bps

H1 2013

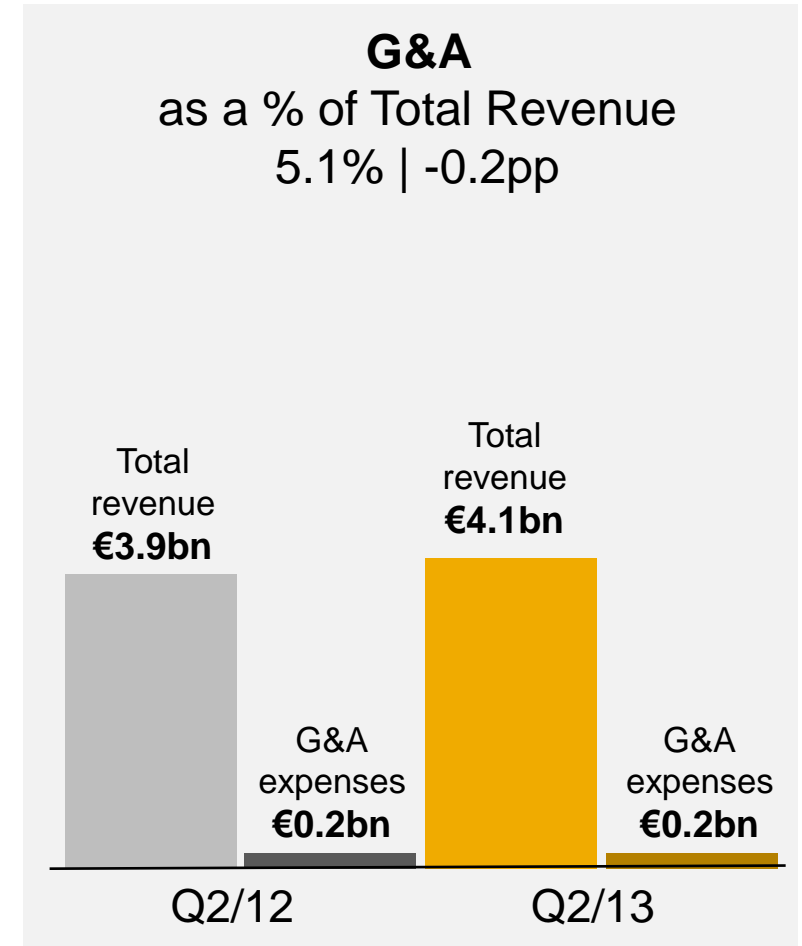
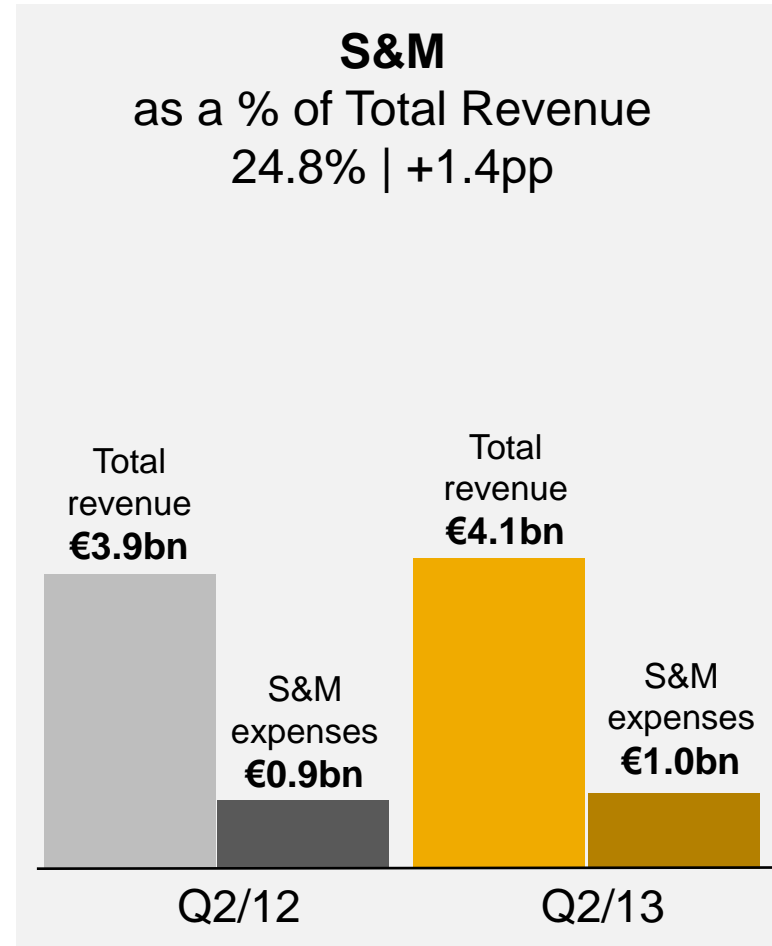
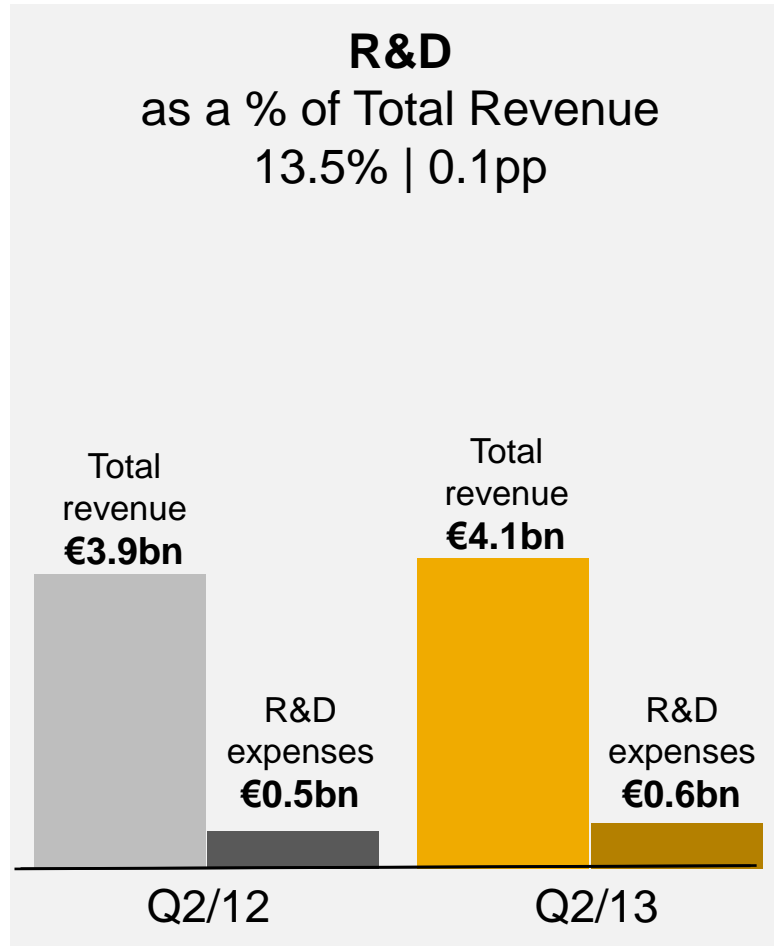
Non-IFRS, H1/13



* Professional services and other services

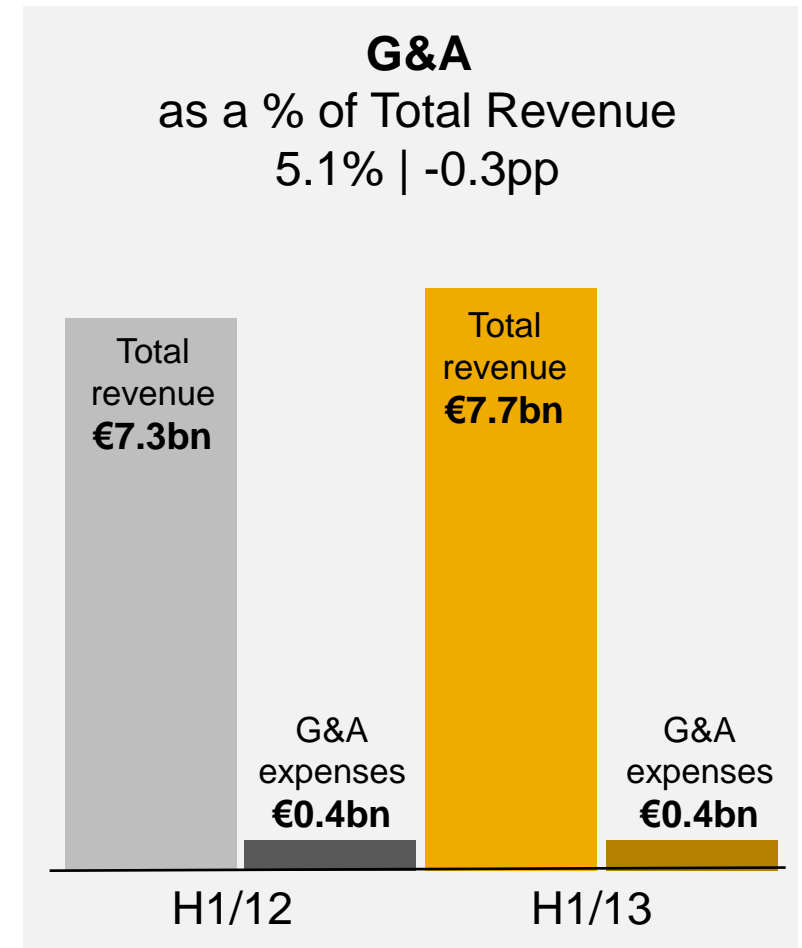
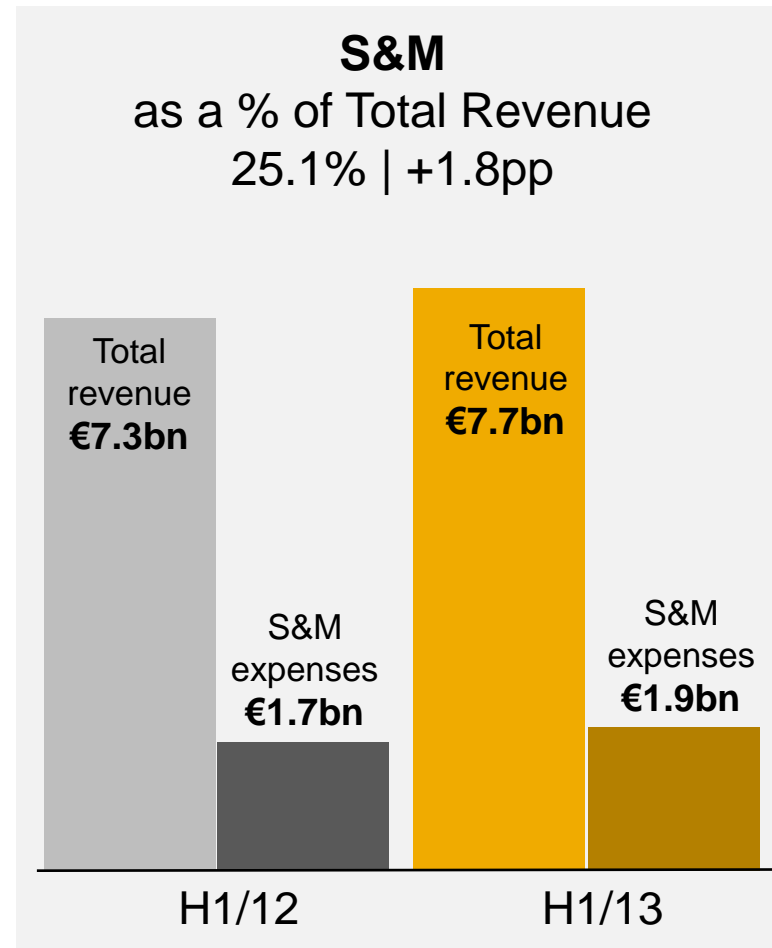
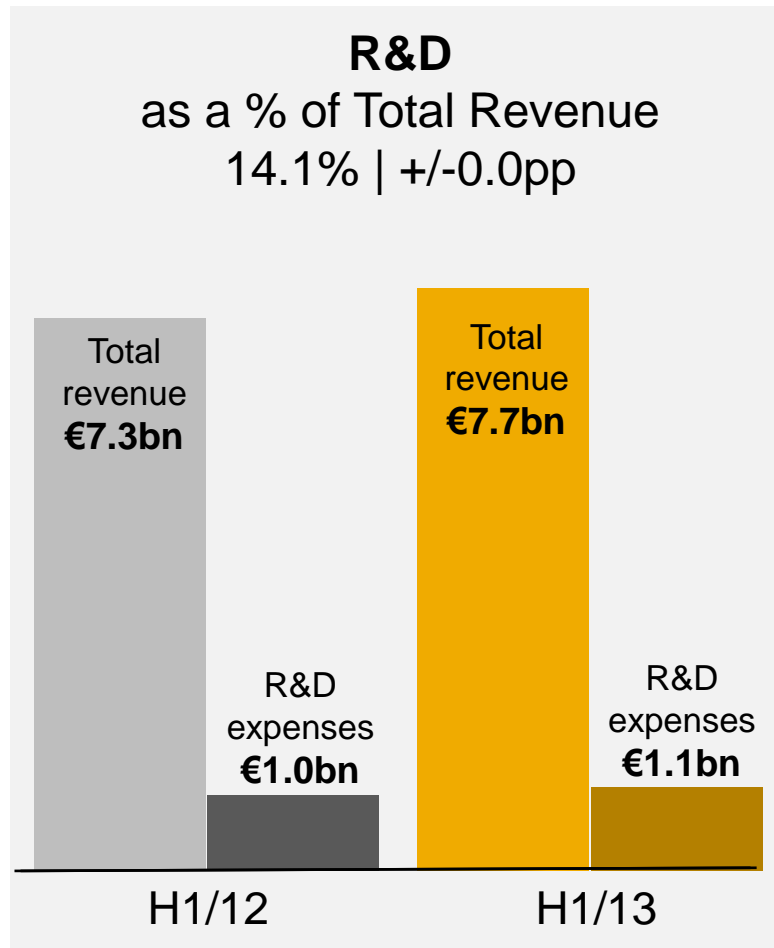
S&M to total revenue ratio increased 140 bps but down sequentially by 60bps showing results of efforts taking advantage of investments

Non-IFRS, Q2/13



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

Non-IFRS, H1/13



Balance sheet, condensed

June 30, 2013, IFRS

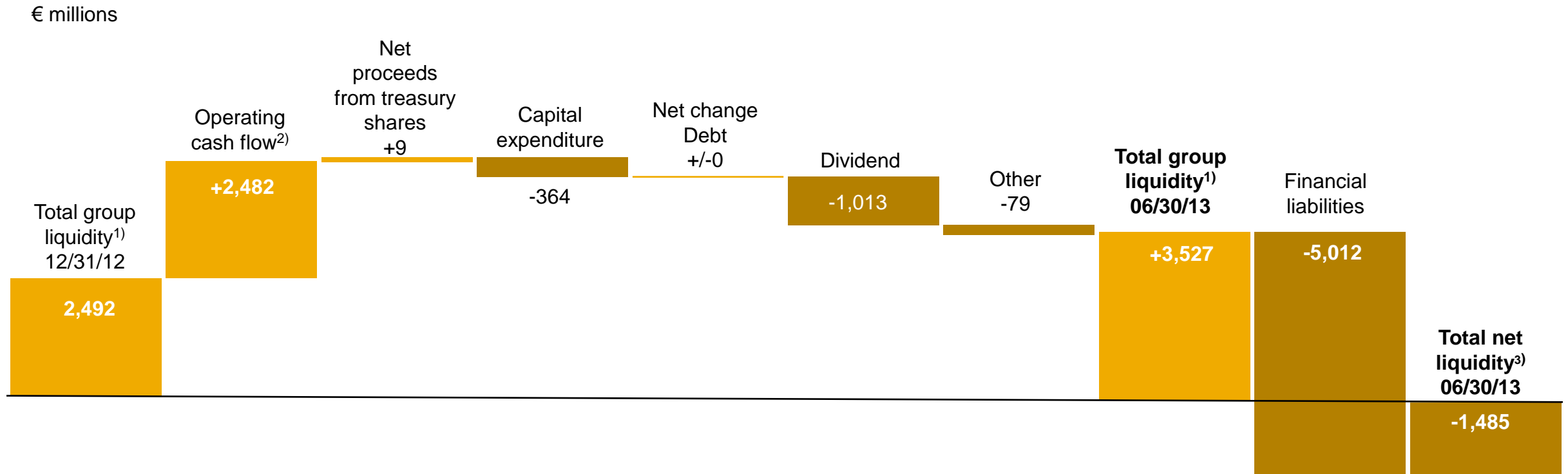
Assets € millions	06/30/13	12/31/12
Cash, cash equivalents and other financial assets	3,681	2,631
Trade and other receivables	3,379	3,917
Other non-financial assets and tax assets	716	450
Total current assets	7,776	6,998
Goodwill	13,333	13,227
Intangible assets	2,996	3,234
Property, plant, and equipment	1,751	1,708
Other non-current assets	1,637	1,543
Total non-current assets	19,717	19,711
Total assets	27,494	26,710

Equity and liabilities € millions	06/30/13	12/31/12
Financial liabilities	883	870
Deferred income	3,125	1,386
Provisions	624	843
Other liabilities	3,164	3,449
Current liabilities	7,797	6,547
Financial liabilities	3,859	4,446
Provisions	330	361
Deferred income	62	62
Other non-current liabilities	1,068	1,123
Non current liabilities	5,319	5,991
Total liabilities	13,116	12,538
Total equity	14,378	14,171
Equity and liabilities	27,494	26,710

Operating cash flow in H1 2013 exceeded €2.4 billion – Highest number ever achieved in a first half

€ millions, unless otherwise stated	01/01/13 - 06/30/13	01/01/12 - 06/30/12	Δ
Operating cash flow	2,482	2,400	+3%
- Capital expenditure	-265	-275	-4%
Free cash flow	2,217	2,125	+4%
Free cash flow as a percentage of total revenue	29%	29%	+/-0pp
Cash conversion rate	2.00	2.17	-8%
Days sales outstanding (DSO)	62	61	+1 day

Total group liquidity increased up to €3.5 billion due to high operating cash flow and despite of dividend payment



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

2) Business combinations, net of cash and cash equivalents acquired amounted to -€99m

3) Total Group Liquidity less financial liabilities (=bank loans, private placement transactions and bonds); corresponds with net liquidity 2 – for more details see second quarter and half year Interim Report

SAP updated its outlook for the full year 2013

- SAP reaffirms its full year 2013 non-IFRS operating profit outlook to be in a range of €5.85 billion – €5.95 billion at constant currencies (2012: €5.21 billion).
- Although the difficult macroeconomic environment in particular in Asia Pacific Japan and the rapid transition to the cloud have resulted in lower software revenue expectations, SAP remains committed to be a double-digit growth company with at least 10% growth in non-IFRS software and software-related service revenue at constant currencies in full year 2013 (2012: €13.25 billion). This replaces the previous growth outlook for non-IFRS software and software-related service revenue of 11% – 13% at constant currencies and the underlying guidance for software and cloud subscription revenue.
- In addition, SAP reaffirms its outlook for the fast-growing innovation categories cloud and in-memory.
 - SAP continues to expect full year 2013 non-IFRS cloud subscription and support revenue of around €750 million at constant currencies (2012: €343 million) and
 - full year 2013 SAP HANA software revenue in a range of €650 – €700 million (2012: €392 million).
- SAP now projects a full-year 2013 IFRS effective tax rate of 24.0% – 25.0% (previously 25.5% – 26.5%) (2012: 26.2%) and a non-IFRS effective tax rate of 25.5% – 26.5% (previously 27.0% – 28.0%) (2012: 27.5%).

Non-IFRS adjustments

IFRS Profit Measure	Actual Amounts H1/2013	Actual Amounts H1/2012	Estimated Amounts for FY/2013
Deferred revenue write-down	€64m	€25m	€65m to €75m
Discontinued activities	€0m	€-5m	< €10m
Share-based compensation expenses	€109m	€181m	€350m to €390m
Acquisition-related charges	€283m	€250m	€560m to €600m
Restructuring charges	€31m	€4m	€50m to €70m

Explanation of non-IFRS measures

SAP has provided its non-IFRS estimates for the full-year 2013. 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 [Non-IFRS Measures and Estimates](#) 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 [Non-IFRS Measures and Estimates](#) online.