



**WELCOME**

TO THE 23<sup>rd</sup> ANNUAL SHAREHOLDER MEETING, SAP AG

THE BEST-RUN BUSINESSES RUN SAP™





**BILL McDERMOTT**

CO-CEO, SAP AG

THE BEST-RUN BUSINESSES RUN SAP™



# 2009: YEAR OF CHANGE

## The New Business Environment

- Shifting world market dynamics
- Capital investment for fast return
- Real-time business anywhere, anytime
- Intensified competition

## SAP Took Decisive Action

- Innovation with world-class products
- Long-term customer partnerships
- Target CIOs and Lines of Business
- Leverage extensive ecosystem

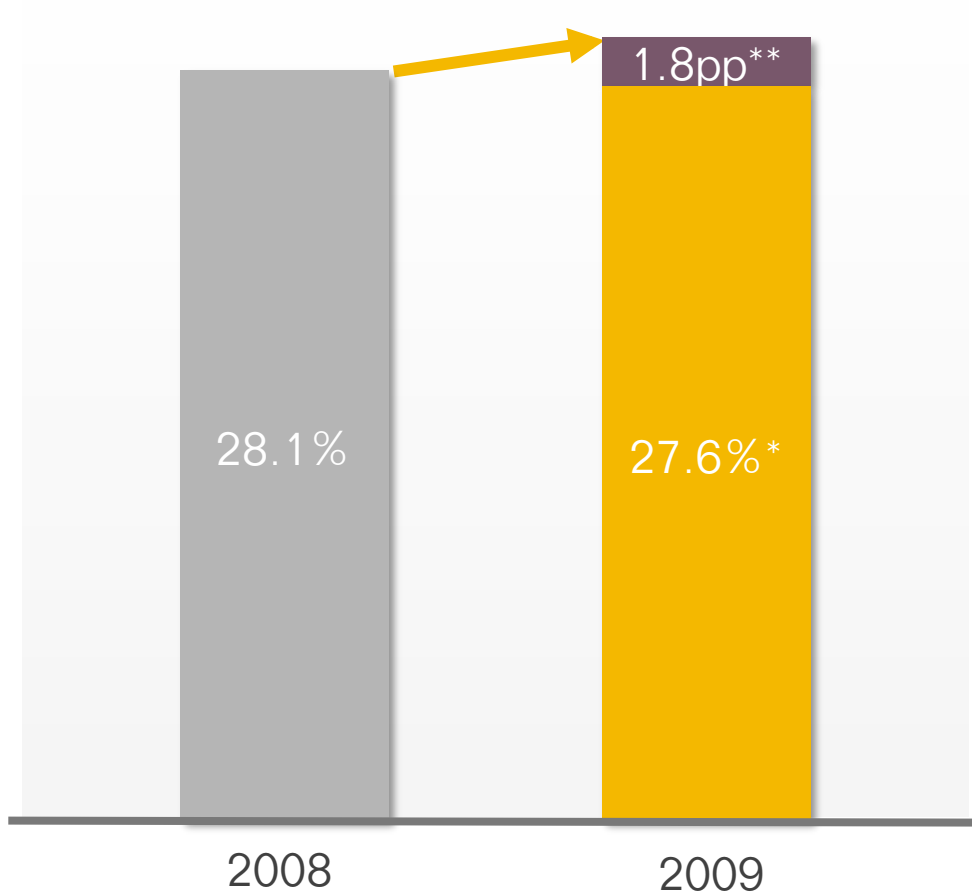


# 2009: FINANCIAL OVERVIEW

	IFRS			Non-IFRS			Δ% at constant currencies
	2009	2008	Δ%	2009	2008	Δ%	
€ millions, unless otherwise stated							
<b>SSRS revenue</b>	<b>8,198</b>	<b>8,466</b>	<b>-3</b>	<b>8,209</b>	<b>8,623</b>	<b>-5</b>	<b>-5</b>
<b>Professional services revenue</b>	<b>2,432</b>	<b>3,039</b>	<b>-20</b>	<b>2,432</b>	<b>3,039</b>	<b>-20</b>	<b>-20</b>
<b>Total revenue</b>	<b>10,672</b>	<b>11,575</b>	<b>-8</b>	<b>10,683</b>	<b>11,732</b>	<b>-9</b>	<b>-9</b>
<b>Total operating expenses</b>	<b>-8,084</b>	<b>-8,874</b>	<b>-9</b>	<b>-7,756</b>	<b>-8,431</b>	<b>-8</b>	<b>-8</b>
<b>Operating profit</b>	<b>2,588</b>	<b>2,701</b>	<b>-4</b>	<b>2,927</b>	<b>3,301</b>	<b>-11</b>	<b>-11</b>
<b>Operating margin (%)</b>	<b>24.3</b>	<b>23.3</b>	<b>1.0pp</b>	<b>27.4</b>	<b>28.1</b>	<b>-0.7pp</b>	<b>-0.5pp</b>
Profit before tax	2,435	2,624	-7	2,772	3,231	-14	N/A
Income tax expense	-685	-776	-12	-770	-929	-17	N/A
Profit after tax	1,750	1,848	-5	2,002	2,301	-13	N/A
Basic EPS (€)	1.47	1.55	-5	1.68	1.93	-13	N/A

# 2009: FOCUS ON EFFICIENCY

## Operating Margin Growth



## Transformation program and successful cost-cutting delivered strong margin performance

- Removed €675 million in operating expenses, including restructuring charge
- Non-GAAP operating margin at constant currencies exceeded 2009 guidance

\*At constant currencies \*\*one-time restructuring charge (€194 m)

All figures in charts are Non-IFRS

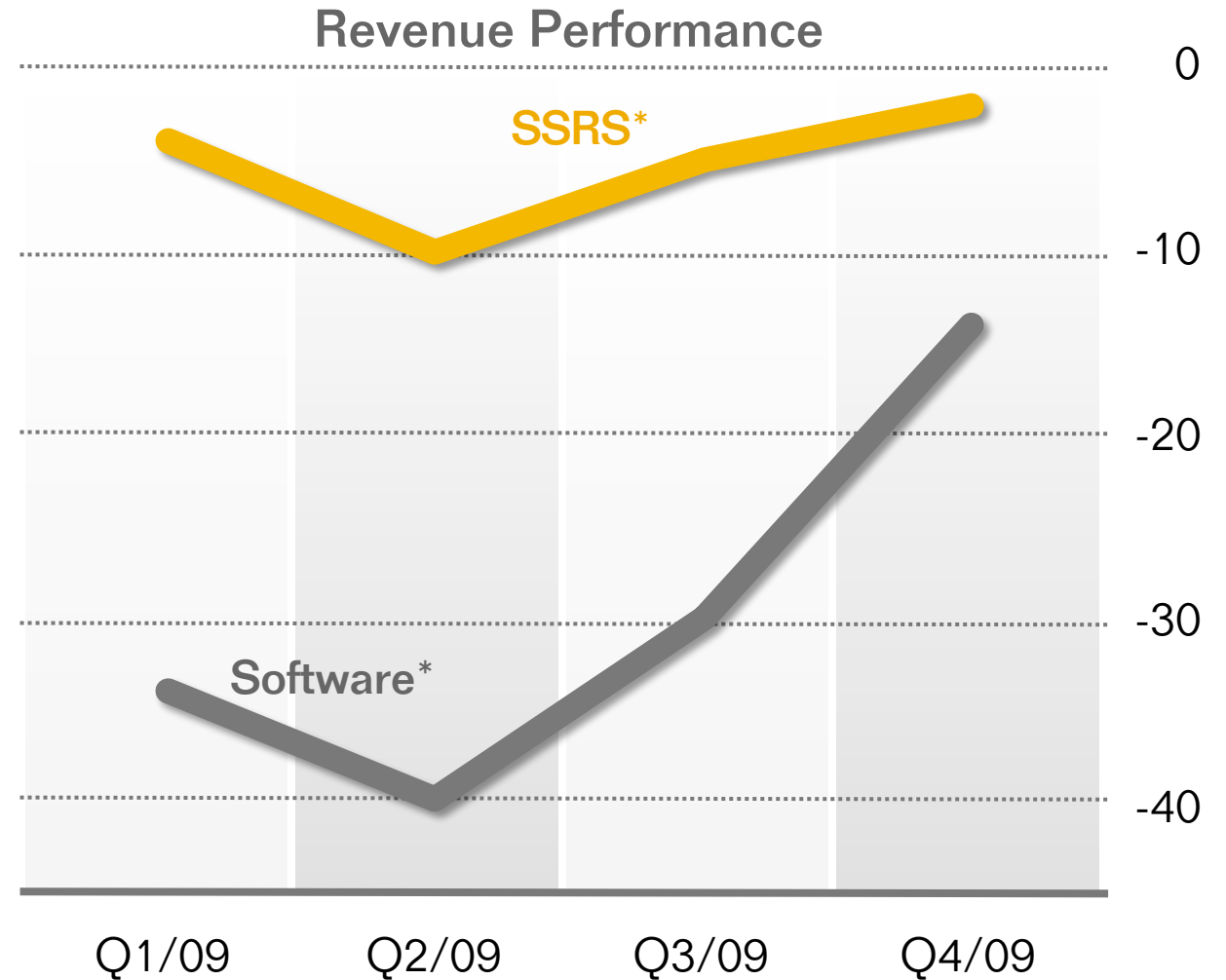
# 2009: OUR AGILITY PAID OFF

## Strong Market Execution

- Germany
- Americas
- Asia Pacific Japan
- BRIC countries  
(Brazil, Russia, India, China)

## Strong Industry Execution

- Banking
- Insurance
- Public Sector
- Telecommunications



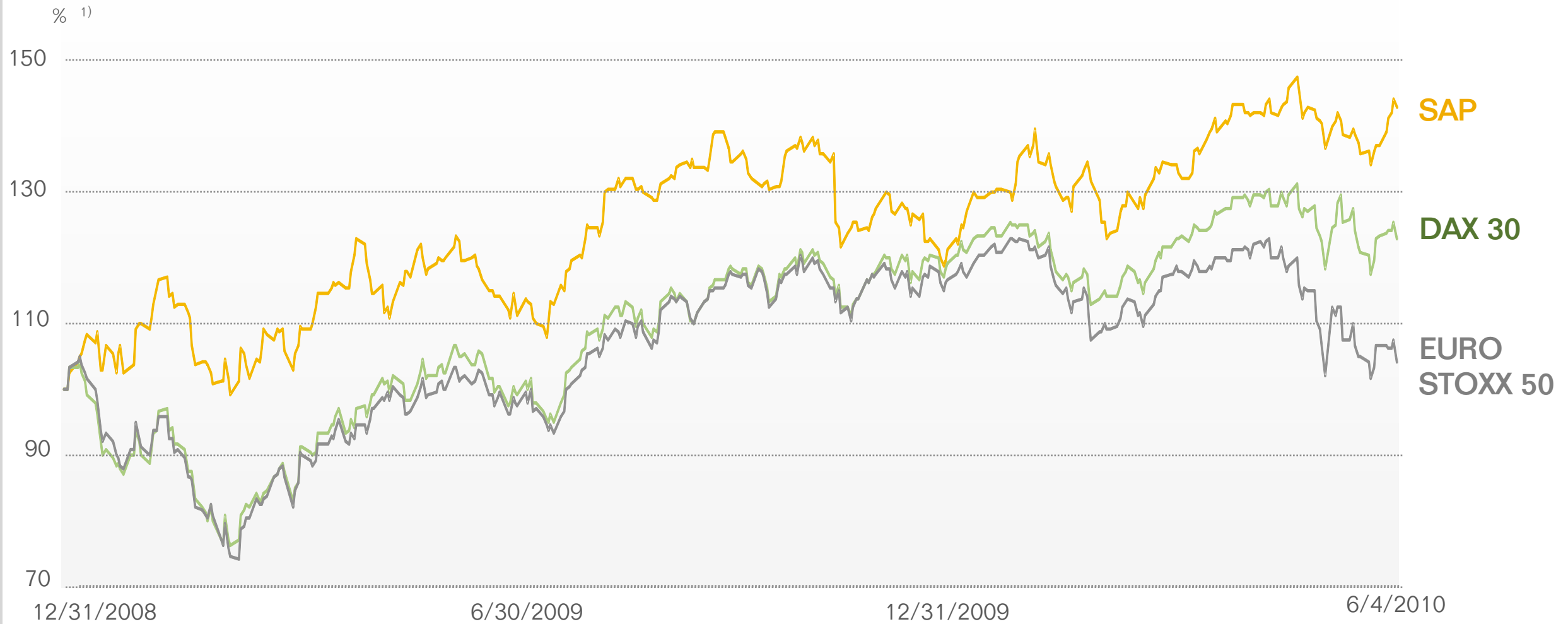
\* Non-IFRS YoY growth in % at constant currencies

# CUSTOMER EXAMPLES



# STRONG STOCK PERFORMANCE

## SAP SHARE IN COMPARISON WITH THE DAX 30 AND EURO STOXX 50



1) December 31, 2008 = 100%



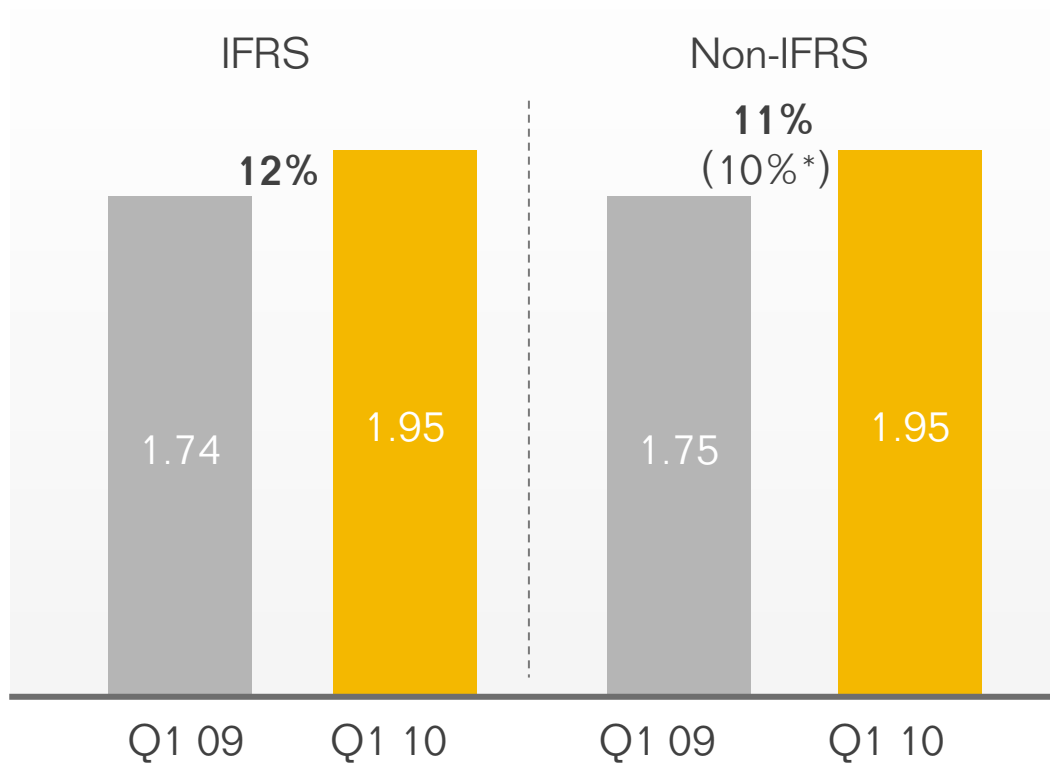


# THE **NEW** SAP: FOCUS ON THE CUSTOMER

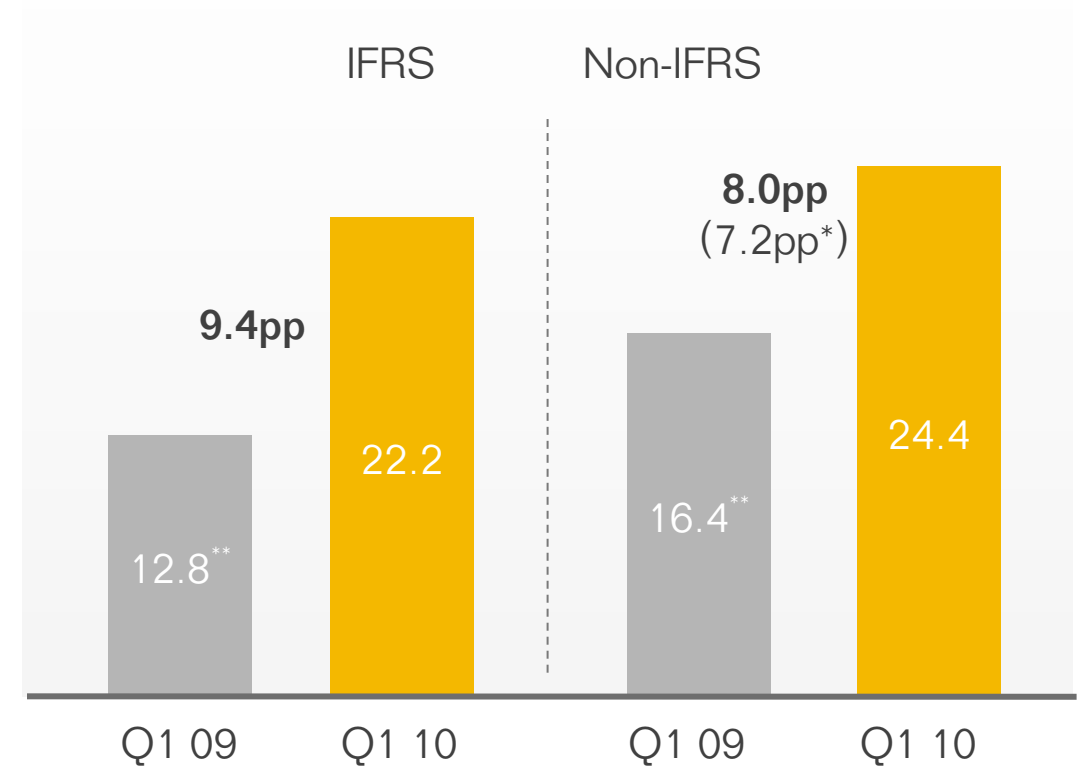
- Return to growth
- Accelerated innovation
- Flexible consumption models
- Better business value
- Trusted advisor

# Q1 2010: RETURN TO GROWTH

## Software & Software-Related Service Revenue (€ bn)



## Operating Margin (%)



\* at constant currencies \*\* includes negative effect of 6.9 pp (IFRS) and 6.6 pp (Non-IFRS) from restructuring charges.



## BUSINESS OUTLOOK 2010

- Full-year 2010 Non-IFRS software and software-related service revenue: increase in a range of **4% to 8%** at constant currencies (2009: €8.2 billion)
- Full-year 2010 Non-IFRS operating margin: in a range of **30% to 31%** at constant currencies (2009: 27.4%)
- IFRS effective tax rate **27.5% to 28.5%** (2009: 28.1%)

as of April 28, 2010



# JIM HAGEMANN SNABE

CO-CEO, SAP AG

THE BEST-RUN BUSINESSES RUN SAP™



# NEW MARKET REALITY

## Business Changed Forever

- Better prepared for the future
- Efficiency, transparency, agility
- Smarter investments for fast return
- Sustainable growth

## Technology Is the Key to Success

- Instant business value at lower cost
- Unlock data for better decision-making
- Innovation for CIOs and Lines of Business
- Consumption anywhere and anytime



# BUILD ON A STRONG FOUNDATION

- 38 years of industry experience
- Transformed IT industry twice
- #1 in business applications
- #1 in business analytics
- #1 in SME
- 97,000 customers
- Across 25 industries & all market segments
- 47,600 employees



# THE **NEW** SAP: INNOVATIVE AND INSPIRING

- Customer- focused development organization
- Efficient and agile
- Engaged employees in a global, collaborative environment
- Bring high-value products faster to market

# PRODUCT STRATEGY: INNOVATION FOR VALUE

## ORCHESTRATION

### ON DEVICE

New Applications on All Devices

→ Collaboration. Mobile

### ON DEMAND

New Technology Delivery Model

→ SAP Business ByDesign, Line-of-Business Solutions

### ON PREMISE

Expand Core

→ SAP Business Suite 7, Analytics

## TECHNOLOGY FOUNDATION

# EXPAND OUR LEADERSHIP POSITION

## World-Best Business Applications

- Comprehensive, consistent, industry-specific

## Leading Innovator

- Deliver innovative technologies to our customers without disruption

## External Resources

- Partner to accelerate innovation and acquire to enhance portfolio



# SUSTAINABILITY

## Enabler

- Help our customers manage sustainability
- SAP BusinessObjects Sustainability Performance Management
- SAP Carbon Impact On Demand

## Exemplar

- Using our own solutions to be a more sustainable business
- Reduced carbon emissions 15% over 2009
- Long-term goal: reduce carbon emissions by 2020 to half of peak in 2007



**THANK YOU!**