2012 Annual General Meeting of Shareholders - May 23, 2012

Co-CEO Speech – Jim Hagemann Snabe

UNDER EMBARGO UNTIL 11:30 AM, MAY 23, 2012

Check against delivery; the spoken word applies

Ladies and Gentlemen,

Also from my side, I would like to thank you for joining us at the Annual General Meeting of Shareholders here in Mannheim. A lot has happened since we met here last year. What a great year it has been! We are proud to celebrate our 40 year anniversary this year – and are looking forward to the next 40 years!

40 years of innovation / SAP for all (Slide: 40 years of innovation)

In 1972 the 5 founders of SAP shared a vision: to help businesses run their processes better with innovative real-time business software. And they had one goal in mind – the success of our customer.

During the last 2 years we have breathed new life into SAP's vision. We have once again redefined innovative real-time computing and we have rediscovered our passion for customer success. As Bill mentioned, we have achieved a lot. But we also know that we have only just begun.

We decided to focus on our ability to innovate the future instead of consolidating the past. We decided that our core competency remains business software. We want to give our customers choice on hardware.

Strategy (Slide: Strategy)

How are we doing this?

First, by clearly strengthening our power to innovate. This can be seen in the fact that innovations drove 50% of our growth in the fourth quarter. In 2011, We also have increased the number of innovation projects by more than 50%, with only 2% more resources in development.

We are doing this because we have improved our speed, our reliability, and our customer-centricity. We have accelerated our average time-to-market by four months. And we have worked with customers in 1,500 innovation project in last year alone.

And secondly, we are now innovating in 5 market categories. It is our clear goal to maintain and grow our leadership position in the Applications, Analytics, and Mobile markets, and become a leader in the Database & Technology and Cloud markets.

Our business **Applications** help companies run their business more efficiently – from purchasing, through production, to sales, finance and HR. This is our core business and we are the world market leader. In 2011 we extended our market leadership. With our continued focus on this category we intend to keep extending our market leadership. We continue to innovate our applications. We are enabling customers to simply consume our innovations without going through expensive upgrades. Therefore, we have changed the way we deliver these applications – delivering innovations more often on a quarterly basis and without disrupting our customers' business.

Our product portfolio targets customers of all sizes. We deliver the SAP Business Suite for large companies. We deliver SAP All-in-One for medium-sized companies and we deliver SAP Business One for small companies. As an example of our faster pace of innovation we delivered the latest version SAP Business One in Q1 of this year, two months ahead of schedule. We now have 36,000 customers using

this product. In the SAP Exhibition in the Souterrain, you can see how our customer PG Bikes uses SAP Business One.

Our Analytics software helps companies create transparency and make timely decisions. In a volatile world, it is more important than ever to have accurate and real-time insight into your business. Our predictive analytics powered by SAP HANA is becoming a benchmark for the industry. With it companies can react faster to market trends and adjust their strategy and execution focus in real time. Gartner named SAP the leader in its 2012 magic quadrant for BI Platforms and magic quadrant for Corporate Performance Management. Be sure to take a look at the demo of SAP Business Warehouse on SAP HANA today.

Our **Database and Technology** products help customers manage their IT infrastructure in real-time at the lowest possible costs. Our SAP NetWeaver technology platform enables consistency of data and processes across SAP and non-SAP. SAP HANA, together with the Sybase database infrastructure, provides customers with a real-time platform for all transaction and analytics workloads – while leveraging the power of in-memory computing. We believe that this database strategy will help us become the fastest-growing database company.

Our **Mobile** technology enables our customers to access data in their business applications and anytime and anywhere through mobile devices. Together with integrated Sybase products, we offer a strong **mobile** portfolio supporting all leading mobile devices and platforms. We just unveiled a major new release of our SAP Afaria mobile device management solution, which is the strongest mobile device security management software available in the market. With the acquisition of Syclo, we extend our offering of industry-specific mobile solutions. This will help us grow our leadership position in the mobile segment. Be sure to try out some mobile apps today in the SAP Exhibition.

Our **Cloud** solutions allow companies to access the latest business solutions without any installation of hardware or software – and create connections between businesses and between people. With the acquisition of SuccessFactors we are the fastest growing cloud provider in the industry. With the combination of SAP and SuccessFactors, our cloud offering serves companies of all sizes: We offer small companies our SAP Business One OnDemand solution. We offer medium-sized companies and subsidiaries of large companies our SAP Business ByDesign solution. And we offer large companies our line-of-business cloud solutions to manage customers, suppliers, employees and financials.

The cloud is enabling enterprises and individuals to connect and collaborate in an entirely new way. Ebay and Facebook are familiar examples of networks in our personal lives. This demonstrates the value of providing a platform for people to connect and communicate more efficiently.

Now imagine the power of the efficiency and opportunities for collaboration and co-innovation that business networks can provide. With the acquisition of Ariba, Inc., SAP will become a leader in the fast-growing segment of cloud-based business networks. Ariba's network can now be combined with our broad customer base and deep business process expertise. Already today the Ariba Supplier Network is the largest and fastest growing global business network with more than 60 percent organic growth in 2011. Last year, this network facilitated $319 billion in commerce transactions. With about 63% of the world's transaction revenue touching an SAP system, together we have great growth potential.

With SAP's cloud solutions, SuccessFactors cloud offering, and the business to business cloud network of Ariba, we will become a major cloud player. You can experience the cloud hands-on in the SAP Exhibition.

SAP HANA will underlie each of our solutions in all five market categories. SAP HANA was developed in cooperation with the Hasso-Plattner-Institute in Potsdam and is based on breakthrough in-memory technology. This technology enables unprecedented amounts of data to be processed in the computer's memory rather than saved and processed on a hard disk. This takes place in just a fraction of a second. Customers are seeing performance improvements of more than 10,000 times. Analyses of large amounts of data, which used to take hours or even days, are now completed in seconds. With SAP HANA we are once again redefining real-time computing like we did when SAP was created 40 years ago.

Each innovation in the market categories is powerful and adds value to our customers. But new possibilities are opened when the innovations across the five categories are combined. Through the combination of our innovations we are able to solve business problems in 24 different industries – in ways no one else can solve them. Let me give you some examples.

Customer example: Burberry (Slide: Burberry)

SAP is supporting new business processes at the iconic fashion retailer Burberry. Imagine shopping for a new trench coat. While trying it on, a shop assistant offers alternative versions for you, on the spot. The assistant knows what you like and what your previous purchases are, because he or she can view your data on a mobile device. You receive improved service in the store – driven by SAP innovations.

Burberry is taking the lead in technology in retail industry. Burberry aims to be the number one IT-driven high-fashion retailer in the world. Burberry discovered that they had a lot of sales data about their customers that was not used. Burberry brought in SAP HANA to manage and analyze its sales data in real time. At the same time, they deployed iPads to their assistants in stores around the globe to make this data available anytime and anywhere.

The combination of core applications with analytics, SAP HANA, and mobile technologies allows you to run your business from anywhere in real time. The results for Burberry are higher sales and ultimately more satisfied customers around the world. That is running like never before!

Customer example: McLaren (Slide: McLaren)

Now I'd like to talk to you about a small company that you have probably heard of – one of the most famous manufacturers of sports cars and it has its own Formula 1 team. During a Formula 1 race, McLaren collects data in real time from 220 sensors that are located on each race car. McLaren makes this information available to the teams, so they can improve their racing performance. This is only possible with SAP HANA and our predictive analytics software. You can't get more real time than that!

But McLaren is not just about car racing. McLaren runs a complex, global business, and they must analyze their business in real time. At SAPPHIRE I spoke to Ron Dennis, the CEO of McLaren. He told me that he decided on SAP because we are the only company that offers innovations integrated end-to-end – from applications to analytics to in-memory to mobile. Only SAP offers an intelligent network for the teams so they can make decisions in real time. That is our strength – the power of our innovations and how they broaden the possibilities to help businesses of all sizes run better.

Customer example: Charité (Slide: SAP HANA Oncolyzer)

The great thing about our innovations is that they enable us to solve problems that were not solvable until now. There have been many advances in cancer treatment. With HANA we can individualize treatment and improve people's lives. Together with Charité hospital in Berlin, we have developed the SAP HANA Oncolyzer, which uses our in-memory technology to read a patient's DNA and identify the best individualized treatment. Previously an analyst had to do this manually and it took a number of days. With SAP HANA it is done in minutes. With the Oncolyzer, doctors can immediately discuss the analysis with their patients, allowing a faster and more precise diagnosis as well as a personalized and more effective treatment. I am proud that SAP software can contribute to improving the lives of people with illnesses.

Sustainability (Slide: Sustainability: Contributing to a better world)

In a world with an increasing population and limited resources, we can help companies manage their businesses in a more sustainable way – and help manage the scarce resources in this world.

Danone is a company many of you know. Danone's Board set a bold target: With the help of SAP, the company aims to reduce carbon dioxide emissions by 30 percent. This means tracking the carbon emissions of 35,000 products across the entire logistics supply chain. What a task! To do so, Danone implements SAP business analytics software. These applications link back to their SAP ERP system. By

doing so, they can collect, measure, analyze and reduce their carbon footprint for all products across the entire product lifecycle.

We provide software to help others run more sustainably. At the same time, we believe we should be an exemplar of sustainability ourselves. In 2011, we continued to strengthen our position as a sustainability leader with our own operations. We moved closer to our goal to reduce total greenhouse gas emissions to our year-2000 level by 2020. Over the past five years we have continually improved our carbon efficiency: Our greenhouse gas emissions have decreased 18% since 2007 that is a more than 21% reduction per employee. These innovations better position us to help our customers integrate sustainability into their own strategies and operations, thereby multiplying our impact. You can learn more about sustainability at the SAP Exhibit.

Corporate Social Responsibility (Slide: Corporate Social Reponsibility)

SAP helps the world run better and improve peoples' lives each day. We also aim to be a good corporate citizen. We want to drive innovation and build an environment that enhances education and entrepreneurship to foster economic growth.

By focusing on education, we help youths receive the qualifications that they need to be successful in the world today, while our focus on entrepreneurship helps drive new ideas and business opportunities. At the same time, we see enormous opportunity to utilize our technology, our employees' skills and our other core competencies to help improve people's lives throughout the world. Please take a look at these examples of what we are doing around the world:

[VIDEO: SAP Touches Lives]

Employees (Slide: People at SAP)

We not only have a talented workforce committed to making SAP successful, but they are also engaged in the communities around them. In 2011, SAP employees volunteered 105,000 hours of their own time for good causes. I am quite proud of the commitment from our employees – both in and outside of SAP. Our excellent results in 2011 would not be possible without our employees, and on behalf of the Executive Board, I would like to thank them wholeheartedly for what we achieved together.

In our 40th anniversary year, we have extended our existing share-based compensation programs, to give employees further opportunities to share in our success. As part of our 40th anniversary, the existing Share Matching Plan was made even more attractive this year: employees receive five instead of one bonus share for each three shares they hold for three years.

SAP continues to strengthen its focus on leadership and employee development. Under the leadership of Board member Werner Brandt, we continued to make good progress in the implementation of our strong people strategy. Thank you, Werner.

We promote diversity in our workforce as well as develop our next generation of leaders and talent. Further, we develop our talent with special programs. Due These efforts led to a 9% increase in the Employee Engagement Index, which measures employee satisfaction and motivation. We also came closer to reaching our goal of having 25% women in leadership by 2017. At the end of 2011, 18.6% of leadership positions were held by women, an increase of 1%.

We are a much more diversified company today than even just a few years ago. This means we face new customer expectations, new business models and new competition. To account for this new reality, we have adjusted the leadership structure at SAP. Furthermore, we have established a Global Managing Board, which will enable the company to increase its focus on innovation, growth and operational excellence. I would like to welcome Lars Dalgaard and Rob Enslin to the Global Managing Board.

Lars, who also joins the SAP Executive Board, will lead our Cloud business unit, which combines all cloud assets of SAP and SuccessFactors. Rob is responsible for all sales worldwide. He will further accelerate

our go-to-market activities in all regions, expand our ecosystem and drive growth for our strategic industries. The SAP Executive Board intends to nominate Ariba CEO Bob Calderoni to the SAP Global Managing Board after closing of the transaction and subject to the approval of the SAP Supervisory Board. With this new structure, Bill and I will focus on strategy execution and on our customers. We will oversee and drive a consistent solutions portfolio across all our markets, further strengthen the relationship with our customers and ecosystem, and improve operational excellence.

2015 and Beyond

(Slide: 2012 Outlook)
For this year, we are very confident that we will achieve our targets set for 2012. For fiscal year 2012, we expect an increase in non-IFRS software and software-related service revenue in the range of 10% to 12% at constant currencies. We also expect to make a non-IFRS constant-currency operating profit of between €5.05 billion and €5.25 billion.

So in many ways we are helping the world run better and improving people's lives:
- through our software across the five market categories
- through our game-changing SAP HANA technology platform
- through our sustainability and CSR efforts
- through our people strategy, which ensures we have the right people with the right skills

More people than ever before are using SAP's innovations and we are poised to continue to grow this in 2012 and beyond.

(Slide: Expanding SAP's 2015 medium-term ambition)

We are in an excellent position to achieve our ambitious mid-term goals: to achieve at least €20 billion in total revenue, a 35% non-IFRS operating margin and reach 1 billion people with beautiful software in 2015, while becoming the fastest-growing database company and achieving €2 billion in cloud subscription revenue by 2015.

(Slide: Development of total amount of distributed dividends)

We believe our shareholders should benefit appropriately from the profit the company made in 2011. Therefore, together with the SAP Supervisory Board, the SAP Executive Board has recommended a dividend of €1.10. This includes a special dividend of €0.35 per share to celebrate SAP's 40th anniversary. You will be asked to vote on this later.

Through our unique combination of our core business and the new technologies cloud, mobile, and in-memory, we will strengthen our market position and push further ahead of the competition. With our clearly-defined innovation strategy we have doubled our addressable market. We have broadened our position and are ready for the next steps. SAP is not just for large companies, but rather we are relevant to all companies. We are not only relevant for our traditional users, but for all of our customers' employees. And we do not only manage business data, but rather all data. With this, we can continue providing value to our customers, thus ensuring growth for our company. Thank you for your trust in SAP! We are doing everything to continue the success of the past years into the future.