---------------------------------------------------------------------------------------------------------------SAP 2012

Dear Stakeholders,

The real-time world has now become reality. Cloud computing is changing the way software is consumed, evidenced by a shift in spending from hardware to software. Currently, there are more mobile devices in the world than people, giving billions of people computing power in their pockets. Fifteen billion of those devices are connected to the Internet, bringing people and businesses closer to each other across the globe.

Technology has moved beyond supporting business. More than ever, technology is the business.

At the same time, today’s technological advances create challenges of their own. Data volumes are doubling every 18 months, generating overwhelming information management challenges. And, as technology contributes to the growth of a global middle class – expected to be nearly five billion strong by 2030 – the world’s resources will be stressed to their limits.

Customers look to SAP to help them face this world of accelerating change in real time. Based on our unparalleled knowledge of critical business processes, they expect us to help them overcome global competition; use economic, natural, and social resources more wisely; interact with customers in new and personalized ways; and process the exabytes of information that flow into their data centers each year. Our purpose as a company is clearly defined as helping the world run better and improving people’s lives.

**A Strategy of Innovation**

In 2010, we introduced a highly focused innovation strategy that doubled our addressable market by offering solutions across five market categories – Applications, Analytics, Cloud, Mobile, and Database and Technology. With a neverending focus on our customers, that strategy continues to deliver gratifying results to date.

In 2012, we experienced another four quarters of double-digit software and software-related (SSRS) growth (non-IFRS) – we have now had 12 consecutive quarters of double-digit SSRS growth. For the full year, non-IFRS SSRS revenue grew 17% (13% at constant currencies). Software and cloud subscriptions revenue growth was even stronger with 21% growth (17% at constant currencies), which is twice as fast as our closest competitor. Our cloud momentum continued to accelerate, and the annual cloud revenue run rate approached €850 million.

We achieved a full-year non-IFRS operating profit of €5.2 billion, growing 11% (7% at constant currencies). We achieved this profitable growth while making continued investments in global go-to-market activities and our cloud business.

These results demonstrate that customers see the value of our innovations, and recognize that we deliver solutions that help them succeed in a hyperconnected and unpredictable world.

And today, we have become the leader in applications, analytics, and mobile. We are also the fastest-growing database company, and continue to build unrivaled momentum in cloud.

**SAP HANA® and the Cloud**

In 2012, two innovations in particular – SAP HANA® and our cloud-based solutions – delivered outstanding results.

With SAP HANA, we have once again reinvented real time. The SAP HANA platform allows customers to take advantage of in-memory computing technology across all five market categories. Since 2010, we have introduced premier applications that run on SAP HANA, such as the SAP® 360 Customer solution and the SAP NetWeaver® Business Warehouse application. And, we raised the bar once again in January 2013, by introducing SAP Business Suite powered by SAP HANA – something we believe is as dramatic an innovation as SAP R/3® was in the 1990s. Customers recognize a breakthrough when they see one, and SAP HANA has already generated €392 million in software revenue in 2012.

With our acquisition of SuccessFactors and other cloud innovations, we now have the most comprehensive and consistent cloud portfolio in the market. And through the cloud-based Ariba Network – the largest of its kind in the world – we are adding the power of globally connected business.

Innovations such as SAP HANA and our cloud solutions are changing the way that customers consume software and conduct business. Simply put, we are delivering innovations that address today’s and tomorrow’s challenges without causing disruption to our customers’ business operations.

**Leveraging Our Strengths**

We continue to leverage our traditional strengths, which include broad experience across 24 industries, and a large and expanding ecosystem of suppliers and business partners. Our partner network continuously presents additional opportunities to develop innovative products and solutions while significantly increasing our potential sales channels. In fact, indirect sales now make up 34% of SAP’s total software revenue.

Toward a Sustainable Future

Our commitment to a sustainable world is strong, as we seek to minimize our own environmental footprint and positively impact the communities in which we work. In 2012, for example, 60% of the electricity consumed by SAP came from renewable sources. We reduced our greenhouse gas emissions slightly despite strong business growth. And, our employees delivered more than 130,000 hours of volunteering in the communities in which we work. Our commitment to achieving sustainable success is further demonstrated in this report, where we integrate our sustainability and financial reporting.

At the same time, our commitment to more than 232,000 customers and over 64,000 employees has never been stronger, as we aim to increase our customer loyalty, measured by the Net Promoter Score, by eight percentage points, while increasing employee engagement to 82%. We continue to focus on leadership and employee development, and have also made strides toward our goal of having women in 25% of leadership positions. At the end of 2012, 19.4% of our leadership positions were held by women (2011: 18.7%).

We are well on our way to achieving our 2015 goals of more than €20 billion in revenue, with a 35% non-IFRS operating margin, and one billion people interacting with our software. Further, we aim to build a €2 billion cloud business and to remain the fastest-growing database company. And, we will achieve all of this while helping our customers minimize their environmental impact.

**Helping the World Run Better**

Companies that will lead in the 21st century define success more broadly than financial performance. They look at their impact on the world – socially, environmentally, and economically. Our solutions give us a huge opportunity to respond to challenges and opportunities, whether that means addressing the lack of opportunity for people throughout the world or contending with stress on our ecosystems. We believe that our business success hinges on our ability to seize this opportunity and fulfill our vision to make the world run better – in real time.

---------------------------------------------------------------------------------------------------------------SAP 2013

Dear Stakeholders,

In 2010, we launched our customer-centric innovation strategy based on a strong conviction

that yesterday’s technologies could not solve tomorrow’s challenges.

We listened to our customers that wanted to adopt innovation faster, analyze unprecedented amounts of data, reach their customers and consumers across all channels, and manage their mobile workers. In response, we expanded our portfolio by investing in cloud-based solutions and mobile technology – and by introducing SAP HANA, our game-changing in-memory technology.

Now, in 2014, it is clear that our strategy was the right one. Today, cloud, mobile, and Big Data are the dominant themes in the IT industry. With four consecutive years of double-digit growth, our success is evident. We are the fastest-growing mega-cap company in the enterprise software industry. For 2013, we reported €16.9 billion non-IFRS total revenue, with 11% constant currency growth in software and cloud subscription revenue (5% at actual currencies). In the same period, our non-IFRS operating margin increased to 33.5% at constant currencies (32.6% at actual currencies). We have more than 253,500 customers from companies of all sizes, across 25 industries, in mature as well as emerging markets.

With the market position and innovation pipeline we have today, we now have a unique opportunity to deliver significantly more value to our customers and reshape the technology landscape for lower cost and higher performance.

The trends we identified in 2010 have only accelerated, and we remain focused and determined to win in rapidly growing areas, especially in cloud and in-memory technology. Our SAP HANA technology has evolved from a real-time database to a true in-memory platform. SAP HANA now allows companies to radically simplify their IT infrastructure. In 2013, we put our entire SAP Business Suite on SAP HANA. Going forward, our software portfolio and the innovations of our partner ecosystem will be built on the foundation of SAP HANA. In the three years since its launch, SAP HANA has generated nearly €1.2 billion in revenue and has become one of the fastest growing products in the history of enterprise software. In 2013 alone, SAP HANA generated €664 million in revenue, which is an increase of 69% over the previous year at constant currencies.

Cloud computing has now become mainstream and is a widely accepted delivery model in the United States, and increasingly in Asia and Europe. The cloud offers an unprecedented opportunity to simplify software delivery and speed to value as customers get immediate access to innovation. Our annual cloud revenue run rate reached €1.06 billion at the end of 2013. For the year, we reported €757 million non-IFRS cloud subscription and support revenue. Today, SAP Cloud powered by SAP HANA is the broadest cloud portfolio in the industry. More than 35 million users work with our solutions in the cloud, and approximately 1.4 million companies trade over half a trillion U.S. dollars of goods and services through our cloud-based Ariba Network.

Our strategy was always embedded in a higher purpose and vision to “help the world run better and improve people’s lives.” In a world of limited resources, we are proud that, with our solutions, 10 million people in South Africa now have access to banking services with their mobile phones, urban governments in more than 50 countries deliver better services to their citizens, and people in more than 21 countries have easier access to education. In addition, we continue to uphold our commitment to the United Nations Global Compact.

Our non-financial performance indicators remained strong in 2013: We increased our Net Promoter Score by 3.2 percentage points. We also reduced our carbon footprint by 9% since the beginning of 2008. And, for the seventh time in a row, we have been ranked the number one software company in the Dow Jones Sustainability Index. As more customers choose our cloud solutions and our data centers grow, our total energy use will also increase. In 2014, we are addressing this growth by powering all of our data centers with 100% renewable energy. Moreover, we achieved an employee engagement score of 77%, which is among the highest benchmarks for this indicator. We are especially proud of our more than 66,500 employees, and thank them wholeheartedly for their hard work and innovative spirit.

Our momentum and strong foundation allows us to be bold about our future and set ambitious goals. By 2017, we expect to deliver at least €22 billion in total revenue (thereof €3.0–€3.5 billion from our cloud business). To capture the growth in the cloud, we have extended the time horizon for our 35% operating margin target to 2017. Further, we aim to increase customer loyalty by another four percentage points in 2014. In addition, we remain committed to increasing our already high level of employee engagement to 82% by 2015.

In a world of increasing velocity, innovation is imperative. But innovation must never lose sight of the human spirit, which craves simplicity and clarity. That is why our focus now is to “simplify everything so we can do anything.” With this guiding principle, we believe SAP is positioned to deliver profitable growth – and to continue our vision of helping the world run better while improving people’s lives.

---------------------------------------------------------------------------------------------------------------SAP 2014

Dear Stakeholders,

In 2014, SAP’s more than 74,400 employees came together and delivered a performance worthy of our enduring vision to help the world run better and improve people’s lives.

We also seized on the most intractable CEO challenge of this generation: complexity. In acknowledging the common enemy facing businesses of all sizes in all industries, we established and audacious new operating principle for ourselves and for the world: Run Simple.

**Business Highlights**

Against the backdrop of an IT industry in the midst of massive transformation, SAP executed in 2014 with the strength and stability the world has come to expect from a market leader. We delivered €17.6 billion in non-IFRS total revenues and €5.6 billion in non-IFRS operating profit for the full year. This performance is the latest result of our carefully and effectively managed business transformation, driven by the accelerated growth in SAP’s cloud business.

As customer preference shifts toward the software-as-a-service model, SAP’s business results evolve as well. The transition results in less upfront revenue because, unlike perpetual software licenses, cloud subscriptions are recognized over time instead of at the moment of the initial delivery. The cloud business model does have considerable benefits, including increased revenue predictability over the long term.

In 2014, this cloud transition accelerated for SAP. Non-IFRS cloud subscriptions and support revenue was €1.10 billion (compared with €757 million in 2013), an increase of 45%. SAP’s annual total cloud revenue run rate exceeded €1.7 billion. This is even more exciting when considering that only five years ago, SAP’s cloud revenues and registered cloud users were negligible.

Today, SAP is the fastest-growing enterprise cloud company at scale and the largest cloud company in the world by measure of users (70 million). By creating a “green cloud,” we have also tied our environmental strategy to our business strategy. Despite the increase in energy consumption from broader use of our cloud solutions, we were able to reduce our carbon footprint by 8% compared to 2013. And, for the eighth year in a row, we have been ranked the number-one software company in the Dow Jones Sustainability Index.

Other non-financial performance metrics also tell the story of SAP’s successful 2014. Our employee engagement index increased to 79%, again showing that our employees are engaged, supportive of our consistent strategy, and united in high trust. Our customers are not only satisfied, but also see us as a trusted partner for innovation, leading to an increase in customer royalty, as measured by the Customer Net Promoter Score, to 19.1%.

Overall, our 2014 performance was driven by our people and by an innovations portfolio built around the business challenges and opportunities facing our more than 282,000 customers worldwide.

**The Great Simplifier: SAP HANA**

With fast-growing inputs from sources like social media and the Internet of Things, CEOs have made it clear: accessing and analyzing only 1% of their data is a clear manifestation of complexity. Only SAP could take on the challenge of Run Simple, because only we have SAP HANA to manage the Big Data of the enterprise – structured and unstructured. With skyrocketing customer adoption in 2014, we firmly established the leadership position of SAP HANA, with more than 5,800 SAP HANA customers and 1,850 SAP Business Suite powered by SAP HANA customers worldwide.

In 2014, we also unveiled a new breakthrough, SAP Simple Finance, a solution fundamentally redefining what it means to use real-time financial data in successful businesses. Changing the “Read, then react” mindset in favor of prediction and simulation, SAP Simple Finance includes functionality and features natively built for the SAP HANA platform, delivering a consumer-grade user experience along with its revolutionary capabilities for finance professionals.

But SAP HANA also proved to be much more than just a transformational business innovation platform in 2014. It is changing everything from sports – SAP Match Insights powered by SAP HANA helped German National Football Team with the 2014 FIFA World Cup – to healthcare – Heidelberg’s National Center for Tumor Diseases now uses SAP HANA to improve diagnostic and patient treatment capabilities. Whether it’s the Ebola outbreak in West Africa or infant mortality in the United States, SAP HANA is uniting future leaders from the Hasso Plattner Institute and other leading universities with business and political leaders to change the world.

**Applications in the cloud built for business**

For the CIO to line-of-business executives in HR, procurement, and sales, we knew the cloud would be the pervasive computing theme of this generation. So back in 2010, SAP set out on a series of bold moves to build the broadest cloud portfolio in the technology industry. In 2014, that portfolio grew even stronger. SuccessFactors Employee Central became the fastest-growing core HR management solution in the marketplace. Combined with solutions from Fieldglass, SAP is the only cloud company that helps customers manage their total workforce – including temporary workers, which remains the fastest-growing segment of the labor force.

In addition to engaging the workforce, the CEO agenda in the cloud is also about engaging end-consumers in any channel, on any device. We knew that sales force automation had its place, but that legacy CRM wouldn’t help CEOS build growth strategies for the digital economy. That’s why our SAP solutions for customer engagement and commerce showed aggressive growth in 2014, including SAP hybris Marketing and SAP Cloud for Customer.

The cloud may be accelerating, but for customers the cloud is not a one-size-fits-all option. In 2014, SAP continued to invest in our public and managed cloud offerings, ensuring that customers could choose whether to run applications or entire enterprises in an SAP cloud – public, managed, or hybrid. However, the customer chooses to consume our technology, we remain ever-focused on innovating for their specific industry with our four decades-long commitment to security and trust.

**The Business Network**

2014 also saw SAP take a defining step on the road to the next frontier in the cloud: a secure, real-time business network to reinvent commerce between companies. It started in 2012 with Ariba, the network for indirect materials in the enterprise. It expanded in mid-2014 with Fieldglass and contract workforces. At the end of 2014, we successfully completed the acquisition of Concur, the largest software-as-a-service acquisition in history, addition the US $1.2 trillion business travel market to the scope of SAP’s leadership position in the business network.

Concur completes our network vision and enables SAP to help customers reinvent resource management across all major categories of enterprise spend. To defeat complexity, it’s no longer adequate for business processes to end at the walls of an enterprise. Our business network extends those processes between companies, a significant step forward for Run Simple.

**The Road Ahead**

SAP enjoyed a strong and successful 2014, but we remain restless in our drive to shape the future of enterprise technology. In 2015, for example, we already made the largest product announcement in SAP’s history: SAP S/4HANA, a next-generation business suite built for the digital, networked economy. SAP S/4HANA is designed to drive instant value across lines of business and industries with the ultimate sophistication: simplicity. From a business value perspective, SAP S/4HANA can create unique opportunities to reinvent business models and drive new revenues. From an IT perspective, SAP S/4HANA can create unique opportunities to dramatically simplify the IT landscape and reduce total cost of ownership.

With SAP/4HANA to revolutionize core business applications, the broadest cloud portfolio across industries and lines of business, and the business network to reinvent commerce between companies, we enter 2015 with the strongest collection of assets in the company’s history.

**This Report**

We invite all stakeholders to explore our SAP Integrated Report 2014 to learn more about SAP’s business strategy and performance. But we also believe in full transparency, which is why you’ll also find extensive information about our social and environmental performance. It’s no longer enough for great companies to be financially and operationally sound. The 21st century demands purpose-driven companies, keenly aware of the impact we have on our people and environment. In this spirit, the SAP Integrated Report aims to be a role model. We welcome your interest and your feedback.

SAP, our employees, and our ecosystem are united in dedication to our customers. We see a future where every customer can run real time, run networked, and Run Simple. 2014 kept us on the right path and inspires us to be continue leading in 2015 and beyond.