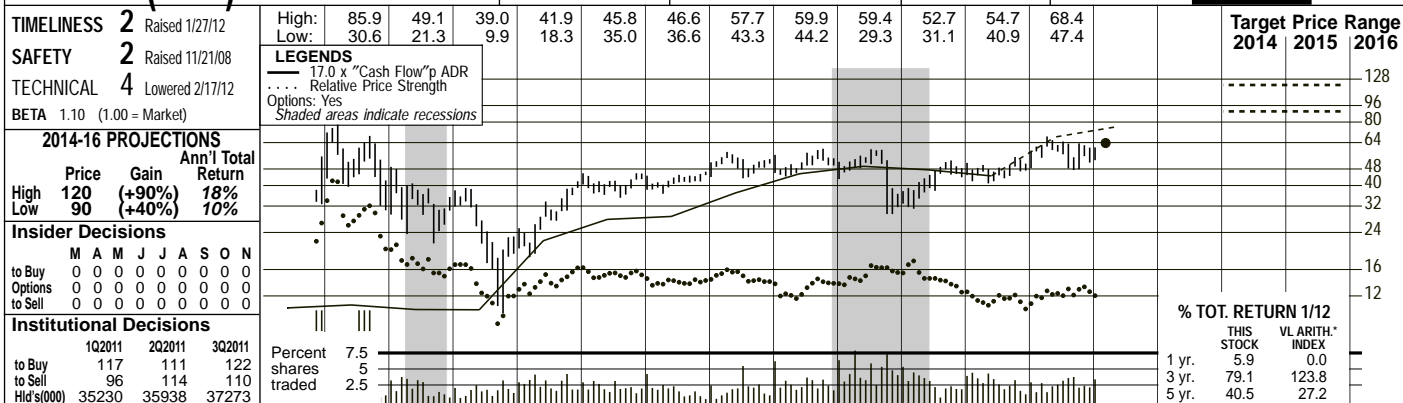


SAP AG (ADR) NYSE-SAP

RECENT PRICE **63.60** P/E RATIO **17.6** (Trailing: 19.3 Median: 26.0) RELATIVE P/E RATIO **1.11** DIV'D YLD **1.6%** VALUE LINE



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
Translation Rate(Euro/\$)	.89	1.05	1.26	1.36	1.18	1.32	1.46	1.39	1.43	1.33	1.30	1.30		1.30
Revenues per ADR	5.19	6.17	7.01	8.05	7.96	9.79	12.48	13.56	12.87	13.93	15.75	17.25		21.75
"Cash Flow" per ADR	.61	.61	1.29	1.63	1.68	2.17	2.67	2.90	2.80	2.62	4.00	4.50		5.50
Earnings per ADR	.41	.42	1.09	1.42	1.52	2.01	2.34	2.25	2.20	2.02	3.32	3.70		4.50
Gross Div'ds Decl'd/ADR	.13	.13	.17	.24	.35	.43	.62	.78	.68	.60	.87	1.00		1.35
Cap'l Spending per ADR	.27	.26	.28	.23	.24	.38	.49	.40	.27	.37	.30	.40		.45
Book Value per ADR	2.20	2.39	3.70	4.92	5.41	6.39	7.92	8.48	10.22	10.96	13.00	15.70		24.00
Equiv ADRs Outst'g	1259.3	1259.9	1261.7	1264.0	1265.8	1267.5	1198.2	1187.3	1188.8	1187.7	1190.0	1190.0		1200.0
Avg Annual P/E Ratio	NMF	NMF	27.0	28.6	27.7	25.2	21.7	21.2	19.3	23.4	17.5			23.0
Relative P/E Ratio	NMF	NMF	1.54	1.51	1.47	1.36	1.15	1.28	1.29	1.50	1.09			1.55
Avg Annual Div'd Yield	4%	5%	6%	6%	8%	9%	12%	16%	16%	13%	15%			1.3%
Revenues (\$mill)	6534.1	7772.4	8848.9	10173	10080	12408	14953	16097	15295	16538	18764	20550		26000
Operating Margin	23.0%	25.4%	27.7%	29.6%	31.6%	29.0%	29.1%	29.2%	28.6%	32.9%	34.5%	35.0%		34.0%
Depreciation (\$mill)	249.0	231.9	271.5	283.9	241.0	282.7	381.1	763.0	715.0	709.0	940	990		1200
Net Profit (\$mill)	517.3	533.3	1356.8	1774.2	1890.2	2469.7	2823.6	2682.0	2612.0	2403.0	3824	4400		5350
Income Tax Rate	44.6%	54.1%	39.0%	36.8%	35.3%	30.0%	32.2%	30.0%	28.1%	22.5%	26.0%	27.0%		29.0%
Net Profit Margin	7.9%	6.9%	15.3%	17.4%	18.8%	19.9%	18.9%	16.7%	17.1%	14.5%	20.4%	21.4%		20.6%
Working Capital (\$mill)	1717.6	1304.9	3549.5	4210.4	4098.1	4686.0	4685.2	d72.0	2635.0	2646.0	4425	4500		5000
Long-Term Debt (\$mill)	6.5	--	--	--	--	--	--	--	--	5903.0	3800	3000		350
Shr. Equity (\$mill)	2767.8	3011.4	4672.8	6219.7	6847.3	8097.5	9494.4	10068	12149	13013	15465	18675		28725
Return on Total Cap'l	18.7%	17.7%	29.0%	28.5%	27.6%	30.5%	29.7%	26.6%	21.5%	13.1%	20.5%	20.5%		18.5%
Return on Shr. Equity	18.7%	17.7%	29.0%	28.5%	27.6%	30.5%	29.7%	26.6%	21.5%	18.5%	24.5%	23.5%		18.5%
Retained to Com Efg	12.9%	11.4%	24.0%	23.1%	21.7%	23.2%	21.2%	18.4%	14.5%	12.4%	18.0%	17.0%		13.0%
All Div'ds to Net Prof	31%	36%	17%	19%	21%	24%	29%	31%	33%	33%	27%	24%		30%

Founded in 1972, SAP is the recognized leader in providing collaborative business solutions for all types of industries. SAP stock was first traded on November 4, 1988 on the German Stock Exchange. The SAP American Depositary Receipt (ADR) covered on this page has been listed on the New York Stock Exchange since August 3, 1998. The ratio between the ADR and the underlying ordinary shares is 1 to 1.

CAPITAL STRUCTURE as of 9/30/11
 Total Debt \$5599 mill. Due in 5 Yrs \$4225 mill.
 LT Debt \$5364 mill. LT Interest \$150 mill.
 (26% of Cap'l)
 Leases, Uncap'l-12/10 Annual rentals \$279 mill.

Pension Assets-12/10 \$1062 mill.
 Oblig. \$1135 mill.

Common Stock 1,189,653,965 shares
 (Equivalent to 1,189,653,965 American Depositary Receipts)^B

MARKET CAP: \$75.0 billion (Large Cap)

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '08-'10 of change (per ADR)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '08-'10
Revenues	12.0%	12.0%	8.5%
"Cash Flow"	16.0%	12.5%	12.0%
Earnings	16.0%	10.0%	13.0%
Dividends	18.0%	22.0%	12.0%
Book Value	18.0%	16.0%	16.0%

QUARTERLY REVENUES (\$ mill.)^{CD}

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	3424	3978	3843	4852	16097
2009	3435	3692	3594	4574	15295
2010	3390	3542	4094	5431	16538
2011	3952	4418	4564	5830	18764
2012	4350	4825	4875	6500	20550

EARNINGS PER ADR^{BCD}

Cal-endar	Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2008	.29	.47	.49	1.00	2.25
2009	.23	.51	.54	.90	2.20
2010	.45	.50	.57	.50	2.02
2011	.44	.66	.91	1.31	3.32
2012	.60	.80	.85	1.45	3.70

QUARTERLY DIVIDENDS PAID^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	--	.777	--	--	.78
2009	--	.680	--	--	.68
2010	--	.597	--	--	.60
2011	--	.870	--	--	.87

BUSINESS: SAP AG develops, markets, sells, and supports enterprise application software products for corporations, government agencies, and educational institutions in Europe, the Middle East, Africa, North and South America, and Asia/Pacific. The company offers SAP Business All-in-One; SAP Business ByDesign; and SAP Business One. It also offers custom development, active global

SAP finished 2011 on a strong note. In keeping with the previous three quarters, the software vendor experienced good demand for its products and services in the December period. Business activity was healthy in all geographic regions, including Europe. Customers continued to show strong interest in the company's in-memory technology (HANA); its offerings in the mobile arena also continued to be a positive factor. Taken as a whole, then, 2011 was good year for SAP, and one in which revenue and earnings moved back onto a growth track. Indeed, **We look for the business applications vendor to continue making progress in 2012 and beyond.** A key element in SAP's growth strategy has to do with innovation, and getting the new products and services to its customers quickly with little disruption to their businesses. And they are casting a wide net, looking to gain leadership in the database technology and cloud computing categories, while maintaining their top positions in business applications, analytics, and mobile. HANA will also figure in here. As mentioned above, interest in the in-memory technol-

ogy is strong (because of speed with which it provides results), and the company intends to use it as its next-generation architecture for the five product markets it is targeting for leadership. **We have made adjustments to our revenue and earnings estimates for this year.** The company is looking for software and software-related sales to advance 10%-12% (at constant currency). We have incorporated an estimate in this range into our top-line target. We note that even though our revenue estimate for 2012 is unchanged from our November report, our figure is in dollars, which includes translation effects (the dollar has been strengthening versus the euro). Earnings, meanwhile, seem set to advance 10%-12%, to some \$3.70 a share (assuming a euro/\$ rate of 1.30). **SAP ADRs are favorably ranked for Timeliness.** The company seems to have made the transition into an agile, innovative organization, and its growth prospects are good, in our view. The issue should interest most tech investors, though the economic situation in Europe adds some risk.

Charles Clark
 February 17, 2012

(A) Dividend is paid annually the day after the yearly shareholders meeting, usually in late May/early June. (B) Each SAP ADR represents one SAP ordinary share. Next egs. report due late April. (C) Quarterly revenue and EPS are calculated by taking reported figures in euros and translating them by the euro/dollar exchange rate as of the last day of the quarter. Most recent quarter's fx rate: 12/30, 1.2961. (D) May not sum due to rounding and/or foreign exchange effects.

Company's Financial Strength A
Stock's Price Stability 75
Price Growth Persistence 85
Earnings Predictability 90

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