



December 3, 2011

## SAP to Accelerate Cloud Strategy with Acquisition of SuccessFactors

***Creates Global Cloud Leader with World-Class Applications, Technology and Expertise; Gains Immediate Scale and Momentum in Fast-Growing Cloud-based Human Capital Management Segment***

**WALLDORF, Germany and SAN MATEO, California — December 3, 2011** — [SAP AG](#) (NYSE: SAP) and SuccessFactors, Inc. (NYSE: SFSF) today announced that SAP's subsidiary, SAP America., Inc., has entered into a definitive merger agreement with SuccessFactors, the market-leading provider of cloud-based human capital management (HCM) solutions, pursuant to which a subsidiary of SAP would offer to acquire all outstanding shares of common stock of SuccessFactors for \$40.00/per share in cash, representing an enterprise value of approximately \$3.4 billion. The acquisition will add SuccessFactors' widely respected team and technology to SAP's powerful cloud assets, significantly accelerating SAP's momentum as a provider of cloud applications, platforms and infrastructure. The combination of SAP and SuccessFactors will establish an advanced end-to-end offering of cloud and on-premise solutions for managing all relevant business processes.

The SuccessFactors board of directors has unanimously approved the transaction. The per share purchase price represents a 52% premium both over the December 2<sup>nd</sup> closing price and the one month volume weighted average price per share. The transaction will be funded from SAP's cash on hand and a €1 billion term loan facility. The closing of the tender offer is conditioned on SuccessFactors stockholders tendering at least a majority of the outstanding shares of SuccessFactors common stock (on a fully diluted basis) and clearances by relevant regulatory authorities. The transaction is expected to close in the first quarter of 2012 and be slightly dilutive to SAP's Non-IFRS earnings per share in 2012 and accretive in subsequent years.

The acquisition marks another stride in SAP's strategy of delivering solutions on premise, in the cloud and on mobile devices. It builds on a series of strategic moves in SAP's targeted growth areas to drive innovation in its [core applications](#) and [analytics](#); introduce breakthrough [in memory technology](#); establish leadership in [enterprise mobility](#); and grow its [cloud portfolio](#). SuccessFactors' solutions are highly complementary to SAP's core HCM offerings as well as SAP's strong cloud assets: SAP Business ByDesign for the suite cloud market and SAP's line of business cloud offerings for large enterprises such as SAP Sales on Demand.

"The cloud is a core of SAP's future growth, and the combination of SuccessFactors' leadership team and technology with SAP will create a cloud powerhouse. The acquisition will help us address the top priority for CEOs globally – managing people and talent," said Bill McDermott, Co-CEO, SAP. "Together, SAP and SuccessFactors will create tremendous business value for customers, with potent synergies to accelerate our growth in the cloud."

"The depth and experience that SAP brings to customers via our cloud and on-premise portfolio fit elegantly with SuccessFactors' world-class expertise in providing high-performing, low-cost, native cloud applications that customers are passionate about," said Jim Hagemann Snabe, Co-CEO, SAP. "Together, we will lead the industry in providing end-to-end solutions consistently to meet any deployment preference, whether on premise, in the cloud or on device."

"This is a revolutionary combination of proven capabilities that will allow SuccessFactors to accelerate our roadmap by 10 years, and bring the world's leading application knowledge and intellectual property to our

customers through the cloud, and the largest applications customer base instantly,” said Lars Dalgaard, Founder and CEO, SuccessFactors. “Expanding relationships with SAP’s 176,000 customers with our speed to value, friendly user interface, on mobile devices and the web, and seamlessly delivering more SAP solutions in the cloud will be legendary, as organizations adopt the cloud to improve their business. SuccessFactors has proven we have the technology and people to deliver the world’s biggest cloud deployments in terms of users and countries per customer, and also the most applications per customer from the same flexible scalable cloud platform. The business world is ready for enterprise-class cloud applications and together, we can deliver incredible new innovation for global businesses.”

SuccessFactors is believed to operate the largest scale of paying cloud users with 15 million subscription seats. With more than 3,500 [customers](#) in 168 countries, SuccessFactors is growing rapidly, recording 77 percent revenue growth year-over-year in the third quarter 2011 and 59 percent revenue growth year-over-year in the first nine months of 2011. SuccessFactors’ scalable cloud application platform supports organizations of all sizes from dozens to millions of users. With proven deployments in SAP environments at companies in diverse industries, the combination of SuccessFactors and SAP holds significant growth potential considering the more than 500 million employees of SAP customers and its 15,000 HCM deployments.

With headquarters in San Mateo, California, and more than 1,450 employees, the SuccessFactors team is widely regarded for creating innovative technology, generating more than 80 percent of new sales from applications that did not exist five years ago, and as one of the fastest growing leaders in cloud applications. Upon completion of the transaction, the CEO of SuccessFactors, Lars Dalgaard, will lead the cloud business of SAP in addition to his responsibility as CEO of SuccessFactors. SuccessFactors will remain independent and be named “SuccessFactors, an SAP company”. The chairman of SAP’s supervisory board, Hasso Plattner, recommended that Lars Dalgaard be appointed to the executive board of SAP AG.

### **SAP and SuccessFactors Customers to Benefit from Combined Application and Technology Footprint**

- The combination of SuccessFactors and SAP will create a comprehensive HCM solution, marrying strength in enterprise applications with people-focused cloud applications.
- SuccessFactors’ complementary solutions will be an attractive option for more than 500 million employees of SAP customers.
- SuccessFactors’ applications are designed for businesses of all sizes, and offer easily adopted solutions for customers of SAP Business Suite, SAP Business ByDesign, SAP Business All-in-One, and SAP Business One.
- SuccessFactors’ cloud expertise and know how, rapid cloud innovation and proven success running large scale cloud deployments will help SAP customers more rapidly adopt cloud applications.
- SuccessFactors’ mobile applications combined with the mobile expertise of SAP and Sybase will offer customers a powerful business-to-employee mobility portfolio.
- SuccessFactors’ focus on enabling business insight and execution fits well with SAP’s business analytics platform, promising new levels of real time decision making across the enterprise.

### **Financial Analyst and Media Conference Call**

SAP and SuccessFactors will host two conference calls for financial analysts and media to discuss the transaction:

On **Saturday, December 3<sup>rd</sup>**, at 7:00 pm CET / 1:00 pm Eastern (Dial-in numbers: Germany: +49 69 5899 90797, UK: +44 20 7190 1595, US: +1 480 629 9771; Replay numbers: UK +44 207 154 2833, US +1 303 590 3030, Germany +49 69 58 99 90 568, Access Code: 4493863#)

On **Monday, December 5<sup>th</sup>**, at 3:00 pm CET / 9:00 am Eastern (Dial-in numbers: Germany: +49 69 5899 90797, UK: +44 20 7190 1595, US: +1-480 629 9722, Conference ID: 4493869; Replay Numbers: UK +44 207 154 2833, US +1 303 590 3030, Germany +49 69 58 99 90 568, Access Code: 4493869#)

### **About SAP**

As market leader in enterprise application software, SAP (NYSE: SAP) helps companies of all sizes and industries run better. From back office to boardroom, warehouse to storefront, desktop to mobile device – SAP empowers people and organizations to work together more efficiently and use business insight more effectively to stay ahead of the competition. SAP applications and services enable more than 176,000 customers to operate profitably, adapt continuously, and grow sustainably. For more information, visit [www.sap.com](http://www.sap.com).

### **Additional information**

This announcement is neither an offer to purchase nor a solicitation of an offer to sell securities. The tender offer for the outstanding shares of SuccessFactors common stock described in this announcement has not commenced. At the time the offers are commenced SAP America, Inc. and Saturn Expansion Corporation, an indirect subsidiary of SAP AG, will file a Schedule TO Tender Offer Statement with the Securities and Exchange Commission, and SuccessFactors, Inc. will file a Schedule 14D-9 Solicitation/Recommendation Statement with respect to the offer. The Tender Offer Statement (including an offer to purchase, a related letter of transmittal and other offer documents) and the Solicitation/Recommendation Statement will contain important information that should be read carefully before any decision is made with respect to the Tender Offer. Those materials and other documents filed by SAP AG, SAP America, Inc., Saturn Expansion Corporation or SuccessFactors with the SEC will be available at no charge on the Securities and Exchange Commission's web site at [www.sec.gov](http://www.sec.gov). The Schedule TO Tender Offer Statement and related materials may be obtained for free by directing such requests to SAP AG, Attention: Stefan Gruber, Dietmar-Hopp-Allee 16, 69190 Walldorf, Germany, Telephone: +49 6227 744872. The Schedule 14D-9 Solicitation/Recommendation Statement and such other documents may be obtained for free by directing such requests to SuccessFactors Global Headquarters, Attention: Hillary Smith, 1500 Fashion Island Blvd. Suite 300, San Mateo, CA 94404, USA, Telephone +1 (650) 645-2000

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 or SuccessFactors are intended to identify such forward-looking statements. This release contains forward-looking statements that involve risks and uncertainties concerning the parties' ability to close the transaction and the expected closing date of the transaction, the anticipated benefits and synergies of the proposed transaction, anticipated future combined operations, products and services, and the anticipated role of SuccessFactors, its key executives and its employees within SAP following the closing of the transaction. Actual events or results may differ materially from those described in this release due to a number of risks and uncertainties. These potential risks and uncertainties include, among others, the outcome of regulatory reviews of the proposed transaction, the ability of the parties to complete the transaction, the failure to retain key SuccessFactors employees, customer and partner uncertainty regarding the anticipated benefits of the transaction, the failure of SAP and SuccessFactors to achieve the anticipated synergies of the proposed transaction and other risks detailed in SAP's and SuccessFactors' SEC filings, including those discussed in SAP's annual report on Form 20-F for the year ended December 31, 2010 and SuccessFactors' quarterly report on Form 10-Q for the quarter ended September 30, 2011, each of which is on file with the SEC and available at the SEC's website at [www.sec.gov](http://www.sec.gov). Neither SAP nor SuccessFactors is obligated to update these forward-looking statements to reflect events or circumstances after the date of this document. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates.

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