



SAP AG

(a stock corporation incorporated under the laws of the Federal Republic of Germany
having its corporate seat in Walldorf, Federal Republic of Germany)

Euro [•] [•] per cent. Notes due 2013

Issue price: [•] per cent.
ISIN: XS0530320281

Euro [•] [•] per cent. Notes due 2012

Issue price: [•] per cent.
ISIN: XS0530321255

Euro [•] floating rate Notes due 2012

Issue price: [•] per cent.
ISIN: XS0530321412

SAP AG, Walldorf, Federal Republic of Germany (the "**Issuer**" or "**SAP AG**"), will issue on or about 6 August 2010 (the "**Issue Date**") EUR [•] [•] per cent. fixed rate notes due 2013 (the "**2013 Notes**"), EUR [•] [•] per cent. fixed rate notes due 2012 (the "**2012 Notes**"), and together with the 2013 Notes the "**Fixed Rate Notes**") and the EUR [•] floating rate notes due 2012 (the "**Floating Rate Notes**", and together with the Fixed Rate Notes, the "**Notes**" and each a "**Series**"). The 2013 Notes will be redeemed at par on 6 August 2013. The 2012 Notes will be redeemed at par on 6 February 2012. The Floating Rate Notes will be redeemed at par on 6 February 2012.

This prospectus (the "**Prospectus**") constitutes a prospectus within the meaning of Article 5.3 of the Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 (the "**Prospectus Directive**"). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange (www.bourse.lu). This Prospectus has been approved by the *Commission de Surveillance du Sector Financier* of the Grand Duchy of Luxembourg (the "**CSSF**") in its capacity as competent authority under the Luxembourg law relating to prospectuses for securities (*Loi relative aux prospectus pour valeurs mobilières*) (the "**Prospectus Law**"), which implements the Prospectus Directive. The Issuer has requested the CSSF to provide the competent authority in the Federal Republic of Germany ("**Germany**"), The Netherlands, and the Republic of Austria and may request to provide competent authorities in additional host Member States within the European Economic Area with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Luxembourg law relating to prospectuses for securities (the "**Notification**").

Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange (the "**Official List**") and admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange, a market appearing on the list of regulated markets issued by the E.C. pursuant to Directive 2004/39/EC of 21 April 2004 on markets in financial instruments.

The Notes are issued in bearer form with a denomination of EUR 1,000 each.

The final issue price, principal amount and interest rate of each Series, the issue proceeds, the commissions, the yield and the expenses of the issue will be included in the Pricing Notice (as defined in "Subscription, Sale and Offer of the Notes" below) which will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or prior to the Issue Date of the Notes.

The 2013 Notes have been assigned the following securities codes: ISIN XS0530320281, Common Code 053032028, WKN A1EWFC. The 2012 Notes have been assigned the following securities codes: ISIN XS0530321255, Common Code 053032125, WKN A1EWFD. The Floating Rate Notes have been assigned the following securities codes: ISIN XS0530321412, Common Code 053032141, WKN A1EWFE.

Joint Lead Managers

Barclays Capital

Deutsche Bank

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Prospectus and hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its importance.

This Prospectus should be read and understood in conjunction with any supplement hereto and with any other documents incorporated herein by reference.

The Issuer further confirms that (i) this Prospectus contains all information with respect to the Issuer and its subsidiaries and affiliates taken as a whole (the "**SAP Group**", "**we**", "**our**" or "**us**") and to the Notes which is material in the context of the issue and offering of the Notes, including all information which, according to the particular nature of the Issuer and of the Notes is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the SAP Group and of the rights attached to the Notes; (ii) the statements contained in this Prospectus relating to the Issuer, the SAP Group and the Notes are in every material particular true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the SAP Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in the Prospectus misleading in any material respect; and (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

NOTICE

No person is authorised to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers (as defined in "*SUBSCRIPTION, SALE AND OFFER OF THE NOTES*"). Neither the delivery of this Prospectus nor any offering, sale or delivery of any Notes made hereunder shall, under any circumstances, create any implication (i) that the information in this Prospectus is correct as of any time subsequent to the date hereof or, as the case may be, subsequent to the date on which this Prospectus has been most recently amended, or supplemented, or (ii) that there has been no adverse change in the financial situation of the Issuer which is material in the context of the issue and sale of the Notes since the date of this Prospectus or, as the case may be, the date on which this Prospectus has been most recently amended or supplemented, or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this Prospectus by reference or (iii) that any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Prospectus contains certain forward-looking statements, including statements using the words "believes", "anticipates" "intends", "expects" or other similar terms. This applies in particular to statements under the caption "*GENERAL INFORMATION ABOUT THE ISSUER - Business*" and statements elsewhere in this Prospectus relating to, among other things, the future financial performance, plans and expectations regarding developments in the business of the Issuer. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that may cause the actual results, including the financial position and profitability of the Issuer, to be materially different from or worse than those expressed or implied by these forward-looking statements. The Issuer does not assume any obligation to update such forward-looking statements and to adapt them to future events or developments.

Neither the Joint Lead Managers nor any other person mentioned in this Prospectus, except for the Issuer, is responsible for the information contained in this Prospectus or any other document incorporated herein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Joint Lead Managers to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Joint Lead Managers to a recipient hereof and thereof that such recipient should purchase any Notes.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The offer, sale and delivery of the Notes and the distribution of this Prospectus in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and include notes in bearer form that are subject to U.S. tax law requirements. Subject to certain limited exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons.

For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Prospectus (or of any part thereof) see "*SUBSCRIPTION, SALE AND OFFER OF THE NOTES – Selling Restrictions.*"

The legally binding language of this Prospectus is English. Any part of the Prospectus in German language constitutes a translation, except for the conditions of issue of the Notes in respect of which German is the legally binding language.

In this Prospectus, unless otherwise specified, all references to "€", "EUR" or "Euro" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended, and references to "USD" are to the US Dollar.

IN CONNECTION WITH THE ISSUE OF THE NOTES, DEUTSCHE BANK AG, LONDON BRANCH (OR PERSONS ACTING ON ITS BEHALF) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT DEUTSCHE BANK AG, LONDON BRANCH (OR PERSONS ACTING ON ITS BEHALF) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN AT ANY TIME AFTER THE ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE DATE OF THE RECEIPT OF THE PROCEEDS OF THE ISSUE BY THE ISSUER AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. SUCH STABILISING SHALL BE IN COMPLIANCE WITH ALL LAWS, DIRECTIVES, REGULATIONS AND RULES OF ANY RELEVANT JURISDICTION.

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SUMMARY

The following constitutes the summary (the "**Summary**") of the essential characteristics of and risks associated with the Issuer and the Notes. This Summary should be read as an introduction to this Prospectus. It does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus. Any decision by an investor to invest in the Notes should be based on consideration of this Prospectus as a whole. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of such court, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches to the Issuer who has tabled this Summary including any translation thereof, and applied for its notification, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

Summary in respect of the Notes

Words and expressions defined in the Conditions of Issue of the Notes reproduced elsewhere in this Prospectus shall have the same meanings in this Summary.

<i>Issuer:</i>	SAP AG
<i>Joint Lead Managers:</i>	Barclays Bank PLC Deutsche Bank AG, London Branch
<i>Principal Paying Agent:</i>	Deutsche Bank Aktiengesellschaft Grosse Gallusstrasse 10 – 14 60311 Frankfurt am Main Germany
<i>Luxembourg Listing Agent</i>	Deutsche Bank Luxembourg S.A.
<i>Determination of Principal Amount, Issue Price and further information:</i>	The final issue price and principal amount, the interest rate, the coupon amount (in case of the 2012 Notes), the margin (in case of the Floating Rate Notes), the issue proceeds, the commissions, the yield and the expenses of the issue will be included in the Pricing Notice (as defined in " <i>SUBSCRIPTION, SALE AND OFFER OF THE NOTES</i> " below) which will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or prior to the Issue Date of the Notes.
<i>Issue Date:</i>	6 August 2010
<i>Denomination:</i>	The Notes will be issued in a denomination of EUR 1,000 each.
<i>Offer period:</i>	The Notes will be offered to investors by the Joint Lead Managers during an offer period which will commence on 29 July 2010 and will be open until the Issue Date.
<i>Form of Notes:</i>	The Notes will initially be represented by a temporary global bearer Note (the " Temporary Global Note ") without interest coupons which will be kept in custody by a common safekeeper on behalf of both, Clearstream Banking <i>société anonyme</i> , (42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg) and Euroclear Bank SA/NV (Boulevard du Roi Albert II, 1210 Brussels, Belgium) (together, the " Clearing System "). Notes represented by the Temporary Global Note will be exchangeable for Notes represented by a permanent global bearer Note (the " Permanent Global Note ", and each of the Temporary Global Note and the Permanent Global Note, a " Global Note ") without interest coupons not earlier than 40 days after the Issue Date in accordance with the provisions set out in the Conditions of Issue. In particular such exchange and any payment of interest on Notes represented by the Temporary Global Note shall only be made upon delivery of certifications as to non-U.S. beneficial ownership in accordance with the rules and operating procedures of the Clearing System. Payments on the Temporary Global Note will only be made against presentation of such certifications. No definitive Notes or interest coupons will be issued.
<i>Interest:</i>	<p>The 2013 Notes will bear interest from and including 6 August 2010 to, but excluding, 6 August 2013 at a rate of [•] per cent. <i>per annum</i>, payable annually in arrear on 6 August in each year, commencing on 6 August 2011.</p> <p>The 2012 Notes will bear interest from and including 6 August 2010 to, but excluding, 6 February 2012 at a rate of [•] per cent. <i>per annum</i>, payable on</p>

6 February 2011 and 6 February 2012 in arrear. The interest payment to be made on 6 February 2011 will amount to EUR [•] per principal amount equal to the specified denomination.

The Floating Rate Notes will bear interest from and including 6 August 2010 to, but excluding, 6 February 2012 at a rate determined on the basis of the EURIBOR reference rate appearing on a specified date on screen page Reuters EURIBOR01 plus a margin of [•] per cent. Interest will be payable in arrear on 6 November, 6 February, 6 May and 6 August in each year, commencing on 6 November 2010.

<i>Taxation:</i>	Principal and interest shall be payable without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Germany or by or on behalf of any political subdivision or authority thereof or therein having power to tax (the " Withholding Taxes "), unless such withholding or deduction is required by law. In such event, the Issuer will, subject to the exceptions set out in the Conditions of Issue, pay such additional amounts as shall be necessary in order that the net amounts received by the Holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction.
<i>Early Redemption for Taxation Reasons:</i>	Early redemption of the Notes for reasons of taxation will be permitted, if as a result of any change in, or amendment to, the laws or regulations (including any amendment to, or change in, an official interpretation or application of such laws or regulations) of Germany or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, the Issuer will become obligated to pay additional amounts on the Notes, all as more fully set out in the Conditions of Issue.
<i>Status of the Notes:</i>	The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking <i>pari passu</i> among themselves and <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.
<i>Negative Pledge:</i>	In § 2 of the Conditions of Issue the Issuer agrees not to provide any Security Interest for any Capital Market Indebtedness.
<i>Change of Control</i>	The Conditions of the Issue contain a change of control provision.
<i>Events of Default:</i>	The Notes will provide for events of default entitling Holders to demand immediate redemption of the Notes, all as more fully set out in the Conditions of Issue.
<i>Cross Default</i>	The Conditions of Issue contain a cross default clause in relation to non-payment of Capital Market Indebtedness.
<i>Governing Law:</i>	The Notes are governed by German law.
<i>Jurisdiction:</i>	Exclusive place of jurisdiction for all legal proceedings arising under the Notes is Frankfurt am Main, Germany.
<i>German Act on Issues of Debt Securities (Schuldverschreibungsgesetz)</i>	The Conditions of Issue provide that Holders may agree by majority vote to amendments of the Conditions of Issue and appoint a joint representative (<i>gemeinsamer Vertreter</i>) for all Holders for the preservation of their rights pursuant to section 5 para. 1 of the German Act on Issues of Debt Securities (<i>Schuldverschreibungsgesetz</i>). Resolutions will be adopted in a noteholders' meeting.
<i>Listing and admission to trading:</i>	Application has been made for admission to trading of the Notes on the regulated market of the Luxembourg Stock Exchange and for listing of the Notes on the official list of the Luxembourg Stock Exchange.
<i>Selling Restrictions:</i>	The offer and the sale of the Notes and the distribution of offering materials are subject to specific restrictions. The relevant restrictions applicable in the European Union, the USA and the United Kingdom as well as Japan are set out under " <i>SUBSCRIPTION, SALE AND OFFER OF THE NOTES</i> ".

Clearance and Settlement: The Notes will be accepted for clearing through the Clearing System.

Availability of documents: This Prospectus, any supplement thereto and the documents incorporated by reference herein will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) or are obtainable in printed form at the address of the Principal Paying Agent.

Summary in respect of the Issuer

Information about SAP AG

SAP AG is a German stock corporation (*Aktiengesellschaft*). It is registered with the Commercial Register (*Handelsregister*) of the Lower Court (*Amtsgericht*) in Mannheim under HRB 350269 under the name "SAP AG". Our legal corporate name is "SAP AG". SAP AG is translated in English to "SAP Corporation". Our principal executive offices, headquarters and registered office are located at Dietmar-Hopp-Allee 16, 69190 Walldorf, Germany. Our telephone number is: +49-6227-7-47474.

Selected Financial Information

The following table sets out selected financial information relating to the SAP Group. The information has been extracted from the audited consolidated financial statements of SAP AG for the fiscal years ended 31 December 2009 and 2008 and the unaudited interim financial reports of SAP Group for the six months ended 30 June 2010 and 2009. These consolidated financial statements of SAP AG have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU (IFRS).

	1 January – 30 June 2010	1 January – 30 June 2009	Financial year ended 31 December 2009	Financial year ended 31 December 2008
			EUR in million	
Total revenue	5,403	4,974	10,672	11,575
Operating profit	1,331	948	2,588	2,701
Profit after tax	878	622	1,750	1,848
	30 June 2010		31 December 2009	31 December 2008
Cash and cash equivalents	3,605		1,884	1,280
Total assets	15,672		13,374	13,900
Total equity	8,971		8,491	7,171
Issued capital	1,227		1,226	1,226
Current bank loans	68		4	2,319
Non-current bank loans	2		2	2
Private Placement transaction	697		697	0
Bond	995		0	0

Organisational Structure

As of 30 June 2010, SAP AG was the parent company of 157 subsidiaries. Our subsidiaries perform various tasks such as the distribution of SAP Group's products and providing SAP services on a local basis, research and development, customer support, marketing, and administration. Our primary research and development facilities, the overall group strategy and the corporate administration functions are concentrated at our headquarters in Walldorf, Germany.

Business Overview/Principal Activities

SAP AG is one of the leading international providers of business software and, based on market capitalization, the world's third-largest independent software manufacturer (according to SAP AG). SAP Group has more than 102,500 customers in over 120 countries and employs more than 48,000 people at locations in more than 50 countries in the European, Middle East, and Africa (EMEA), Americas, and Asia Pacific Japan (APJ) regions.

Our core business is selling licenses for software solutions and related services. Our solutions, which cover standard business applications and technologies as well as specific industry applications, are designed to help companies make their business processes more efficient and agile and create sustainable new value.

The SAP product portfolio features the following key software applications, which are delivered through multiple deployment and consumption options:

- The SAP Business Suite software, for large organizations and international corporations. The software supports core business operations ranging from supplier relationships to production to warehouse management, sales, and all administrative functions, through to customer relationships. There are several industry specific solutions, for instance banking, insurance, high tech, oil and gas, utilities, chemicals, healthcare, retail, consumer products, and the public sector.
- SAP Business All-in-One solutions, the SAP Business ByDesign solution, and the SAP Business One application, which address the needs of small businesses and midsize companies.
- The SAP BusinessObjects portfolio, which covers a variety of demands from small to large companies with solutions for business users, who need to analyze and report information, make informed strategic and tactical decisions, build business plans, and manage risk and compliance.
- SAP solutions for sustainability to help enable organizations' sustainability initiatives. These solutions include the measurement of sustainability key performance indicators, energy and carbon management, and solutions for product safety, environment, health, and safety.
- The SAP NetWeaver technology platform, which integrates information and business processes across diverse technologies and organizational structures.

In addition, we offer consulting, maintenance, and training services for our software solutions. We develop our products in close cooperation with customers and independent business partners.

In 2009, our revenue from software and software-related services amounted to EUR 8,198 million or 77 per cent. of the total revenue, the revenue from consulting amounted to EUR 2,074 million or 19 per cent. and the revenue from training and other revenue amounted to EUR 400 million or 4 per cent.

In the first half year of 2010, our revenue from software and software-related services amounted to EUR 4,205 million or 78 per cent. of the total revenue, the revenue from consulting amounted to EUR 1,007 million or 19 per cent. and the revenue from training and other revenue amounted to EUR 191 million or 3 per cent.

Acquisition of Sybase, Inc.

On 12 May 2010, SAP AG's subsidiary, SAP America, Inc. ("**SAP America**") and its subsidiary Sheffield Acquisition Corp. entered into the Merger Agreement with Sybase, Inc., a Delaware, U.S.A. corporation ("**Sybase**"), for the acquisition of all outstanding equity securities of Sybase (the "**Sybase Acquisition**"). Pursuant to the Merger Agreement, SAP America agreed to acquire through one or more wholly-owned subsidiaries all of the outstanding equity securities of Sybase at a cash purchase price of USD 65.00 per Sybase share. The transaction represents an enterprise value of approximately USD 5.8 billion. Sybase reported revenues for the fiscal year ended 31 December 2009 of approximately USD 1.17 billion.

On 20 July 2010, SAP AG obtained approval from the European Commission for the acquisition of Sybase, which satisfied the final regulatory condition to the tender offer. The tender offer expired on 26 July 2010 at 9:00 p.m. (New York City time) and SAP AG indirectly acquired approx. 92.1 per cent. of the equity securities of Sybase. SAP AG intends to effect a short-form merger under Delaware law as promptly as practicable, without the need for a meeting of Sybase stockholders. After the merger, Sybase will be a wholly owned subsidiary of SAP America, and Sybase shares will cease to be traded on the NYSE.

SAP AG will finance the Sybase Acquisition with its own cash and by issuance of the Notes and/or drawing under the terms of a EUR 2,750,000,000 dual-currency term loan facility agreement intended to be entered into on 21 May 2010 with a syndicate of banks, including, *inter alia*, Barclays Bank PLC and Deutsche Bank Luxembourg S.A., with Barclays Bank PLC and Deutsche Bank AG as mandated lead arrangers and bookrunners. SAP AG will use the proceeds from the Notes to finance the Sybase Acquisition and/or to fully or partly prepay and/or cancel the dual-currency term loan facility agreement.

Administrative, Management and Supervisory Bodies

The Executive Board of SAP AG is responsible for the management of SAP AG's business; the Supervisory Board supervises the Executive Board and appoints its members.

The Executive Board of SAP AG consists of the following members: Bill McDermott (Co-CEO), Jim Hagemann Snabe (Co-CEO), Werner Brandt, Gerhard Oswald, Vishal Sikka and Angelika Dammann.

The members of SAP AG's Supervisory Board are: Prof. Dr. h.c. mult. Hasso Plattner (Chairman), Lars Lamadé (Deputy Chairman), Pekka Ala-Pietilä, Thomas Bamberger, Panagiotis Bissiritsas, Willi Burbach, Prof. Dr. Wilhelm Haarmann, Peter Koop, Christiane Kuntz-Mayr, Bernard Liautaud, Dr. Gerhard Maier, Dr. h.c. Hartmut Mehdorn, Prof. Dr.-Ing. Dr. h.c. mult. Dr.-Ing. E.h. mult. Joachim Milberg, Dr. Erhard Schipporeit, Stefan Schulz and Prof. Dr.-Ing. Dr.-Ing. E.h. Klaus Wucherer.

Share Capital

SAP AG's share capital amounts to EUR 1,226,664,132 and is divided into 1,226,664,132 ordinary bearer shares, each with a notional value of EUR 1.00. All shares are fully paid in.

As of 30 June 2010, SAP AG held 38,213,515 treasury shares, which correspond to 3.12 per cent. of the total share capital.

Significant change in the Group's financial or trading position

Other than as disclosed herein, there has been no significant change in the financial or trading position of SAP Group since the date of the last published unaudited interim financial report (30 June 2010).

Summary in respect of Risk Factors

Summary of Risk Factors regarding SAP Group

The following is a summary of risk factors that may affect SAP AG's ability to fulfil its obligations under the Notes.

- The widespread uncertainty in the global economy and in political conditions has negatively impacted our business, financial position, income, and cash flows, and may continue to do so in the future.
- Our global business activities subject us to regulatory requirements and economic and other risks that could harm our business, financial position, income, or cash flows.
- Social and political instability, caused for example by terrorist attacks, war or international hostilities, pandemic disease outbreaks, or natural disasters, could negatively impact our business.
- If our established customers do not buy additional software products, renew maintenance agreements, or purchase additional professional services, our business, financial position, income, or cash flows could be negatively impacted.
- Our market share and income may decline due to the intense competition and consolidation in the software industry.
- Demand for our new products may not develop as planned and our midmarket strategy may not be successful.
- If we fail to develop new relationships and enhance existing relationships with channel partners, software suppliers, system integrators, value-added resellers, and independent software vendors (ISVs) that contribute to the sale of our products and services, our business, financial position, income, or cash flows may be adversely impacted.
- If we do not effectively manage our geographically dispersed workforce, our business may not operate efficiently, and this could have a negative impact on our income.
- If we are unable to attract and retain management and employees with specialized knowledge and technology skills, we may not be able to manage our operations effectively or develop successful new products and services.
- SAP AG is exposed to risks relating to the proposed acquisition of Sybase, Inc.
- If (i) unexpected difficulties were to arise in the course of the acquisition and/or the integration of Sybase, Inc. or (ii) its business under SAP AG's ownership failed to develop as expected, SAP AG could be forced in the future to recognize impairment losses on the intangible assets acquired and/or the goodwill of the cash-generating unit(s) to which the goodwill resulting from the business combination was allocated to.
- In the event, and following the consummation, of the acquisition of Sybase, Inc., SAP AG will be exposed to risks associated with the business of Sybase, Inc., some of which SAP AG may not presently be

aware of, and SAP AG in general will not have warranty claims against Sybase, Inc. or its shareholders for any such risks.

- We might not integrate acquired companies effectively or successfully and our strategic alliances might not be successful.
- Both in Germany and in the United States, corporate governance laws have become much more onerous.
- Principal shareholders may be able to exert control over our future direction and operations.
- U.S. judgments may be difficult or impossible to enforce against us or our Board members.
- SAP Group's sustainability strategy may be difficult to maintain, and a failure by us to meet customer or partner expectations or generally accepted sustainability standards could have an adverse impact on our results of operations, our business and our reputation.
- We may not be able to prevent unauthorized disclosure of our future strategies, technologies, and products, or of information that is subject to data protection or privacy law, and such disclosure may harm our business.
- Our revenue mix may vary and may negatively impact our profit margins.
- The economic crisis has led to an increased risk of default on receivables and financial assets and may negatively impact our financial assets. A continuation or deepening of the economic crisis may lead to more such losses.
- Our future liquidity may be impacted by a negative development in the global economy.
- Management's use of estimates may affect our income and financial position.
- Current and future accounting pronouncements and other financial reporting standards, especially but not only concerning revenue recognition, may adversely affect the financial information we present.
- Our sales are subject to quarterly fluctuations and our sales forecasts may not be accurate, which could cause our revenue and results of operations to fall below our expectations.
- Because we conduct operations throughout the world, our assets, income, or cash flows may be affected by currency and interest-rate fluctuations.
- The cost of using derivative instruments to hedge share-based compensation plans may exceed the benefits of hedging them.
- Implementation of SAP software often involves a significant commitment of resources by our customers and is subject to a number of significant risks over which we often have no control.
- Undetected security flaws in our software may be exploited by other persons, damaging SAP Group or its customers.
- We use technologies under license from third parties. Losing these technologies could delay implementation of our products or force us to pay higher license fees.
- If we are unable to keep up with rapid technological innovations, we may not be able to compete effectively.
- Undetected defects or delays in new products and product enhancements may result in increased costs to us and reduced demand for our products.
- Our SAP NetWeaver technology platform strategy may not succeed or may make some of our products less desirable.
- Third parties may claim we infringe their intellectual property rights; that could result in damages being awarded against us and limit our ability to utilize certain technologies in the future.
- Claims and lawsuits against us may have adverse outcomes.

- Our IT security measures may be breached or compromised and we may sustain unplanned IT system unavailability.
- We may not be able to obtain adequate title to or licenses in, or to enforce, intellectual property.
- We may not be able to protect our critical information or assets or safeguard our business operations against disruption.
- Our insurance coverage may not be sufficient to prevent claim settlements from negatively impacting our financial position, income, or cash flows.
- We may incur losses in connection with venture capital investments.

Summary of Risk Factors regarding the Notes

An investment in the Notes involves certain risks associated with the characteristics of the Notes which could lead to substantial losses that Holders would have to bear in the case of selling their Notes or with regard to receiving interest payments and repayment of principal. Those risks include that:

- the Notes may not be a suitable investment for every investor;
- there can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue; in an illiquid market, an investor might not be able to sell his Notes at any time at fair market prices;
- the price of the Notes may fall or rise as a result of changes in market interest rates;
- a Holder of the Floating Rate Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of these floating rate notes in advance;
- market value of the Notes could decrease if the creditworthiness of the SAP Group worsens or the shareholder structure of SAP AG changes or as a result of changes in IFRS and HGB/German Commercial Code standards applicable to SAP Group and SAP AG respectively;
- the Notes may be subject to early redemption at the principal amount, if the Issuer becomes obligated to bear withholding taxes which are or will be leviable on payments of principal or interest in respect of the Notes; if the Issuer calls and redeems the Notes in such case, the noteholders may only be able to reinvest the redemption proceeds in securities with a lower yield;
- a Holder is subject to the risk to be outvoted and to lose rights towards the Issuer against his will in the case that Holders agree pursuant to the Conditions of Issue to amendments of the Conditions of Issue by majority vote according to the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* – "**SchVG**"). In the case of an appointment of a noteholders' representative for all Holders a particular Holder may lose, in whole or in part, the possibility to enforce and claim his rights against the Issuer regardless of other Holders;
- the Notes could represent a currency risk for a Holder if the Euro represents a foreign currency to such Holder; in addition governments and competent authorities could impose currency exchange controls in the future; and
- there is no restriction on the amount of debt which the Issuer may issue ranking equal to the obligations under or in connection with the Notes.

The realisation of any of the risks described above may affect the Issuer's ability to fulfil its payment obligations under the Notes and/or lead to a decline in the market price of the Notes.

GERMAN TRANSLATION OF THE SUMMARY

ZUSAMMENFASSUNG

Der folgende Abschnitt stellt die Zusammenfassung (die "**Zusammenfassung**") der wesentlichen Merkmale und Risiken der Emittentin und der Schuldverschreibungen dar. Die Zusammenfassung ist als Einleitung zu diesem Prospekt zu verstehen. Sie ist keine vollständige Darstellung und im Zusammenhang mit dem Prospekt zu lesen. Der Anleger sollte jede Entscheidung zur Anlage in die Schuldverschreibungen auf die Prüfung des gesamten Prospekts stützen. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der klagende Anleger in Anwendung einzelstaatlicher Rechtsvorschriften die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben. Die Emittentin, die diese Zusammenfassung einschließlich jede Übersetzung davon vorgelegt und deren Notifizierung beantragt hat, kann haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit anderen Teilen des Prospekts gelesen wird.

Zusammenfassung in Bezug auf die Schuldverschreibungen

Worte und Begriffe, die in den an anderer Stelle in dem Prospekt wiedergegebenen Anleihebedingungen definiert sind, haben in der Zusammenfassung dieselbe Bedeutung.

<i>Emittentin:</i>	SAP AG
<i>Joint Lead Managers:</i>	Barclays Bank PLC Deutsche Bank AG, London Branch
<i>Hauptzahlstelle:</i>	Deutsche Bank Aktiengesellschaft Grosse Gallusstrasse 10 – 14 60311 Frankfurt am Main Germany
<i>Luxemburger Listingstelle:</i>	Deutsche Bank Luxembourg S.A.
<i>Bestimmung des Nennbetrags, des Ausgabepreises und weitere Informationen:</i>	Der endgültige Ausgabepreis und Nennbetrag, der Zinssatz, die Höhe der ersten Zinszahlung (im Falle der 2012 Schuldverschreibungen), die Marge (im Falle der Variabel Verzinslichen Schuldverschreibungen), die Kommissionen, die Rendite und die Kosten der Emission werden in der Pricing Notice enthalten sein (definiert unten in "SUBSCRIPTION, SALE AND OFFER OF THE NOTES"), die auf der Internetseite der Luxemburger Wertpapierbörse (www.bourse.lu) am oder vor dem Tag der Begebung der Schuldverschreibungen veröffentlicht wird.
<i>Tag der Begebung:</i>	6. August 2010
<i>Zeichnungsfrist:</i>	Die Schuldverschreibungen werden Investoren von den Plazeuren während der Zeichnungsfrist, die am 29. Juli 2010 beginnt und am Tag der Begebung endet, angeboten.
<i>Stückelung:</i>	Die Schuldverschreibungen werden im Nennbetrag von je EUR 1.000 begeben.
<i>Form der Schuldverschreibungen:</i>	Die Schuldverschreibungen werden anfänglich durch eine vorläufige Inhaber-Globalurkunde (die " vorläufige Globalurkunde ") ohne Zinsscheine verbrieft, welche bei einem common safekeeper im Namen von sowohl Clearstream Banking, <i>société anonyme</i> , (42 Avenue JF Kennedy, 1855 Luxemburg, Luxemburg) als auch Euroclear Bank SA/NV (Boulevard du Roi Albert II, 1210 Brüssel, Belgien) (zusammen, das " Clearing System ") hinterlegt werden. Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, werden gegen Schuldverschreibungen, die durch eine Inhaber-Dauerglobalurkunde (die " Dauerglobalurkunde ", und jede der vorläufigen Globalurkunden und der Dauerglobalurkunde, die " Globalurkunde ") ohne Zinsscheine verbrieft sind, nicht früher als 40 Tage nach dem Tag der Begebung gemäß den in den Anleihebedingungen dargelegten Bestimmungen ausgetauscht. Insbesondere ein solcher Austausch und jegliche Zinszahlung auf durch die vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage von Bescheinigungen, wonach der wirtschaftliche Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine

U.S.-Person ist, gemäß den Regelungen und Betriebsverfahren des Clearing Systems. Zahlungen auf die vorläufige Globalurkunde erfolgen erst nach Vorlage solcher Bescheinigungen. Es werden keine Einzelurkunden und keine Zinsscheine begeben.

Zinsen:

Die 2013 Schuldverschreibungen werden vom 6. August 2010 (einschließlich) bis zum 6. August 2013 (ausschließlich), mit einem jährlichen Zinssatz von [•]% verzinst. Die Zinsen sind nachträglich am 6. August eines jeden Jahres zahlbar.

Die 2012 Schuldverschreibungen werden vom 6. August 2010 (einschließlich) bis zum 6. Februar 2012 (ausschließlich), mit einem jährlichen Zinssatz von [•]% verzinst. Die Zinsen sind nachträglich am 6. Februar 2011 und 6. Februar 2012 zahlbar. Die am 6. Februar 2011 erfolgende Zinszahlung wird sich auf EUR [•] je Nennbetrag in Höhe der festgelegten Stückelung belaufen.

Die Variabel Verzinslichen Schuldverschreibungen werden vom 6. August 2010 (einschließlich) bis zum 6. Februar 2012 (ausschließlich), mit einem variablen Zinssatz basierend auf dem EURIBOR Referenzzinssatz, wie er zu einem bestimmten Zeitpunkt auf der Bildschirmseite Reuters EURIBOR01 erscheint, plus einer Marge von [•] % verzinst. Die Zinsen sind nachträglich am 6. November, 6. Februar, 6. Mai und 6. August eines jeden Jahres zahlbar. Die erste Zinszahlung erfolgt am 6. November 2010.

Steuern:

Kapital und Zinsen sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde auferlegt oder erhoben werden (die "**Quellensteuer**"), es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. In einem solchen Fall, wird die Emittentin, vorbehaltlich der in den Anleihebedingungen festgelegten Ausnahmen, diejenigen zusätzlichen Beträge zahlen, die erforderlich sind, damit die den Gläubigern von Schuldverschreibungen zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen an Kapital und Zinsen entsprechen, die ohne einen solchen Einbehalt oder Abzug bezüglich der Schuldverschreibungen empfangen worden waren.

Vorzeitige Rückzahlung aus steuerlichen Gründen:

Die vorzeitige Rückzahlung der Schuldverschreibungen aus steuerlichen Gründen ist zulässig, falls als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze oder Vorschriften (einschließlich jeder Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze oder Vorschriften) der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden, die Emittentin zur Zahlung zusätzlicher Beträge auf die Schuldverschreibungen verpflichtet ist, wie im Einzelnen in den Anleihebedingungen beschrieben.

Status der Schuldverschreibungen:

Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

Negativverpflichtung:

In § 2 der Anleihebedingungen stimmt die Emittentin zu, keine Sicherungsrechte zur Besicherung von Kapitalmarktverbindlichkeiten zu gewähren.

Kontrollwechsel

Die Anleihebedingungen sehen Regelungen für den Fall eines Kontrollwechsels vor.

Kündigungsgründe:

Die Schuldverschreibungen sehen Kündigungsgründe vor, welche die Gläubiger berechtigen, die unverzügliche Rückzahlung der Schuldver-

schreibungen zu verlangen. Einzelheiten hierzu sind in den Anleihebedingungen beschrieben.

Cross Default:

Die Anleihebedingungen enthalten eine Cross-Default-Klausel (Drittverzugs Klausel) in Bezug auf Nichtzahlung von Kapitalmarktverbindlichkeiten.

Anwendbares Recht:

Die Schuldverschreibungen unterliegen deutschem Recht.

Gerichtsstand:

Ausschließlicher Gerichtsstand für alle gerichtlichen Verfahren im Zusammenhang mit den Schuldverschreibungen ist Frankfurt am Main, Bundesrepublik Deutschland.

Schuldverschreibungsgesetz:

Die Anleihebedingungen sehen vor, dass Gläubiger nach Maßgabe des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (SchVG) durch Mehrheitsbeschluss Änderungen der Anleihebedingungen zustimmen und zur Wahrnehmung ihrer Rechte einen gemeinsamen Vertreter für alle Gläubiger bestellen dürfen (§ 5 Absatz 1 Satz 1 SchVG). Beschlüsse können dann in einer Gläubigerversammlung gefasst werden.

Börsenzulassung und Börsennotierung:

Für die Schuldverschreibungen wurde die Zulassung zum Handel im regulierten Markt der Luxemburger Wertpapierbörse sowie die Notierung an der official list der Luxemburger Wertpapierbörse beantragt.

Verkaufsbeschränkungen:

Das Angebot und der Verkauf von Schuldverschreibungen sowie die Verteilung von Angebotsmaterialien unterliegen regulatorischen Beschränkungen. Die in der Europäischen Union, den USA und dem Vereinigten Königreich von Großbritannien und Nordirland sowie Japan geltenden Beschränkungen sind unter "SUBSCRIPTION, SALE AND OFFER OF THE NOTES" dargestellt.

Abwicklung und Settlement:

Die Abwicklung der Schuldverschreibungen erfolgt durch das Clearing System.

Verfügbarkeit von Dokumenten:

Dieser Prospekt, eventuelle Nachträge und die hierin einbezogenen Dokumente werden auf der Internetseite der Luxemburger Wertpapierbörse (www.bourse.lu) veröffentlicht oder sind in gedruckter Form unter der Adresse der Hauptzahlstelle erhältlich.

Zusammenfassung in Bezug auf die Emittentin

Informationen über SAP AG

SAP AG ist eine deutsche Aktiengesellschaft. Sie ist unter der Firma "SAP AG" im Handelsregister des Amtsgerichts Mannheim unter der Nummer HRB 350269 eingetragen. Unser Satzungssitz und Verwaltungssitz befindet sich in der Dietmar-Hopp-Allee 16, 69190 Walldorf, Bundesrepublik Deutschland. Unsere Telefonnummer ist: +49-6227-7-47474.

Ausgewählte Finanzinformationen

Die nachfolgende Tabelle zeigt ausgewählte Finanzinformationen für die SAP Gruppe. Diese Informationen wurden den geprüften Konzernabschlüssen der SAP AG für die Geschäftsjahre zum 31. Dezember 2009 und 2008 sowie den ungeprüften Zwischenabschlüssen für das erste Halbjahr 2010 und 2009 entnommen. Diese konsolidierten Finanzinformationen der SAP AG wurden nach den International Financial Reporting Standards, wie sie in der EU anzuwenden sind, aufgestellt (IFRS).

	1. Januar – 30. Juni 2010	1. Januar – 30. Juni 2009	Geschäftsjahr zum 31. Dezember 2009	Geschäftsjahr zum 31. Dezember 2008
	EUR in Millionen			
Umsatzerlöse	5.403	4.974	10.672	11.575
Betriebsergebnis	1.331	948	2.588	2.701
Gewinn nach Steuern	878	622	1.750	1.848
	30. Juni 2010		31. Dezember 2009	31. Dezember 2008
Zahlungsmittel und Zahlungsmitteläquivalente	3.605		1.884	1.280
Bilanzsumme	15.672		13.374	13.900
Eigenkapital	8.971		8.491	7.171
Gezeichnetes Kapital	1.227		1.226	1.226
Kurzfristige Verbindlichkeiten gegenüber Kreditinstituten	68		4	2.319
Langfristige Verbindlichkeiten gegenüber Kreditinstituten	2		2	2
Schuldscheinanleihen	697		697	0
Anleihe	995		0	0

Organisationsstruktur

Zum 30. Juni 2010 war SAP AG die Muttergesellschaft von 157 Tochtergesellschaften. Unsere Tochtergesellschaften erfüllen verschiedene Aufgaben innerhalb des Konzerns wie Vertrieb der Produkte der SAP Gruppe und lokales Angebot von SAP-Dienstleistungen, Forschung und Entwicklung, Kundendienst, Vertrieb und Verwaltung. Unsere primären Forschungs- und Entwicklungseinrichtungen, die Konzernstrategie und die Hauptverwaltung sind in unserer Zentrale in Walldorf, Bundesrepublik Deutschland konzentriert.

Geschäftsüberblick/Hauptgeschäftstätigkeit

Die SAP AG ist einer der international führenden Anbieter von Unternehmenssoftware und, gemessen an der Marktkapitalisierung, der weltweit drittgrößte unabhängige Softwarehersteller (nach Kenntnis von SAP AG). SAP AG betreut mehr als 102.500 Kunden in über 120 Ländern und beschäftigt mehr als 48.000 Mitarbeiter an Standorten in über 50 Ländern in den Regionen Europa, Naher Osten, Afrika (EMEA), Amerika und Asien-Pazifik-Japan (APJ).

Unser Kerngeschäft ist der Vertrieb von Nutzungsrechten an den SAP-Softwarelösungen und von damit verbundenen Supportleistungen. Unsere Lösungen, die betriebswirtschaftliche Standardsoftware, Technologien sowie kundenindividuelle Lösungen umfassen, sollen Unternehmen in die Lage versetzen, ihre Geschäftsprozesse effizienter und flexibler zu gestalten und die betriebliche Wertschöpfung nachhaltig zu verbessern.

Unser Produktportfolio umfasst insbesondere die folgenden Haupt-Software-Anwendungen, welche durch verschiedene Anwendungs- und Gebrauchsmöglichkeiten bereitgestellt werden:

- die SAP Business Suite für große Kunden und globale Konzerne. Diese umfasst Software zur Unterstützung betrieblicher Kernprozesse vom Einkauf über die Produktion, die Lagerhaltung und den Vertrieb bis hin zu allen administrativen Bereichen und zur Kundenbetreuung. Es gibt einige branchenspezifische Lösungen, unter anderem für Banken und Versicherungen, die High-Tech-Industrie, Öl- und Gasversorger, Energieversorger, die Chemieindustrie, das Gesundheitswesen, den Handel, die Konsumgüterbranche und die öffentliche Verwaltung,
- die Lösungen SAP Business All-in-One, SAP Business ByDesign sowie SAP Business One für kleine und mittelgroße Kunden,

- das SAP-BusinessObjects-Portfolio, das eine Vielzahl von Bedürfnissen von kleinen bis großen Unternehmen abdeckt mit Lösungen für die sogenannten Business User, die Software benötigen, um Informationen zu analysieren und zu berichten, um strategische und taktische Entscheidungen zu treffen, Geschäftspläne zu erstellen sowie Risiken und Compliance zu steuern,
- Lösungen, die Unternehmen bei der Umsetzung von Nachhaltigkeitsinitiativen unterstützen. Sie umfassen die Messung von wichtigen Leistungsindikatoren zur Nachhaltigkeit, Energie- und Kohlenstoffmanagement und Lösungen für die Bereiche Produktsicherheit, Umwelt, Gesundheit und Sicherheit,
- die Plattform SAP NetWeaver, die Informationen und Geschäftsprozesse über verschiedenste Technologien und Organisationsformen hinweg integriert.

Darüber hinaus bieten wir auf unsere Softwarelösungen abgestimmte Wartungs- und Beratungsleistungen sowie Schulungen an. Sowohl bei der Entwicklung als auch bei der Vermarktung unseres Lösungsportfolios arbeiten wir intensiv mit Kunden und unabhängigen Partnern zusammen.

Im Jahr 2009 betrug unser Umsatz aus Software und softwarebezogenen Leistungen EUR 8.198 Mio. oder 77% des Gesamtumsatzes, unser Umsatz aus Beratungsleistungen betrug EUR 2.074 Mio. oder 19% und der Umsatz aus Schulungsmaßnahmen und anderen Erlösen betrug EUR 400 Mio. oder 4%.

Im ersten Halbjahr 2010 betrug unser Umsatz aus Software und softwarebezogenen Leistungen EUR 4.205 Mio. oder 78% des Gesamtumsatzes, unser Umsatz aus Beratungsleistungen betrug EUR 1.007 Mio. oder 19% und der Umsatz aus Schulungsmaßnahmen und anderen Erlösen betrug EUR 191 Mio. oder 3%.

Übernahme der Sybase, Inc.

Am 12. Mai 2010 haben SAP America, Inc. ("**SAP America**"), eine Tochtergesellschaft der SAP AG, und deren Tochtergesellschaft Sheffield Acquisition Corp. den Verschmelzungsvertrag mit Sybase, Inc., einer Gesellschaft mit Sitz in Delaware (USA) ("**Sybase**") zur Übernahme sämtlicher ausstehender Stammaktien von Sybase geschlossen. Nach dem Verschmelzungsvertrag hat sich SAP America verpflichtet, durch eine oder mehrere 100%-Tochtergesellschaften sämtliche Aktien von Sybase gegen Barvergütung von USD 65,00 je Aktie zu erwerben. Dies entspricht einem Unternehmenswert (Enterprise Value) von etwa USD 5,8 Mrd. Sybase hat für das am 31. Dezember 2009 abgelaufene Geschäftsjahr einen Umsatz von etwa USD 1,17 Mrd. gemeldet.

Am 20. Juli 2010 hat die Europäische Kommission die Kartellgenehmigung für die Übernahme von Sybase erteilt, wodurch die letzte regulatorische Bedingung für das Übernahmeangebot eingetreten ist. Das Übernahmeangebot ist am 26. Juli 2010 um 21:00 Uhr (New York Ortszeit) abgeschlossen worden und SAP AG hat mittelbar ca. 92,1% der Sybase-Aktien erworben. SAP AG beabsichtigt, sobald wie möglich einen so genannten Short-Form Merger nach den Rechtsvorschriften des US-Bundesstaates Delaware zu durchlaufen, der keine Hauptversammlung der Sybase-Aktionäre erfordert. Nach der Verschmelzung wird Sybase eine hundertprozentige Tochtergesellschaft von SAP America sein und die Aktien von Sybase nicht mehr an der NYSE gehandelt werden.

Die SAP AG wird die Transaktion aus liquiden Mitteln, durch Ausgabe der Schuldverschreibungen und/oder über einen Doppelwährungskredit über EUR 2.750.000.000 finanzieren, welchen SAP AG am 21. Mai 2010 mit einem Bankenkonsortium abgeschlossen hat, zu dem unter anderem Barclays Bank PLC und Deutsche Bank Luxembourg S.A. gehören, wobei Barclays Bank PLC und Deutsche Bank AG als Mandated Lead Arranger und Bookrunner fungieren. SAP beabsichtigt, die Erlöse aus der Begebung der Schuldverschreibungen zur Finanzierung der Akquisition von Sybase zu nutzen und/oder den Doppelwährungskredit ganz oder teilweise abzulösen oder zu kündigen.

Geschäftsleitung, Vorstand und Aufsichtsrat

Der Vorstand der SAP AG ist verantwortlich für die Leitung der SAP AG; der Aufsichtsrat überwacht den Vorstand und bestellt dessen Mitglieder.

Der Vorstand der SAP AG besteht aus den folgenden Mitgliedern: Bill McDermott (Co-Vorstandssprecher), Jim Hagemann Snabe (Co-Vorstandssprecher), Werner Brandt, Gerhard Oswald, Vishal Sikka und Angelika Dammann.

Die Mitglieder des Aufsichtsrats der SAP AG sind: Prof. Dr. h.c. mult. Hasso Plattner (Vorsitzender), Lars Lamadé (Stellvertretender Vorsitzender), Pekka Ala-Pietilä, Thomas Bamberger, Panagiotis Bissiritsas, Willi Burbach, Prof. Dr. Wilhelm Haarmann, Peter Koop, Christiane Kuntz-Mayr, Bernard Liautaud, Dr. Gerhard Maier, Dr. h.c. Hartmut Mehdorn, Prof. Dr.-Ing. Dr. h.c. mult. Dr.-Ing. E.h. mult. Joachim Milberg, Dr. Erhard Schipporeit, Stefan Schulz and Prof. Dr.-Ing. Dr.-Ing. E.h. Klaus Wucherer.

Grundkapital

Das Grundkapital beträgt EUR 1.226.664.132 und ist eingeteilt in 1.226.664.132 auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien), jeweils mit einem anteiligen Betrag des Grundkapitals von EUR 1,00.

Zum 30. Juni 2010 hält SAP AG insgesamt 38.213.515 eigene Aktien, was einem Anteil am Grundkapital von 3,12% entspricht.

Relevante Veränderungen der Finanzlage oder Handelsposition der SAP Gruppe

Seit dem Datum der letzten Veröffentlichung des Zwischenfinanzberichts (30. Juni 2010) hat es weder wesentliche Veränderungen in der Finanzlage noch in der Handelsposition der SAP Gruppe gegeben.

Zusammenfassung in Bezug auf die Risikofaktoren

Zusammenfassung der Risikofaktoren in Bezug auf die SAP Gruppe

Es folgt eine Zusammenfassung der Risikofaktoren, die sich auf die Fähigkeit der SAP AG auswirken können, ihren Verpflichtungen unter den Schuldverschreibungen nachzukommen.

- Die weit verbreitete Unsicherheit in der Weltwirtschaft und dem politischen Umfeld hatte nachteilige Auswirkungen auf unsere Geschäftstätigkeit, Vermögenslage, Ertragslage und unseren Cashflow und könnte sich auch in Zukunft nachteilig auf diese auswirken.
- Durch unsere weltweite Geschäftstätigkeit sind wir regulatorischen, ökonomischen und sonstigen Risiken ausgesetzt, die nachteilige Auswirkungen auf unsere Geschäftstätigkeit, Vermögenslage, Ertragslage und unseren Cashflow haben könnten.
- Gesellschaftliche und politische Instabilität z. B. aufgrund von Terroranschlägen, Krieg oder internationalen Kampfhandlungen, Pandemieausbrüchen oder Naturkatastrophen könnten sich nachteilig auf unsere Geschäftstätigkeit auswirken.
- Wenn von unseren bestehenden Kunden nicht zusätzliche Softwareprodukte gekauft, Wartungsverträge verlängert oder Beratungs-, Schulungs- und andere Dienstleistungen erworben werden, könnte dies nachteilige Auswirkungen auf unsere Geschäftstätigkeit, Vermögenslage, Ertragslage und unseren Cashflow haben.
- Aufgrund des intensiven Wettbewerbs und einer regen Konsolidierungsaktivität in der Softwarebranche könnte unser Marktanteil sinken und unsere Ertragslage sich verschlechtern.
- Die Nachfrage nach neuen Produkten könnte sich nicht wie geplant entwickeln und unsere Mittelstandsstrategie könnte sich als nicht erfolgreich erweisen.
- Wenn es uns nicht gelingen sollte, neue Beziehungen zu Vertriebspartnern, Anbietern von Software, Systemintegratoren, Systemhäusern und unabhängigen Softwareherstellern, die einen Beitrag zum Verkauf unserer Produkte und Dienstleistungen erbringen, könnte sich dies nachteilig auf unsere Geschäftstätigkeit, unsere Vermögenslage, Ertragslage oder unseren Cashflow auswirken.
- Wenn es uns nicht gelingen sollte, unsere geographisch weit verbreiteten Mitarbeiter effektiv zu steuern, könnte unser Geschäft ineffizient arbeiten, was sich negativ auf unsere Erträge auswirken könnte.
- Sollten wir nicht in der Lage sein, Führungskräfte und Mitarbeiter, die über Fachwissen und Technologiekenntnisse verfügen, anzuwerben und an uns zu binden, besteht die Möglichkeit, dass wir nicht in der Lage sind, unseren Geschäftsbetrieb effektiv durchzuführen oder erfolgreiche neue Produkte und Dienstleistungen zu entwickeln.
- SAP AG unterliegt Risiken in Bezug auf die beabsichtigte Übernahme der Sybase, Inc.
- Falls (i) unerwartete Schwierigkeiten im Zusammenhang mit der Akquisition oder Integration von Sybase, Inc. auftreten würden oder (ii) das Geschäft von Sybase, Inc. nach Erwerb durch SAP AG sich nicht wie erwartet entwickeln würde, könnte SAP AG zukünftig gezwungen sein, außerplanmäßige Abschreibungen auf die erworbenen immateriellen Firmenwerte und/oder den Goodwill der liquiditätserzeugenden Einheiten, denen der Goodwill aus der Akquisition zugeordnet wurde, vorzunehmen.
- Nach Abschluss der Akquisition von Sybase, Inc. wird SAP AG Risiken im Zusammenhang mit dem Geschäft von Sybase, Inc. ausgesetzt sein, von denen einige SAP AG derzeit unbekannt sein können und SAP AG wird im allgemeinen keine Gewährleistungsansprüche gegen Sybase, Inc. oder seine Aktionäre für solche Risiken haben.

- Möglicherweise können wir neu erworbene Unternehmen nicht effektiv oder erfolgreich einbinden und möglicherweise sind unsere strategischen Allianzen nicht erfolgreich.
- Sowohl in Deutschland als auch in den Vereinigten Staaten sind die Corporate Governance-Regeln erheblich umfangreicher geworden.
- Unsere Großaktionäre könnten Einfluss auf unsere zukünftige Strategie und unser zukünftiges Geschäft nehmen.
- US-amerikanische Urteile könnten schwierig oder unmöglich gegen die Mitglieder unseres Vorstands durchsetzbar sein.
- Die Nachhaltigkeitsstrategie der SAP Gruppe könnte sich als schwierig umsetzbar erweisen und eine Enttäuschung der Erwartungen unserer Kunden oder Geschäftspartner oder allgemein akzeptierter Nachhaltigkeitsstandards könnte einen nachteiligen Einfluss auf unsere Erträge, unser Geschäft und unsere Reputation haben.
- Es besteht die Möglichkeit, dass wir nicht verhindern können, dass unsere zukünftigen Strategien, Technologien und Produkte oder Informationen, die datenschutzrechtlichen Bestimmungen unterliegen, ohne Genehmigung bekanntgemacht werden. Eine solche Bekanntmachung könnte unser Geschäft beschädigen.
- Die Zusammensetzung unsere Erlöse könnte sich verändern und es besteht die Möglichkeit, dass dies nachteilige Auswirkungen auf unsere Gewinnspannen hat.
- Die Wirtschaftskrise hat zu einem erhöhten Ausfallrisiko für den Forderungsbestand und die Finanzanlagen geführt und könnte nachteilige Auswirkungen auf unsere Finanzanlagen haben. Eine Fortsetzung oder Verschärfung der Wirtschaftskrise könnte das Ausmaß solcher Verluste erhöhen.
- Unsere zukünftige Liquiditätslage könnte sich durch eine nachteilige Entwicklung der Weltwirtschaft verschlechtern.
- Die Nutzung von Schätzungen durch das Management könnte sich auf unsere Ertragslage und unsere Finanzposition auswirken.
- Aktuelle und zukünftige Bilanzierungsverlautbarungen und sonstige Rechnungslegungsvorschriften, insbesondere in Bezug auf die Realisierung der Erlöse, könnten nachteilige Auswirkungen auf die von uns ausgewiesenen Finanzinformationen haben.
- Unser Umsatz unterliegt quartalsweisen Schwankungen und es besteht die Möglichkeit, dass unsere Umsatzprognosen nicht zutreffend sind. Dies könnte dazu führen, dass unsere Erlöse und unser operatives Ergebnis hinter unseren Erwartungen zurückbleiben.
- Da wir weltweit tätig sein, besteht die Möglichkeit, dass unsere Vermögens- und Ertragslage und unser Cashflow Währungs- und Zinsschwankungen unterworfen sind.
- Die Kosten für den Einsatz derivativer Instrumente zur Absicherung aktienorientierter Vergütungsprogramme könnten die Vorteile aus einer solchen Absicherung übersteigen.
- Die Implementierung von SAP-Software erfordert häufig die Bindung wesentlicher Ressourcen durch unsere Kunden und unterliegt einer Reihe wesentlicher Risiken, die wir häufig nicht kontrollieren können.
- Es besteht die Möglichkeit, dass dritte Personen der SAP Gruppe oder seinen Kunden Schaden zufügen, indem sie unentdeckte Sicherheitslücken in unserer Software nutzen.
- Wir verwenden von Dritten lizenzierte Technologien. Sollten diese Technologien nicht mehr zur Verfügung stehen, könnte dies die Implementierung unserer Produkte verzögern oder uns dazu zwingen, höhere Lizenzgebühren zu zahlen.
- Sollten wir nicht in der Lage sein, mit schnellen technologischen Innovationen Schritt zu halten, besteht die Möglichkeit, dass wir uns im Wettbewerb nicht effektiv behaupten können.
- Unentdeckte Mängel oder Verzögerungen bei neuen Produkten und Produktverbesserungen könnten dazu führen, dass unsere Kosten steigen und die Nachfrage nach unseren Produkten abnimmt.

- Die Strategie rund um unsere Plattform SAP NetWeaver könnte fehlschlagen oder einige unserer Produkte könnten ihre Attraktivität verlieren.
- Es besteht die Möglichkeit, dass Dritte uns einen Verstoß gegen geistige Eigentumsrechte vorwerfen. Dies könnte dazu führen, dass wir zu Schadensersatzzahlungen verpflichtet werden, und unsere Möglichkeiten zur Nutzung bestimmter Technologien in Zukunft einschränken.
- Rechtsansprüche und -streitigkeiten gegen uns könnten nachteilige Auswirkungen haben.
- Unsere IT-Sicherheitsmaßnahmen könnten durchbrochen oder beeinträchtigt werden und es könnte zu einem ungeplanten Ausfall des IT-Systems kommen.
- Es besteht die Möglichkeit, dass uns keine adäquaten Rechte oder Lizenzen an geistigem Eigentum eingeräumt werden oder wir geistige Eigentumsrechte nicht durchsetzen können.
- Es besteht die Möglichkeit, dass wir nicht in der Lage sind, sensible Informationen oder Vermögenswerte oder unsere Geschäftstätigkeit vor Störungen zu schützen.
- Es besteht die Möglichkeit, dass unser Versicherungsschutz nicht ausreicht, um zu verhindern, dass die Befriedigung von Ansprüchen nachteilige Auswirkungen auf unsere Vermögenslage, Ertragslage und unseren Cashflow hat.
- Es könnten uns Verluste in Verbindung mit Venture-Capital-Beteiligungen entstehen.

Zusammenfassung der Risikofaktoren in Bezug auf die Schuldverschreibungen

Eine Anlage in die Schuldverschreibungen ist mit bestimmten Risiken im Zusammenhang mit den Merkmalen der Schuldverschreibungen verbunden. Diese Risiken könnten zu erheblichen Verlusten führen, welche die Gläubiger zu tragen hätten, wenn sie ihre Schuldverschreibungen verkaufen oder wenn Verluste im Zusammenhang mit der Zahlung von Zinsen oder der Rückzahlung entstehen. Zu diesen Risiken gehört, dass:

- die Schuldverschreibungen nicht für jeden Anleger geeignet sind;
- keine Gewissheit besteht, dass ein liquider Sekundärmarkt für die Schuldverschreibungen entstehen wird, oder, sofern er entsteht, fortbestehen wird; in einem illiquiden Markt könnte es sein, dass ein Anleger seine Schuldverschreibungen nicht jederzeit zu angemessenen Marktpreisen veräußern kann;
- der Wert der Schuldverschreibungen auf Grund von Veränderungen des Zinsniveaus fallen oder steigen kann;
- ein Gläubiger der variabel verzinslichen Schuldverschreibungen ist dem Risiko eines schwankenden Zinsniveaus und ungewisser Zinserträge ausgesetzt. Ein schwankendes Zinsniveau macht es unmöglich, die Rendite dieser variabel verzinslichen Schuldverschreibungen im Voraus zu bestimmen;
- der Marktwert der Schuldverschreibungen fallen kann, wenn sich die Kreditwürdigkeit oder die Aktienstruktur von SAP AG ändert oder als Folge von Änderungen der auf die SAP Gruppe oder die SAP AG anwendbaren IFRS bzw. HGB Standards;
- die Schuldverschreibungen vorzeitig zum Nennbetrag zurückgezahlt werden können, falls die Emittentin zur Zahlung von Quellensteuern auf die Zahlung von Kapital oder Zinsen der Schuldverschreibungen verpflichtet ist; wenn die Emittentin die Schuldverschreibungen kündigt und zurückzahlt, kann es sein, dass die Gläubiger den aus der Rückzahlung vereinnahmten Betrag lediglich in Wertpapiere mit niedrigerer Rendite reinvestieren können;
- ein Gläubiger dem Risiko ausgesetzt ist, überstimmt zu werden und gegen seinen Willen Rechte gegenüber der Emittentin zu verlieren, falls die Gläubiger nach den Anleihebedingungen durch Mehrheitsbeschluss nach Maßgabe des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (SchVG) Änderungen der Anleihebedingungen zustimmen. Im Falle der Bestellung eines gemeinsamen Vertreters aller Gläubiger, kann ein einzelner Gläubiger ganz oder teilweise die Möglichkeit verlieren, seine Rechte gegenüber der Emittentin unabhängig von anderen Gläubigern geltend zu machen und durchzusetzen;
- die Schuldverschreibungen für solche Anleger ein Währungsrisiko bedeuten können, für die der Euro eine Fremdwährung bedeutet; ferner könnten Regierungen und zuständige Behörden künftig Devisenkontrollen einführen; und

- die Höhe der Schulden, welche die Emittentin in Zukunft eingehen oder begeben kann und die mit den Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen im gleichen Rang stehen, nicht begrenzt ist.

Der Eintritt eines jeden der vorgenannten Risiken kann die Fähigkeit der Emittentin beeinträchtigen, ihren aus den Schuldverschreibungen resultierenden Zahlungsverpflichtungen nachzukommen und/oder zu einem Wertverlust der Schuldverschreibungen führen.

RISK FACTORS

The following is a disclosure of risk factors that are material to the Notes in order to assess the market risk associated with these Notes and risk factors that may affect SAP AG's ability to fulfil its obligations under the Notes. Prospective investors should consider these risk factors before deciding to purchase Notes. The following statements are not exhaustive. Prospective investors should consider all information provided in this Prospectus and consult with their own professional advisers if they consider it necessary. In addition, investors should be aware that the risks described may combine and thus intensify one another. The occurrence of one or more risks may have a material adverse effect on the own funds, the financial position and the operating result of the SAP Group.

Words and expressions defined in "Conditions of Issue" below shall have the same meanings in this section.

RISKS RELATING TO SAP GROUP

Economic, Political, and Regulatory Risk

The widespread uncertainty in the global economy and in political conditions has negatively impacted our business, financial position, income, and cash flows, and may continue to do so in the future.

Our customers' willingness to invest in acquiring and implementing SAP products generally varies with economic and other business conditions. In the regions in which we do business and the industries in which our customers operate, persistent economic uncertainty may continue to have negative effects, including:

- Generally declining IT investment;
- Decreased customer demand for our software and services, including delayed, cancelled and smaller orders;
- Customers' inability to obtain credit on acceptable terms, or at all, to finance purchases of our software and services;
- Increased incidence of default and insolvency of customers, business partners, and key suppliers;
- Increased default risk, which may lead to significant write-downs in the future;
- Greater pressure on the prices of our products and services; and
- Pressure on our operating margin.

In 2009, the economic crisis negatively impacted our business. If current economic conditions persist or further worsen, we expect a sustained negative impact on our revenue growth, more defaults, and a consequent negative impact on our income. Moreover, continued or further economic deterioration could exacerbate the other risks as described in this Prospectus.

Our global business activities subject us to regulatory requirements and economic and other risks that could harm our business, financial position, income, or cash flows.

We currently market our products and services in over 120 countries in the Americas, Asia Pacific and Japan, and Europe, the Middle East and Africa regions. Sales in these countries are subject to risks inherent in international business operations. Among others, these risks include:

- Regional and local economic decline or instability and resulting market uncertainty;
- General economic or political conditions in each country or region;
- Conflict and overlap among different tax regimes;
- Possible tax constraints impeding business operations in certain countries;
- The management of an organization spread over various jurisdictions;
- Exchange rate fluctuations;
- Longer payment cycles;
- Regulatory constraints such as import and export restrictions, competition law regimes, legislation governing the use of the Internet, additional requirements for the development, certification, and distribution of software and services, trade restrictions, changes in tariff and freight rates and travel and communication costs;

- Expenses associated with the customization of our products on a local level and transacting business in the local currency;
- Differing demands from works councils and labour unions in the different countries; and
- The higher cost of doing business internationally.

As we expand further into new regions and markets, these risks could intensify. One or more of these factors could negatively impact our operations globally or in one or more countries or regions. As a result, our business, financial position and reputation, income, or cash flows could be impacted.

Social and political instability, caused for example by terrorist attacks, war or international hostilities, pandemic disease outbreaks, or natural disasters, could negatively impact our business.

Terrorist attacks and other acts of violence or war, pandemic disease outbreaks, or natural disasters could have a negative impact on the world economy. The resultant social and political instability could contribute further to the current economic decline and economic and political uncertainty in many regions in which we do business. That could negatively impact our revenue and investment decisions, and those of our customers. Our corporate headquarters, which includes our main research and development departments and certain other critical business functions, is located in the German state of Baden-Württemberg. A catastrophic event affecting the northern part of Baden-Württemberg could have a highly material impact on our operations. Catastrophic events at other SAP centers, notably Buenos Aires (Argentina), São Paulo (Brazil), Shanghai (China), Prague (Czech Republic), Bangalore (India), Dublin (Ireland), Paris, Ra'anana (Israel), Tokyo, Mexico City, London, Vancouver (Canada), or Singapore, or at our U.S. locations in New York, Palo Alto (California), or Newtown Square (Pennsylvania), could also impact our operations. A catastrophic event that results in the loss of significant percentages of personnel or the destruction or disruption of operations at our headquarters or other key locations could affect our ability to provide normal business services and to generate the expected income.

Market Risks

If our established customers do not buy additional software products, renew maintenance agreements, or purchase additional professional services, our business, financial position, income, or cash flows could be negatively impacted.

Our large installed customer base traditionally generates additional new software, maintenance, consulting, and training revenue. In 2009, we continued to roll out SAP Enterprise Support, a wide-ranging set of value-adding support services that helps our customers operate their IT systems more effectively. To achieve our business goals, we depend materially on the success of our support portfolio and on our own ability to deliver high-quality services. If existing customers cancel or do not renew their maintenance contracts, or if they seek alternative offerings from other vendors or decide not to buy additional products and services, this will have a material negative impact on our business, financial position, income, or cash flows.

Our market share and income may decline due to the intense competition and consolidation in the software industry.

The software industry continues to evolve rapidly, due to consolidation and technological innovation. As a result, the market for our products and services remains intensely competitive. Over the last ten years, we have expanded from our traditional large enterprise resource planning ("ERP") offerings to new products and services, which expose us to competitors varying in size, geographic location, and specialty. Competitors may gain market share because of acquisitions, or because the growing popularity of new development models, such as service-oriented architecture ("SOA"), and new delivery and licensing models, such as software as a service ("SaaS"), business process outsourcing ("BPO"), and cloud computing, enables them to also offer integrated package solutions that compete with ours. For example, IBM, Oracle, and Microsoft have acquired companies to extend their solutions portfolios or market share, which has increased competitive pressure on SAP Group. SaaS providers such as Salesforce.com, part of a growing SaaS business network in the software industry (ecosystem) for applications, also compete with SAP for segment share. Current and potential competitors are establishing or may in the future establish or extend cooperative relationships among themselves or with third parties to better address their customers' needs. This increased competition could result in increased price pressure, cost increases, and loss of market share for SAP Group.

Business Strategy Risks

Demand for our new products may not develop as planned and our midmarket strategy may not be successful.

Especially in the current economic climate, the demand for the products and services we have recently introduced, and customers' acceptance of them, are subject to a high level of uncertainty. Gaining new midsize customers with the aim of building on our leading position in the midmarket is a key part of our strategy. In that context, introducing a new business model, expanding our partner ecosystem, and creating the infrastructure for volume business are all of great importance. Despite our efforts, demand for our products and services in the midmarket may fail to develop as planned, and this could have a material negative impact on our business, financial position, income, or cash flows. In addition, entering new market segments exposes us to the risks associated with developing and launching new products.

If we fail to develop new relationships and enhance existing relationships with channel partners, software suppliers, system integrators, value-added resellers, and independent software vendors ("ISVs") that contribute to the sale of our products and services, our business, financial position, income, or cash flows may be adversely impacted.

We have entered into cooperation agreements with channel partners and leading software and hardware vendors. Most of these agreements are of relatively short duration and are nonexclusive. The parties concerned typically maintain similar arrangements with our competitors, and some compete with us themselves. Additionally, we maintain a network of ISVs that develop their own business applications for the SAP NetWeaver technology platform. These third-party relationships carry numerous risks. For example:

- The relevant counterparties may not renew their agreements with us at all or on terms acceptable to us
- The relevant counterparties may fail to provide high-quality products and services
- The relevant counterparties may not devote sufficient resources to promote, sell, support, and integrate their products within our portfolio

If one or more of these risks materialize, the marketing of and demand for our products and services may be negatively impacted and we may not be able to compete successfully with other software vendors, which could harm our reputation or negatively impact our business, financial position, income, or cash flows.

Human Capital Risks

If we do not effectively manage our geographically dispersed workforce, our business may not operate efficiently, and this could have a negative impact on our income.

Our success is dependent on appropriate alignment of our workforce planning process and location strategy with our mid-term strategy. Changes in headcount and infrastructure needs could result in a mismatch between our costs and revenue. Additionally, it is critical that we manage our geographically dispersed employee base well. If we do not manage our headcount and our geographically dispersed employee base effectively, our business may not operate efficiently and this could have a negative impact on our financial position, income, or cash flows.

If we are unable to attract and retain management and employees with specialized knowledge and technology skills, we may not be able to manage our operations effectively or develop successful new products and services.

Our highly qualified employees and managers provide the foundation for our continued success. Competition in our industry for highly skilled and specialized personnel and leaders is intense. If we are unable to attract well qualified personnel or if our highly skilled and specialized personnel leave SAP Group and qualified replacements are not available, we may not be able to manage our operations effectively or develop successful new products and services. This is particularly true as we continue to introduce new and innovative technology offerings. Hiring such personnel may also expose us to claims by other companies seeking to prevent their employees from working for a competitor.

Acquisition Risks

SAP Group is exposed to risks relating to the proposed acquisition of Sybase, Inc.

On 12 May 2010 SAP AG's subsidiary SAP America, Inc. and its subsidiary Sheffield Acquisition Corp. entered into the Agreement and Plan of Merger for the acquisition of all outstanding equity securities of Sybase, Inc., a Delaware, U.S.A. corporation ("**Sybase**") by SAP AG or any of its affiliated companies (the "**Merger Agreement**").

Under the Merger Agreement, SAP AG will, through certain of its subsidiaries and subject to certain conditions, acquire all shares in Sybase against a cash consideration of USD 65.00 per share in a tender offer and subsequent merger, representing an enterprise value of approximately USD 5.8 billion. In connection with the tender offer, SAP acquired approx. 92.1 per cent. of the equity securities of Sybase. Carrying out the acquisition of Sybase, as any other acquisition, involves risk. For instance, the acquisition of Sybase, as any other acquisition, carries the risk that the strategic price paid is considered too high by the market, that the acquisition proves to be less successful than anticipated, that Sybase does not develop as expected by the market, and that sales and earnings goals pursued by way of the acquisition are not met. In addition, the acquisition of Sybase, as any other acquisition, is subject to the risk that we will not be able to integrate the acquired company into SAP Group as planned or only at a higher cost than originally planned, and/or that any intended synergy effects cannot be realized to the extent planned or cannot be realized at all.

In addition, the acquisition and integration of Sybase may expose SAP Group to the following risks:

- *Commitment of management capacity:* The integration of SAP Group and Sybase will require a large amount of the time and attention of both companies' management. If integration issues divert management from other responsibilities, SAP Group's and Sybase's business could be adversely affected.

- *Increased Indebtedness:* As a result of the acquisition of Sybase, SAP AG's net financial liabilities will increase considerably due to the financing of the acquisition by way of the Sybase Acquisition Loan and/or the issue of Notes.
- *Risks arising from the Sybase Acquisition Loan:* The Sybase Acquisition Loan contains certain undertakings, restrictions and covenants that restrict SAP AG's entrepreneurial flexibility. The Sybase Acquisition Loan furthermore contains certain market-standard provisions, pursuant to which the lenders may terminate the Sybase Acquisition Loan and accelerate all borrowings under the loan.
- *Higher consideration for the acquisition of Sybase caused by appraisal rights:* Shareholders of Sybase that disagree with the amount of the consideration offered under the Merger Agreement have the right to demand from Sybase to be paid fair value of their shares (so-called appraisal rights). An appraisal process will not delay the closing of the acquisition, but could result in court proceedings to determine the fair value. Such court proceedings could extend for a substantial period of time. In case the fair value for each share in Sybase to be paid to the dissenting shareholders on the basis of a mutual settlement or after a court decision is higher than the consideration offered by SAP Group, the acquisition of Sybase will become more expensive for SAP Group.
- *Possible loss of key employees:* Both SAP Group and Sybase depend on their key employees for the successful integration and implementation of a common strategy. If either of the companies were to lose key employees due to their combination, rapid integration and leveraging of the respective strengths of each company could be more difficult.
- *Potential inability to obtain important third-party consents.* Certain contracts to which Sybase is a party, including customer contracts and licenses of technology, require the consent of the counterparty to a change of control of Sybase, such as the acquisition. It is not a condition to the acquisition that Sybase obtain such consents. If such consents cannot be obtained, Sybase may lose its rights under such contracts, which could render Sybase less valuable to SAP Group.

If any of the aforementioned risks materializes, this could have a material adverse impact on our business, income, financial position or cash flows.

If (i) unexpected difficulties were to arise in the course of the acquisition and/or the integration of Sybase or (ii) the Sybase business under SAP AG's ownership failed to develop as expected, SAP AG could be forced in the future to recognize impairment losses on intangible assets acquired and/or the goodwill of the cash-generating unit(s) to which the goodwill resulting from the business combination was allocated to.

After the acquisition of Sybase, SAP AG will have to recognize in its financial reporting the identifiable assets acquired which include intangible assets. In addition, SAP AG will also have to recognize the difference between the consideration transferred for the acquisition and the net of the acquisition date fair value of the identifiable assets acquired and the liabilities assumed as goodwill. These items must be tested for impairment at the end of each fiscal year. During the fiscal year, these items must also be tested for impairment whenever indicators imply a possible impairment (triggering event). If unexpected difficulties were to arise in the course of the integration of Sybase into SAP Group, if Sybase's business were to fail to develop as expected or if any other unexpected development occurs in relation to Sybase's business, SAP AG may in the future be forced to recognize in profit impairment losses on the intangible assets acquired and/or the goodwill of the cash-generating unit(s) to which the goodwill resulting from the business combination was allocated to in accordance with IFRS. Any such impairment losses could have a direct material adverse impact on our business, income and financial position and could indirectly adversely impact our cash flows.

In the event, and following the consummation, of the acquisition of Sybase, SAP AG will be exposed to risks associated with the business of Sybase, some of which SAP AG may not presently be aware of, and SAP AG in general will not have warranty claims against Sybase or its shareholders for any such risks.

SAP AG has performed a limited due diligence investigation as part of the acquisition of Sybase with respect to selected aspects of the legal, financial and business condition of Sybase. SAP AG believes that it may, following the acquisition of Sybase, face the following specific risks associated with the business of Sybase and that exist in addition to the risks described in this section "Risk Factors " with regard to SAP AG's business generally:

- *If Sybase fails to maintain or expand relationships with strategic partners and indirect distribution channels its license revenues could decline:* Sybase currently derives a significant portion of its license revenues from sales of its Infrastructure Platform Group (IPG) and iAnywhere Solutions (iAS) products and services through non-exclusive distribution channels, including strategic partners, systems integrators (Sis), original equipment manufacturers (OEMs), and value-added resellers (VARs). Sybase generally anticipates that sales of its products through these channels will account for a substantial portion of its software license revenues in the foreseeable future. Because most of Sybase's channel relationships are non-exclusive, there is a risk that some or all of them could promote or sell Sybase's competitors' products instead of those of Sybase, or that they will be unwilling or unable to effec-

tively sell new products that Sybase may introduce. Additionally, if Sybase is unable to expand its indirect channels, or these indirect channels fail to generate significant revenues in the future, Sybase's business could be harmed. Sybase's development, marketing and distribution strategies also depend in part on its ability to form strategic relationships with other technology companies. If these companies change their business focus, enter into strategic alliances with other companies, are acquired by Sybase or SAP AG's competitors or others or materially suffer from the current economic downturn, support for Sybase's products could be reduced or eliminated, which could have a material adverse impact on our business, income, financial position or cash flows.

- *System failures, delays, insufficient capacity and other problems could harm Sybase's reputation and business, cause Sybase to lose customers and expose Sybase to customer liability:* The success of Sybase 365 is highly dependent on its ability to provide reliable services to customers. These operations could be interrupted by any damage to or failure of, or insufficient capacity of, computer hardware, software or networks utilized or maintained by Sybase, its customers or suppliers. Additionally, the failure of, or insufficient capacity of Sybase's connections and outsourced service arrangements with third parties could interrupt Sybase's services and materially adversely impact our financial performance and relations with customers, including causing liability to Sybase's customers. Sybase 365's systems and operations may also be vulnerable to damage or interruption from power loss, transmission cable cuts and other telecommunications failures, natural disasters, interruption of service due to potential facility migrations, computer viruses or software defects, physical or electronic break-ins, sabotage, intentional acts of vandalism and similar events and errors by Sybase employees or third-party service providers. As use of Sybase 365's services increases, Sybase must continue to expand and upgrade its systems and operations. If Sybase does not accurately project the need for expansions and upgrades to our operations and perform such expansions and upgrades in a timely manner, its services could fail or be interrupted. Conversely, if Sybase grows and expands operations too quickly and/or overestimates demand, our operating results would be materially impaired. Because many of Sybase's services play a mission-critical role for its customers, any damage to or failure of the infrastructure they rely on, including that of Sybase's customers and vendors, could disrupt the operation of Sybase's network and the provision of its services, result in the loss of current and potential customers and expose us to potential contractual performance and other liabilities.
- *Pricing pressure in the mobile messaging market could adversely affect Sybase's operating results:* Competition and industry consolidation in the mobile messaging market have resulted in pricing pressure, which Sybase expects to continue in the future. This pricing pressure could cause large reductions in the selling price of Sybase's services. For example, consolidation in the wireless services industry could give Sybase's customers increased transaction volume leverage in pricing negotiations. Sybase's competitors or Sybase's customers' in-house solutions may also provide services at a lower cost, significantly increasing pricing pressures on Sybase. Pricing pressure may also arise from wireless carriers increasing the cost of access to their services and networks, if Sybase is unable to pass these costs on to our customers. While historically pricing pressure has been largely offset by volume increases and the introduction of new services, in the future Sybase may not be able to offset the effects of any price reductions.
- *Sybase's mobile messaging customer contracts may not continue to generate revenues and margins at or near our historical levels of revenues and margins from these customers and Sybase relies on a limited number of customers for most of its messaging revenue:* If Sybase's customers decide for any reason not to continue to purchase services from Sybase at current levels or at current prices, to terminate their contracts with Sybase or not to renew their contracts with Sybase, Sybase's messaging revenues and margins would decline. Additionally, a limited number of customers provide most of Sybase's messaging revenue and if they terminate their contracts with Sybase, do not renew their contracts, or renegotiate their contracts in a way that is unfavorable to Sybase, Sybase's messaging revenue and/or margin could be adversely impacted.
- *Laws and regulations affecting Sybase's customers and Sybase and future laws and regulations to which they or Sybase may become subject may harm Sybase's business:* When Sybase 365 delivers mobile messages on behalf of content owners into its network of wireless carriers, such messages are subject to legal, regulatory and wireless carrier requirements governing, among other things, the nature of content delivered, as well as necessary notice and disclosure to, and consent from, consumers receiving mobile messages. Even though Sybase does not create or control the content delivered over its network, if it is unable to effectively prevent or detect violations of legal, regulatory or wireless carrier requirements, or is otherwise unable to mitigate the effect of these violations, it may be subject to fines or the suspension or termination of some or all of its wireless carrier connections or telecommunications licenses in one or more territories which could materially adversely affect its business and results of operation. Such suspension or termination may also result in loss of current and potential customers and expose Sybase to potential customer liability. Also, Sybase cannot predict when, or upon what terms and conditions, future regulation might occur or the effect regulation may have on Sybase's business or markets, including possible future regulations that could regulate the pricing of mobile messaging or other services Sybase provides.
- *Sybase's sales to government clients subject it to risks including early termination, audits, investigations, sanctions and penalties.* Sybase derives revenues from contracts with the United States government, state, local and foreign governments and their respective agencies, which may terminate most of these contracts at any time, without cause. Federal government contracts may be affected by political pressure to reduce government spending. Sybase's federal government contracts are subject to the approval of appropriations being made by the United States

Congress to fund the expenditures under these contracts. Similarly, Sybase's contracts at the state and local levels, and its contracts with foreign governments, are subject to government funding authorizations. Additionally, government contracts are generally subject to audits and investigations which could result in various civil and criminal penalties and administrative sanctions, including termination of contracts, refund of a portion of fees received, forfeiture of profits, suspension of payments, fines and suspensions or debarment from future government business.

We might not integrate acquired companies effectively or successfully and our strategic alliances might not be successful.

To complement or expand our business, we have in the past made acquisitions of businesses, products, and technologies. We expect to continue to make such acquisitions in the future, including the envisaged acquisition of Sybase, Inc. Management's negotiation of potential acquisitions and alliances and integration of acquired businesses, products, or technologies demands time, focus, and resources of management and of its workforce. Acquisitions carry many additional risks. These include, among others:

- It may not be possible to successfully integrate the acquired business, and its different business and licensing models.
- It may not be possible to integrate the acquired technologies or products with current products and technologies.
- It may not be possible to retain key personnel of the acquired business.
- We may assume material unknown liabilities of acquired companies, including legal or intellectual property contingencies or other significant risks that may not be detected by the due diligence process.
- We may incur debt or significant cash expenditures.
- We may have difficulty implementing, restoring, or maintaining internal controls, procedures, and policies.
- There may be a negative impact on relationships with customers, partners, or third-party providers of technology or products.
- We may have difficulty integrating the acquired company's accounting, human resource, and other administrative systems.
- There may be regulatory constraints.
- The acquired business may have practices or policies that are incompatible with our compliance requirements.

In addition, acquired businesses, including Sybase, Inc., might not perform as anticipated, resulting in SAP AG being forced in the future to recognize impairment losses on intangible assets acquired and/or the goodwill of the cash-generating unit(s) to which the goodwill resulting from the business combination was allocated to.

Furthermore, we have entered into, and expect to continue to enter into, alliance arrangements for a variety of purposes including the development of new products and services. There can be no assurance that any such products or services will be successfully developed or that we will not incur significant unanticipated liabilities in connection with such arrangements. We may not be successful in overcoming these risks and we may therefore not benefit as anticipated from acquisitions or alliances. We cannot exclude the possibility that our business, financial position, income, or cash flows will be negatively impacted.

Organizational and Governance-Related Risks

Both in Germany and in the United States, corporate governance laws have become much more onerous.

As a stock corporation domiciled in Germany with securities listed in Germany and the United States, we are subject to German, European, and U.S. governance-related regulatory requirements. The standards have become significantly more onerous in recent years, notably with the implementation of the Sarbanes-Oxley Act and more rigorous application of the Foreign Corrupt Practices Act in the United States, and the increasing degree of regulation in Germany. The rules are highly complex, and there can be no assurance that we will not be held in breach of regulatory requirements if, for example, individual employees behave fraudulently or negligently, or if we fail to comply with certain formal documentation requirements. Any related allegations of wrongdoing against us, whether merited or not, could have a material negative impact on our reputation as well as on the trading price of our common stock and ADRs.

Principal shareholders may be able to exert control over our future direction and operations.

If SAP AG's principal shareholders and the holdings of entities controlled by them vote in the same manner, this could delay, prevent or facilitate a change in control of SAP AG or other significant changes to SAP AG or its capital structure.

U.S. judgments may be difficult or impossible to enforce against us or our Board members.

Currently, except for Bill McDermott and Vishal Sikka, all members of SAP AG's Executive Board and all members of the Supervisory Board are non-residents of the United States. A substantial portion of the assets of SAP Group and our Board members are located outside the United States. As a result, it may not be possible to effect service of process within the United States upon non-U.S. resident persons or SAP Group or to enforce against non-U.S. resident persons judgments obtained in U.S. courts predicated upon the civil liability provisions of the securities laws of the United States. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in Germany.

SAP Group's sustainability strategy may be difficult to maintain, and a failure by us to meet customer or partner expectations or generally accepted sustainability standards could have an adverse impact on our results of operations, our business and our reputation.

For SAP Group, sustainability is a standard that guides our engagement in new business opportunities – holistically encompassing profitable growth, environmental value, and societal benefit. Therefore, we address sustainability risks, especially relating to climate change, corporate integrity, human resources management, the ethical behavior of suppliers, the accessibility, user-friendliness, and safety of our products, privacy and data protection in connection with the use of SAP products. If our sustainability strategy is not sufficient to meet the expectations of our customers and partners or generally accepted sustainability standards, this could harm our reputation and have an adverse impact on our business, income, financial position, or cash flows.

Communication and Information Risks

We may not be able to prevent unauthorized disclosure of our future strategies, technologies, and products, or of information that is subject to data protection or privacy law, and such disclosure may harm our business.

We have taken a range of measures in recent years to mitigate the risk that internal confidential communications and information about sensitive subjects, such as our future strategies, technologies, and products, or information that is subject to data protection or privacy law, are improperly or prematurely disclosed to the public. However, there is no guarantee that the protective mechanisms we have established will work in every case. Our competitive position could sustain serious damage if, for example, confidential information about the future direction of our product development became public knowledge, resulting in reduced revenue in the future. Any such premature disclosure could have a negative impact on our business, assets, income, or cash flows.

Financial Risks

Our revenue mix may vary and may negatively impact our profit margins.

Variances or slowdowns in our software license sales may negatively impact current or future revenue from maintenance and services, since such revenue typically follows and is dependent on software sales. Any decrease in the percentage of our total revenue derived from software licensing could have a material negative impact on our business, financial position, income, or cash flows. We have introduced new licensing models such as on-demand and subscription models which typically result in revenue being recognized over an extended period. A significant portion of the related cost of developing, marketing, and providing our solutions to customers under such new models could be incurred prior to the recognition of revenue, thus impacting our profit margin in the short term.

The economic crisis has led to an increased risk of default on receivables and financial assets and may negatively impact our financial assets. A continuation or deepening of the economic crisis may lead to more such losses.

If we experience a higher risk of default on our receivables and financial assets, our business, financial position, income, or cash flows may be negatively impacted. SAP Group's policy with regard to investment in financial assets is set out in our internal treasury guideline document, which is a collection of uniform rules that apply globally to all companies in the Group. Among its stipulations, it requires that we invest only in assets from issuers or funds with a rating of A- or better. The weighted average rating of our financial assets is in the range of AA- to A+. We pursue a policy of cautious investment characterized by wide portfolio diversification with a variety of counterparties, predominantly short-term investments, and the use of standard investment instruments. However, there can be no guarantee that those measures will prove successful.

Our future liquidity may be impacted by a negative development in the global economy

We use a global centralized financial management to control liquid assets, interest, and currencies. The primary aim is to maintain liquidity in the Group at a level that is adequate to meet our obligations. Our net liquidity on 30 June 2010 was EUR 2.2 billion. In September 2009, we replaced our existing EUR 1 billion syndicated credit facility, which was due to expire in November 2009. The new syndicated credit facility totals EUR 1.5 billion and has a maturity of three years (September 2012). We also have other bilateral credit facilities on which we can draw if necessary. However, we cannot exclude the possibility that uncertainties in the credit market may lead to increased financing expenses and negatively affect our financial position, income, or cash flows.

Management's use of estimates may affect our income and financial position.

To comply with IFRS, management is required to make many judgments, estimates, and assumptions. The facts and circumstances on which management bases these estimates and judgments, and management's judgment of the facts and circumstances, may change from time to time and this may result in significant changes in the estimates, with a negative impact on our assets or income.

Current and future accounting pronouncements and other financial reporting standards, especially but not only concerning revenue recognition, may adversely affect the financial information we present.

We regularly monitor our compliance with all of the financial reporting standards that are applicable to SAP and any new pronouncements that are relevant to us. Findings of our monitoring activity or new financial reporting standards may require us to change our internal accounting policies, especially but not only concerning revenue recognition, to alter our operational policy so that it reflects new or amended financial reporting standards, or to restate our published financial accounts. We cannot exclude the possibility that this may have a material impact on our assets, income, or cash flows.

Our sales are subject to quarterly fluctuations and our sales forecasts may not be accurate, which could cause our revenue and results of operations to fall below our expectations.

Our revenue and operating results can vary and have varied in the past, sometimes substantially, from quarter to quarter. Our revenue in general, and in particular our software revenue, is difficult to forecast for a number of reasons, including:

- the relatively long sales cycles for our products;
- the large size and extended timing of individual license transactions;
- the timing of the introduction of new products or product enhancements by us or our competitors;
- changes in customer budgets;
- seasonality of a customer's technology purchases; and
- other general economic, social and market conditions, such as the global economic crisis that emerged in late 2008.

As many of our customers make and plan their IT purchasing decisions at or near the end of calendar quarters, and with a significant percentage of those decisions being made during the fourth quarter, even a small delay in purchasing decisions could have a material adverse effect on our results of operations. While our dependence on single, large scale sales transactions has decreased in recent years due to a relative increase in the number of license transactions and a decrease in average deal size concluded by SAP Group, we cannot guarantee that our results will not be adversely affected by the loss or delay of one or a few large sales, which continue to occur especially in the large enterprise segment.

We use a "pipeline" system to forecast sales and trends in our business. While this pipeline analysis may provide us with some guidance in business planning, budgeting and forecasting, these pipeline estimates do not necessarily always consistently correlate to revenue in a particular quarter and could cause us to improperly plan, budget or forecast. Because our operating expenses are based upon anticipated revenue levels and because a high percentage of our expenses are relatively fixed in the near term, any shortfall in anticipated revenue or delay in recognition of revenue could result in significant variations in our results of operations from quarter to quarter or year to year. Continued deterioration in global economic conditions would make it increasingly difficult for us to accurately forecast demand for our products and services, and could cause our revenue, results of operations and cash flows to fall short of our expectations and public forecasts, which could have a negative impact on our stock price.

In 2009, we limited our expenditures to respond to the global economic crisis. However, we may in the future increase the following expenditures in comparison to 2009 depending on among other things, economic conditions, ongoing results and evolving business needs:

- expansion of our operations;
- research and development directed towards new products and product enhancements; and
- development of new distribution and resale channels, particularly for small and midsize enterprises.

To the extent any future expenses precede or are not subsequently followed by increased revenue, our quarterly or annual operating results may be materially adversely affected and may vary significantly from preceding or subsequent periods.

Because we conduct operations throughout the world, our assets, income, or cash flows may be affected by currency and interest-rate fluctuations.

Our management and external accounting is in Euro. Nevertheless, a significant portion of our business is conducted in currencies other than the Euro. Approximately 64 per cent. of our consolidated revenue in 2009 and in the first quarter of 2010 was attributable to operations outside the Euro area and was translated into Euro. Consequently, period-over-period changes in the Euro rates for particular currencies can significantly affect our reported revenue and income. In general, appreciation of the Euro relative to another currency has a negative effect while depreciation of the Euro has a positive effect. Variable-interest balance-sheet items are also subject to changes in interest rates, so there is the risk that these balance-sheet items may result in a negative impact on our income or cash flows.

The cost of using derivative instruments to hedge share-based compensation plans may exceed the benefits of hedging them.

To reduce the impact of our STAR (Stock Appreciation Rights) and SAP SOP (Stock Option Plan) share-based compensation plans on our income statement, we use derivative instruments to reduce risks resulting from future expenses associated with those plans. We decide on an individual basis if and to what extent we hedge this risk. However, we cannot exclude the possibility that the expense of hedging the STAR and SOP plans may exceed the benefit achieved by hedging them or that a decision not to hedge may prove disadvantageous.

Project Risks

Implementation of SAP software often involves a significant commitment of resources by our customers and is subject to a number of significant risks over which we often have no control.

Risks in connection with the implementation of SAP software include, for example:

- Our SAP trained consultants may not be immediately available to assist customers in the implementation of our products.
- The features of the implemented software may not meet the expectations or the software may not fit the business model of the customer.
- Third-party consultants may not have the expertise or resources to successfully implement the software.
- Customer-specific factors may destabilize the implementation of the software.
- Customers and partners may not implement the measures offered by SAP Group to safeguard against technical risks.

As a result of these and other risks, some of our customers have incurred significant third-party consulting costs in connection with the purchase and installation of SAP software products. Also, some customers' implementation projects have taken longer than planned. We cannot guarantee that we can reduce or eliminate protracted installation or significant third-party consulting costs, that shortages of our trained consultants will not occur, or that our costs will not exceed the agreed fees on fixed-price contracts. Unsuccessful customer implementation projects could result in claims from customers, harm SAP Group's reputation, and cause a loss of future revenues.

Product Risks

Undetected security flaws in our software may be exploited by other persons, damaging SAP Group or its customers.

Our products include security features that are intended to protect the privacy and integrity of our customers data. Despite these security features, our products may be vulnerable to attacks by unauthorized individuals or organizations succeeding, for example, in bypassing firewalls and misappropriating confidential information. Such attacks or other disruptions could jeopardize the security of information stored in and transmitted through the computer systems of our customers or business partners and lead to significant claims for damages against us. Resolving problems and claims associated with actual or alleged defects may be costly and may have a material impact on our reputation or operations.

We use technologies under license from third parties. Losing these technologies could delay implementation of our products or force us to pay higher license fees.

We have taken numerous third-party technologies under license and incorporated them into our products. We may be highly dependent on those technologies in the aggregate. There can be no assurance that the licenses for these third-party technologies will not be terminated, that the licenses will be available in the future on terms acceptable to us, or that we will be able to license third-party software for future products. Changes in or the loss of third-party licenses could lead to a material increase in the cost of licensing, or SAP software products may become unusable or materially reduced in their functionality. As a result, we may need to incur additional development or licensing costs to ensure the continued functionality of our

products. The risk increases if we acquire a company or a company's intellectual property assets that have been subject to third-party technology licensing and product standards less rigorous than our own.

If we are unable to keep up with rapid technological innovations, we may not be able to compete effectively.

Our future success depends in part on our ability to continue to enhance and expand our existing products and services, and to develop and introduce new products and provide new services that satisfy increasingly sophisticated customer requirements, keep pace with technological developments, and are accepted in the market.

There can be no assurance that the product enhancements, new solutions, and services we develop will successfully anticipate and adequately reflect changing technologies and customer requirements. Nor can there be any assurance that we will bring new solutions, solution enhancements, and services to market before our competitors, or that we will be able to generate enough revenue to offset the significant research and development costs we incur in bringing the products and services to market. We may not anticipate and develop technological improvements. In addition, we may not succeed in adapting our products to technological change, changing regulatory requirements, emerging industry standards, and changing customer requirements. Finally, we may not succeed in producing high-quality products, enhancements, and releases in a timely and cost-effective manner to compete with applications and other technologies offered by our competitors.

Undetected defects or delays in new products and product enhancements may result in increased costs to us and reduced demand for our products.

To achieve customer acceptance, our new products and product enhancements often require long development and testing periods. Development work is subject to various risks. For example, scheduled market launches could be delayed, or products may not completely satisfy our stringent quality standards, meet market needs or the expectations of customers, or comply with local standards and requirements. New products may contain undetected defects or they may not be mature enough to process large volumes of data. In some circumstances, we may not be in a position to rectify such defects or entirely meet the expectations of customers. As a result, we may be faced with customer claims for cash refunds, damages, replacement software, or other concessions. The risk of defects and their adverse consequences may increase as we seek to introduce a variety of new software products simultaneously. Significant undetected defects or delays in introducing new products or product enhancements could affect market acceptance of SAP software products, and could have a material negative impact on our business and reputation.

The use of SAP software products by customers in business-critical applications and processes and the relative complexity of our software products entail a risk that customers or third parties may pursue warranty, performance, or other claims against us for actual or alleged defects in SAP software products, in our provision of services, or in our application hosting services. We have in the past been, and may in the future be, subject to warranty, performance, or other similar claims.

Although our contracts generally contain provisions designed to limit our exposure arising out of actual or alleged defects in SAP software products or in our provision of services, these provisions may not cover every eventuality or be effective under the applicable law. Regardless of its merits, any claim could entail substantial expense and require the devotion of significant time and attention by key management personnel. Publicity surrounding such claims could affect our reputation and the demand for our software.

Our SAP NetWeaver technology platform strategy may not succeed or may make some of our products less desirable.

The continued success of the SAP NetWeaver technology platform depends on our maintaining a dynamic network of independent software vendors developing their own business applications for SAP NetWeaver. In addition, as with any open platform design, the greater flexibility provided to customers to use data generated by non-SAP software might reduce customer demand to select and use certain SAP software products. If SAP NetWeaver is not well received by customers, if competitors develop superior technology, or if the solution has significant defects, there may be a material adverse impact on our business, financial position, income, or cash flows.

Other Operational Risks

Third parties may claim we infringe their intellectual property rights; that could result in damages being awarded against us and limit our ability to utilize certain technologies in the future.

Third parties have claimed, and may claim in the future, that we have infringed their intellectual property rights. We believe our software products will increasingly be subject to such claims as the number of products in our industry segment grows, and as we expand into new industry segments with our products, resulting in greater overlap in the functional scope of products. Any claims, with or without merit, and negotiations or litigation relating to such claims, could preclude us from utilizing certain technologies in our products, be time-consuming, result in costly litigation, or require us to pay damages to third parties and, under certain circumstances, pay fines. They could also require us to enter into royalty and licensing arrangements on terms that are not favourable to us, cause product shipment delays, subject our products to injunctions, require a complete or partial redesign of key products, result in delays to our customers' investment decisions, and damage our reputation.

Software in general includes many components or modules that provide different features and perform different functions. Some of these features or functions may be subject to intellectual property rights. It can happen that rights of another party refer to technical aspects that are similar to one or more technologies in one or more of our products. SAP Group respects the intellectual property rights of third parties. We cannot exclude the possibility that, intellectual property rights of third parties may preclude us from utilizing certain technologies in our products or require us to enter into royalty and licensing arrangements on unfavourable or expensive terms.

The software industry is making increasing use of open source software in its development work on solutions. We also integrate certain open source software components from third parties into our software. The open source license may require that the software code in those components or the software into which they are integrated be freely accessible under open source terms. While we take precautions to protect open source software, we cannot exclude the possibility that third-party claims may require us to make freely accessible under open source terms a product of ours or non-SAP software upon which we depend. We cannot exclude the possibility of a resultant material impact on our assets, financial position, or income.

Claims and lawsuits against us may have adverse outcomes.

A variety of claims and lawsuits are brought against us, including claims and lawsuits involving businesses we have acquired. Adverse outcomes in some or all of the claims and lawsuits pending against us might result in the award of significant damages or injunctive relief against us that could negatively impact our ability to conduct our business. We currently believe that resolving these pending claims and suits, individually or in the aggregate, will not have a material adverse effect on our business, financial position, income, or cash flows. However, the outcome of litigation and other claims is intrinsically subject to considerable uncertainty. Management's view of the cases may also change in the future. Actual outcomes of litigation and other claims may differ from the assessments made by management in prior periods, which could result in a material negative impact on our business, financial position, income, cash flows, or reputation.

Our IT security measures may be breached or compromised and we may sustain unplanned IT system unavailability.

Our core processes, such as software development, sales and marketing, customer service, and financial transactions, rely on our IT infrastructure and IT applications. Outage of our infrastructure may be caused by malware or virus attacks, sabotage by hackers, natural disasters, or the failure of an underlying technology (such as the Internet). Such events could lead to a substantial denial of service or alteration or compromise of data from SAP Group, our customers, or our partners, giving rise to production downtime, recovery costs, and customer claims. A breach of our IT security measures and the resources we expend attempting to avoid such breaches could have a negative impact on our financial position or income.

We may not be able to obtain adequate title to or licenses in, or to enforce, intellectual property.

We use a variety of different means to protect our intellectual property. These include applying for patents, registering trademarks and other marks and copyright and rights of authorship, taking appropriate action to stop copyright and trademark infringement, entering into licensing, confidentiality, and nondisclosure agreements, and deploying protection technology. Despite our efforts, there can be no assurance that we can prevent third parties from obtaining, using, or selling without authorization what we regard as our proprietary technology and information. All of these measures afford only limited protection, and our proprietary rights could be challenged, invalidated, held unenforceable, or otherwise be affected. Some intellectual property may be vulnerable to disclosure or misappropriation by employees, partners, or other third parties. There can also be no assurance that third parties will not independently develop technologies that are substantially equivalent or superior to our technology. Also, it may be possible for third parties to reverse-engineer or otherwise obtain and use technology and information that we regard as proprietary. Accordingly, we might not be able to protect our proprietary rights against unauthorized third-party copying or utilization, which could negatively impact our competitive position and result in reduced sales. Any legal action we bring to enforce our proprietary rights could be costly, distract management from day-to-day operations, and lead to claims against us, which could negatively impact our income. Such actions by us could also involve enforcement against a partner or other third party, thereby adversely affecting our ability, and our customers' ability, to use that partner or other third parties' products. In addition, the laws and courts of certain countries may not offer effective means to enforce our intellectual property rights.

We may not be able to protect our critical information or assets or safeguard our business operations against disruption.

As a global software business, we are to a substantial extent dependent on the exchange of a wide range of information and on the availability of our communications and IT networks. We have implemented a number of barriers designed to ensure the security of our information, IT resources, and other assets. Nonetheless, there is a danger of industrial espionage and of misuse or theft of information or assets by trespassers in our facilities or by people who have gained authorized access to our facilities, systems, or information. Any misuse, theft, or breach of security could have a negative impact on our business, financial position, income, or cash flows.

Our insurance coverage may not be sufficient to prevent claim settlements from negatively impacting our financial position, income, or cash flows.

We maintain insurance coverage against a diverse portfolio of risks. Our objective is to ensure that financial effects of occurrences are excluded or minimized to the extent practicable at reasonable cost. Despite these measures, certain categories of

risks are not currently insurable at reasonable cost. Even if we obtain insurance, our coverage may be subject to exclusions that limit or prevent our indemnification under the policies. Further, we cannot guarantee the ability of the insurance companies to meet their liabilities from claims. If this risk materializes, it may have a significant negative impact on our business, financial position, income, or cash flows.

We may incur losses in connection with venture capital investments.

We plan to continue investing in technology businesses. Many of these enterprises currently generate net losses and require additional capital outlay from their investors. Changes to planned business operations have in the past, and also may in the future, affect the performance of companies in which SAP Group holds investments, and that could negatively affect the value of our investments. Moreover, for tax purposes, the use of capital losses and impairments of equity securities is often restricted, which may negatively affect our effective tax rate.

RISKS RELATING TO THE NOTES

An investment in the Notes involves certain risks associated with the characteristics, specification and type of the Notes which could lead to substantial losses that Holders would have to bear in the case of selling their Notes or with regard to receiving interest payments and repayment of principal. Risks regarding the Notes comprise, *inter alia*, the following risks:

Notes may not be a suitable investment for all investors

Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Liquidity Risk

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the official list of the Luxembourg Stock Exchange. However, there is a risk that no liquid secondary market for the Notes will develop or, if it does develop, that it will not continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted notes. In an illiquid market, an investor is subject to the risk that he will not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

Risk of Early Redemption

The Notes may be redeemed at the option of the Issuer (in whole, but not in part) at the principal amount of the Notes plus accrued interest to the date fixed for redemption for reasons of taxation. In the event that the Issuer exercises the option to redeem the Notes, the Holders might suffer a lower than expected yield and might not be able to reinvest the funds on the same terms.

Market Price Risk

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the Note. The Holders are therefore exposed to the risk of an unfavourable development of market prices of their Notes which materialises if the Holders sell the Notes prior to the final maturity. If a Holder decides to hold the Notes until final maturity, the Notes will be redeemed at the amount set out in the Conditions of Issue.

The market value of the Notes could decrease if the creditworthiness of the SAP Group worsens or the shareholder structure changes

If, for example, because of the materialisation of any of the risks regarding the Issuer, the Issuer is less likely to be in a position to fully perform all obligations under the Notes when they fall due, the market value of the Notes will suffer. In addition, even if the Issuer is not actually less likely to be in a position to fully perform all obligations under the Notes when they fall due, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the SAP Group could adversely change.

If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialisation of the relevant risk. Under these circumstances, the market value of the Notes will decrease.

Currency Risk

The Notes are denominated in Euro. If such currency represents a foreign currency to a Holder, such Holder is particularly exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. Changes in currency exchange rates result from various factors such as macro-economic factors, speculative transactions and interventions by central banks and governments.

In addition, government and monetary authorities may impose (as some have done in the past) currency exchange controls that could adversely affect an applicable currency exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

Fixed Rate Notes

The Fixed Rate Notes bear a fixed interest rate. A Holder of Fixed Rate Notes is particularly exposed to the risk that the price of such Notes falls as a result of changes in market interest rates. While the nominal interest rate of a Fixed Rate Note as specified in the Conditions of Issue is fixed during the term of the Notes, the current interest rate on the capital market typically changes on a daily basis. As the market interest rate changes, the price of fixed rate notes also changes, but in the opposite direction. If the market interest rate increases, the price of fixed rate notes typically falls, until the yield of such notes is approximately equal to the market interest rate of comparable issues. If the market interest rate falls, the price of fixed rate notes typically increases, until the yield of such notes is approximately equal to the market interest rate of comparable issues. If a Holder of the Fixed Rate Notes holds his notes until maturity, changes in the market interest rate are with-out relevance to such Holder as the Fixed Rate Notes will be redeemed at their principal amount.

Floating Rate Notes

A holder of Floating Rate Notes is particularly exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of the Floating Rate Notes in advance. Neither the current nor the historical value of the relevant floating rate should be taken as an indication of the future development of such floating rate during the term of the Floating Rate Notes.

Risks in connection with the application of the German Act on Issues of Debt Securities (Gesetz über Schuldverschreibungen aus Gesamtemissionen)

A Holder is subject to the risk to be outvoted and to lose rights towards the Issuer against his will in the case that Holders agree pursuant to the Conditions of Issue to amendments of the Conditions of Issue by majority vote according to the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*). In the case of an appointment of a noteholders' representative (*gemeinsamer Vertreter*) for all Holders a particular Holder may lose, in whole or in part, the possibility to enforce and claim his rights against the Issuer regardless of other Holders.

Changes in Accounting Standards (IFRS and HGB/German Commercial Code)

SAP Group's and SAP AG's respective annual financial statements are issued in accordance with IFRS Standards as adopted by the EU, and the additional requirements of Section 315a Abs. 1 of the German Commercial Code (*Handelsgesetzbuch*). New or changed accounting standards may lead to adjustments in the relevant SAP Group and/or SAP AG accounting positions. This might lead to a different perception of the market regarding SAP AG's creditworthiness. As a result there is a risk that the market value of the Notes might decrease.

No restriction on the amount of debt which the Issuer may incur in the future

There is no restriction on the amount of debt which the Issuer may issue which ranks equal to the Notes. Such issuance of further debt may reduce the amount recoverable by the Holders upon winding-up or insolvency of the Issuer or may increase the likelihood that the Issuer may or shall defer payments of interest under the Notes.

USE OF PROCEEDS

In connection with the offering of the Notes, the Issuer will receive net proceeds of approximately EUR [•], after deducting aggregate costs and the underwriting commission aggregating to approximately EUR [•]. SAP AG plans to use the proceeds to fully or partly prepay or cancel the dual-currency term loan facility agreement to be entered into in connection with the acquisition of Sybase. SAP AG intends to finance the remaining amount for the acquisition from its own cash. Details of the acquisition and its financing are described under "*Acquisition of Sybase, Inc.*"

GENERAL INFORMATION ABOUT THE ISSUER

General Information

SAP AG is a German stock corporation (*Aktiengesellschaft*). It is registered with the Commercial Register (*Handelsregister*) of the Lower Court (*Amtsgericht*) in Mannheim under HRB 350269 under the name "SAP AG". Our legal corporate name is "SAP AG".

SAP AG, formerly known as "SAP Aktiengesellschaft Systeme, Anwendungen, Produkte in der Datenverarbeitung", traces its roots back to the year 1972. It was founded as a limited liability corporation (*Gesellschaft mit beschränkter Haftung*) under the laws of the Federal Republic of Germany on 24 October 1976. Where the context requires in the discussion below, SAP AG refers to our predecessors, Systemanalyse und Programmentwicklung GbR (1972-1976) and SAP Systeme, Anwendungen, Produkte in der Datenverarbeitung GmbH (1976-1988). SAP AG became a stock corporation (*Aktiengesellschaft*) in 1988.

The shares of SAP AG are listed on the Frankfurt Stock Exchange, the Berlin Stock Exchange and the Stuttgart Stock Exchange and are a constituent of the German large cap stock index DAX30. The shares of SAP AG are also listed on the New York Stock Exchange (NYSE) in the form of American Depository Receipts.

Our principal executive offices, headquarters and registered office are located at Dietmar-Hopp-Allee 16, 69190 Walldorf, Germany. Our telephone number is: +49-6227-7-47474.

Fiscal Year

SAP AG's fiscal year is the calendar year.

Object of the Issuer

According to Article 2 of its articles of association, SAP AG's corporate purpose is direct or indirect activity in the area of development, production, and marketing of products and the provision of services in the field of information technology, including:

- Developing and marketing integrated product and service solutions for e-commerce;
- Developing software for information technology and the licensing of its use to others;
- Organization and deployment consulting, as well as user training, for e-commerce and other software solutions;
- Selling, leasing, renting, and arranging the procurement and provision of all other forms of use of information technology systems and related equipment; and
- Making capital investments in enterprises active in the field of information technology to promote the opening and advancement of international markets in the field of information technology.

Auditors

The independent auditors of SAP AG are KPMG AG Wirtschaftsprüfungsgesellschaft, Theodor-Heuss-Anlage 12, 68165 Mannheim, Germany ("**KPMG**"), a member of the German Chamber of Public Accountants, Berlin, Germany (*Wirtschaftsprüferkammer*). KPMG and its antecessors have been the responsible auditors of SAP AG since 2002 and KPMG has audited the consolidated financial statements of SAP Group for the fiscal years ended on 31 December 2008 and 2009, and has, in each case, issued an unqualified auditor's report.

Business description

Overview

Founded in 1972, SAP AG is one of the leading international providers of business software and, based on market capitalization, we are the world's third-largest independent software manufacturer. We have more than 102,500 customers in over 120 countries and employ more than 48,000 people at locations in more than 50 countries in the European, Middle East, and Africa, Americas, and Asia Pacific Japan regions.

Our core business is selling licenses for software solutions and related services. Our solutions, which cover standard business applications and technologies as well as specific industry applications, are designed to help companies make their business processes more efficient and agile and create sustainable new value. In addition, we offer consulting, maintenance, and training services for our software solutions. We develop our products in close cooperation with customers and independent business partners.

In 2009, SAP Group's revenue from software and software-related services amounted to EUR 8,198 million or 77 per cent. of the total revenue, the revenue from consulting amounted to EUR 2,074 million or 19 per cent. and the revenue from training and other revenues amounted to EUR 400 million or 4 per cent.

In the first half year of 2010, our revenue from software and software-related services amounted to EUR 4,205 million or 78 per cent. of the total revenue, the revenue from consulting amounted to EUR 1,007 million or 19 per cent. and the revenue from training and other revenue amounted to EUR 191 million or 3 per cent.

Strategy

Our customer base includes many large global enterprises as well as midsize companies. Such global companies use the SAP portfolio to automate their business transactions, enabling better management and governance. In our traditional core business, we seek to win a greater share of our existing customers' IT budget. We also aim to win new customers, for instance companies that have been using competitor or custom software.

Our solutions for industries are crucial for the strength of our product portfolio. In 2009, we focused on strategic industries with exceptional growth potential, including, for example, banking, retail, utilities, and the public sector. Additionally, we introduced SAP solutions for sustainability focused on tackling energy consumption, greenhouse gas emissions, product safety, healthcare, and sustainability performance management.

Solutions to address the needs of business users remain a central element of our strategy for growth. In 2009, we focused efforts on further integrating products from our acquisition of Business Objects into our solutions portfolio.

We intend to combine the following measures to help us realize our full growth potential:

- **Organic growth:** Our primary growth strategy is to continue to develop our own product portfolio and our own base of direct customers, focusing on rapid innovation and speed to market.
- **Co-innovation:** Collaborating with customers and partners remains one of our core policies. We continue to invest in our partner ecosystem to support the development of solutions built on the SAP NetWeaver technology platform and leverage partner sales forces to address the various market and customer segments.
- **Focused acquisitions:** With targeted strategic and "fill-in" acquisitions that add to our broad solution offerings, we gain specific technologies and capabilities to meet the needs of our customers.

Products and Services

Software Portfolio

SAP Business Suite

SAP Business Suite software can help customers execute and optimize their business and IT strategies by providing modular applications that improve their ability to perform their end-to-end business processes within the organization and across the business network. The applications are designed to be extensible so that they work with other SAP and non-SAP software applications. Organizations and departments in all industries can incrementally deploy SAP Business Suite to address specific business challenges in line with their business priorities – without costly upgrades. SAP Business Suite software aims to provide better insight and visibility across organizations, improve operational effectiveness and efficiency, and increase the flexibility to address business change.

The SAP Business Suite software includes the following applications:

- The SAP ERP application is designed to optimize business and IT processes by reducing IT complexity, increasing adaptability, and delivering more IT value at a lower cost than traditional Enterprise Resource Planning ("**ERP**") solutions. It can support mission-critical, end-to-end business processes for finance, human capital management, asset management, sales, procurement, and other essential corporate functions. SAP ERP can also support industry-specific processes by providing industry-specific business functions that can be activated selectively via the switch framework, keeping the application core stable and helping ensure maximum performance.
- The SAP Customer Relationship Management ("**SAP CRM**") application provides a comprehensive application to help marketing, sales, and service professionals obtain complete customer intelligence that they can leverage to effectively manage customer relationships and customer-related processes. SAP CRM can enable multichannel customer interactions, including mobile smart phones, the Internet, and social media, and also offers a communications infrastructure that is designed to help connecting with other users anytime, anywhere. SAP offers customer relationship management solutions in both on-premise and on-demand deployment models.
- The SAP Product Lifecycle Management ("**SAP PLM**") application helps companies manage, track, and control all product-related information over the complete product and asset life cycle as well as throughout the extended

supply chain. SAP PLM is designed to facilitate creativity and to free the process of product innovation from organizational constraints.

- The SAP Supplier Relationship Management ("**SAP SRM**") application provides a procurement application that helps organizations in all industries improve their centralized sourcing and contract management and interact with suppliers through multiple channels. SAP SRM is designed to accelerate and optimize the entire end-to-end procure-to-pay process by supporting integrated processes and by enforcing contract compliance, which can result in realizable savings.
- The SAP Supply Chain Management ("**SAP SCM**") application helps companies adapt their supply-chain processes to the rapidly changing competitive environment. SAP SCM helps transform traditional supply chains from linear, sequential processes into open, configurable, responsive supply networks in which customer-centric, demand-driven companies can monitor and respond more smartly and quickly to demand and supply dynamics across a globally distributed environment.

We first delivered enhancement packages for SAP Business Suite in 2007, providing regular updates for SAP ERP. This delivery model, which we introduced for the entire SAP Business Suite in 2008, is designed to make it simpler and faster for customers running SAP Business Suite applications to adopt new product functions, industry-specific features, and enterprise services. It also shields customers from some of the complexity of multiple upgrades and offers them an opportunity to reduce information technology (IT) costs by consolidating their systems on a single platform and reducing the number of separate software instances that need to be maintained. Our enhancement package model is also designed to give customers planning security.

SAP Group delivers distinct solution portfolios serving organizations in certain industries and sectors, including industry-specific functions for example for the banking and insurance, chemicals, healthcare, retail and the consumer products industries as well as the public sector.

Solutions for Small Businesses and Midsize Companies

SAP Group offers a portfolio of solutions designed specifically to meet the needs of small businesses and midsize companies.

SAP Business All-in-One

SAP Business All-in-One solutions are comprehensive and flexible business management software with built-in support for industry best practices. The solutions best fit the needs of midsize companies with 100 to 2,500 employees that are looking for a comprehensive, integrated industry solution to power their business end to end. In one configurable solution, SAP Business All-in-One helps companies manage everything from financials, human resources, procurement, inventory, manufacturing, logistics, product development, and corporate services, to customer service, sales, and marketing. SAP Business All-in-One solutions are available from a wide network of qualified partners that deliver more than 700 industry-specific solutions in more than 50 countries. SAP Group aims to provide all the deployment tools and methodologies that partners need to deliver fast, predictable implementation with low risk, low cost, and rapid time to value.

SAP Business ByDesign

SAP Business ByDesign is a single on-demand solution that comprises functions of SAP Business Suite and therefore delivers best practices for financial management, customer relationship management ("**CRM**"), human resources ("**HR**"), project management, procurement, and supply chain management. It is designed to fit companies with 100 to 500 employees that want the benefits of large-scale and integrated business management applications without a large and complex IT infrastructure. SAP Business ByDesign can unify multiple business operations. It can enable companies to implement preconfigured business processes to solve immediate problems.

SAP Business ByDesign is designed to enable customers to improve transparency and improve visibility across the business by unifying business processes. With better visibility, information, and processes, people can make faster, better-informed decisions. In addition, the solution can enable companies to comply with increasing regulatory demands. SAP Business ByDesign is designed to help customers increase employee productivity in all business operations by improving productivity and reducing software-related training needs with a single user interface, personalized business portals for each employee, and built-in help. SAP Business ByDesign provides analytics and dashboards that can facilitate smarter, faster decision making. Collaboration features can enhance the way employees work together.

SAP Business ByDesign is designed to help customers realize lower and more predictable IT costs by using an on-demand solution. It is managed, monitored, and maintained by SAP Group experts in hosted data centers. In addition, SAP Business ByDesign provides built-in service and support that can help to ensure smooth, predictable deployment and operation.

Currently, the solution is available in China, France, Germany, India, the United Kingdom, and the United States. We are controlling the ramp-up process, carefully selecting new customers and working in close collaboration with them and with partners, and feeding their experience back into product development.

SAP Business One

The SAP Business One application provides a single, integrated solution for managing the entire business, including support for financials, sales, customer relationships, inventory, and operations. It is designed to fit the needs of small businesses typically with fewer than 100 employees that have outgrown their accounting-only systems and are looking to streamline their business operations with an integrated, on-premise solution. With SAP Business One, small businesses can streamline their end-to-end operations, get instant and complete information, and accelerate profitable growth. With its published software development kit and over 550 industry-specific solutions and functional add-ons, SAP Business One can be tailored and extended to meet specific business processes and changing needs.

SAP BusinessObjects Portfolio

The SAP BusinessObjects solutions aim to help business users optimize their business performance by supporting strategic targets of our customers, predictable results, and sound decisions.

Business Intelligence Solutions and Information Management Solutions

With the SAP BusinessObjects business intelligence ("BI") solutions and SAP BusinessObjects information management ("IM") solutions, companies can gain an intelligence platform that provides every constituent in a business network with trusted business information, helping them respond faster and make better, timelier decisions. These solutions can enable customers to implement BI and enterprise information management strategies for both SAP and non-SAP software environments, reflecting SAP Group's commitment to openness and interoperability in heterogeneous software landscapes.

- SAP BusinessObjects BI solutions are available in both on-demand and on-premise deployment options. They include a flexible, scalable business intelligence platform with integrated services that are back-end, not user-facing. Examples of integrated platform services include security (who can access the system and what information they can see), load balancing (plug in extra servers, and work is shared across them), and scheduling (refresh reports during the night when system usage is low). The BI solutions also enable users to interact with business information and accurately answer ad hoc questions without advanced knowledge of the underlying data sources and structures. They can help customers access data across all sources and formats and deliver it as useful, consumable information inside and outside the organization. Customers can use these tools to uncover trends and patterns and solve business problems, to anticipate business changes, and to help reach organizational goals. Customers can also use BI solutions to support their forecasting of future business conditions, to track and analyze key business metrics via dashboards, to interact with sophisticated visual representations of information, and to take advantage of user-friendly capabilities that provide self-service access to critical business information. Self-service access enables business users to create reports and perform analyses themselves without depending on their IT support.
- SAP BusinessObjects IM solutions provide functions for data integration, data quality management, and metadata management – working seamlessly with functions in the SAP NetWeaver technology platform, such as data warehousing, master data management, and information life-cycle management to help build a trustworthy data foundation that offers agile support for business or IT initiatives. The solutions help enable information management in both SAP and non-SAP software environments. Customers can access, profile, integrate, transform, move, or cleanse structured or unstructured data to deliver timely, unified, and high-quality information. With metadata management and text analysis solutions, customers can collect and unify data from disparate sources for end-to-end impact analysis.

Enterprise Performance Management Solutions and Governance, Risk, and Compliance Solutions

SAP BusinessObjects enterprise performance management ("EPM") solutions and governance, risk, and compliance ("GRC") solutions enable customers to maximize business profitability, manage risk and compliance, and optimize corporate systems, people, and processes. These solutions are designed to integrate with non-SAP data sources or systems as well as SAP Business Suite applications, SAP BusinessObjects BI solutions, and SAP BusinessObjects IM solutions.

- SAP BusinessObjects EPM solutions help companies benefit from increased levels of strategic alignment, making performance more predictable and ultimately driving more confident decisions. SAP BusinessObjects EPM solutions are optimized for both SAP and non-SAP environments, across multiple lines of business including finance, the supply chain and procurement, and they include solutions for strategy management; planning, budgeting and forecasting; financial consolidation; and profitability and cost management. The solutions are integrated with SAP BusinessObjects BI solutions and SAP BusinessObjects GRC solutions to further help companies close the gap between strategy and execution.
- SAP BusinessObjects GRC solutions enable companies to aggregate and manage the key risks of their business, automate controls across processes, and monitor risks and controls across disparate systems. The solutions can help increase visibility across risk and compliance initiatives, reduce cost, and manage risk across the enterprise. They can also help support sustainability efforts.

Additional Solutions for Business Users

Business users need direct access to people, processes, and information to support their day-to-day activities. The Duet and Alloy solutions are designed to provide direct access to SAP Business Suite software from the familiar Microsoft Office and IBM Lotus Notes software, respectively. As a result, business users can become more productive, their decision making can improve, and their compliance with corporate policies can increase.

Solutions for Sustainability

Our vision for a sustainable enterprise is presented in a sustainability map that catalogs the full landscape of sustainability-related solutions and business processes. It serves as an anchor to our ongoing stakeholder engagement and as a guide to help us prioritize our solution road map.

SAP Group already has a broad set of sustainability solutions, and we have committed significant resources to ensure increasing breadth and depth of coverage through organic development and partnership.

Solutions for Sustainability Performance Management

The SAP BusinessObjects Sustainability Performance Management application helps enterprises focus on strategic execution of their sustainability initiatives – balancing social, environmental, and economic performance. It provides a comprehensive sustainability reporting process, from reporting framework definition (for instance, in accordance with the Global Reporting Initiative) to data collection workflow and reporting.

The application helps to reduce the time, cost, and errors associated with disclosure and enables enterprises to focus on identifying inefficiencies and opportunities for improvement. It provides predefined integration with SAP applications such as SAP Environment, Health, and Safety Management and SAP ERP applications, the SAP Carbon Impact on-demand solution, SAP BusinessObjects EPM solutions, and SAP BusinessObjects GRC solutions. It integrates with non-SAP software using Web services and guided data collection functions.

SAP BusinessObjects Sustainability Performance Management provides automated, accurate multidimensional reporting and planning for compliance, visibility, and control.

Solutions for Energy and Carbon Management

SAP Carbon Impact is an on-demand solution to assist enterprises in implementing strategies for reporting and profitably reducing their carbon and environmental footprint. The solution helps companies measure, mitigate, and monetize carbon emissions and other environmental impacts across business operations.

The SAP AMI Integration for Utilities software provides support for the processes that utilities need to handle complex billing arising from advanced metering infrastructure ("**AMI**") and smart meters.

Customers use SAP Manufacturing Integration and Intelligence ("**SAP MII**") to connect plant operating data held in control systems or data historians to dashboards and other analytical technologies. This allows rapid identification of energy usage, quality results, and other plant trends so companies can take quick action to optimize their operations.

Solutions for Environment, Health, and Safety

The SAP Environment, Health, and Safety Management ("**SAP EHS Management**") application addresses industry needs for product safety, hazardous substances, and dangerous goods handling of products across a wide range of industries, including chemicals, consumer products and high tech. Companies can also use this software to manage compliance with European law concerning the registration, evaluation, authorization, and restriction of chemicals ("**REACH**"), which can help them secure the right to market their products. The SAP Recycling Administration application can help ensure compliance with worldwide recycling legislation for packaging, batteries, and waste electrical and electronic equipment.

SAP EHS Management can help companies comply with environmental laws and policies. It supports health and safety, industrial hygiene, and occupational health processes, and can help reduce associated costs, efforts, and risks on plant and corporate levels.

Customers are challenged to implement effective sustainability programs, because data must flow across business processes and because progress towards goals must be visible to drive results. SAP solutions for sustainability are already integrated with SAP Business Suite software. SAP BusinessObjects Integration software allows data from SAP applications and SAP BusinessObjects BI solutions to be displayed in interactive analytics and dashboards, so that customers can monitor operations and identify environment, health, and safety risks at their companies. Customers can then take action as needed within SAP applications to address those risks.

SAP NetWeaver

The SAP NetWeaver technology platform is a reliable, secure, and scalable foundation that can run mission-critical business processes for SAP applications. As the technical foundation for services-oriented architecture ("SOA"), SAP NetWeaver is designed to deliver a comprehensive set of modular, middleware functions to reduce IT complexity and increase business flexibility across heterogeneous IT landscapes. The platform can provide IT organizations the lowest cost of operation and optimal business availability for SAP applications through lifecycle management, identity management, secure communications, and end-to-end business activity monitoring.

SAP NetWeaver is designed to provide customers with a flexible way to integrate and extend business processes that run across SAP, SAP-certified partner-built, and custom-built applications by delivering prebuilt integration content, enterprise services, and deployment and model-driven tools. With support for business process management, mission-critical business processes can be monitored for efficiency, integrity, and security. Business users can also use SAP NetWeaver to define business rules to ensure consistent processes across the business network. Advanced user interface technologies, such as Web-based portals, enterprise search, desktop applications, and mobile devices can help improve user experience and efficiency with secure and personalized access to business applications and information.

Through integration with the SAP BusinessObjects portfolio, SAP NetWeaver aims to help customers implement an enterprise information management strategy to ensure trusted information. Customers can integrate, cleanse, manage, govern, and archive structured and unstructured data information to meet compliance mandates, promote business insight, and improve decision-making.

Services Portfolio

The comprehensive SAP Services portfolio is designed to help customers to manage their transformation to become more transparent about their business while lowering total cost of ownership, i.e. all costs involved in a software investment. SAP Group provides a "holistic" approach with application lifecycle management, incorporating a broad array of methodologies, tools, and certified partner offerings to help our customers gain value from their SAP investment while meeting their business needs. The tight integration between our professional services and our support services aims to offer customers benefits at every level and in every stage of their solution life cycle. Customers' feedback directly influences our product development.

The SAP Services portfolio includes consulting, education, custom development, support services and managed services. The offerings are categorized into professional services, and software-related services. Our professional services are provided by SAP Consulting and SAP Education. Software-related services are support services provided by SAP Group's support units (SAP Active Global Support, SAP BusinessObjects Customer Assurance, and SME Service and Support) and custom development provided by the SAP Custom Development organization.

SAP Services has a local presence in more than 50 countries and runs more than 70 training centers, seven global support centers, and nine custom development centers in Europe, Asia, and the Americas. With 19,000 SAP services professionals around the world, customers' needs can be met around the clock to support SAP-centric solutions.

Support Services

To support customers' increasingly complex solution landscapes and their respective needs, SAP offers several support packages.

SAP's support units offer a range of services to support our customers before, during, and after implementation of our software solutions. We provide around-the-clock technical support in every region. The organizations also offer proactive, preventive support services to protect and enhance our customers' investments in SAP technology and applications.

SAP Enterprise Support services are our comprehensive, proactive support and maintenance offering, providing our customers with an application life-cycle management approach that can help them manage increased IT complexity and integrate solutions across their IT ecosystems. Our main support product, SAP Enterprise Support, aims to ensure that our customers' businesses can manage continuous and accelerated innovation with controllable impact on business operations. SAP Enterprise Support services provide an overall blueprint to help customers optimize the operation of their entire landscape. Mission-critical support provides continuous quality checks that analyze technical risks. We implement continuous improvement activities, maintain custom code, access the mission control center, and generate service-level agreements for corrective action. We aim to deliver the quality management methodology, processes, and tools needed to perform advanced testing and implement solutions deployment, operations, and continuous improvement initiatives using the SAP Solution Manager application management solution for all customers and partners.

SAP Standard Support delivers support services to enable continuous and effective IT operations. This level of support provides our customers with the services and tools to minimize the cost and risk associated with keeping IT systems up and running. SAP Standard Support ensures that customers' SAP solutions run efficiently, and that they enable the technical execution of their business objectives by delivering improvements, quality management, knowledge transfer, and problem resolution.

The SAP MaxAttention support option expands SAP Enterprise Support, covering all stages of an SAP solution's life cycle in a tailored format for customers – from planning and implementation to operations and optimization – with a full range of services that help organizations safeguard complex solutions, plan for new releases and upgrades, and implement continuous improvement practices for productive solution operations. SAP MaxAttention is designed to provide customers our highest level of customer support built on a dedicated engagement model with a technical support advisor and service-level agreements, supported by long-term commitments delivered by the SAP Active Global Support organization.

SAP Safeguarding services help our customers mitigate the technical risks of an implementation, integration, migration, or upgrade project. They smooth the go-live process and help customers prepare for live use of the software. An on-site technical quality manager helps ensure that customers receive the support they need, that knowledge transfer takes place, and that our customers improve the performance, data consistency, and availability of their IT solution from SAP.

SAP Consulting

SAP Consulting offers planning, implementation, and optimization services for business solutions, and is designed to help customers gain the greatest value from their new or existing SAP software investments. The SAP Services portfolio includes business transformation services, such as Executive Advisory Services and Business Process and Platform Services, that support organizations in responding to business challenges in a rapidly changing business environment. Executive Advisory Services are business transformation services aimed to guide executives toward better insights by bridging IT and business processes. Business Process and Platform Services can help customers streamline their operations while taking advantage of SAP software to automate business processes on a business process platform. We advise and support customers on designing business processes and IT infrastructure and help customers with project management and solution implementation and integration. We also help customers optimize solutions and IT landscapes accommodating challenges from mergers and acquisitions or divestiture of business units.

SAP Education

The offerings of SAP Education assist SAP customers and partners with knowledge transfer, maximizing the value they can create with their SAP solutions. SAP Education offerings include training needs analysis, certification assessments, learning software, and tools. We provide a consistent curriculum for learners around the world and deliver these offerings through a number of delivery models, including online e-learning, virtual live classroom, learning on demand, and classroom training. Every year, hundreds of thousands of individuals are trained by SAP Education, making it one of the largest IT training organizations in the world.

Partner Ecosystem

When customers choose SAP software, they also gain access to the SAP ecosystem, one of the leading business networks in the software industry. Its members are a host of software partners, system integrators and resellers, technology partners, developers, industry specialists and SAP software users.

To provide customers access to a rich set of complementary hardware, software, and service solutions, SAP Group focuses on global and local partnership opportunities for numerous business areas and customer needs. Our partner community includes software and hardware partners and providers of outsourcing, content, hosting, education, and support services. Among them are well-known vendors, such as Adobe, Cisco, EMC, HP, IBM, Intel, Microsoft, Novell, and Research In Motion, as well as thousands of smaller companies.

Research and Development

In order to capitalize on the power of diversity, SAP Group distributes the development of its software solutions across locations in strategic markets worldwide. In addition, together with leading universities, partners, and customers, we cultivate new IT trends and technologies on a global scale.

As of 30 June 2010, SAP Group employs 14,346 people in software development centers in 11 countries. The largest of these SAP Labs is in Walldorf, Germany, followed by Bangalore, India and Palo Alto, California in the United States. With the integration of SAP BusinessObjects development centers, SAP Group now has three new development centers in Vancouver, Canada, Dublin, Ireland, and Paris, France.

Thinking globally and acting locally, the network of SAP Labs benefits from highly qualified employees with different cultural backgrounds. With their diverse expertise, these employees use our resources in an intelligent and efficient way, aiming to generate a significant and lasting competitive advantage for SAP Group.

We devised the structure of the SAP Labs network to accelerate product innovation and raise productivity. Due to the network's flexibility, we can quickly react to new customer and market requirements. Furthermore, the global arrangement of our development organization enables us to develop products and services in collaboration with leading customers and partners worldwide.

In 2009, SAP Group invested EUR 1.6 billion (2008: EUR 1.6 billion) in research and development for business software solutions.

In the first half year of 2010, SAP Group invested EUR 0.8 billion (2009: EUR 0.7 billion) in research and development for business software solutions.

Sales, Marketing and Distribution

SAP Group primarily uses its worldwide network of subsidiaries to market and distribute SAP Group's products and services locally. Those subsidiaries have entered into license agreements with SAP AG pursuant to which the subsidiary acquires the right to sublicense SAP AG's products to customers within a specific territory. Under these agreements, the subsidiaries retain a certain percentage of the revenue generated by the sublicensing activity. We began operating in the United States in 1988 through SAP America, Inc., a wholly owned subsidiary of SAP AG. Since then, the United States has become one of our most important markets.

In addition to our subsidiaries' sales forces, we have developed an independent sales and support force through value-added resellers unrelated to SAP Group who assume responsibility for the licensing, implementation and some initial level of support of SAP solutions, particularly with regard to the SAP Business One application and qualified SAP Business All-in-One partner solutions. We have also entered into partnerships with major system integration firms, telecommunication firms and computer hardware providers to offer certain SAP Business Suite applications.

We establish partnerships with hardware and software suppliers, systems integrators and third-party consultants with the goal of providing customers with a wide selection of third-party competencies. The role of the partner ranges from pre-sales consulting for business solutions to the implementation of our software products to project management and end-user training for customers and, in the case of certain hardware and software suppliers, to technology support. Beyond these partnerships, a significant amount of consulting and training regarding SAP products is handled by third-party organizations that have no formal relationship or partnership with SAP Group.

Traditionally, our sales model has been to charge a one-time, up front license fee for a perpetual license to our software (without any rights to future products) which is typically installed at the customer site. We now offer our solutions in a variety of ways which include on-demand, hosted solutions, and subscription-based models.

Our marketing efforts cover large, multinational groups of companies as well as small and midsize enterprises. Our portfolio of solutions and services targets the needs of customers of all sizes and across industries. Capitalizing on the possibilities of the Internet, we actively make use of online marketing. Some of our solutions can be tested online via the Internet demonstration and evaluation system, which also offers special services to introduce customers and prospects to new solutions and services.

Market

The market for business software is a global growth market. Factors such as constantly developing corporate-governance law and reporting regulations, increasingly globalized business and trade, the drive for sustainability, and the pressure of competition compel businesses to continuously adapt in a changing environment. They must not only bring innovative and competitive products to market, they must also continuously optimize their own structures, streamline processes, and extend customer and partner networks. Without leading edge IT solutions, these are impossible challenges for companies – whether in the advanced economies or in developing countries and emerging economies.

Competition

In terms of software and software-related service revenue, we are the world market leader in business software applications (according to SAP AG). We define business application software as comprising enterprise resource planning and related applications. In the midmarket, we are also the worldwide market leader in terms of software and software-related service revenue. In the global market, our chief competitors are Oracle, Microsoft, and IBM. Whereas SAP Group concentrates on the business software segment, our competitors also address other segments of the IT market, such as database management applications (Oracle, IBM, Microsoft), operating systems (Microsoft, Oracle, IBM), desktop applications (Microsoft), IT services (IBM), and servers (Oracle).

Our competitors in the on-demand software segment include, among others, Salesforce.com and NetSuite. Unlike most competitors, SAP Group can also offer customers flexible models such as hybrids of the on-premise and on-demand models.

Our competitors in the business intelligence segment offering solutions that address the needs of business users include among others SAS Institute, Inc., Oracle (through its acquisition of Hyperion in 2007), and IBM (through its acquisition of Cognos in 2007).

On a regional level there are additional competitors, especially in the midmarket. These companies are more focused on certain industries and/or company sizes.

Organisational Structure

As of 30 June 2010, SAP AG was the parent company of 157 subsidiaries. Our subsidiaries perform various tasks such as the distribution of SAP Group's products and providing SAP services on a local basis, research and development, customer support, marketing, and administration. Our primary research and development facilities, the overall group strategy and the corporate administration functions are concentrated at our headquarters in Walldorf, Germany.

The following table illustrates our most significant subsidiaries based on revenues as of 30 June 2010, all of which are wholly owned by SAP AG:

Name of Subsidiary	Country of Incorporation	Function
Germany		
SAP Deutschland AG & Co. KG, Walldorf	Germany	Sales, consulting and training
Rest of Europe/Middle East/Africa		
SAP (UK) Limited, Feltham	Great Britain	Sales, consulting and training
SAP (Schweiz) AG, Biel	Switzerland	Sales, consulting and training
SAP France S.A., Paris	France	Sales, consulting and training
Americas		
SAP America, Inc., Newtown Square	USA	Sales, consulting and training
SAP Canada Inc., Toronto	Canada	Sales, consulting, training, and research and development
Asia/Pacific		
SAP JAPAN Co., Ltd., Tokyo	Japan	Sales, consulting, training, and research and development
SAP Australia Pty Limited, Sydney	Australia	Sales, consulting training,

Investments

Our capital expenditures for property, plant, and equipment amounted to EUR 207 million for 2009 (2008: EUR 344 million). Capital expenditures in 2009 for property, plant, and equipment decreased compared to 2008. This decrease was mainly due to a decrease in spending on real estate and buildings.

Our capital expenditures for property, plant, and equipment amounted to EUR 98 million for the first half year of 2010 (2009: EUR 99 million).

Our capital expenditures for intangible assets such as software licenses, acquired technologies and customer contracts decreased significantly to EUR 51 million in 2009 from EUR 1,043 million in 2008. Our investments allocated to goodwill also decreased significantly to EUR 41 million in 2009 from EUR 3,511 million in 2008. The significant decrease from 2008 to 2009 was primarily attributable to the acquisition of Business Objects in 2008.

Our capital expenditures for intangible assets and investments allocated to goodwill amounted to EUR 24 million for the first half year of 2010 (2009: EUR 50 million).

In the US, we finalized the construction for the expansion of the U.S. Headquarters campus in Newtown Square, Pennsylvania where we had invested around EUR 84 million. The building has been occupied since the second quarter of 2009.

In 2008 we began construction of a guesthouse in our Walldorf, Germany location to save future travel costs for visiting SAP Group employees. The construction was completed at the end of February 2010. Occupancy started in the middle of March 2010. The total cost of the construction was approximately EUR 18 million. We funded the construction with internally generated cash flows.

The construction of a new office building in St. Ingbert, Germany also started in 2008. The building was occupied during April 2010. The total investment was approximately EUR 15 million.

In Brazil, we commenced construction for the expansion of the São Leopoldo office in the fourth quarter of 2007, which added 400 workspaces. Total costs were about EUR 16 million. The building has been occupied since the second quarter of 2009.

In Singapore, we will commence a project in the second half of 2010 to consolidate three of our current offices into one new building. The project will involve moving approximately 830 employees to the new location. We estimate the total cost of this project to be approximately EUR 11 million. We are funding this project with internally generated cash flows. The consolidation of these offices started in July 2010 and the costs to date are minimal.

Acquisitions

In 2009, we reinforced our strategy of organic growth complemented by share or asset acquisitions aimed at enriching our product portfolio in terms of both technology and functions. We made the following acquisitions in 2009:

- In May, we acquired the assets of Sky Data Systems Inc., a U.S. company. Sky Data Systems specializes in mobile CRM solutions.
- In June, we acquired Clear Standards Inc., a U.S. company. Clear Standards provides enterprise carbon management solutions and helps organizations measure and control greenhouse gas emissions and other environmental impacts across internal operations. The software also supports sustainability reporting. Our objective in extending our product portfolio in the field of sustainability is to help our customers meet the carbon management requirements in this time of increasingly stringent government regulations and public expectations of better transparency.
- In June, we also acquired Highdeal S.A., a French company. Highdeal delivers sophisticated pricing, charging and rating solutions designed to support communication service providers. SAP Group has integrated the Highdeal solutions in a business process platform that provides customers with a comprehensive real-time transaction management system.
- In September, we acquired a majority of the shares of SAF AG, a Swiss public company. SAF develops ordering and forecasting software for the retail, logistics, and industrial sectors. The company employs an innovative conceptual demand chain management approach that allows the process chain to be controlled and optimized by its central driving force – the customers' buying behaviour. SAP offered SAF shareholders an amount of EUR 11.50 per share, which represents a 9.5 per cent. premium according to the XETRA closing price of EUR 10.50 for the SAF share on 17 July 2009, and a 33.9 per cent. premium to the volume-weighted average price of the SAF shares in XETRA trading on the Frankfurt Stock Exchange over the three months prior to the offer date. As of 24 September 2009, the aggregate number of SAF shares attributable to SAP amounted to 3,914,041 SAF shares in total; corresponding to approximately 70.7 per cent. of the share capital and the voting rights of SAF AG. As of 21 July 2010 the aggregate number of SAF shares attributable to SAP increased slightly by 12,924 SAF shares or 0.2 per cent. to 3,926,965 SAF shares or 70.9 per cent. of the share capital and the voting rights of SAF AG.
- In December we acquired the assets of SOALogix, Inc., a U.S. company. SOALogix specializes in packaged software to map information flows between employees, processes, and applications. Its product portfolio includes solutions for integrating industry-specific project management software with SAP applications for portfolio and project management.

In July 2010 SAP AG acquired TechniData AG, a provider of product safety and environmental, health and safety products (EHS).

We are currently in the process of acquiring Sybase, Inc., a provider of enterprise and mobile software to manage, analyze and mobilize information. See "*Acquisition of Sybase, Inc.*"

Management, Supervisory and Administrative Bodies

In accordance with the German Stock Corporation Act (*Aktiengesetz*), SAP AG has both an Executive Board (*Vorstand*) and a Supervisory Board (*Aufsichtsrat*). The Executive Board is responsible for the management of SAP AG's business; the Supervisory Board supervises the Executive Board and appoints its members. The two boards are separate, and no individual may simultaneously be a member of both boards.

Executive Board

The current members of the Issuer's Executive Board, their areas of responsibility and their positions outside of the Issuer are as follows:

Name	Function	Membership on other supervisory boards and comparable bodies
Bill McDermott	Co-Chief Executive Officer (from February 7, 2010)	ANSYS, Inc., Canonsburg, PA, USA (Board of Directors) Under Armour, Inc., Baltimore, MD, USA (Board of Directors) PAETEC Communications, Inc., Fairport, NY, USA (Board of Direc- tors)
Jim Hagemann Snabe	Co-Chief Executive Officer (from February 7, 2010)	Linkage A/S, Copenhagen, Denmark (Board of Directors) Thrane & Thrane A/S, Lyngby, Den- mark (Board of Directors) Crossgate AG, Munich, Germany (Supervisory Board)
Werner Brandt	Chief Financial Officer	Deutsche Lufthansa AG, Frankfurt am Main, Germany (Supervisory Board) QIAGEN N.V., Venlo, The Nether- lands (Supervisory Board) Heidelberger Druckmaschinen AG, Heidelberg, Germany (Supervisory Board)
Gerhard Oswald	Chief Operating Officer	/
Vishal Sikka	Chief Technology Officer (from February 7, 2010)	/
Angelika Dammann	Chief Human Resources Officer and Labor Rela- tions Director (from July 1, 2010)	/

The business address of the members of the Executive Board is the same as that of the Issuer.

Supervisory Board

As at the date of this Prospectus, the names of the members of SAP AG's Supervisory Board, their principal occupations and their positions outside of the Issuer are as follows:

Name (Principal occupation)	Function	Membership on other supervisory boards and comparable bodies
Prof. Dr. h.c. mult. Hasso Plattner	Chairman	/
Lars Lamadé ^(*)	Deputy Chairman	/
Pekka Ala-Pietilä	Member	Pöyry Plc, Vantaa, Finland (Board of Directors) CVON Group Limited, London, UK (Board of Directors) CVON Limited, London, UK (Board of Directors) CVON Innovations Limited, London, UK (Board of Directors) Blyk Services Oy, Helsinki, Finland (Board of Directors) CVON Innovation Services Oy, Turku, Finland (Board of Directors) CVON Future Limited, London, UK (Board of Directors) HelloSoft Inc., San José, USA (Board of Directors) Blyk (NL) Ltd., London, UK (Board of Directors) Blyk (DE) Ltd., London, UK (Board of Directors) Blyk (ES) Ltd., London, UK (Board of Directors) Blyk (BE) Ltd., London, UK (Board of Directors) Blyk.nl NV, Amsterdam, Netherlands (Board of Directors) Blyk.be SA, Hoeilaart, Belgium (Board of Directors) Blyk International Ltd., London, UK (Board of Directors)
Thomas Bamberger ^(*)	Member	/
Panagiotis Bissiritsas ^(*)	Member	/
Willi Burbach ^(*)	Member	/
Prof. Dr. Wilhelm Haarmann	Member	Vodafone Holding GmbH, Düsseldorf, Germany (Supervisory Board)
Peter Koop ^(*)	Member	/
Christiane Kuntz-Mayr ^(*)	Member	/
Bernard Liautaud	Member	Clinical Solutions Holdings Ltd., Basingstoke, Hampshire, UK (Board of Directors) nlyte Software Ltd., London, UK (Board of Directors) Talend SA, Suresnes, France (Board of Directors) der Cap Gemini, Paris, France (Board of Directors) Quickbridge (UK) Ltd., London, UK (Board of Directors)
Dr. Gerhard Maier ^(*)	Member	/
Dr. h.c. Hartmut Mehdorn	Member	Air Berlin PLC, Rickmansworth, UK (Board of Directors) Fiege-Gruppe, Greven, Germany (Advisory Board)
Prof. Dr.-Ing. Dr. h.c. mult. Dr.-Ing. E.h. mult. Joachim Milberg	Member	Bertelsmann AG, Gütersloh, Germany (Supervisory Board) Festo AG, Esslingen, Germany (Supervisory Board) Deere & Company, Moline, Illinois, USA (Board of Directors) ZF Friedrichshafen AG, Friedrichshafen, Germany (Supervisory Board)
Dr. Erhard Schipporeit	Member	Talanx AG, Hanover, Germany (Supervisory Board) Deutsche Börse AG, Frankfurt am Main, Germany (Supervisory Board) HDI V.a.G., Hanover, Germany (Supervisory Board) Hannover Rückversicherung AG, Hanover, Germany (Supervisory Board) TUI Travel PLC, London, UK (Supervisory Board) Fuchs Petrolub AG, Mannheim, Germany (Supervisory Board) Fidelity Advisor World Funds, Bermuda (Board of Directors) Fidelity Funds SICAV, Luxemburg (Board of Directors)
Stefan Schulz ^(*)	Member	/
Prof. Dr.-Ing. Dr.-Ing. E.h. Klaus Wucherer	Member	BSH Bosch und Siemens Hausgeräte GmbH, Munich, Germany (Supervisory Board) Dürr AG, Bietigheim-Bissingen, Germany (Supervisory Board) Infineon Technologies AG, Munich, Germany (Supervisory Board) LEONI AG, Nürnberg, Germany (Supervisory Board)

(*) Employee Representatives

The business address of the members of the Supervisory Board is the same as that of the Issuer.

Conflicts of Interest

As of the date of this Prospectus, the above mentioned members of the Executive Board and the Supervisory Board of SAP AG do not have potential conflicts of interests between any duties to SAP AG and their private interests or other duties.

Board Practice

The governing bodies of SAP AG are the Executive Board (*Vorstand*), the Supervisory Board (*Aufsichtsrat*) and the annual shareholders' meeting (*Hauptversammlung*). The powers of these bodies are set forth in the German Stock Corporation Act, SAP AG's articles of association and the rules of procedure of the Executive Board and the Supervisory Board and its committees. The Executive Board and Supervisory Board work independently of each other. No person may serve on both boards at the same time.

The Executive Board is responsible for managing SAP AG's day-to-day business and for representing SAP AG in dealings with third parties. The Supervisory Board appoints and may dismiss members of the Executive Board. The Supervisory Board supervises and advises the Executive Board in its management of SAP AG and represents SAP AG in transactions between a member of the Executive Board and SAP AG. In general, the Supervisory Board is not directly involved in the day-to-day management of SAP AG. However, pursuant to SAP AG's articles of association, certain transactions require the consent of the Supervisory Board.

In performing their duties, members of both the Executive Board and Supervisory Board must exercise the duties of care expected of a reasonable business person. Members of the Executive Board and the Supervisory Board must consider a broad range of interests, including those of SAP AG and its shareholders and employees.

The members of the Executive Board and the Supervisory Board may be held personally liable to SAP AG for breaches of their duties of loyalty and care. SAP AG must bring an action for breach of duty against the Executive Board or Supervisory Board upon a resolution of the stockholders passed at a Stockholders' Meeting by a simple majority of votes cast. Furthermore, minority shareholders representing at least 1 percent of the Company's share capital or shares with a nominal value of EUR 100,000 can file an application in court requesting an action to be admitted against members of either of the Company's boards on behalf of the company or in their own name.

With the exception of stockholders of companies that (unlike SAP AG) are under the control of another company, individual stockholders of German companies cannot sue directors on behalf of the company. Under German law, directors may be liable to a breach of duty to stockholders (as opposed to a duty to the company itself) only where a breach of duty to the company also constitutes a breach of a statutory provision enacted specifically for the protection of stockholders. As a practical matter, stockholders are able to assert liability against directors for breaches of this sort only in unusual circumstances. The German Securities Trading Act (*Wertpapierhandelsgesetz*) provides for damage claims of stockholders against SAP AG under certain circumstances, if SAP AG violates the provisions on publication of insider information with intent or gross negligence.

Executive Board

The Executive Board manages the Company's business, is responsible for preparing its strategy and represents it in dealings with third parties. The Executive Board reports regularly to the Supervisory Board about SAP AG operations and business strategies and prepares special reports upon request. A person may not serve on the Executive Board and on the Supervisory Board at the same time.

The Executive Board and the Supervisory Board must cooperate closely for the benefit of the Company. Without being asked, the Executive Board must provide to the Supervisory Board regular, prompt and comprehensive information about all of the essential issues affecting the SAP Group's business progress and its potential business risks. Furthermore, the Executive Board must maintain regular contact with the chairperson of the Supervisory Board. The Executive Board must inform the chairperson of the Supervisory Board promptly about exceptional events that are of significance to SAP AG's business. The chairperson must inform the Supervisory Board accordingly.

Pursuant to the Articles of Incorporation, the Executive Board must consist of at least 2 members. Currently, SAP AG's Executive Board is composed of 5 members. Any 2 members of the Executive Board jointly or one member of the Executive Board and the holder of a special power of attorney (*Prokurist*) jointly may legally represent SAP AG. The Supervisory Board appoints each member of the Executive Board for a maximum term of 5 years, with the possibility of re-appointment. Under certain circumstances, a member of the Executive Board may be removed by the Supervisory Board prior to the expiration of that member's term. A member of the Executive Board may not vote on matters relating to certain contractual agreements between such member and SAP AG, and may be liable to SAP AG if such member has a material interest in any contractual agreement between SAP AG and a third party which was not disclosed to and approved by the Supervisory Board. Further, as the compensation of the Executive Board members is set by the Supervisory Board, Executive Board members are unable to vote on their own compensation.

Under German law SAP AG's Supervisory Board members and Executive Board members have a duty of loyalty and care towards SAP AG. They must exercise the standard of care of a prudent and diligent businessman and bear the burden of

proving they did so if their actions are contested. Both bodies must consider the interest of SAP AG shareholders and our employees and, to some extent, the common interest. Those who violate their duties may be held jointly and severally liable for any resulting damages, unless they acted pursuant to a lawful resolution of the Annual General Meeting of Shareholders.

SAP AG has implemented a Code of Business Conduct for employees covering the following topics: conflict of interest, personal gain, bribery and corruption, confidentiality, financial concerns, conduct with customers, ventures, competitors and partners and trading in shares (addressing insider trading concerns). The employee code is equally applicable to managers and members of the Executive Board.

Under German law the Executive Board of SAP AG has to assess all major risks for the SAP Group. In addition, all measures taken by management to reduce and handle the risks have to be documented. Therefore, SAP AG's management has adopted suitable measures such as implementing an enterprise-wide monitoring system to ensure that adverse developments endangering the corporate standing are recognized at a reasonably early point in time.

Supervisory Board

The Supervisory Board appoints and removes the members of the Executive Board and oversees and advises the management of the corporation. At regular intervals it meets to discuss current business as well as business development and planning. The SAP AG Executive Board must consult with the Supervisory Board concerning the corporate strategy, which is developed by the Executive Board. The Supervisory Board maintains a list of transactions for which the Executive Board requires the Supervisory Board's consent. Accordingly, the Supervisory Board must also approve the annual budget of SAP AG upon submission by the Executive Board and certain subsequent deviations from the approved budget. The Supervisory Board is also responsible for representing SAP AG in transactions between SAP AG and Executive Board members.

The Supervisory Board, based on a recommendation by its Audit Committee, provides its proposal for the election of the independent public accountant to the Annual General Meeting of Shareholders. The Supervisory Board is also responsible for monitoring the auditor's independence, a task it has delegated to its audit committee.

The German Co-determination Act of 1976 (*Mitbestimmungsgesetz*) requires supervisory boards of corporations with more than 2,000 employees to consist of an equal number of representatives of the shareholders and representatives of the employees. The minimum total number of supervisory board members, and thus the minimum number of shareholder representatives and employee representatives, is legally fixed and depends on the number of employees employed by the corporation and its German subsidiaries. Our Supervisory Board currently consists of sixteen members, of which eight members have been elected by SAP AG's shareholders at the Annual General Meeting of Shareholders and eight members which have been elected by the employees of the German SAP entities (i.e. entities of the SAP Group having their registered office in Germany).

Any Supervisory Board member elected by the shareholders at the Annual General Meeting of Shareholders may be removed by three-quarters of the votes cast at the Annual General Meeting of Shareholders. Any Supervisory Board member elected by the employees may be removed by three quarters of the votes cast by the employees of companies of the SAP Group having their registered office in Germany.

The Supervisory Board elects a chairperson and a deputy chairperson among its members by a majority of vote of its members. If such majority is not reached on the first vote, the chairperson will be chosen solely by the members elected by the shareholders and the deputy chairperson will be chosen solely by the members elected by the employees. Unless otherwise provided by law, the Supervisory Board acts by simple majority. In the case of any deadlock the chairperson has the deciding vote.

The members of the Supervisory Board cannot be elected for a longer term than approximately 5 years. The term expires at the close of the Annual General Meeting of Shareholders giving its formal approval of the acts of the Supervisory Board and the Executive Board in the fourth fiscal year following the year in which the Supervisory Board was elected unless the Annual General Meeting of Shareholders specifies a shorter term of office when electing individual members of the Supervisory Board or the entire Supervisory Board. Re-election is possible. The Supervisory Board normally meets four times a year. The remuneration of the members of the Supervisory Board is determined by the Articles of Incorporation.

As stipulated in the German Corporate Governance Code, an adequate number of our Supervisory Board members are independent. To be considered for appointment to the Supervisory Board and for as long as they serve, members must comply with certain criteria concerning independence, conflicts of interest and multiple memberships of management, supervisory and other governing bodies. They must be loyal to SAP AG in their conduct and must not accept any position in companies that are in competition with SAP AG. Members are subject to insider trading prohibition and the respective directors' dealing rules of the German Securities Trading Act. A member of the Supervisory Board may not vote on matters relating to certain contractual agreements between such members and SAP AG. Further, as the compensation of the Supervisory Board members is laid down in the Articles of Incorporation, Supervisory Board members are unable to vote on their own compensation.

The Supervisory Board may appoint committees from among its members and may, to the extent permitted by law, entrust such committees with the authority to make decisions. Currently the Supervisory Board maintains the following committees:

The focus of the **Audit Committee** (*Prüfungsausschuss*) is the oversight of SAP AG's external financial reporting as well as SAP's risk management, internal controls (including internal controls over financial reporting) internal audit and compliance matters. Among the tasks of the Audit Committee are the discussion of SAP AG's quarterly and year end financial reporting prepared under German and U.S. regulations. The Audit Committee proposes the appointment of the external auditor to the Supervisory Board, determines focus audit areas, discusses critical accounting policies and estimates with and reviews the audit reports issued and audit issues identified by the auditor and monitors the auditor's independence. Both SAP AG's Global Internal Audit Services (GIAS) and SAP AG's Global Compliance Office ("**GCO**") report upon request or at the occurrence of certain findings, but in any case at least once a year (GCO) or twice a year (GIAS), directly to the Audit Committee.

The Audit Committee has established procedures regarding the prior approval of all audit and non-audit services provided by our independent auditor. Furthermore the Audit Committee monitors the effectiveness of our internal risk management and other monitoring processes that are or need to be established.

The Audit Committee is currently composed of 4 members: Erhard Schipporeit, Thomas Bamberger, Gerhard Maier and Joachim Milberg. The Supervisory Board has determined Erhard Schipporeit to be an independent financial expert as defined by the German Stock Corporation Act. He is also the chairperson of the Audit Committee.

The **General Committee** (*Präsidialausschuss*) coordinates the Supervisory Board agenda, meetings and deals with corporate governance issues. Furthermore, it was assigned the authority to approve the grant of virtual SP 2009 performance under the SAP AG stock option plan to all recipients with the exception of Executive Board members.

The **Compensation Committee** (*Personalausschuss*) deals with the employment contracts of Executive Board members. It prepares proposals for the Executive Board members compensation and the Executive Board compensation system for approval by the Supervisory Board.

The **Finance and Investment Committee** (*Finanz- und Investitionsausschuss*) addresses general financing issues. Furthermore, it regularly discusses venture capital investments and other equity investments with the Executive Board and reports to the Supervisory Board on such investments. It is also responsible for the approval of such investments if the individual investment amount exceeds certain specified limits.

Required by the German Co-determination Act of 1976 (*Mitbestimmungsgesetz*), the **Mediation Committee** (*Vermittlungsausschuss*) convenes only if the two-thirds majority required for appointing/revoking the appointment of Executive Board members is not attained. This committee has never held a meeting in SAP AG's history.

The **Strategy and Technology Committee** (*Strategie- und Technologieausschuss*) monitors technology transactions and provides the Supervisory Board with in-depth technical advice.

The **Nomination Committee** (*Nominierungsausschuss*) is exclusively composed of shareholder representatives and is responsible for identifying suitable candidates for membership of the Supervisory Board for recommendation to the Annual General Meeting of Shareholders.

The **Special Committee** (*Sonderausschuss*), established on 3 June 2008, is tasked with coordinating and managing the Supervisory Board's external legal advisors concerned with the investigation and analysis of the facts in connection with the legal action brought by Oracle Corporation, see "- Legal and Arbitration Proceedings – Intellectual Property Litigation".

The duties, procedures and committees of the Supervisory Board are specified in their respective bylaws which reflect the requirements of the German Stock Corporation Act and the German Corporate Governance Code.

Major decisions of the Executive Board require Supervisory Board approval. SAP does not grant loans to the members of the Executive Board or the Supervisory Board.

Corporate Governance Code

SAP Group has followed the recommendations in the 18 June 2009, version of the German Code of Corporate Governance, since it was published in the Electronic Federal Gazette (*Elektronischer Bundesanzeiger*) on 5 August 2009, and will continue to follow them, except as set out below:

"1. We do not impose age limits on members of the Executive Board and Supervisory Board.

The German Corporate Governance Code ("**Code**") recommends at section 5.4.1 that companies set an age limit for supervisory board members. SAP considers the setting of an age limit an inappropriate restriction of shareholders' rights to elect the members of the Supervisory Board. Therefore, SAP did not consider or set any age limits at the last election of Supervisory Board members. Similarly, SAP does not set any age limits for members of the Executive Board, and therefore does not follow the recommendation in the second paragraph of section 5.1.2 in the Code, because this would be a general restriction on the SAP Supervisory Board in its choice of suitable Executive Board members.

2. Supervisory Board contracts do not provide for a deductible in directors' and officers' liability insurance policies.

At section 3.8, the Code recommends that if a company takes out directors' and officers' liability (D&O) insurance for its supervisory board members, a deductible should be agreed. SAP does not believe that the motivation and responsibility that the members of the Supervisory Board bring to their duties would be improved by such a deductible element. SAP does not therefore plan to amend its current D&O insurance policies in that respect.

3. Changed Circumstances are not retroactively taken into account in determining the variable elements of Executive Board compensation

Section 4.2.3 (paragraph 2) in the Code starts by repeating the law as it has stood since the German Appropriate Executive Board Remuneration Act of July 31, 2009, (German Federal Law Gazette (*Bundesgesetzblatt*) I, 2509) came into force, namely, that the supervisory board must in future ensure that variable elements in executive board compensation are in general based on a multi-year assessment, and in sentence 4 goes on to recommend that both positive and negative developments be taken into account when determining variable compensation elements. The Executive Board contracts in force at the time of this Declaration do not provide that positive or negative developments can (retroactively) be taken into account in variable compensation elements that are already agreed. To the extent that this constitutes a deviation from the Code recommendation, it is because the law requires SAP to change the terms of the variable compensation element only when the Executive Board members' existing contract terms are next amended, and cannot immediately amend contracts that are currently in force. When the Supervisory Board next has to make a decision about Executive Board compensation at the regular time in the Spring of 2010, if it decides to alter the compensation package, naturally it will comply with the new legal requirements for the terms of the variable components and it will also decide whether to follow the new recommendation in the Code about changed circumstances affecting the variable elements of the compensation.

4. Executive Board contracts do not cap severance payments on premature termination.

The fourth paragraph in section 4.2.3 of the Code recommends that when executive board contracts are concluded, care should be taken to ensure that any severance payments, including additional benefits, on premature termination without just cause, are capped at two times the annual compensation or, if less, compensation for the remaining contract term. SAP follows the recommendation in the fifth paragraph in section 4.2.3 of the Code that severance pay be capped in a change of control. However, we do not believe it is practicable to conclude Executive Board member contracts that cap severance pay in other cases of premature termination without just cause. To agree such a cap from the outset would be contrary to the spirit of the Executive Board contract, which is normally concluded for a fixed term and does not in principle provide for the possibility of ordinary termination by notice. Moreover, in practice the Company would find a contractual severance pay cap difficult to enforce against an Executive Board member in the circumstances where it would be relevant. Also, an agreement in this respect that had been concluded in advance might not make adequate provision for the particular facts and surrounding circumstances that later actually give rise to the premature ending of an Executive Board member's work. However, we will follow the thinking behind the recommendation insofar as that, in the event of premature termination of an Executive Board member's contract by agreement, we will continue our past practice of negotiating severance pay that is reasonable."

Share Capital

SAP AG's share capital amounts to EUR 1,226,664,132 and is divided into 1,226,664,132 ordinary bearer shares, each with a notional value of EUR 1.00. All shares are fully paid in.

As of 30 June 2010, SAP AG held 38,213,515 treasury shares, which correspond to 3.12 per cent. of the total share capital.

Major Shareholders

SAP AG's Articles of Incorporation do not require shareholders to disclose their share holdings. The German Securities Trading Act (*Wertpapierhandelsgesetz*), however, requires holders of voting securities of SAP AG to notify SAP AG and the Federal Financial Supervisory Authority of the number or shares they hold if that number reaches, exceeds or falls below specified thresholds. These thresholds are 3 per cent., 5 per cent., 10 per cent., 15 per cent., 20 per cent., 25 per cent., 30 per cent., 50 per cent. and 75 per cent. of the corporation's outstanding voting rights.

The following table sets forth certain information regarding the beneficial ownership of the ordinary shares to the extent known to SAP AG based on latest available information to SAP of each person or group known by SAP AG to own beneficially 3 per cent. or more of the outstanding ordinary shares. There was, as far as we are able to tell given the nature of our shares, no significant change in the percentage ownership held by any major shareholder during the past three years. None of the major shareholders have special voting rights.

Name	Total share	Date of Notification
Plattner, Prof. Dr. h.c. mult. Hasso	10.15 per cent.	15 July 2010
Hopp, Dipl.-Ing. Dietmar	6.14 per cent.	16 February 2010
Tschira, Dr. h.c. Klaus	8.43 per cent.	15 July 2010
Capital Research and Management Company	3.19 per cent.	28 October 2008

On 7 December 2009 BlackRock Inc., New York, USA notified us as follows: The percentage of voting shares of BlackRock Financial Management, Inc., New York, USA exceeded 3 per cent. on 1 December 2009 and was then 3.13 per cent. The percentage of voting shares of BlackRock Holdco 2, Inc., New York, USA exceeded 3 per cent. on 1 December 2009 and was then 3.13 per cent. The percentage of voting shares of Black-Rock, Inc., New York, USA exceeded 3 per cent. on 1 December 2009 and was then 3.21 per cent.

Key Financial Information about SAP Group

The following table sets out selected financial information relating to the SAP Group. The information has been extracted from the audited consolidated financial statements of SAP AG for the fiscal years ended 31 December 2009 and 2008 and the unaudited interim financial reports of SAP Group six months ended 30 June 2010 and 2009. These consolidated financial statements of SAP AG have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU (IFRS).

	1 January – 30 June 2010	1 January – 30 June 2009	Financial year ended 31 December 2009	Financial year ended 31 December 2008
	EUR in million			
Total revenue	5,403	4,974	10,672	11,575
Operating profit	1,331	948	2,588	2,701
Profit after tax	878	622	1,750	1,848
	30 June 2010		31 December 2009	31 December 2008
Cash and cash equivalents	3,605		1,884	1,280
Total assets	15,672		13,374	13,900
Total equity	8,971		8,491	7,171
Issued capital	1,227		1,226	1,226
Current bank loans	68		4	2,319
Non-current bank loans	2		2	2
Private placement transaction	697		697	0
Bond	995		0	0

Incorporation by Reference of Historical Annual Financial Information

Information from the consolidated financial statements of SAP Group for the fiscal years ended on 31 December 2008 and 31 December 2009 and the unaudited interim financial statements of SAP Group for the six months ended on 30 June 2010 are incorporated by reference into this Prospectus.

Material Contracts

2009 Three-Year Revolving Credit Facility

To increase its financial flexibility, in September 2009 SAP AG negotiated a three-year EUR 1.5 billion syndicated credit facility with a group of international banks. This facility replaced a EUR 1 billion facility that had been available to SAP AG until that time. Neither the previous facility, which was established in 2004, nor the new facility has yet been drawn on. The credit facility agreement contains a change-of-control clause. This clause obliges SAP AG to notify the banks if it learns that in the meaning of the German Securities Acquisition and Takeover Act any person or any group of persons acting together has acquired control of more than 50 per cent. of the voting shares. If, on receiving the notification, banks that represent at least two-thirds of the credit volume so require, the banks have the right to cancel the credit facility and demand complete repayment of the outstanding debt. If no continuation agreement is reached, the credit facility would end and the obligation to repay would become effective at an ascertainable time. As of the date of this Prospectus, SAP AG has not drawn on the Credit Facility.

Private Placement Transaction

In April and May 2009, SAP AG issued several tranches of a private placement transaction ("*Schuldschein*") outside of the United States. The total *Schuldschein* is for EUR 697 million, with three-year and five-year tranches. The underlying agreements contain change-of-control clauses. These clauses give the lenders special termination rights if in the meaning of the German Securities Acquisition and Takeover Act any person or any group of persons acting together acquires control of more than 50 per cent. of the voting shares of SAP AG. If no continuation agreement is reached within 30 days after a change of control, the lenders would be entitled to declare the loan due and demand repayment of the outstanding debt without delay.

Agreement to acquire all outstanding equity securities of Sybase, Inc.

On 12 May 2010, SAP AG's subsidiary SAP America, Inc. its subsidiary Sheffield Acquisition Corp. entered into an agreement with Sybase, Inc. for the acquisition of all its outstanding equity securities. SAP AG, through certain of its subsidiaries will make an all cash tender offer for all of the outstanding shares of Sybase common stock and the associated preferred stock purchase rights at USD 65.00 per share, representing an enterprise value of approximately USD 5.8 billion. For additional information regarding this agreement, see the description under "*Acquisition of Sybase – Description of the Acquisition*" below.

Dual-Currency Term Loan Facility Agreement to finance the acquisition of all shares in Sybase, Inc.

To partially finance the acquisition of all outstanding equity securities of Sybase, on 21 May 2010 SAP AG entered into a EUR 2,750,000,000 dual-currency term loan facility agreement with a syndicate of banks, including Barclays Bank PLC and Deutsche Bank Luxembourg S.A. The loan may be drawn upon in multiple drawings until the earlier of 31 December 2010, or the effective date of the termination of the acquisition of Sybase. The loans granted under the loan agreement are unsecured. For additional information regarding this loan agreement, see the description under "*Acquisition of Sybase – Dual-Currency Term Loan Facility Agreement to finance the acquisition of shares in Sybase*" below.

Other Material Contracts and Agreements

In agreements between SAP AG and various banks for bilateral credit facilities that totaled EUR 545 million on 31 December 2009, we have agreed to material adverse change clauses permitting the banks to terminate if events occur that are materially adverse to SAP AG's economic standing. A change of control could be considered materially adverse pursuant to those agreements. These clauses are customary. In the past, we have utilized these bilateral credit facilities only infrequently for a few days. We believe that in view of our current liquidity situation, termination of these credit facilities would not have a materially adverse effect, at least in the near term.

As of the date of this Prospectus the amount available under bilateral credit facilities was EUR 505 million.

We have entered into relationships with various companies to jointly develop and market new software products. These relationships are governed by development and marketing agreements with the respective companies. Some of the agreements include provisions that, in the event of a change of control over one of the parties, give the other party a right to consent to the assignment of the agreement or to terminate it.

Agreements have been concluded with the members of the Executive Board concerning compensation in the event of a change of control. We have no analogous compensation agreements with employees.

Recent Developments

In January 2010, SAP announced that it is offering a comprehensive tiered support model to customers worldwide. This offering includes SAP Enterprise Support services and the SAP Standard Support option and will enable customers to choose the option that best meets their requirements.

In February 2010, we announced that the Supervisory Board had reached a mutual agreement with CEO Léo Apotheker not to extend his contract as a member of the Executive Board. Léo Apotheker resigned as CEO and from the Executive Board with immediate effect.

In February 2010, Bill McDermott (head of global field organization) and Jim Hagemann Snabe (head of business solutions and technology) were appointed as co-CEOs.

In February 2010, Vishal Sikka, chief technology officer, was appointed to the Executive Board.

In February 2010, SAP announced that Gerhard Oswald, Executive Board member responsible for global service and support, had also been appointed chief operating officer, replacing Erwin Gunst, who stepped down for health reasons.

In February 2010, the Supervisory Board accepted the resignation of John Schwarz, the member of the Executive Board responsible for SAP BusinessObjects, ecosystem, and corporate development, with immediate effect.

On 8 April 2010, we issued our first two-tranche Eurobond, which was placed on the Eurobond market on 31 March 2010 and consists of a EUR 500 million four-year tranche and a EUR 500 million seven-year tranche. The four-year notes pay a coupon of 2.50 per cent. and were issued at a price of 99.755 per cent., corresponding to a spread of 45 basis points over the Euro Mid-Swaps rate. The seven-year notes pay a coupon of 3.50 per cent. and were issued at a price of 99.780 per cent., corresponding to a spread of 70 basis points over the Euro Mid-Swaps rate. The notes have been issued on a standalone basis and are listed on the Luxembourg Stock Exchange.

On 12 May 2010, SAP AG announced that it has signed an agreement to acquire all of the outstanding equity securities of Sybase, Inc. For additional information regarding the acquisition see “*Acquisition of Sybase – Description of the Acquisition*” below.

In July 2010 Angelika Dammann joined the SAP Executive Board as Chief Human Resources Officer and SAP Labor Relations Director.

In July 2010 SAP AG acquired TechniData AG, a provider of product safety and environmental, health and safety products (EHS).

ACQUISITION OF SYBASE, INC.

Description of the Acquisition

On 12 May 2010, SAP AG's subsidiary SAP America, Inc. and its subsidiary Sheffield Acquisition Corp. entered into the Merger Agreement with Sybase, for the acquisition of all outstanding equity securities of Sybase (the "**Sybase Acquisition**"). Pursuant to the Merger Agreement, SAP America agreed to acquire through one or more wholly-owned subsidiaries all of the outstanding equity securities of Sybase, through (a) a tender offer (the "**Sybase Offer**") for all of the issued and outstanding shares of common stock of Sybase and the associated preferred stock purchase rights (the "**Sybase Shares**") at a cash purchase price of USD 65.00 per Sybase Share (the "**Per Share Amount**"), and (b) a subsequent merger (the "**Sybase Merger**") of SAP AG's indirect wholly-owned subsidiary with and into Sybase, in which each Sybase Share not tendered into the Sybase Offer and each other right to acquire Sybase Shares, including stock options, stock appreciation rights or restricted stock units of Sybase (the "**Other Interests**") will be converted into the right to receive the Per Share Amount (which in the case of the Other Interests, would be on an as converted or as exercised basis) and Sybase will become a wholly-owned indirect subsidiary of SAP AG. The transaction represents an enterprise value of approximately USD 5.8 billion. Sybase is listed on the New York Stock Exchange under the symbol SY. Sybase reported revenues for the fiscal year ended 31 December 2009 of approximately USD 1.17 billion.

The closing of the Sybase Offer was subject to customary closing conditions including the tender of Sybase Shares representing at least a majority of the voting power of the Sybase Shares then outstanding (determined on a fully diluted basis), and clearance by the competent merger control authorities. On 20 July 2010, SAP AG obtained approval from the European Commission for the acquisition of Sybase, which satisfied the final regulatory condition to the tender offer. The Sybase Offer expired on 26 July 2010 at 9:00 p.m. (New York City time). The depositary for the Sybase Offer has indicated that, as of the expiration of the tender offer 80,929,717 Sybase Shares had been tendered into and not properly withdrawn from the Sybase Offer (including 9,293,901 shares of common stock tendered pursuant to the guaranteed delivery procedures). These shares represent approximately 92.1 per cent. of Sybase's outstanding shares of common stock, or 91.8 per cent. on a fully diluted basis (as determined pursuant to the Merger Agreement). All Sybase shares that were validly tendered into the offer and not properly withdrawn have been accepted for payment. SAP AG intends to effect a short-form merger under Delaware law as promptly as practicable, without the need for a meeting of Sybase stockholders. As a result of the merger, the remaining Sybase stockholders (other than those who properly exercise appraisal rights under Delaware law) will receive the same USD 65.00 per share, without interest and subject to any required withholding of taxes, that was paid in the Sybase Offer. After the merger, Sybase will be a wholly owned subsidiary of SAP America, and Sybase shares will cease to be traded on the NYSE.

Reasons for the Acquisition and Strategy

Headquartered in Dublin, California, Sybase delivers a range of solutions to ensure that customer information is securely managed and mobilized to the point of action, including enterprise and mobile databases, middleware, synchronization, encryption and device management software, and mobile messaging services.

Both SAP Group and Sybase expect to benefit from synergies across product lines and markets. SAP Group expects to accelerate the reach of its solutions across mobile platforms and drive forward the realization of its in-memory computing vision. This will drive higher user adoption of SAP software and unlock significant business value out of existing customer investments. In addition, Sybase's innovative mobile platform can connect all applications and data (SAP and non-SAP) and enable them on mobile devices.

For Sybase, SAP in-memory technology is expected to provide the opportunity for significant performance improvements to its analytic processing capabilities. Sybase will also be able to bring its complex event processing and analytics expertise, which was built in the financial sector, to customers in other industries, markets and product areas in which SAP Group has a complementary, strong presence. Sybase's core database business will be enhanced by SAP in-memory technology to deliver integrated transactional and analytical capabilities.

The synergies between the two companies are also intended to expand opportunities for the SAP and Sybase ecosystems. Software and implementation partners can capture new opportunities by innovating on Sybase's mobile platform, which will make it easier to create, deliver and securely manage mobile enterprise applications across major device types.

The transaction is expected to close during the third quarter of 2010 and to be immediately accretive to SAP's earnings per share on a non-IFRS adjusted basis. SAP expects the business combination to deliver synergies through both revenue enhancement and the realization of cost efficiencies.

Financing of the Acquisition

SAP AG will finance the Acquisition with its own cash and by issuance of the Notes and/or drawings under the terms of a dual-currency term loan facility agreement. SAP AG will use the proceeds from the Notes to finance the acquisition of Sybase or to fully or partly prepay or cancel the dual-currency term loan facility agreement.

Dual-Currency Term Loan Facility Agreement to finance the acquisition of shares in Sybase

On 21 May 2010, SAP AG entered into the Sybase Acquisition Loan, a EUR 2,750,000,000 dual-currency term loan facility agreement with a syndicate of banks, including, *inter alia*, Barclays Bank PLC and Deutsche Bank Luxembourg S.A., with Barclays Capital and Deutsche Bank AG as mandated lead arrangers and bookrunners.

The Sybase Acquisition Loan serves primarily to finance the acquisition of Sybase, including (a) the purchase of shares under the Sybase Offer and the Sybase Merger, (b) the refinancing or repurchase of indebtedness of Sybase, (c) cash settlements or redemptions of any outstanding options, restricted stock, stock appreciation rights or any other rights to purchase capital stock of Sybase becoming due as a result of a change of control over Sybase triggered by the Sybase Acquisition, (d) payments to Sybase employees and/or directors in relation to employee or management incentive schemes becoming payable in connection with the Sybase Acquisition as a result of a change of control over Sybase triggered thereby and (e) the payment of fees, costs and expenses incurred in connection with Sybase Acquisition, including, without limitation, the financing provided under the Sybase Acquisition Loan.

The Sybase Acquisition Loan may be drawn upon in multiple drawings until the earlier of 31 December 2010, or the effective date of the termination of the Merger Agreement prior to the consummation of the Sybase Acquisition (the "**Availability Period**"). The final maturity date is the second anniversary of the date of signing of the Sybase Acquisition Loan. All drawings under the Sybase Acquisition Loan are committed and may be utilized in Euros or U.S. dollars. Subject to the absence of a major default and the correctness of major representations made by SAP AG, the lenders are, during the Availability Period, obliged to provide the committed financing for the acquisition of the shares in Sybase until the closing of the acquisition of Sybase (customary so called "certain funds concept").

The Sybase Acquisition Loan contains market-standard undertakings and restrictions. Such undertakings and restrictions may influence the flexibility of the SAP AG Group's operations. There are no financial covenants and the loans granted under the Sybase Acquisition Loan are unsecured.

A breach of the restrictive covenants will give rise (subject, in certain instances, to cure periods) to a right of the lenders of the Sybase Acquisition Loan to accelerate the loans and cancel their respective commitments thereunder. Other circumstances that may allow the lenders of the Sybase Acquisition Loan to accelerate the loans and cancel their respective commitments under the Sybase Acquisition Loan include, notably, any non-payment default by SAP AG under the Sybase Acquisition Loan or related finance documentation or any cross-payment or cross-acceleration default by SAP AG or a material subsidiary in respect of financial liabilities totalling EUR 20 million or more and any insolvency event in relation to SAP AG or a material subsidiary. Such acceleration rights are subject to the customary certain funds concept referred to above.

Drawings under the Sybase Acquisition Loan will bear interest at a rate *per annum* that corresponds to an applicable margin plus EURIBOR (or, in the case of U.S. dollar denominated loans, LIBOR) for the selected interest period.

SAP AG may at any time cancel unutilised commitments and voluntarily prepay loans, in each case subject to a minimum cancellation or repayment amount of EUR 20 million, by giving a five business days' advance notice.

Under the Sybase Acquisition Loan, SAP AG must notify the banks if it learns that in the meaning of the German Securities Acquisition and Takeover Act any person or any group of persons acting together has acquired control of more than 50 per cent. of the voting shares. If, on receiving the notification, banks that represent at least two-thirds of the credit volume so require, the banks have the right to cancel the credit facility and demand complete repayment of the outstanding debt (unless a continuation agreement is reached, in respect of which SAP AG may request good-faith negotiations). SAP AG is further obliged to prepay the loans and cancel commitments upon the occurrence of certain mandatory prepayment events, including, subject to certain exceptions and baskets, in particular the proceeds from (a) any issuance of debt instruments (such as the Notes) in the international or domestic capital markets after the date of signing of the Sybase Acquisition Loan, and (b) any disposal of shares of Sybase to any person who is not a member of the SAP AG Group.

CONDITIONS OF ISSUE

The following is the text of the terms and conditions of the notes (the "**Conditions of Issue**") applicable to the 2013 Notes, the 2012 Notes, and the Floating Rate Notes. The final Conditions of Issue of the 2013 Notes will be an integral part of the Global Note representing the 2013 Notes, the final Conditions of Issue of the 2012 Notes will be an integral part of the Global Note representing the 2012 Notes, and the final Conditions of Issue of the Floating Rate Notes will be an integral part of the Global Note representing the Floating Rate Notes.

These Conditions of Issue of the Notes are written in the German language and provided with an English language translation. The German text shall be the legally binding version. The English language translation is provided for convenience purposes only.

Nachfolgend ist der Text der Anleihebedingungen (die "**Anleihebedingungen**") für die 2013 Schuldverschreibungen, die 2012 Schuldverschreibungen und die Variabel Verzinslichen Schuldverschreibungen abgedruckt. Die endgültigen Anleihebedingungen für die 2013 Schuldverschreibungen werden Bestandteil der Globalurkunde, die die 2013 Schuldverschreibungen verbrieft, die endgültigen Anleihebedingungen für die 2012 Schuldverschreibungen werden Bestandteil der Globalurkunde, die die 2012 Schuldverschreibungen verbrieft, und die endgültigen Anleihebedingungen für die Variabel Verzinslichen Schuldverschreibungen werden Bestandteil der Globalurkunde, die die Variabel Verzinslichen Schuldverschreibungen verbrieft.

Diese Anleihebedingungen sind in deutscher Sprache abgefasst und mit einer englischen Übersetzung versehen. Der deutsche Wortlaut ist rechtsverbindlich. Die englische Übersetzung dient nur zur Information.

ANLEIHEBEDINGUNGEN

§ 1

WÄHRUNG, NENNBETRAG, FORM, BESTIMMTE DEFINITIONEN

(1) *Währung; Nennbetrag.* Die Emission der SAP AG (die "**Emittentin**"), begeben am 6. August 2010 im Gesamtnennbetrag (vorbehaltlich § 1 Absatz (6)) von EUR [•] ist eingeteilt in [•] unter sich gleichberechtigte, auf den Inhaber lautende Schuldverschreibungen im Nennbetrag von je EUR 1.000 (die "**Schuldverschreibungen**" oder die "**Anleihe**").

(2) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

(3) *Vorläufige Globalurkunde - Austausch.*

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in den festgelegten Stückelungen, die durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") ohne Zinsscheine verbrieft sind, ausgetauscht. Die vorläufige Globalurkunde und die Dauerglobalurkunde tragen jeweils die Unterschriften ordnungsgemäß bevollmächtigter Vertreter der Emittentin und trägt die eigenhändige Kontrollunterschrift der Hauptzahlstelle. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

(b) Die vorläufige Globalurkunde wird an einem Tag (der "**Austauschtag**") gegen die Dauerglobalurkunde ausgetauscht, der nicht mehr als 180 Tage nach dem Tag der Begebung der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen liegt. Der Austausch darf nicht vor Ablauf von 40 Tage nach dem Tag der Begebung liegen. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen an die Emittentin oder eine Zahlstelle für die Emittentin erfolgen,

CONDITIONS OF ISSUE

§ 1

CURRENCY, PRINCIPAL AMOUNT, FORM, CERTAIN DEFINITIONS

(1) *Currency; Principal Amount.* The issue by SAP AG (the "**Issuer**") issued on 6 August 2010 in the aggregate principal amount, subject to § 1(6), of EUR [•] is divided into [•] notes in the principal amount of EUR 1,000 each payable to bearer and ranking *pari passu* with each other (the "**Notes**" or the "**Issue**").

(2) *Form.* The Notes are being issued in bearer form.

(3) *Temporary Global Note - Exchange.*

(a) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") without coupons. The Temporary Global Note will be exchangeable for Notes in the Specified Denominations represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Temporary Global Note and the Permanent Global Note shall each be signed by authorised signatories of the Issuer and shall bear a manual control signature of the Principal Paying Agent. Definitive Notes and interest coupons will not be issued.

(b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date (the "**Exchange Date**") not later than 180 days after the date of issue of the Notes represented by the Temporary Global Note. The Exchange Date will not be earlier than 40 days after the date of issue. Such exchange shall only be made upon delivery of certifications to the Issuer or any Paying Agent on the Issuer's behalf to the effect that the beneficial owner or owners of the Notes represented by

wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist für jede solche Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Absatz (b) dieses § 1 Absatz (3) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, dürfen nur außerhalb der Vereinigten Staaten (wie in § 6 Absatz (2) definiert) geliefert werden.

(4) *Clearing System.* Die Globalurkunde, welche die Schuldverschreibung verbrieft, wird von einem oder für ein Clearing System verwahrt. "**Clearing System**" in diesem Sinne sind: Clearstream Banking, *société anonyme* ("**CBL**") und Euroclear Bank SA/NV ("**Euroclear**") (CBL und Euroclear jeweils ein "**ICSD**" und zusammen die "**ICSDs**") sowie jedes Unternehmen, das diese Funktion als Nachfolger übernimmt.

Die Schuldverschreibungen werden in Form einer New Global Note ("**NGN**") ausgegeben und von einem common safekeeper im Namen beider ICSDs verwahrt.

(5) *Gläubiger von Schuldverschreibungen.* "**Gläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder anderen vergleichbaren Rechts an den Globalurkunden.

(6) *Register der ICSDs.* Der Nennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen die Register zu verstehen sind, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind definitiver Nachweis des Nennbetrages der durch die Globalurkunde verbrieften Schuldverschreibungen, und eine für zu diesem Zweck von einem ICSD jeweils ausgestellte Bescheinigung mit dem Nennbetrag der so verbrieften Schuldverschreibungen ist definitive Bestätigung des Inhalts des Registers des betreffenden ICSD zu dem fraglichen Zeitpunkt.

Bei jeder Tilgung oder Zahlung einer Rückzahlungsrates oder einer Zinszahlung auf die durch die Globalurkunde verbrieften Schuldverschreibungen bzw. beim Kauf und der Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten der Rückzahlung, Zahlung oder des Kaufs und der Entwertung bezüglich der Globalurkunde entsprechend in die Unterlagen der ICSDs eingetragen werden, und dass nach dieser Eintragung vom Nennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgekauften bzw. gekauften und entwerteten Schuldverschreibungen bzw. der Gesamtbetrag der so

the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40th day after the date of issue of the Notes represented by the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this §1(3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 6(2)).

(4) *Clearing System.* The global note representing the Notes will be kept in custody by or on behalf of the Clearing System. "**Clearing System**" means each of the following: Clearstream Banking, *société anonyme* ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear**") (CBL and Euroclear each an "**ICSD**" and together the "**ICSDs**") and any successor in such capacity.

The Notes are issued in new global note ("**NGN**") form and are kept in custody by a common safekeeper on behalf of both ICSDs.

(5) *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest or right in the global notes.

(6) *Records of the ICSDs.* The aggregate principal amount of Notes represented by the global note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the global note and, for these purposes, a statement issued by a ICSD stating the aggregate principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the global note the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of the global note shall be entered accordingly in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the global note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.

gezahlten Raten abgezogen wird.

Bei Austausch nur eines Teils von Schuldverschreibungen, die durch eine vorläufige Globalurkunde verbrieft sind, wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs entsprechend in die Register der ICSDs aufgenommen werden.

§ 2 STATUS UND NEGATIVVERPFLICHTUNG

(1) *Status.* Die Schuldverschreibungen begründen nicht besicherte und nicht nachrangige Verbindlichkeiten der Emittentin, die untereinander und mit allen anderen nicht besicherten und nicht nachrangigen Verbindlichkeiten der Emittentin gleichrangig sind, soweit diesen Verbindlichkeiten nicht durch zwingende gesetzliche Bestimmungen ein Vorrang eingeräumt wird.

(2) *Negativverpflichtung.* Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und Zinsen der Hauptzahlstelle zur Verfügung gestellt worden sind, (i) keine Grund- und Mobiliarpfandrechte, sonstige Pfandrechte oder sonstige dingliche Sicherungsrechte (jedes ein "**Sicherungsrecht**") in Bezug auf ihr gesamtes Vermögen oder Teile davon zur Sicherung von anderen Kapitalmarktverbindlichkeiten (wie nachstehend definiert) zu gewähren und (ii) ihre Wesentlichen Tochtergesellschaften zu veranlassen (soweit rechtlich möglich und zulässig), ihr Vermögen weder ganz noch teilweise zur Besicherung einer Kapitalmarktverbindlichkeit, die von der jeweiligen Wesentlichen Tochtergesellschaft eingegangen ist, mit Sicherungsrechten zu belasten, ohne gleichzeitig die Gläubiger gleichrangig an einem solchen Sicherungsrecht zu beteiligen oder ihnen ein gleichwertiges Sicherungsrecht zu gewähren.

Die Verpflichtung nach diesem Absatz (2) besteht jedoch nicht für solche Sicherheiten, (i) die gesetzlich vorgeschrieben sind, oder (ii) die als Voraussetzung für staatliche Genehmigungen verlangt werden, oder (iii) die von einer Gesellschaft der Gruppe (die "**Tochter**") an Forderungen bestellt werden, die ihr aufgrund der Weiterleitung von aus dem Verkauf von Kapitalmarktverbindlichkeiten erzielten Erlösen gegen Gesellschaften der Gruppe oder sonstige Dritte gegenwärtig oder zukünftig zustehen, sofern solche Sicherheiten der Besicherung von Verpflichtungen aus den jeweiligen Kapitalmarktverbindlichkeiten der Tochter dienen, oder (iv) die eine Kapitalmarktverbindlichkeit besichern, die eine Verpflichtung der Emittentin oder der Gruppe infolge einer zukünftigen Akquisition wird, sofern diese Kapitalmarktverbindlichkeit nicht im Hinblick auf diese zukünftige Akquisition begründet wurde.

Eine nach diesem Absatz (2) zu leistende Sicherheit kann auch zu Gunsten der Person eines Treuhänders der Anleihegläubiger bestellt werden.

Für Zwecke dieses § 2 bedeutet "**Kapitalmarktverbindlichkeit**" jede bestehende oder zukünftige Verbindlichkeit (gleich ob Kapital, Aufgeld, Zinsen oder andere Beträge) der Emittentin oder einer Wesentlichen Tochtergesellschaft bezüglich Geldaufnahmen in Form von, oder verbrieft durch, Schuldverschreibungen, Anleihen oder ähnliche Wertpapiere, sofern sie an einer Börse

On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered accordingly in the records of the ICSDs.

§ 2 STATUS AND NEGATIVE PLEDGE

(1) *Status.* The obligations under the Notes constitute unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, unless such obligations are accorded priority under mandatory provisions of statutory law.

(2) *Negative Pledge.* The Issuer undertakes, so long as any of the Notes are outstanding, but only up to the time all amounts of principal and interest have been placed at the disposal of the Principal Paying Agent, (i) not to provide any mortgage, charge, pledge, lien or other form of *in rem* encumbrance or security interest (each a "**Security Interest**") over the whole or any part of its assets to secure any Capital Market Indebtedness (as defined below) and (ii) to procure (to the extent legally possible and permissible) that none of its Principal Subsidiaries will grant any Security Interest over the whole or any part of its assets, as security for any Capital Market Indebtedness issued by the respective Principal Subsidiary, without at the same time letting the Holders share *pari passu* in such Security Interest or giving to the Holders an equivalent Security Interest.

The undertaking pursuant to this subsection (2) shall not apply to a security (i) which is mandatory according to applicable laws, or (ii) which is required as a prerequisite for governmental approvals, or (iii) which is provided by any company of the Group (the "**Subsidiary**") upon any claims of the Subsidiary against any other company of the Group or any third party, which claims exist now or arise at any time in the future as a result of the passing on of the proceeds from the sale by the Subsidiary of any Capital Market Indebtedness, provided that any such security serves to secure obligations under such Capital Market Indebtedness of the Subsidiary, or (iv) which secures a Capital Market Indebtedness that becomes an obligation of the Issuer or the Group as a consequence of a future acquisition, provided that such Capital Market Indebtedness was not created in contemplation of such future acquisition.

Any security which is to be provided pursuant to this subsection (2) may also be provided to a person acting as trustee for the Bondholders.

For the purposes of this § 2, "**Capital Market Indebtedness**" shall mean any present or future indebtedness (whether being principal, premium, interest or other amounts) of the Issuer or of a Principal Subsidiary in respect of borrowed money which is in the form of, or represented by, bonds, notes or any similar securities which are or are capable of being quoted, listed or traded on

oder im Freiverkehr notiert sind oder gehandelt werden oder werden können oder Schuldscheindarlehen nach deutschem Recht.

"**Wesentliche Tochtergesellschaft**" bezeichnet eine (unmittelbare oder mittelbare) Tochtergesellschaft der Emittentin (a) welche die Emittentin direkt oder indirekt kontrolliert; (b) an der die Emittentin mittelbar oder unmittelbar die Mehrheit der Anteile hält; oder (c) bei welcher die Emittentin mittelbar oder unmittelbar die Mehrheit der Stimmrechte ausüben kann; und im Rahmen dieser Definition soll eine Gesellschaft dann als von der Emittentin kontrolliert gelten, wenn diese in der Lage ist, deren Geschäftsgang zu leiten und/oder die Besetzung des Vorstandes oder eines vergleichbaren Gremiums zu bestimmen. Als Voraussetzung zur Einbeziehung als Wesentliche Tochtergesellschaft im Sinne dieser Anleihebedingungen gemäß (a), (b) oder (c) gilt, dass der unkonsolidierte Umsatz dieser Tochtergesellschaft 5% oder mehr der konsolidierten Umsatzerlöse der Gruppe ausmacht, wobei, zur Klarstellung, diese Berechnung auf Basis der konsolidierten Umsatzerlöse der Gruppe, wie im jeweils aktuellen geprüften, konsolidierten Jahresabschlusses der Gruppe dargestellt und den Umsätzen der Tochtergesellschaften in der Liste der Tochtergesellschaften im Konzernanhang dieses Jahresabschlusses, vorgenommen werden soll und eine (unmittelbare oder mittelbare) Tochtergesellschaft eine Wesentliche Tochtergesellschaft wird bzw. diesen Status verliert vom Tag der Veröffentlichung der relevanten Liste der Tochtergesellschaften an.

"**Gruppe**" bezeichnet die Emittentin und ihre jeweiligen konsolidierten Tochtergesellschaften.

any stock exchange or over-the-counter securities market or certificates of indebtedness (*Schuldscheindarlehen*) governed by German law.

"**Principal Subsidiary**" means a (direct or indirect) subsidiary of the Issuer (a) which is directly or indirectly controlled by the Issuer; (b) in which the Issuer holds directly or indirectly the majority of the shares; or (c) for which the Issuer is able to directly or indirectly exercise the majority of voting rights; for the purposes of this definition an entity shall be seen as controlled by the Issuer, if the Issuer is able to direct the business of such entity and/or is able to appoint the members of the board of directors or the respective equivalent body. The prerequisite for the classification as Principal Subsidiary within the meaning of (a), (b) or (c) of these Conditions of Issue is that the unconsolidated turnover of the respective subsidiary is equal to or exceeds 5 per cent. of the consolidated turnover of the Group, whereas, for the avoidance of doubt, (i) such calculation shall be based on the information relating to the consolidated turnover of the Group as disclosed in each audited consolidated annual financial statements and the revenues of the subsidiaries as disclosed in the subsidiaries' list set forth in the notes to such financial statements and (ii) a (direct or indirect) subsidiary begins and ceases, as the case may be, to so constitute a Principal Subsidiary as from the date of publication of the relevant subsidiaries' list.

"**Group**" means the Issuer and all of its consolidated subsidiaries from time to time.

[Im Falle der 2013 Schuldverschreibungen:

§ 3 ZINSEN

(1) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag verzinst, und zwar vom 6. August 2010 (einschließlich) bis zum Fälligkeitstag (wie in § 5 Absatz (1) definiert) (ausschließlich) mit jährlich [\bullet]%. Die Zinsen sind nachträglich am 6. August eines jeden Jahres zahlbar (jeweils ein "**Zinszahlungstag**"). Die erste Zinszahlung erfolgt am 6. August 2011.

(2) *Auflaufende Zinsen.* Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, erfolgt die Verzinsung der Schuldverschreibungen vom Tag der Fälligkeit bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen. Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem jeweils von der Deutschen Bundesbank veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

(3) *Berechnung der Zinsen für Teile von Zeiträumen.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend defi-

[In case of the 2013 Notes:

§ 3 INTEREST

(1) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their principal amount at the rate of [\bullet] per cent. *per annum* from (and including) 6 August 2010 to (but excluding) the Maturity Date (as defined in § 5(1)). Interest shall be payable in arrear on 6 August in each year (each such date, an "**Interest Payment Date**"). The first payment of interest shall be made on 6 August 2011.

(2) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue beyond the due date until the actual redemption of the Notes at the default rate of interest established by law. The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time; sections 288(1), 247(1) of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*).

(3) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of

niert).

(4) *Zinstagequotient.* "**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**") die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch die tatsächliche Anzahl von Tagen in der jeweiligen Zinsperiode.]

[Im Falle der 2012 Schuldverschreibungen:

**§ 3
ZINSEN**

(5) *Zinssatz und Zinszahlungstage.* Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag verzinst, und zwar vom 6. August 2010 (einschließlich) bis zum Fälligkeitstag (wie in § 5 Absatz (1) definiert) (ausschließlich) mit jährlich [•]%. Die Zinsen sind nachträglich am 6. Februar 2011 und am Fälligkeitstag zahlbar (jeweils ein "**Zinszahlungstag**"). Die am 6. Februar 2011 erfolgende Zinszahlung wird sich auf EUR [•] je Nennbetrag in Höhe von EUR 1.000 belaufen.

(6) *Auflaufende Zinsen.* Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, erfolgt die Verzinsung der Schuldverschreibungen vom Tag der Fälligkeit bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen. Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem jeweils von der Deutschen Bundesbank veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

(7) *Berechnung der Zinsen für Teile von Zeiträumen.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).

(8) *Zinstagequotient.* "**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**") die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum, dividiert durch die tatsächliche Anzahl von Tagen in der jeweiligen Zinsperiode.]

[Im Falle der Variabel Verzinslichen Schuldverschreibungen:

**§ 3
ZINSEN**

(1) *Zinszahlungstage.*

(a) Die Schuldverschreibungen werden bezogen auf ihren Nennbetrag verzinst, und zwar vom 6. August 2010 (einschließlich) (der "**Verzinsungsbeginn**") bis zum Fälligkeitstag (wie in § 5 Absatz (1) definiert) (ausschließlich). Die Zinsen sind nachträglich am 6. November, 6. Februar, 6. Mai und 6. August eines jeden Jahres zahlbar (jeweils ein "**Zinszahlungstag**"). Die erste Zinszahlung erfolgt am 6. November 2010.

the Day Count Fraction (as defined below).

(4) *Day Count Fraction.* "**Day Count Fraction**" means with regard to the calculation of interest on any Note for any period of time (the "**Calculation Period**") the actual number of days in the Calculation Period divided by the actual number of days in the respective interest period.]

[In case of the 2012 Notes:

**§ 3
INTEREST**

(5) *Rate of Interest and Interest Payment Dates.* The Notes shall bear interest on their principal amount at the rate of [•] per cent. *per annum* from (and including) 6 August 2010 to (but excluding) the Maturity Date (as defined in § 5(1)). Interest shall be payable in arrear on 6 February 2011 and on the Maturity Date (each such date, an "**Interest Payment Date**"). The interest payment to be made on 6 February 2011 will amount to EUR [•] per principal amount of EUR 1,000.

(6) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue beyond the due date until the actual redemption of the Notes at the default rate of interest established by law. The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time; sections 288(1), 247(1) of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*).

(7) *Calculation of Interest for Partial Periods.* If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).

(8) *Day Count Fraction.* "**Day Count Fraction**" means with regard to the calculation of interest on any Note for any period of time (the "**Calculation Period**") the actual number of days in the Calculation Period divided by the actual number of days in the respective interest period.]

[In case of the Floating Rate Notes:

**§ 3
INTEREST**

(1) *Interest Payment Dates.*

(a) The Notes shall bear interest on their principal amount from (and including) [•] June 2010 (the "**Interest Commencement Date**") to (but excluding) the Maturity Date (as defined in § 5(1)). Interest shall be payable in arrear on 6 November, 6 February, 6 May and 6 August in each year (each such date, an "**Interest Payment Date**"). The first payment of interest shall be made on 6 November 2010.

(b) Fällt ein Zinszahlungstag auf einen Tag, der kein Geschäftstag (wie nachstehend definiert) ist, so wird der Zinszahlungstag auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zinszahlungstag auf den unmittelbar vorhergehenden Geschäftstag vorgezogen. Falls der Fälligkeitstag einer Zahlung, wie oben beschrieben, vorgezogen oder verschoben wird, wird der Zinsbetrag entsprechend angepasst.

(2) *Zinssatz.* Der Zinssatz (der "**Zinssatz**") für jede Zinsperiode (wie nachstehend definiert) ist, sofern nachstehend nichts Abweichendes bestimmt wird, der Angebotsatz, (ausgedrückt als Prozentsatz *per annum*) für Einlagen in Euro für die jeweilige Zinsperiode, der auf der Bildschirmseite am Zinsfestlegungstag (wie nachstehend definiert) gegen 11:00 Uhr (Brüsseler Ortszeit) angezeigt wird zuzüglich einer Marge von [•] % *per annum* (die "**Marge**"), wobei alle Festlegungen durch die Hauptzahlstelle als Berechnungsstelle erfolgen.

"**Zinsperiode**" bezeichnet jeweils den Zeitraum vom Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils unmittelbar darauffolgenden Zinszahlungstag (ausschließlich).

"**Zinsfestlegungstag**" bezeichnet den zweiten Geschäftstag vor Beginn der jeweiligen Zinsperiode. "**Geschäftstag**" bezeichnet einen Tag (außer einem Samstag oder Sonntag) an dem das Clearingsystem sowie alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) betriebsbereit sind, um die betreffende Zahlung abzuwickeln.

"**Bildschirmseite**" bedeutet Reuters-Seite EURIBOR01 oder die jeweilige Nachfolgersseite, die vom selben System angezeigt wird oder aber von einem anderen System, das vom Vertreiber von Informationen zum Zwecke der Anzeigen von Sätzen oder Preisen ernannt wurde, die dem betreffenden Angebotsatz vergleichbar sind.

Sollte die maßgebliche Bildschirmseite nicht zur Verfügung stehen oder wird zu der genannten Zeit kein Angebotsatz angezeigt, wird die Hauptzahlstelle von den Referenzbanken (wie nachstehend definiert) deren jeweilige Angebotsätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in Euro für die betreffende Zinsperiode und über einen repräsentativen Betrag gegenüber führenden Banken im Interbanken-Markt in der Euro-Zone um ca. 11:00 Uhr (Brüsseler Ortszeit) am Zinsfestlegungstag anfordern. Falls zwei oder mehr Referenzbanken der Hauptzahlstelle solche Angebotsätze nennen, ist der Zinssatz für die betreffende Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste ein Tausendstel Prozent, wobei 0,0005 aufgerundet wird) dieser Angebotsätze zuzüglich der Marge, wobei alle Festlegungen durch die Hauptzahlstelle erfolgen.

"**Euro-Zone**" bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die gemäß dem Vertrag über die Gründung der Europäischen Gemeinschaft (unterzeichnet in Rom am 25. März 1957), geändert durch den Vertrag über die Europäische Union (unterzeichnet in Maastricht am 7. Februar 1992), den Amsterdamer Vertrag

(b) If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Business Day. If the due date for payment is brought forward or postponed as described above, the amount of interest shall be adjusted accordingly.

(2) *Rate of Interest.* The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined below) will, except as provided below, be the offered quotation (expressed as a percentage rate *per annum*) for deposits in Euro for that Interest Period which appears on the Screen Page as of 11.00 a. m. (Brussels time) on the Interest Determination Date (as defined below) plus a margin of [•] per cent. *per annum* (the "**Margin**"), all as determined by the Principal Paying Agent as calculation agent.

"**Interest Period**" means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from each Interest Payment Date to the immediately following Interest Payment Date.

"**Interest Determination Date**" means the second Business Day prior to the commencement of the relevant Interest Period. "**Business Day**" means any day (other than a Saturday or Sunday) on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) are operational to effect the relevant payment.

"**Screen Page**" means Reuters page EURIBOR01 or the relevant successor page on that service or on any other service as may be nominated as the information vendor for the purposes of displaying rates or prices comparable to the relevant offered quotation.

If the Screen Page is not available or no such quotation appears as at such time, the Principal Paying Agent shall request each of the Reference Banks (as defined below) to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in Euro for the relevant Interest Period and in a representative amount to prime banks in the interbank market in the Euro-Zone at approximately 11.00 a. m. (Brussels time) on the Interest Determination Date. If two or more of the Reference Banks provide the Principal Paying Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations plus the Margin, all as determined by the Principal Paying Agent.

"**Euro-Zone**" means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in

vom 2. Oktober 1997, den Vertrag von Nizza vom 26. Februar 2001 und den Vertrag von Lissabon vom 13. Dezember 2007 in seiner jeweiligen Fassung, eine einheitliche Währung eingeführt haben oder jeweils eingeführt haben werden.

"**Referenzbanken**" bezeichnet diejenigen Niederlassungen von vier derjenigen Banken deren Angebotssätze zur Ermittlung des maßgeblichen Angebotssatzes zu dem Zeitpunkt verwendet wurden, als solch ein Angebot letztmals auf der Bildschirmseite angezeigt wurde.

(3) *Zinsbetrag.* Die Hauptzahlstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Zinssatz zu bestimmen ist, den auf jede der Schuldverschreibungen mit einem Nennbetrag von EUR 1.000 zahlbaren Zinsbetrag (der „**Zinsbetrag**“) für die entsprechende Zinsperiode berechnen. Der Zinsbetrag wird ermittelt, indem der Zinssatz und der Zinstagequotient (wie nachstehend definiert) auf den Nennbetrag einer Schuldverschreibung angewendet werden, wobei der resultierende Betrag auf den nächsten EUR 0,01 auf- oder abgerundet wird, wobei EUR 0,005 aufgerundet werden.

(4) *Mitteilung von Zinssatz und Zinsbetrag.* Die Hauptzahlstelle wird veranlassen, dass der Zinssatz, der Zinsbetrag für die jeweilige Zinsperiode, die jeweilige Zinsperiode und der betreffende Zinszahlungstag der Emittentin sowie den Gläubigern gemäß § 12 baldmöglichst, aber keinesfalls später als am neunten auf die Berechnung jeweils folgenden Geschäftstag sowie jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, baldmöglichst nach der Bestimmung, aber keinesfalls später als am ersten Tag der jeweiligen Zinsperiode mitgeteilt werden. Im Fall einer Verlängerung oder Verkürzung der Zinsperiode können der mitgeteilte Zinsbetrag und Zinszahlungstag ohne Vorankündigung nachträglich geändert (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Änderung wird umgehend allen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert sind, sowie den Gläubigern gemäß § 12 mitgeteilt.

(5) *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Hauptzahlstelle für die Zwecke dieses § 3 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Hauptzahlstelle und die Gläubiger bindend.

(6) *Auflaufende Zinsen.* Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, erfolgt die Verzinsung der Schuldverschreibungen vom Tag der Fälligkeit bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen in Höhe des gesetzlich festgelegten Satzes für Verzugszinsen. Der gesetzliche Verzugszinssatz beträgt für das Jahr fünf Prozentpunkte über dem jeweils von der Deutschen Bundesbank veröffentlichten Basiszinssatz, §§ 288 Absatz 1, 247 Absatz 1 BGB.

(7) *Zinstagequotient.* "**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**") die Anzahl von Tagen in

Maastricht on 7 February 1992), the Amsterdam Treaty of 2 October 1997, the Treaty of Nice of 26 February 2001 and the Treaty of Lisbon of 13 December 2007, as further amended from time to time.

"**Reference Banks**" means those offices of four of such banks, whose offered rates were used to determine such quotations when such quotation last appeared on the Screen Page.

(3) *Interest Amount.* The Principal Paying Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, calculate the amount of interest (the "**Interest Amount**") payable on each of the Notes in a principal amount of EUR 1,000 for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to the principal amount of a Note and rounding the resultant figure to the nearest EUR 0.01 Euro, with EUR 0.005 being rounded upwards.

(4) *Notification of Rate of Interest and Interest Amount.* The Principal Paying Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and to the Holders in accordance with § 12 as soon as possible after their determination, but in no event later than the ninth Business Day thereafter and if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than the first day of the relevant Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes are then listed and to the Holders in accordance with § 12.

(5) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Principal Paying Agent shall (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent and the Holders.

(6) *Accrual of Interest.* If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue beyond the due date until the actual redemption of the Notes at the default rate of interest established by law. The default rate of interest established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time; sections 288(1), 247(1) of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*).

(7) *Day Count Fraction.* "**Day Count Fraction**" means with regard to the calculation of interest on any Note for any period of time (the "**Calculation Period**") the number of days in the Calculation Period divided by 360.]

dem Zinsberechnungszeitraum geteilt durch 360.]

§ 4 ZAHLUNGEN

(1) *Zahlungen von Kapital und Zinsen.* Zahlungen von Kapital und Zinsen in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von Absatz (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 Absatz (3)(b).

Zinsen dürfen nicht auf ein Konto oder an eine Adresse innerhalb der Vereinigten Staaten (wie in § 6 Absatz (2) definiert) gezahlt werden.

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in Euro.

(3) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(4) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann hat der Gläubiger keinen Anspruch auf Zahlung vor dem nächsten Zahltag. Der Gläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Für diese Zwecke bezeichnet "**Zahltag**" einen Tag, der ein Tag (außer einem Samstag oder Sonntag) ist, an dem das Clearing System sowie alle betroffenen Bereiche des Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) ("**TARGET**") betriebsbereit sind, um die betreffenden Zahlungen weiterzuleiten.

(5) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen (wie in § 5 Absatz (1) definiert); sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Anleihebedingungen auf Zinsen auf die Schuldverschreibungen sollen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren zusätzlichen Beträge einschließen.

(6) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt und auf das Recht der Rücknahme verzichtet wird, erlöschen die diesbezüglichen

§ 4 PAYMENTS

(1) *Payment of Principal and Interest.* Payment of principal and interest in respect of Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the relevant account holders of the Clearing System, upon due certification as provided in § 1(3)(b).

Payment of interest shall not be paid to an account within or mailed to an address within the United States (as defined in § 6(2)).

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in Euro.

(3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(4) *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day then the Holder shall not be entitled to payment until the next such day and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment Business Day**" means any day which is a day (other than a Saturday or a Sunday) on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) ("**TARGET**") are operational to forward the relevant payment.

(5) *References to Principal and Interest.* References in these Conditions of Issue to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes (as defined in § 5(1)); and any premium and any other amounts which may be payable under or in respect of the Notes. References in these Conditions of Issue to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

(6) *Deposit of Principal and Interest.* The Issuer may deposit with the local court (*Amtsgericht*) in Frankfurt am Main principal or interest not claimed by Holders within twelve months after the Maturity Date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

Ansprüche der Gläubiger gegen die Emittentin.

§ 5 RÜCKZAHLUNG

(1) *Rückzahlung bei Endfälligkeit.* Soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am [im Fall der 2013 Schuldverschreibungen: 6. August 2013][im Falle der 2012 Schuldverschreibungen: 6. Februar 2012][im Falle der Variabel Verzinslichen Schuldverschreibungen: 6. Februar 2012] (der "Fälligkeitstag") zurückgezahlt. Der Rückzahlungsbetrag in Bezug auf jede Schuldverschreibung entspricht dem Nennbetrag der Schuldverschreibungen.

(2) *Vorzeitige Rückzahlung aus steuerlichen Gründen.* Die Schuldverschreibungen können insgesamt, jedoch nicht teilweise, nach Wahl der Emittentin mit einer Kündigungsfrist von nicht weniger als 30 und nicht mehr als 60 Tagen gegenüber der Hauptzahlstelle und gemäß § 12 gegenüber den Gläubigern vorzeitig gekündigt und zum Nennbetrag zuzüglich bis zum für die Rückzahlung festgesetzten Tag aufgelaufener Zinsen zurückgezahlt werden, falls die Emittentin als Folge einer Änderung oder Ergänzung der Steuer- oder Abgabengesetze und -vorschriften der Bundesrepublik Deutschland oder deren politischen Untergliederungen oder Steuerbehörden oder als Folge einer Änderung oder Ergänzung der Anwendung oder der offiziellen Auslegung dieser Gesetze und Vorschriften (vorausgesetzt, diese Änderung oder Ergänzung wird am oder nach dem Tag, an dem die letzte Tranche dieser Serie von Schuldverschreibungen begeben wird, wirksam) am nächstfolgenden Zinszahlungstag (wie in § 3 Absatz (1) definiert) zur Zahlung von zusätzlichen Beträgen (wie in § 7 dieser Anleihebedingungen definiert) verpflichtet sein wird und diese Verpflichtung nicht durch das Ergreifen vernünftiger, der Emittentin zur Verfügung stehender Maßnahmen vermieden werden kann.

Eine solche Kündigung darf allerdings nicht (i) früher als 90 Tage vor dem frühestmöglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von zusätzlichen Beträgen nicht mehr wirksam ist.

Eine solche Kündigung hat gemäß § 12 zu erfolgen. Sie ist unwiderruflich, muss den für die Rückzahlung festgelegten Termin nennen und eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

(3) *Kontrollwechsel.* Tritt ein Kontrollwechsel (wie nachstehend definiert) ein und kommt es innerhalb des Kontrollwechselzeitraums zu einer Absenkung des Ratings (wie nachstehend definiert) auf Grund des Kontrollwechsels (zusammen, ein "Rückzahlungsereignis"), hat jeder Gläubiger das Recht (sofern nicht die Emittentin, bevor die nachstehend beschriebene Rückzahlungsmittelteilung gemacht wird, die Rückzahlung der Schuldverschreibungen nach § 5 Absatz 2) angezeigt hat), die Rückzahlung seiner Schuldverschreibungen durch die Emittentin zum Nennbetrag, zuzüglich aufgelaufener Zinsen bis zum Wahl-

§ 5 REDEMPTION

(1) *Final Redemption.* Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on [in case of the 2013 Notes: 6 August 2013][in case of the 2012 Notes: 6 February 2012][in case of the Floating Rate Notes: 6 February 2012] (the "Maturity Date"). The Final Redemption Amount in respect of each Note shall be its principal amount.

(2) *Early Redemption for Reasons of Taxation.* If as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Germany or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date on which the last tranche of this series of Notes was issued, the Issuer is required to pay Additional Amounts (as defined in § 7 herein) on the next succeeding Interest Payment Date (as defined in § 3(1)), and this obligation cannot be avoided by the use of reasonable measures available to the Issuer the Notes may be redeemed, in whole but not in part, at the option of the Issuer, upon not more than 60 days' nor less than 30 days' prior notice of redemption given to the Principal Paying Agent and, in accordance with § 12 to the Holders, at the principal amount together with interest accrued to the date fixed for redemption.

However, no such notice of redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

Any such notice shall be given in accordance with § 12. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

(3) *Change of Control.* In the event that a Change of Control (as defined below) occurs and within the Change of Control Period a Rating Downgrade (as defined below) in respect of that Change of Control occurs (together a "Put Event"), each Holder will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes in accordance with § 5(2)) to require the Issuer to redeem the Notes held by him on the Optional Redemption Date at its principal amount together with interest accrued to but excluding the

Rückzahlungstag (ausschließlich), zu verlangen.

Für Zwecke dieses Wahlrechts:

Bedeutet "**Rating Agentur**" Standard and Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") und Moody's Investors Services Limited ("**Moody's**") oder eine ihrer jeweiligen Nachfolgesellschaften oder jede andere Rating Agentur vergleichbaren internationalen Ansehens, wie von Zeit zu Zeit durch die Emittentin bestimmt;

Gilt eine "**Absenkung des Ratings**" als eingetreten, wenn ein Kontrollwechsel vorliegt und, wenn (a) innerhalb des Kontrollwechselzeitraums ein vorher für die Emittentin oder ein für die ausstehenden langfristigen Verbindlichkeiten der Emittentin vergebenes Rating einer Rating Agentur (i) zurückgezogen oder (ii) von einem Investment Grade Rating (BBB- von S&P/Baa3 von Moody's oder jeweils gleichwertig, oder besser) in ein non-Investment Grade Rating (BB+ von S&P/Ba1 von Moody's oder jeweils gleichwertig, oder schlechter) geändert oder (iii) (falls das für die langfristigen Verbindlichkeiten vergebene Rating einer Rating Agentur unterhalb des Investment Grade Ratings liegt) um einen ganzen Punkt (z.B. von BB+ nach BB von S&P oder Ba1 nach Ba2 von Moody's oder eine ähnliche Absenkung eines gleichwertigen Ratings) abgesenkt wird oder (b) zur Zeit des Kontrollwechsels kein Rating für die Schuldverschreibungen oder die Emittentin vergeben ist und keine Rating Agentur während des Kontrollwechselzeitraums ein Investment Grade Rating für die Schuldverschreibungen vergibt (es sei denn, die Emittentin ist trotz zumutbarer Anstrengungen innerhalb dieses Zeitraums nicht in der Lage ein solches Rating zu erhalten, ohne dass dies seine Ursache im Kontrollwechsel hat);

Gilt ein "**Kontrollwechsel**" jedes Mal als eingetreten, wenn eine Person oder mehrere Personen (die "**relevante(n) Person(en)**"), die im Sinne von § 22 Absatz 2 WpHG abgestimmt handeln, oder ein oder mehrere Dritte(r), die im Auftrag der relevanten Person(en) handeln, zu irgendeiner Zeit mittelbar oder unmittelbar (unabhängig davon, ob der Vorstand oder der Aufsichtsrat der Emittentin seine Zustimmung erteilt hat) (i) mehr als 50% des ausstehenden Grundkapitals der Emittentin oder (ii) eine solche Anzahl von Aktien der Emittentin hält bzw. halten oder erworben hat bzw. haben, auf die mehr als 50% der Stimmrechte entfallen, die unter normalen Umständen auf einer Hauptversammlung der Emittentin ausgeübt werden können. Dies steht jedoch unter der Voraussetzung, dass ein Kontrollwechsel dann nicht als eingetreten gilt, wenn alle Aktionäre der relevanten Person oder ein wesentlicher Teil davon tatsächlich Aktionäre der Emittentin sind, oder unmittelbar vor dem Ereignis, welches ansonsten einen Kontrollwechsel darstellen würde waren und denselben (oder beinahe denselben) Anteil am Grundkapital der relevanten Person haben oder hatten wie am Grundkapital der Emittentin.

Bezeichnet "**Kontrollwechselzeitraum**" den Zeitraum, der (i) mit dem früheren der folgenden Ereignisse beginnt: (x) einer öffentlichen Bekanntmachung oder Erklärung der Emittentin oder einer relevanten Person hinsichtlich eines möglichen Kontrollwechsels oder (y) dem Tag der ersten öffentlichen Bekanntmachung des eingetretenen Kontrollwechsels und (ii) der am 90. Tag (einschließlich) nach dem Eintritt des Kontrollwechsels endet; und

Optional Redemption Date.

For the purposes of this option:

"**Rating Agency**" means Standard and Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") and Moody's Investors Services Limited ("**Moody's**") or any of their respective successors or any other rating agency of equivalent international standing specified from time to time by the Issuer;

A "**Rating Downgrade**" shall be deemed to have occurred if a Change of Control has occurred and (a) if within the Change of Control Period any rating previously assigned to the Issuer or outstanding long-dated liabilities of the Issuer by any Rating Agency is (i) withdrawn or (ii) changed from an investment grade rating (BBB- by S&P/ Baa3 by Moody's, or its equivalent for the time being, or better) to a non-investment grade rating (BB+ by S&P /Ba1 by Moody's, or its equivalent for the time being, or worse) or (iii) (if the rating assigned to the long-dated liabilities by any Rating Agency shall be below an investment grade rating) lowered one full rating notch (e.g. from BB+ to BB by S&P or Ba1 to Ba2 by Moody's or such similar lower of equivalent rating) or (b) if at the time of the Change of Control, there is no rating assigned to the Notes or the Issuer and no Rating Agency assigns during the Change of Control Period an investment grade credit rating to the Notes (unless the Issuer is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of the Change of Control);

A "**Change of Control**" shall be deemed to have occurred at each time (whether or not approved by the Management Board or Supervisory Board of the Issuer) that any person or persons ("**Relevant Person(s)**") acting in concert within the meaning of section 22 para 2 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) or any person or persons acting on behalf of any such Relevant Person(s), at any time directly or indirectly acquire(s) or come(s) to own (i) more than 50 per cent. of the issued ordinary share capital of the Issuer or (ii) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, provided that a Change of Control shall be deemed not to have occurred if all or substantially all of the shareholders of the Relevant Person are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of the Issuer with the same (or substantially the same) *pro rata* interest in the share capital of the Relevant Person as such shareholders have, or as the case may be, had in the share capital of the Issuer.

"**Change of Control Period**" means the period (i) commencing on the earlier of (x) any public announcement or statement of the Issuer or any Relevant Person relating to any potential Change of Control or (y) the date of the first public announcement of the Change of Control having occurred and (ii) ending on the 90 day (inclusive) after the occurrence of the relevant Change of Control; and

Ist der "**Wahl-Rückzahlungstag**" der siebte Tag nach dem letzten Tag des Rückzahlungszeitraums.

Sofort nachdem die Emittentin von einem Rückzahlungsergebnis Kenntnis erlangt, wird die Emittentin den Gläubigern unter Einhaltung der Regelungen des § 12 Mitteilung vom Rückzahlungsergebnis machen (eine "**Rückzahlungsmittteilung**"), diese Mitteilung umfasst die Umstände des Rückzahlungsergebnisses sowie das Verfahren für die Ausübung des in diesem § 5 Absatz 3 genannten Wahlrechts.

Zur Ausübung dieses Wahlrechts muss der Gläubiger während der normalen Geschäftsstunden innerhalb eines Zeitraums (der "**Rückzahlungszeitraum**") von 45 Tagen nach Veröffentlichung der Rückzahlungsmittteilung eine ordnungsgemäß ausgefüllte und unterzeichnete Ausübungserklärung bei der angegebenen Niederlassung der Hauptzahlstelle einreichen (die "**Ausübungserklärung**"), die in ihrer jeweils maßgeblichen Form bei der angegebenen Niederlassung der Hauptzahlstelle erhältlich ist. Ein so ausgeübtes Wahlrecht kann nicht ohne vorherige Zustimmung der Emittentin widerrufen oder zurückgezogen werden

Wenn 80% oder mehr des Nennbetrags der dann ausstehenden Schuldverschreibungen gemäß dieses § 5 Absatz 3 zurückgezahlt oder zurückerworben wurde, ist die Emittentin berechtigt, nach vorheriger Bekanntmachung, die innerhalb von 30 Tagen nach dem Wahl-Rückzahlungstag erfolgen muss, gegenüber den Gläubigern mit einer Frist von mindestens 30 und höchstens 60 Tagen nach ihrer Wahl alle ausstehenden Schuldverschreibungen zum Nennbetrag zuzüglich bis zum Rückzahlungstag (ausschließlich) aufgelaufenen Zinsen zurück zu zahlen.

(4) Zur Klarstellung: Durch diese Anleihebedingungen ist die Emittentin in keinem Fall verpflichtet, ein Rating für sich oder diese Schuldverschreibungen anzustreben.

§ 6

DIE HAUPTZAHLSTELLE UND DIE ZAHLSTELLE

(1) *Bestellung; bezeichnete Geschäftsstelle.* Die bezeichnete Geschäftsstelle der anfänglich bestellten Hauptzahlstelle lautet wie folgt:

Deutsche Bank Aktiengesellschaft
Grosse Gallusstrasse 10-14
60311 Frankfurt am Main
Germany

[Im Falle der Variabel Verzinslichen Schuldverschreibungen:

Die Hauptzahlstelle handelt auch als Berechnungsstelle.] Die Hauptzahlstelle behält sich das Recht vor, jederzeit ihre bezeichneten Geschäftsstellen durch eine andere Geschäftsstelle in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit die Bestellung der Hauptzahlstelle oder einer Zahlstelle zu ändern oder zu beenden und eine andere Hauptzahlstelle oder zusätzliche oder andere Zahlstellen zu bestellen. Die Emittentin wird zu jedem Zeitpunkt (i) eine Hauptzahlstelle unterhalten und (ii) solange die Schuldverschreibungen an der official list der Luxemburger Börse notiert sind, eine

The "**Optional Redemption Date**" is the seventh day after the last day of the Put Period.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a "**Put Event Notice**") to the Holders in accordance with § 12 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option set out in this § 5 (3).

In order to exercise such option, the Holder must submit during normal business hours at the specified office of the Principal Paying Agent a duly completed option exercise notice (the "**Exercise Notice**") in the form available from the specified office of the Principal Paying Agent within the period (the "**Put Period**") of 45 days after a Put Event Notice is given. No option so exercised may be revoked or withdrawn without the prior consent of the Issuer.

If 80 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to the provisions of this § 5(3), the Issuer may, on not less than 30 or more than 60 days' notice to the Holders given within 30 days after the Optional Redemption Date, redeem, at its option, the remaining Notes as a whole at a redemption price of the principal amount thereof plus interest accrued to but excluding the date of such redemption

(4) For the avoidance of doubt: Nothing in these Conditions of Issue requires the Issuer to pursue a rating for itself or these Notes.

§ 6

THE PRINCIPAL PAYING AGENT AND THE PAYING AGENT

(1) *Appointment; Specified Office.* The specified offices of the initial Principal Paying Agent shall be:

Deutsche Bank Aktiengesellschaft
Grosse Gallusstrasse 10-14
60311 Frankfurt am Main
Germany

[In case of the Floating Rate Notes:

The Principal Paying Agent shall also act as calculation agent.]

The Principal Paying Agent reserves the right at any time to change its specified offices to some other office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent or any Paying Agent and to appoint another Principal Paying Agent or additional or other Paying Agents. The Issuer shall at all times maintain (i) a Principal Paying Agent and (ii) so long as the Notes are listed on the official list of the Luxembourg Stock Exchange, a Paying Agent (which may be the

Zahlstelle (die die Hauptzahlstelle sein kann) mit Geschäftsstelle in Luxemburg und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen, wobei jedoch keine Zahlstelle innerhalb der Vereinigten Staaten bestellt werden kann, es sei denn, eine solche Bestellung wäre nach dem Recht der Vereinigten Staaten zulässig ohne dass dies nach Meinung des Emittenten nachteilige Konsequenzen für ihn hätte. Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Gläubiger hierüber gemäß § 12 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden. Für die Zwecke dieser Anleihebedingungen bezeichnet "**Vereinigte Staaten**" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands).

(3) *Erfüllungsgehilfe(n) der Emittentin.* Die Hauptzahlstelle handelt ausschließlich als Erfüllungsgehilfe der Emittentin und übernimmt keinerlei Verpflichtungen gegenüber den Gläubigern und es wird kein Auftrags- oder Treuhandverhältnis zwischen ihr und den Gläubigern begründet.

§ 7 STEUERN

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer politischen Untergliederung oder Steuerbehörde der oder in der Bundesrepublik Deutschland auferlegt oder erhoben werden, es sei denn, ein solcher Einbehalt oder Abzug ist gesetzlich vorgeschrieben. Ist ein solcher Einbehalt gesetzlich vorgeschrieben, so wird die Emittentin diejenigen zusätzlichen Beträge (die "**zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die ohne einen solchen Einbehalt oder Abzug von den Gläubigern empfangen worden wären; die Verpflichtung zur Zahlung solcher zusätzlicher Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben, die:

- (a) von einer als Depotbank oder Inkassobeauftragter des Gläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder Zinsen einen Abzug oder Einbehalt vornimmt; oder
- (b) wegen einer gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung des Gläubigers zur Bundesrepublik Deutschland zu zahlen sind, und nicht allein deshalb, weil Zahlungen auf die Schuldverschreibungen aus Quellen in der Bundesrepublik Deutschland stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind; oder
- (c) aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung

Principal Paying Agent) with an office in Luxembourg and/or in such other place as may be required by the rules of such stock exchange, provided that no Paying Agent can be appointed within the United States unless such an appointment is permitted under United States law without involving, in the Issuer's opinion, adverse consequences to the Issuer. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 12. For the purposes of these Conditions of Issue, "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

(3) *Agent of the Issuer.* The Principal Paying Agent acts solely as the agent of the Issuer and do not assume any obligations towards or relationship of agency or trust for any Holder.

§ 7 TAXATION

All amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction by or on behalf of the Federal Republic of Germany or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. If such withholding is required by law, the Issuer will pay such additional amounts (the "**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties which:

- (a) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from payments of principal or interest made by it, or
- (b) are payable by reason of the Holder having, or having had, some personal or business connection with the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Federal Republic of Germany, or
- (c) are deducted or withheld pursuant to (i) any European Union Directive or Regulation con-

von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder

- (d) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 12 wirksam wird; oder
- (e) von einer Zahlstelle einbehalten oder abgezogen werden, wenn die Zahlung von einer anderen Zahlstelle ohne den Einbehalt oder Abzug hätte vorgenommen werden können.

Zur Klarstellung: Die in der Bundesrepublik Deutschland geltende Kapitalertragsteuer und der darauf erhobene Solidaritätszuschlag sind keine Steuer oder sonstige Abgabe im oben genannten Sinn, für die zusätzliche Beträge seitens der Emittentin zu zahlen wären.

§ 8 VORLEGUNGSFRIST

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre verkürzt.

§ 9 KÜNDIGUNG

(1) *Kündigungsgründe.* Jeder Gläubiger ist berechtigt, seine Schuldverschreibung zu kündigen und deren sofortige Rückzahlung zu ihrem Nennbetrag zuzüglich (etwaiger) bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, falls:

- (a) *Nichtzahlung:* die Emittentin Kapital oder Zinsen oder sonstige auf die Schuldverschreibungen zahlbare Beträge nicht innerhalb von 30 Tagen nach dem betreffenden Fälligkeitsdatum zahlt; oder
- (b) *Verletzung einer sonstigen Verpflichtung:* die Emittentin die ordnungsgemäße Erfüllung einer anderen Verpflichtung aus den Schuldverschreibungen unterlässt und diese Unterlassung länger als 30 Tage fort dauert, nachdem die Hauptzahlstelle hierüber eine Benachrichtigung von einem Gläubiger erhalten hat; oder
- (c) *Drittverzugsregelung:* (i) eine bestehende oder zukünftige Zahlungsverpflichtung der Emittentin oder einer Wesentlichen Tochtergesellschaft im Zusammenhang mit einer Kapitalmarktverbindlichkeit infolge einer Nichtleistung (unabhängig davon, wie eine solche definiert ist) vorzeitig fällig wird, oder (ii) wenn eine solche Zahlungsverpflichtung bei Fälligkeit oder nach Ablauf einer etwaigen Nachfrist nicht erfüllt wird, oder (iii) wenn die Emittentin oder eine Wesentliche Toch-

cerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding, or

- (d) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 12, whichever occurs later, or
- (e) are withheld or deducted by a paying agent from a payment if the payment could have been made by another paying agent without such withholding or deduction.

For the avoidance of doubt: The *Kapitalertragsteuer* in the Federal Republic of Germany and the solidarity surcharge (*Solidaritätszuschlag*) imposed thereon do not constitute a tax on interest payments as described above in respect of which Additional Amounts would be payable by the Issuer.

§ 8 PRESENTATION PERIOD

The presentation period provided in § 801 para. 1, sentence 1 German Civil Code (*Bürgerliches Gesetzbuch*, - "BGB") is reduced to ten years for the Notes.

§ 9 EVENTS OF DEFAULT

(1) *Events of default.* Each Holder shall be entitled to declare his Notes due and demand immediate redemption thereof at par plus accrued interest (if any) to the date of repayment, in the event that

- (a) *Non-Payment:* the Issuer fails to pay principal or interest or any other amounts due on the Notes within 30 days after the relevant due date, or
- (b) *Breach of other Obligation:* the Issuer fails to duly perform any other obligation arising from the Notes and such failure continues unremedied for more than 30 days after the Principal Paying Agent has received notice thereof from a Holder, or
- (c) *Cross Default:* (i) any present or future payment obligation of the Issuer or a Principal Subsidiary in respect of Capital Market Indebtedness becomes due and payable prior to its stated maturity for reason of the occurrence of a default (howsoever defined), or (ii) any such payment obligation is not met when due or, as the case may be, within an applicable grace period, or (iii) any amounts due under any present or future guarantee or warranty by the Issuer or a Principal Sub-

tergesellschaft einen Betrag, der unter einer bestehenden oder zukünftigen Garantie oder Gewährleistung im Zusammenhang mit einer Kapitalmarktverbindlichkeit, zur Zahlung fällig wird, bei Fälligkeit oder nach Ablauf einer etwaigen Nachfrist nicht zahlt, vorausgesetzt, dass der Gesamtbetrag der betreffenden Zahlungsverpflichtungen, Garantien oder Gewährleistungen, bezüglich derer eines oder mehrere der in diesem Absatz (c) genannten Ereignisse eintritt, mindestens dem Betrag von EUR 50.000.000 oder dessen Gegenwert in einer anderen Währung entspricht oder diesen übersteigt und der jeweilige Kündigungsgrund nicht innerhalb von 30 Tagen, nachdem die Emittentin oder die Wesentliche Tochtergesellschaft eine diesbezügliche Mitteilung durch den Gläubiger nach Maßgabe von Absatz (3) erhalten hat, behoben wird. Dieser Absatz (c) ist jedoch nicht anwendbar, wenn die Emittentin oder die Wesentliche Tochtergesellschaft ihre betreffenden Zahlungsverpflichtungen in gutem Glauben bestreitet; oder

- (d) *Zahlungseinstellung*: die Emittentin oder eine Wesentliche Tochtergesellschaft ihre Zahlungsunfähigkeit bekanntgibt oder ihre Zahlungen allgemein einstellt; oder
- (e) *Insolvenz u.a.*: ein zuständiges Gericht ein Insolvenzverfahren gegen die Emittentin oder eine Wesentliche Tochtergesellschaft eröffnet und ein solches Verfahren nicht innerhalb einer Frist von 60 Tagen aufgehoben oder ausgesetzt worden ist, oder die Emittentin oder eine wesentliche Tochtergesellschaft ein solches Verfahren einleitet oder beantragt oder eine allgemeine Schuldenregelung zu Gunsten ihrer Gläubiger anbietet oder trifft; oder
- (f) *Liquidation*: die Emittentin in Liquidation geht (es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft oder im Zusammenhang mit einer Umwandlung, sofern die andere oder neue Gesellschaft oder gegebenenfalls die anderen neuen Gesellschaften im Wesentlichen alle Aktiva und Passiva der Emittentin übernimmt oder übernehmen); oder

Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde. Vorbehaltlich anwendbaren zwingenden Rechts berechtigen andere Ereignisse oder Umstände als die in diesem § 9 Absatz (1) genannten den Anleihegläubiger nicht dazu, seine Schuldverschreibungen vorzeitig zur Rückzahlung fällig zu stellen, es sei denn, dies ist ausdrücklich in diesen Anleihebedingungen bestimmt.

(2) *Quorum*. In den Fällen des Absatz (1)(b) und/oder 1 (c) wird eine Kündigung, sofern nicht bei deren Eingang zugleich einer der in Absatz (1) (a) und (1)(d) bis (f) bezeichneten Kündigungsgründe vorliegt, erst wirksam, wenn bei der Hauptzahlstelle Kündigungserklärungen von Gläubigern von Schuldverschreibungen im Nennbetrag von mindestens 1/10 der dann ausstehenden Schuldverschrei-

biary for Capital Market Indebtedness are not paid when due or, as the case may be, within an applicable grace period, provided that the relevant aggregate amount of the payment obligation, guarantee or warranty in respect of which one or more of the events mentioned above in this subsection (c) has or have occurred equals or exceeds EUR 50,000,000 or its equivalent in any other currency and such default continues for more than 30 days after the Issuer or the Principal Subsidiary has received notice thereof from a Holder, such notice being substantially in the form as specified in paragraph (3), provided however, that this paragraph (c) shall not apply, where the Issuer or the Principal Subsidiary contests its relevant payment obligation in good faith; or

- (d) *Cessation of Payment*: the Issuer or a Principal Subsidiary announces its inability to meet its financial obligations or ceases its payments generally, or
- (e) *Insolvency etc.*: a competent court opens insolvency proceedings against the Issuer or a Principal Subsidiary and such proceedings are not discharged or stayed within 60 days or the Issuer or a Principal Subsidiary applies for or institutes such proceedings or offers or makes an arrangement for the benefit of its creditors generally, or
- (f) *Liquidation*: the Issuer enters into liquidation (except in connection with a merger or other form of combination with another company or in connection with a reconstruction and such other or new company or, as the case may be, companies effectively assume substantially all of the assets and liabilities of the Issuer), or

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised. No event or circumstance other than an event specified in this § 9 paragraph (1) shall entitle Bondholders to declare their Bonds due and payable prior to their stated maturity, save as expressly provided for in these Conditions of Issue and subject to applicable mandatory law.

(2) *Quorum*. In the events specified in paragraph (1)(b) and/or paragraph (1)(c) above, any notice declaring Notes due shall, unless at the time such notice is received any of the events specified in paragraph (1)(a) and (1)(d) through (f) above entitling Holders to declare their Notes due has occurred, become effective only when the Principal Paying Agent has received such notices from the Holders of at least one-tenth in principal amount of Notes then

bungen eingegangen sind.

(3) *Benachrichtigung.* Eine Benachrichtigung, einschließlich einer Kündigung der Schuldverschreibungen gemäß Absatz (1) ist entweder (a) schriftlich in deutscher oder englischer Sprache gegenüber der Hauptzahlstelle zu erklären und zusammen mit dem Nachweis in Form einer Bescheinigung der Depotbank (wie in § 13 Absatz (3) definiert) oder in einer anderen geeigneten Weise, dass der Benachrichtigende zum Zeitpunkt der Benachrichtigung ein Gläubiger der betreffenden Schuldverschreibung ist, persönlich oder per Einschreiben an dessen bezeichnete Geschäftsstelle zu übermitteln oder (b) bei seiner Depotbank zur Weiterleitung an die Emittentin über das Clearing System zu erklären.

§ 10 ERSETZUNG

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, sofern sie sich nicht mit einer Zahlung von Kapital oder Zinsen auf die Schuldverschreibungen in Verzug befindet, ohne Zustimmung der Gläubiger ein mit ihr verbundenes Unternehmen (wie unten definiert) an ihrer Stelle als Hauptschuldnerin (die "**Nachfolgeschuldnerin**") für alle Verpflichtungen aus und im Zusammenhang mit diesen Schuldverschreibungen einzusetzen, vorausgesetzt, dass:

- (a) die Nachfolgeschuldnerin alle Verpflichtungen der Emittentin in Bezug auf die Schuldverschreibungen übernimmt;
- (b) die Nachfolgeschuldnerin alle erforderlichen Genehmigungen erhalten hat und berechtigt ist, an die Hauptzahlstelle die zur Erfüllung der Zahlungsverpflichtungen aus den Schuldverschreibungen zahlbaren Beträge in der festgelegten Währung zu zahlen, ohne verpflichtet zu sein, jeweils in dem Land, in dem die Nachfolgeschuldnerin oder die Emittentin ihren Sitz oder Steuersitz haben, erhobene Steuern oder andere Abgaben jeder Art abzuziehen oder einzubehalten;
- (c) die Nachfolgeschuldnerin sich verpflichtet hat, jeden Gläubiger hinsichtlich solcher Steuern, Abgaben oder behördlichen Lasten freizustellen, die einem Gläubiger bezüglich der Ersetzung auferlegt werden;
- (d) die Emittentin unwiderruflich und unbedingt gegenüber den Gläubigern die Zahlung aller von der Nachfolgeschuldnerin auf die Schuldverschreibungen zahlbaren Beträge zu Bedingungen garantiert, die den Bedingungen einer unwiderruflichen und unbedingten Garantie der Emittentin entsprechen;
- (e) die Emittentin eine Bestätigung bezüglich der betroffenen Rechtsordnungen von anerkannten Rechtsanwälten bei einer dafür beauftragten Stelle verfügbar macht, dass die Bestimmungen in den vorstehenden Unterabsätzen (a), (b), (c) und (d) erfüllt wurden; und
- (f) die Nachfolgeschuldnerin ist keine "United States person" wie im United States Revenue Code von

outstanding.

(3) *Notice.* Any notice, including any notice declaring Notes due, in accordance with subparagraph (1) shall be either be made (a) by means of a written declaration in the German or English language delivered by hand or registered mail to the specified office of the Principal Paying Agent together with a proof that such notifying Holder at the time of such notice is a holder of the relevant Notes by means of a statement of his Custodian (as defined in § 13(3)) or any other appropriate manner or (b) with its Custodian for the notice to be delivered to the Clearing System for communication by the Clearing System to the Issuer.

§ 10 SUBSTITUTION

(1) *Substitution.* The Issuer may, without the consent of the Holders, if no payment of principal of or interest on any of the Notes is in default, at any time substitute for the Issuer any Affiliate (as defined below) of it as principal debtor in respect of all obligations arising from or in connection with this issue (the "**Substitute Debtor**") **provided that:**

- (a) the Substitute Debtor assumes all obligations of the Issuer in respect of the Notes;
- (b) the Substitute Debtor has obtained all necessary authorisations and may transfer to the Principal Paying Agent in the currency required and without being obligated to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute Debtor or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Notes;
- (c) the Substitute Debtor has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder in respect of such substitution;
- (d) the Issuer irrevocably and unconditionally guarantees in favour of each Holder the payment of all sums payable by the Substitute Debtor in respect of the Notes on terms equivalent to the terms of an irrevocable and unconditional guarantee of the Issuer;
- (e) the Issuer shall have made available at an agent appointed for that purpose one opinion for each jurisdiction affected of lawyers of recognised standing to the effect that subparagraphs (a), (b), (c) and (d) above have been satisfied; and
- (f) the Substitute Debtor is not a United States person as defined in the United States Revenue Code

1986 in seiner jeweiligen Fassung definiert.

Für die Zwecke dieses § 10 bedeutet "**verbundenes Unternehmen**" ein verbundenes Unternehmen im Sinne von § 15 Aktiengesetz.

(2) *Bekanntmachung.* Jede Ersetzung ist gemäß § 12 bekannt zu machen.

(3) *Änderung von Bezugnahmen.* Im Fall einer Ersetzung gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin ab dem Zeitpunkt der Ersetzung als Bezugnahme auf die Nachfolgeschuldnerin und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz oder Steuersitz hat, gilt ab diesem Zeitpunkt als Bezugnahme auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat. Des Weiteren gilt im Fall einer Ersetzung folgendes:

In § 7 und § 5 Absatz (2) gilt eine alternative Bezugnahme auf die Bundesrepublik Deutschland als aufgenommen (zusätzlich zu der Bezugnahme nach Maßgabe des vorstehenden Satzes auf das Land, in dem die Nachfolgeschuldnerin ihren Sitz oder Steuersitz hat) und in § 9 Absatz (1)(c) bis (e) gilt eine alternative Bezugnahme auf die Emittentin in ihrer Eigenschaft als Garantin als aufgenommen (zusätzlich zu der Bezugnahme auf die Nachfolgeschuldnerin).

§ 11

BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN UND ANKAUF

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin ist berechtigt, jederzeit ohne Zustimmung der Gläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tags der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden.

(2) *Ankauf.* Die Emittentin ist berechtigt, jederzeit Schuldverschreibungen im Markt oder anderweitig zu jedem beliebigen Preis zu kaufen. Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Hauptzahlstelle zwecks Entwertung eingereicht werden.

§ 12

MITTEILUNGEN

(1) *Bekanntmachung.* Alle die Schuldverschreibungen betreffenden Mitteilungen erfolgen (a) im elektronischen Bundesanzeiger und, soweit darüber hinaus rechtlich erforderlich, in den weiteren gesetzlich bestimmten Medien und (b) durch elektronische Publikation auf der Internetseite der Luxemburger Börse (www.bourse.lu). Jede Mitteilung gilt am dritten Tag nach dem Tag der Veröffentlichung als wirksam erfolgt.

(2) *Mitteilungen an das Clearing System.* Solange Schuldverschreibungen an der official list der Luxemburger Börse notiert sind, findet Absatz (1) Anwendung. Soweit die Regeln der Luxemburger Börse dies sonst zulassen, kann die Emittentin eine Veröffentlichung nach Ab-

of 1986, as amended.

For purposes of this § 10, "**Affiliate**" shall mean any affiliated company (*verbundenes Unternehmen*) within the meaning of section 15 of the German Stock Corporation Act (*Aktiengesetz*).

(2) *Notice.* Notice of any such substitution shall be published in accordance with § 12.

(3) *Change of References.* In the event of any such substitution, any reference in these Conditions of Issue to the Issuer shall from then on be deemed to refer to the Substitute Debtor and any reference to the country in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the Substitute Debtor. Furthermore, in the event of such substitution the following shall apply:

In § 7 and § 5(2) an alternative reference to the Federal Republic of Germany shall be deemed to have been included in addition to the reference according to the preceding sentence to the country of domicile or residence for taxation purposes of the Substitute Debtor and in § 9(1)(c) to (e) an alternative reference to the Issuer in its capacity as guarantor shall be deemed to have been included in addition to the reference to the Substitute Debtor.

§ 11

FURTHER ISSUES AND PURCHASES

(1) *Further Issues.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single Series with the Notes.

(2) *Purchases* The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may, at the option of the Issuer, be held, resold or surrendered to the Principal Paying Agent for cancellation.

§ 12

NOTICES

(1) *Publication.* All notices concerning the Notes shall be made (a) in the electronic Federal Gazette (*elektronischer Bundesanzeiger*) and, if legally required, in the form of media determined by law in addition thereto and (b) by means of electronic publication on the internet website of the Luxembourg Stock Exchange (www.bourse.lu). Any notice so given will be deemed to have been validly given on the third day following the date of such publication.

(2) *Notification to Clearing System.* So long as any Notes are listed on the official list of the Luxembourg Stock Exchange, subparagraph (1) shall apply. If the Rules of the Luxembourg Stock Exchange otherwise so permit, the Issuer may deliver the relevant notice to the Clearing

satz (1)(b) durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.

(3) *Form der Mitteilung.* Mitteilungen, die von einem Gläubiger gemacht werden, müssen schriftlich erfolgen und zusammen mit der oder den betreffenden Schuldverschreibung(en) per Kurier oder per Einschreiben an die Hauptzahlstelle geleitet werden. Solange Schuldverschreibungen durch eine Globalurkunde verbrieft sind, kann eine solche Mitteilung von einem Gläubiger an die Hauptzahlstelle über das Clearing System in der von der Hauptzahlstelle und dem Clearing System dafür vorgesehenen Weise erfolgen.

§ 13

ANWENDBARES RECHT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.

(2) *Gerichtsstand.* Gerichtsstand für sämtliche im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstige Verfahren ist Frankfurt am Main.

(3) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; und (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbrieften Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems oder des Verwahrers des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbrieften Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Gläubiger seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land des Rechtsstreits prozessual zulässig ist.

(4) *Änderungen der Emissionsbedingungen und Gemeinsamer Vertreter.* Die Gläubiger können nach Maß-

System for communication by the Clearing System to the Holders, in lieu of publication as set forth in subparagraph (1)(b) above; any such notice shall be deemed to have been validly given on the seventh day after the day on which the said notice was given to the Clearing System.

(3) *Form of Notice.* Notices to be given by any Holder shall be made by means of a written declaration to be delivered by hand or registered mail together with the relevant Note or Notes to the Principal Paying Agent. So long as any of the Notes are represented by a global note, such notice may be given by any Holder of a Note to the Principal Paying Agent through the Clearing System in such manner as the Principal Paying Agent and the Clearing System may approve for such purpose.

§ 13

APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Applicable Law* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed by German law.

(2) *Submission to Jurisdiction* The place of jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes shall be Frankfurt am Main.

(3) *Enforcement.* Any Holder of Notes may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the Proceedings.

(4) *Amendments of the Conditions of Issue, Noteholders' Representative* The Holders may agree to amend-

gabe des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz – "SchVG") durch Mehrheitsbeschluss Änderungen der Anleihebedingungen zustimmen und zur Wahrnehmung ihrer Rechte einen gemeinsamen Vertreter für alle Gläubiger bestellen (§ 5 Abs. 1 Satz 1 SchVG). Mehrheitsbeschlüsse werden in einer Gläubigerversammlung gefasst.

§ 14
SPRACHE

Diese Anleihebedingungen sind in deutscher Sprache abgefasst. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

ments of the Conditions of Issue by majority vote and appoint a noteholders' representative (*gemeinsamer Vertreter*) for all Holders for the preservation of their rights pursuant to the provisions of the German Act on the Issue of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* – "SchVG") (section 5 para. 1 sentence 1 of the SchVG). Majority resolutions will be adopted in a noteholders' meeting of all Holders.

§ 14
LANGUAGE

These Conditions of Issue are written in the German language. The German text shall be controlling and binding. The English language translation is provided for convenience purposes only.

TAXATION

The following is a general description of certain tax considerations relating to the Notes in Germany and Luxembourg. It does not purport to be a complete analysis of all tax considerations relating to the Notes. In particular, this description does not consider any specific facts or circumstances that may apply to a particular purchaser. This description is based on the laws of the Federal Republic of Germany and Luxembourg currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

PROSPECTIVE PURCHASERS OF NOTES SHOULD CONSULT THEIR TAX ADVISERS AS TO THE CONSEQUENCES, UNDER THE TAX LAWS OF THE COUNTRY IN WHICH THEY ARE RESIDENT FOR TAX PURPOSES AND UNDER THE TAX LAWS OF GERMANY AND LUXEMBOURG OF ACQUIRING, HOLDING AND DISPOSING OF NOTES AND RECEIVING PAYMENTS OF PRINCIPAL, INTEREST AND OTHER AMOUNTS UNDER THE NOTES. THE INFORMATION CONTAINED WITHIN THIS SECTION IS LIMITED TO TAXATION ISSUES, AND PROSPECTIVE INVESTORS SHOULD NOT APPLY ANY INFORMATION SET OUT BELOW TO OTHER AREAS; INCLUDING (BUT NOT LIMITED TO) THE LEGALITY OF TRANSACTIONS INVOLVING THE NOTES.

Federal Republic of Germany

Income tax

Tax Residents

Persons (individuals and corporate entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany) are subject to income taxation (income tax or corporate income tax, as the case may be, plus solidarity surcharge thereon plus church tax, if applicable) on their worldwide income, regardless of its source, including interest from debt of any kind (such as the Notes) and, in general, capital gains.

Taxation if the Notes are held as private assets (*Privatvermögen*)

In the case of German tax-resident individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as private assets, the following applies:

– Income

Payments of interest on the Notes qualify as taxable income from capital investments (*Einkünfte aus Kapitalvermögen*) pursuant to section 20 para 1 no 7 German Income Tax Act (*Einkommensteuergesetz* -"ITA").

Capital gains / capital losses realised upon sale of the Notes, computed as the difference between the acquisition costs and the sales proceeds reduced by expenses directly and factually related to the sale, qualify as (negative) income from capital investments. Losses from the sale of the Notes can only be offset against other income from capital investments and if there is not sufficient other positive income from capital investments, carried forward in subsequent assessment periods. If the Notes are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in einer Kapitalgesellschaft*) rather than sold, such transaction is as a rule treated like a sale.

– Taxation of income

Income from capital investments is taxed at a separate tax rate for income from capital investments (*gesonderter Steuertarif für Einkünfte aus Kapitalvermögen*), which is 26.375 per cent. (including solidarity surcharge (*Solidaritätszuschlag*)) plus, if applicable, church tax. When computing the income from capital investments, the saver's lump sum amount (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 in the case of jointly assessed husband and wife) will be deducted. The deduction of the actual income related expenses, if any, is excluded. The taxation of income from capital investments shall take place mainly by way of levying withholding tax (please see below). If and to the extent German withholding tax has been levied, such withholding tax shall, in principle, become definitive and replace the investor's income taxation. If no withholding tax has been levied other than by virtue of a withholding tax exemption certificate (*Freistellungsauftrag*) and in certain other cases, the investor is nevertheless obliged to file a tax return, and the income from capital investments will then be taxed within the assessment procedure. However, the separate tax rate for income from capital investments applies in most cases also within the assessment procedure. In certain cases, the investor may apply to be assessed on the basis of its personal tax rate if such rate is lower than the above tax rate.

– German withholding tax (*Kapitalertragsteuer*)

With regard to income from capital investments, German withholding tax (*Kapitalertragsteuer*) will be levied if the Notes are held in a custodial account which the investor maintains with a German branch of a German or non-German credit or financial services institution or with a German securities trading business or a German securities trading bank (a "**German Disbursing Agent**"). The tax base is, in principle, equal to the taxable income as set out above. However, in the case of capital gains, if the acquisition costs of the Notes are not proven to the German Disbursing Agent, withholding tax is applied

to 30 per cent. of the proceeds from the redemption or sale of the Notes. When computing the tax base for withholding tax purposes, the German Disbursing Agent may as a rule deduct any negative income from capital investments in the same calendar year or unused negative income from capital investments in previous calendar years.

German withholding tax will be levied at a flat withholding tax rate of 26.375 per cent. (including solidarity surcharge) plus, if applicable, church tax.

No German withholding tax will be levied if the investor filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the income from capital investments does not exceed the maximum exemption amount shown on the withholding tax exemption certificate. Currently, the maximum exemption amount is EUR 801 (EUR 1,602 in the case of jointly assessed husband and wife). Similarly, no withholding tax will be levied if the investor has submitted to the German Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office.

Taxation if the Notes are held as business assets (*Betriebsvermögen*)

In the case of German tax-resident corporations or individual investors (unbeschränkt Steuerpflichtige) holding the Notes as business assets, interest payments and capital gains will be subject to corporate income tax or income tax, as the case may be, (in each case plus 5.5 per cent. solidarity surcharge thereon), trade tax, if applicable, and church tax, if applicable.

The provisions regarding German withholding tax apply, in principle, as set out above in relation to private investors. However, investors holding the Notes as business assets cannot file a withholding tax exemption certificate with the German Disbursing Agent. German tax-resident corporations and other German tax-resident business investors are in essence not subject to German withholding tax on gains from the redemption or sale of the Notes, subject to certain formalities.

Any withholding tax levied is credited as prepayment against the German (corporate) income tax amount. If the tax withheld exceeds the respective (corporate) income tax amount, the difference will be refunded within the tax assessment procedure.

Non-residents

Persons who are not tax resident in Germany are not subject to tax with regard to income from the Notes unless (i) the Notes are held as business assets (*Betriebsvermögen*) of a German permanent establishment (including a permanent representative) which is maintained by the investor or (ii) the income from the Notes qualifies for other reasons as taxable German source income. If a non-resident person is subject to tax with its income from the Notes, in principle, similar rules apply as set out above with regard to German tax resident persons (please see above).

Inheritance and Gift Tax

Inheritance or gift taxes with respect to any Note will, in principle, arise under German law if, in the case of inheritance tax, either the decedent or the beneficiary or, in the case of gift tax, either the donor or the donee is a resident of Germany or if such Note is attributable to a German trade or business for which a permanent establishment is maintained or a permanent representative has been appointed. In addition, certain German expatriates will be subject to inheritance and gift tax.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

Luxembourg

Withholding Tax

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (i) the application of the Luxembourg laws of 21 June, 2005 implementing the European Union Savings Directive (Council Directive 2003/48/EC) and several agreements concluded with certain dependent or associated territories and providing for the possible application of a withholding tax (20 per cent. from 1 July 2008 to 30 June 2011 and 35 per cent. from 1 July 2011) on interest paid to certain non Luxembourg resident investors (individuals and certain types of entities called "residual entities") in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned directive (see section "EU Savings Directive" below) or agreements;
- (ii) the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005 which has introduced a 10 per cent. withholding tax on savings income (i.e. with certain exemp-

tions, savings income within the meaning of the Luxembourg laws of 21 June 2005 implementing the EU Savings Directive (Council Directive 2003/48/EC)). This law should apply to savings income accrued as from 1 July 2005 and paid as from 1 January 2006.

Pursuant to the law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals can opt to self declare and pay a 10 per cent. tax (the "**Levy**") on interest payments made by paying agents located in a Member State of the European Union other than Luxembourg, a Member State of the European Economic Area or in a State or territory which has concluded an agreement directly relating to the EU Savings Directive (Council Directive 2003/48/EC) on the taxation of savings income.

The 10 per cent. withholding tax as described above or the Levy are final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

EU Savings Directive

EU Savings Directive

Under the EC Council Directive 2003/48/EC ("**EU Savings Directive**") , each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The same transitional period as for Luxembourg and Austria applies to Belgium. However, by Royal Decree dated 27 September 2009 and published in the Belgian Official Gazette on 1 October 2009, the Belgian State elected to abandon the transitional withholding system and to provide information in accordance with the EU Savings Directive as from 1 January 2010. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On 13 November 2008 the European Commission published a proposal for amendments to the Directive, which included a number of suggested changes. The proposal has been approved by the European Parliament and is under discussion by the European Council. If implemented, the changes may amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

SUBSCRIPTION, SALE AND OFFER OF THE NOTES

General

SAP AG has agreed in an agreement to be signed on or about 4 August 2010 to sell to Barclays Bank PLC and Deutsche Bank AG, London Branch (together, the "**Joint Lead Managers**"), and the Joint Lead Managers have agreed, subject to certain customary closing conditions, to purchase the Notes on 6 August 2010 (the "**Issue Date**") at the respective "**Issue Price**" as announced in the Pricing Notice (as defined below) for each Tranche. Proceeds to the Issuer will be net of commissions of up to [•] per cent. of the principal amount of the Notes payable to the Joint Lead Managers. The Issuer has furthermore agreed to reimburse the Joint Lead Managers for certain expenses incurred in connection with the issue of the Notes.

The Joint Lead Managers are entitled, under certain circumstances, to terminate the agreement reached with the Issuer. In such event, no Notes will be delivered to investors. Furthermore, SAP AG has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Notes.

The Joint Lead Managers or their affiliates have provided from time to time, and expect to provide in the future, investment services to the Issuer and its affiliates, for which the Joint Lead Managers or their affiliates have received or will receive customary fees and commissions.

There are no interests of natural and legal persons other than the Issuer involved in the issue, including conflicting ones that are material to the issue.

Offer of the Notes

Offer Period and determination of Pricing Details

The Notes will be offered at the Issue Price to investors by the Managers during an offer period which will commence on 29 July 2010 and will be open until the Issue Date subject to a shortening or extension of the offer period. During the offer period investors may submit orders to the Joint Lead Managers. The Issue Price, the rate of interest, the number of Notes to be issued and the aggregate nominal amount of the issue will be determined on the basis of the orders received by the Joint Lead Managers on the pricing date which is expected to be on or about 29 July 2010. The number of Notes to be issued and the aggregate nominal amount will be determined on the basis of the number and the volume of orders which offer a yield acceptable to the Issuer. Such information as well as the results of the offer and the yield, the coupon amount (in case of the 2012 Notes) and the margin (in case of the Floating Rate Notes), will be included in a notice which will be filed with the CSSF and published on the website of the Luxembourg Stock Exchange (www.bourse.lu) after the date of pricing and prior to the Issue Date (the "**Pricing Notice**"). Any onsale of Notes will be subject to market conditions. Should the Issuer and the Joint Lead Managers determine any extension of the offer period, which also could be the result of changing market conditions, such extension will be notified in a supplement to the Prospectus which will be prepared and published in accordance with Article 13 of the Prospectus Law.

Public Offer

The Notes will be sold to institutional investors and retail investors in compliance with the public offer restrictions in all countries in the European Union. A public offer may be made in Luxembourg, Germany, The Netherlands and Austria following the effectiveness of the notification of the Prospectus by the CSSF according to Article 18 of the Prospectus Directive.

Conditions and technical details of the Offer

The following sets out details of the offer which is required to comply with the requirements of the applicable prospectus regulation. There are no conditions to which the offer is subject. Any offer to purchase Notes to investors will be made through, and investors may submit their offers to buy Notes, using the information system Bloomberg or any other commonly used information systems. Following the publication of the Pricing Notice the Notes may be offered through banking institutions in Germany. Subscription rights for the Notes will not be issued. Therefore, there are no procedures for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised. Any investor who has submitted an order in relation to the Notes whose order is accepted will receive a confirmation by electronic mail, fax or through commonly used information systems relating to the respective allotment of Notes. Before an investor receives a confirmation from the Joint Lead Managers that its purchase order for the Notes has been accepted, the investor may reduce or withdraw its purchase orders. Any investor will receive relating to the respective allotment of the Notes a confirmation relating to the results of the offer. There is no minimum or maximum amount of Notes to be purchased. Investors may place offers to purchase Notes in any amount.

Confirmation in relation to an order and allotments as well as delivery of the Notes

Following the pricing of the Notes and confirmation which orders have been accepted and which amounts have been allotted to particular investors. Delivery and payment of the Notes will be made within five business days after the date of pricing of

the Notes and the confirmation of the allotment to investors. The Notes will be delivered via book-entry through the Clearing System and its accountholding banks against payment of the Issue Price.

Charges and costs relating to the Offer

The Issuer will not charge any costs, expenses or taxes directly to any investor. Investors must inform themselves about any costs, expenses or taxes in connection with the Notes which are generally applicable in their respective country of residence, including any charges their own depository banks charge them for purchasing or holding securities.

Method of determination of the Issue Price and the Rate of Interest

The rate of interest and the Issue Price for the Notes will be determined at the time of pricing on the basis of a yield which is determined by adding a pricing spread to the level of the Midswaps at the time of pricing. The pricing spread will be determined on the basis of the orders received and confirmed by the Joint Lead Managers. Orders will specify a minimum pricing spread and may only be confirmed at or above such pricing spread. The level of the Midswaps will be determined as the average yield of the bid and ask prices of Interest-Swap Transactions ("**Midswaps**") with a maturity similar to the maturity of the Notes shown on the Reuters page ICAPEURO or on any other screen page which is conventionally used to price Eurobond transactions at the time of pricing. The resulting yield will be used to determine an Issue Price (which is expected to be less than par) and a rate of interest (which is expected to be a percentage figure which can be evenly divided by 1/8 of a full per cent. and which will be correspondingly higher if a higher Issue Price is determined and which will be correspondingly lower if a lower Issue Price is determined), all to correspond to the yield which reflects the level of the Midswaps and the pricing spread. In the event that the figures for the relevant Midswaps shall not be shown as set out above and the relevant figures shall be determined in a manner which banks and other institutional market participants apply at that time. The resulting figure will represent the yield of the Notes and such yield will be used to determine the rate of interest and the Issue Price.

Selling Restrictions

General

Each Manager has represented and agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in or from which it purchases, offers, sells or delivers the Notes or possesses or distributes the Prospectus and that it will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Joint Lead Managers shall have any responsibility therefor.

Neither the Issuer nor any of the Joint Lead Managers has represented that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to the Notes, the Joint Lead Managers will be required to comply with such other additional restrictions as the Issuer and the Joint Lead Managers shall agree.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate, published in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State at anytime:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last fiscal year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (d) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive;

provided that no such offer of Notes shall require the Issuer or Joint Lead Managers to publish a Prospectus pursuant to Article 3 of the Prospectus Directive or supplement a Prospectus pursuant to Articles 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United States of America and its Territories

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and include notes in bearer form that are subject to U.S. tax law requirements. Subject to certain limited exceptions, the Notes may not be offered, sold or delivered within the United States of America (the "**United States**") to or for the account or benefit of, U.S. persons. Each Manager has represented and agreed that neither it nor any persons acting on its behalf has offered, sold or delivered and will offer, sell or deliver any Notes within the United States except in accordance with Rule 903 of Regulation S under the Securities Act and as permitted by the Conditions of Issue of the Notes. Accordingly, each Manager has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this subparagraph have the meaning given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) could violate the registration requirements of the Securities Act.

The Notes will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**" or "**TEFRA D**"). Each manager has represented and agreed that:

- (a) except to the extent permitted under TEFRA D, (i) it has not offered or sold, and agrees that during the restricted period it will not offer or sell, such Notes to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and agrees that it will not deliver within the United States or its possessions such Notes that are sold during the restricted period;
- (b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling such Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;
- (c) if it is a United States person, each Manager is acquiring such Notes for purposes of resale in connection with their original issuance and if it retains such Notes for its own account, it will only do so in accordance with the TEFRA D Rules; and
- (d) with respect to each affiliate that acquires such Notes from a Manager for the purpose of offering or selling such Notes during the restricted period, such Manager has repeated and confirmed the representations and agreements contained in paragraphs (a), (b) and (c) above on such affiliate's behalf.

In addition, each Note will bear the following legend:

"ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES OF AMERICA) WHO HOLDS THIS OBLIGATION, DIRECTLY OR INDIRECTLY, WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE OF THE UNITED STATES OF AMERICA."

Terms used in this subparagraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

United Kingdom of Great Britain and Northern Ireland

Each Manager has represented and agreed that,

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

Each Manager has acknowledged that the Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

GENERAL INFORMATION / INCORPORATION BY REFERENCE

Authorisation

The creation and issue of the Notes has been authorised by resolutions of the Executive Board of the Issuer dated 7 May 2010 and the Supervisory Board of the Issuer dated 12 May 2010.

Clearance and Settlement

The Notes have been accepted for clearance by Clearstream Banking, *société anonyme*, (42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg) and Euroclear Bank SA/NV (Boulevard du Roi Albert II, 1210 Brussels, Belgium).

The Notes have been assigned securities codes as follows:

2013 Notes	ISIN XS0530320281, Common Code 053032028, WKN A1EWFC
2012 Notes	ISIN XS0530321255, Common Code 053032125, WKN A1EWFD
Floating Rate Notes	ISIN XS0530321412, Common Code 053032141, WKN A1EWFE

Yield

The yield of the 2013 Notes is [•] per cent. *per annum*. Such yield is calculated in accordance with the ICMA (International Capital Markets Association) method.

The yield of the 2012 Notes is [•] per cent. *per annum*. Such yield is calculated in accordance with the ICMA (International Capital Markets Association) method.

Details of historic EURIBOR rates can be obtained from <http://www.euribor.org/html/content/euribor_data.html>

Expenses

The total expenses of the issue of the Notes are expected to amount to EUR [•].

Legal and Arbitration Proceedings

We are subject to a variety of other claims and lawsuits that arise from time to time in the ordinary course of our business, including proceedings and claims that relate to companies which we have acquired, and claims that relate to customers demanding indemnification for proceedings initiated against them based on their use of SAP software. We will continue to vigorously defend against all claims and lawsuits against us. We record a provision for such matters when it is probable that we have a present obligation that results from a past event, is reliably estimable and the settlement of which is probable to require an outflow of resources embodying economic benefits. We currently believe that resolving all claims and lawsuits against us, individually or in aggregate, did not and will not have a material adverse effect on our business, financial position, income, or cash flows. Consequently, the provisions currently recorded for these claims and lawsuits are neither individually nor in aggregate material to SAP Group.

However, all claims and lawsuits involve risk and could lead to significant financial and reputational damage to the parties involved. Because of significant inherent uncertainties related to these matters, there can be no assurance that our business, financial position, income or cash flows will not be materially adversely affected nor can we reliably estimate the maximum possible loss in case of an unfavourable outcome.

Intellectual Property Litigation

- In October 2006, U.S.-based Sky Technologies LLC ("Sky") instituted legal proceedings in the United States against SAP and Oracle. Sky alleges that SAP's products infringe one or more of the claims in each of five patents held by Sky. In its complaint, Sky seeks unspecified monetary damages and permanent injunctive relief. The legal proceedings have been re-activated and trial is scheduled for October 2010.
- In January 2007, German-based CSB-Systems AG ("CSB") instituted legal proceedings in Germany against SAP. CSB alleges that SAP's products infringe one or more of the claims of a German patent and a German utility model held by CSB. In its complaint, CSB has set the amount in dispute at EUR 1 million and is seeking permanent injunctive relief. Within these proceedings CSB is not precluded from requesting damages in excess of the amount in dispute. In July 2007, SAP filed its response in the legal proceedings including a nullity action and cancellation proceeding against the patent and utility model, respectively. The nullity hearing on the German patent was held in January 2009 and the German Court determined that the patent is invalid. The cancellation hearing for the utility

model was held in May 2009 and the Court determined that the utility model was invalid. CSB is appealing, however, the infringement hearing has been stayed pending the appeals.

- In March 2007, U.S.-based Oracle Corporation and certain of its subsidiaries ("Oracle") instituted legal proceedings in the United States against TomorrowNow, Inc. and its parent company, SAP America, Inc. and SAP America's parent company SAP AG ("SAP"). Oracle filed an amended complaint in June 2007, a second amended complaint in July 2008 and a third amended complaint in October 2008 and a fourth amended complaint in August 2009. SAP and TomorrowNow have answered the fourth amended complaint, subject to and as revised by the Court's ruling on motion to dismiss the preceding third amended complaint. As amended, the lawsuit alleges copyright infringement, violations of the Federal Computer Fraud and Abuse Act and the California Computer Data Access and Fraud Act, unfair competition, intentional and negligent interference with prospective economic advantage, and civil conspiracy. The lawsuit alleges that SAP unlawfully copied and misappropriated proprietary, copyrighted software products and other confidential materials developed by Oracle to service its own customers. The lawsuit seeks injunctive relief and monetary damages, including punitive damages, in the billions of U.S. dollars. The trial has been re-scheduled for November 2010. Additionally, in June 2007, SAP became aware that the United States Department of Justice had opened an investigation concerning related issues and had issued subpoenas to SAP and TomorrowNow; SAP and TomorrowNow are cooperating with the investigation and are responding to the original subpoenas and additional subpoenas issued by the Department of Justice. In November 2009 a settlement conference was held. No settlement was reached. The next settlement conference is scheduled for September 2010. SAP has recorded a provision for these legal proceedings in the amount of USD 100 million as far as a loss is probable and the amount of loss can be reasonably estimated.
- In April 2007, U.S.-based Versata Software, Inc. (formerly Trilogy Software, Inc.) ("Versata") instituted legal proceedings in the United States against SAP. Versata alleges that SAP's products infringe one or more of the claims in each of five patents held by Versata. In its complaint, Versata seeks unspecified monetary damages and permanent injunctive relief. The trial was held in August 2009. The jury returned a verdict in favor of Versata and awarded Versata USD 138.6 million for past damages. With prejudgment interest, approximately USD 167 million is in dispute. The parties have filed post-trial motions and hearings were held in March and April of 2010.
- In August 2007, U.S.-based elcommerce.com, Inc. ("elcommerce") instituted legal proceedings in the United States against SAP. elcommerce alleges that SAP's products infringe one or more of the claims in one patent held by elcommerce. In its complaint, elcommerce seeks unspecified monetary damages and permanent injunctive relief. The Court in East Texas granted SAP's request to transfer the litigation from East Texas to Pennsylvania. The trial in Pennsylvania has not yet been scheduled.
- In May 2008, U.S.-based InfoMentis, Inc. ("InfoMentis") instituted legal proceedings in the United States against SAP. InfoMentis alleges copyright infringement and unfair competition. The lawsuit seeks unspecified monetary damages and a permanent injunction. SAP filed its response in August 2008. The March 2010 trial date has been taken off the calendar and no new trial date has been set.
- In February 2010, U.S.-based TecSec, Inc. ("TecSec") instituted legal proceedings in the United States against SAP. TecSec alleges that SAP's products infringe one or more of the claims in five patents held by TecSec. In its complaint, TecSec seeks unspecified monetary damages and permanent injunctive relief. The trial has not yet been scheduled. The legal proceedings have been stayed against all defendants except IBM.
- In April 2010, SAP instituted legal proceedings (a Declaratory Judgment action) in the United States against Wellogix, Inc. and Wellogix Technology Licensing, LLC (Wellogix). The lawsuit seeks a declaratory judgment that five patents owned by Wellogix are invalid and/or not infringed by SAP. The trial has not yet been scheduled.
- In May 2010, CSB-System International Inc. ("CSB") instituted legal proceedings in the United States against SAP. CSB alleges that SAP's products infringe one or more of the claims in one patent held by CSB. In its complaint, CSB seeks unspecified monetary damages and permanent injunctive relief. Trial has not yet been scheduled.

Other Litigation

- In April 2008, South African-based Systems Applications Consultants (PTY) Limited ("Securinfo") instituted legal proceedings in South Africa against SAP. Securinfo alleges that SAP has caused one of its subsidiaries to breach a software distribution agreement with Securinfo. In its complaint, Securinfo seeks damages of approximately EUR 610 million plus interest. In September 2009, SAP filed a motion to dismiss. The trial has been scheduled for July 2011.
- In March 2008, U.S.-based Waste Management, Inc. ("Waste Management") and USA Waste Management Resources, LLC. instituted legal proceedings in the United States against SAP alleging several causes of action, including but not limited to, fraud, negligent misrepresentation, and breach of contract. SAP filed an answer denying plaintiffs' allegations and filed a counterclaim alleging breach of contract. In December 2009 the Court dismissed plaintiffs' claim for negligent misrepresentation. In February 2010, SAP filed two motions for partial summary

judgment. In response, Waste Management filed an amended petition re-writing their fraud allegations, asserting new claims, including but not limited to, civil conspiracy and joint enterprise, re-filed its claim for negligent misrepresentation to preserve its appeal rights, and filed various motions for partial summary judgment. In its amended petition, plaintiffs allege actual damages exceeding USD 400 million and seeks an award of exemplary damages exceeding USD 800 million. In March 2010, SAP filed special exceptions under Texas Rules of Civil Procedure to the amended petition. In April 2010, SAP and Waste Management resolved this dispute for an amount not material to SAP's business, financial position, results of operations, and cash flows.

Significant change in the financial or trading position

Other than as disclosed herein, there has been no significant change in the financial or trading position of SAP Group since the date of the last published unaudited interim financial report (30 June 2010).

Trend Information

Other than as disclosed herein, there has been no material adverse change in the prospects of SAP AG since 31 December 2009.

Incorporation by Reference

The following documents are incorporated by reference into this Prospectus:

- (1) The audited consolidated financial statements of the SAP Group for the fiscal year ended on 31 December 2008 included in the English language Annual Report 2008 and consisting of
 - Consolidated Statements of Income (page 137 in the Annual Report 2008),
 - Consolidated Balance Sheets (page 138 and 139 in the Annual Report 2008),
 - Consolidated Statements of Recognized Income and Expense (page 140 in the Annual Report 2008),
 - Consolidated Statements of Changes in Equity (page 141 in the Annual Report 2008),
 - Consolidated Statements of Cash Flows (page 142 in the Annual Report 2008),
 - Notes to the Consolidated Financial Statements (page 143 to 229 in the Annual Report 2008),
 - Auditor's report (page 63 in the Annual Report 2008).
- (2) The audited consolidated financial statements of the SAP Group for the fiscal year ended on 31 December 2009 included in the English language Annual Report 2009 and consisting of
 - Consolidated Income Statements (page 154 in the Annual Report 2009),
 - Consolidated Statements of Comprehensive Income (page 155 in the Annual Report 2009),
 - Consolidated Statements of Financial Position (page 156 and 157 in the Annual Report 2009),
 - Consolidated Statements of Changes in Equity (page 158 in the Annual Report 2009),
 - Consolidated Statements of Cash Flows (page 159 in the Annual Report 2009),
 - Notes to the Consolidated Financial Statements (pages 160 to 254 in the Annual Report 2009),
 - Auditor's report (page 59 in the Annual Report 2009).
- (3) The unaudited consolidated interim financial statements of the SAP Group for the six months ended on 30 June 2010 included in the English language Interim Report January – June 2010 and consisting of
 - Consolidated Income Statements (page 17 in the Interim Report),
 - Consolidated Statements of Comprehensive Income (page 18 in the Interim Report),
 - Consolidated Statements of Financial Position (page 19 in the Interim Report),

- Consolidated Statements of Changes in Equity (page 20 in the Interim Report),
- Consolidated Statements of Cash Flows (page 21 in the Interim Report),
- Notes to the Consolidated Interim Financial Statements (pages 22-32 in the Interim Report),

Any information not listed in the cross reference list above but included in the documents incorporated by reference is given for information purposes only.

The documents incorporated by reference are available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and may be inspected and are available free of charge at the specified office of the Principal Paying Agent as long as any Notes are listed on the regulated market of the Luxembourg Stock Exchange and the rules of such stock exchange so require.

Documents on Display

For so long as any Note is outstanding, copies of the following documents may be inspected (free of charge) during normal business hours at the specified office of the Principal Paying Agent and as long as the Notes are listed on the official list of the Luxembourg Stock Exchange the documents set out below will be available on the website of the Luxembourg Stock Exchange (www.bourse.lu):

- (a) the Prospectus and any supplement thereto (if any);
- (b) the documents incorporated by reference set out above.

The articles of association may be inspected (free of charge) during normal business hours at the specified office of the Principal Paying Agent and on the website of the Issuer (www.sap.com).

NAMES AND ADDRESSES

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