



Press Release

## SAP to Accelerate Cloud Strategy with Acquisition of SuccessFactors

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

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

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

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

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

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

“This is a revolutionary combination of proven capabilities that will allow SuccessFactors to accelerate our roadmap by 10 years, and bring the world’s leading application knowledge and intellectual property to our customers through the cloud, and the largest applications customer base instantly,” said Lars Dalgaard, Founder and CEO, SuccessFactors. “Expanding relationships with SAP’s 176,000 customers with our speed to value, friendly user interface, on mobile devices and the web, and seamlessly delivering more SAP solutions in the cloud will be legendary, as organizations adopt the cloud to improve their business. SuccessFactors has proven we have the technology and people to deliver the world’s biggest cloud deployments in terms of users and countries per customer, and also the most applications per customer from the same flexible scalable cloud platform. The business world is ready for enterprise-class cloud applications and together, we can deliver incredible new innovation for global businesses.”

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

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

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

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

SuccessFactors’ focus on enabling business insight and execution fits well with SAP’s business analytics platform, promising new levels of real time decision making across the enterprise.

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

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

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

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

## **A propos de SAP**

Leader des applications d'entreprise, SAP (NYSE) fournit aux entreprises de toutes tailles et de tous secteurs les moyens logiciels d'une meilleure gestion. Du back office à la direction, de l'entrepôt à la vente, quel que soit le terminal d'utilisation (ordinateur, mobile), les applications SAP permettent aux collaborateurs et aux organisations de travailler plus efficacement ensemble et de s'appuyer sur des tableaux de bord personnalisés afin de conserver leur avance dans un contexte concurrentiel.

Les applications et services SAP offrent à plus de 172 000 clients la possibilité d'être rentables, de s'adapter en permanence et de croître durablement. Pour plus d'informations, consultez le site : [www.sap.com](http://www.sap.com)

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