



# DATAPOINT:

SAP's pending acquisition of Sybase

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# SAP'S PENDING ACQUISITION OF SYBASE

SAP America, Inc. signed an agreement to acquire Sybase, Inc. (NYSE:SY) from investors for \$5.6 billion in a cash tender offer on May 12, 2010. As a result of this transaction, customers will be able to better harness today's explosion of data and deliver information and insight in real time to business consumers wherever they work so they can make faster, more informed decisions. "With this transaction, SAP will dramatically expand its addressable market by making available its market-leading solutions to hundreds of millions of mobile users, combining the world's best business software with the world's most powerful mobile infrastructure platform," said Bill McDermott, co-CEO of SAP and member of the SAP Executive Board. Under the terms of the agreement, SAP will acquire all outstanding Sybase shares for \$65 per share. Sybase options and SAR holders will be entitled to receive a cash amount equal to aggregate number of shares of Sybase stock subject to the option or SAR multiplied by excess of offer per share over the exercise price of such option. If exercise price is greater than the offer per share then such option or SAR will be cancelled. Restricted stock options tendered to the offer will receive \$65 per share. As per the agreement, SAP has been granted a top-up option to purchase aggregate shares that would give SAP at least 90% shareholding in Sybase. At closing, treasury shares of Sybase will be cancelled. Sybase will terminate the Employee Stock Purchase Plan such that no options remain outstanding under it. SAP America, Inc. has agreed to commence the offer within 10 business days of May 12, 2010, and the offer will remain open until July 1, 2010. The transaction will be funded from SAP's cash on hand and a €2.75 billion (\$3.5 billion) loan facility arranged and underwritten by Barclays Capital and Deutsche Bank. Sybase will operate as a standalone unit under the name Sybase, a SAP Company. If the deal is terminated, Sybase will pay a termination fee of \$150 million. John Chen, Sybase's Chief Executive Officer, and its management team will continue to run the business and will join SAP's Executive Board. The deal is subject to tender of a majority of the outstanding shares of Sybase's common stock, clearance by relevant antitrust authorities, satisfaction of regulatory authorities, Hart-Scott-Rodino Act, and other customary conditions. The deal is not subject to SAP stockholder approval and is also not subject to a financing condition. The Sybase Board unanimously approved the transaction. The SAP Board also approved the deal. The acquisition is expected to close during the third quarter of 2010 and is expected to be accretive to SAP's earnings per share on a non-IFRS basis in and after 2010.

## Transaction Details:

Equity & Enterprise Value Calculations
<b>Equity Value:</b> SY Shares Outstanding <sup>(1)</sup> x \$65.00 = \$5,646.0m
<b>Enterprise Value:</b> Equity Value + Options and Warrants + Net Assumed Debt = \$5,646.0m [Equity Value] + 312.7m [Options and Warrants] + \$(544.3)m [Net Debt] <sup>(2)</sup> = \$5,414.3m

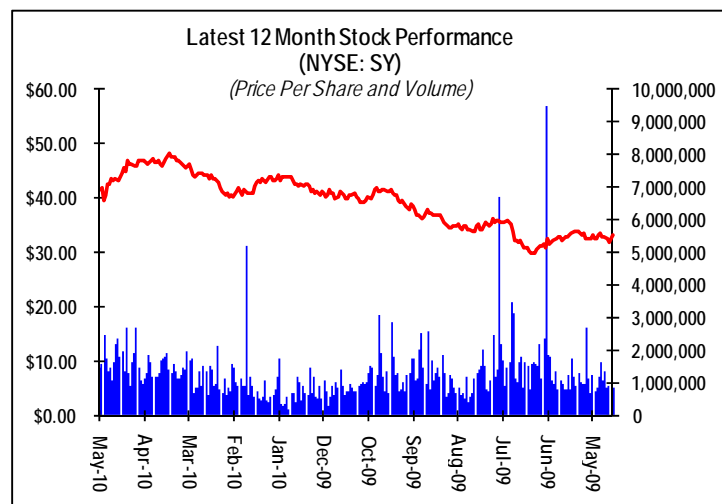
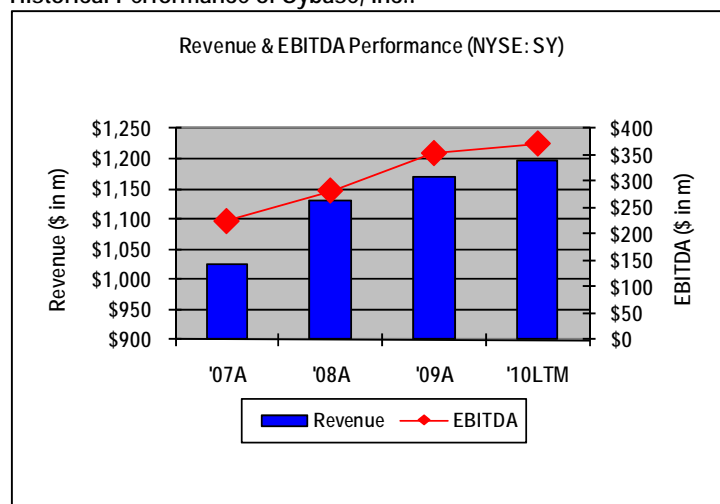
(1) 86,860,852 SY number of shares outstanding as per April 30, 2010.

(2) Based on the 3/31/10 balance sheet of SY, net debt (cash) assumed is approximately \$(544.3)m. See net debt (cash) calculation below.

(3) LTM & LOA operating results as of 3/31/10.

SY Valuation Metrics Based on the Enterprise Value of the Pending Transaction			
Latest Twelve Months <sup>(3)</sup>		Latest Qtr Annualized <sup>(3)</sup>	
Revenue	EBITDA	Revenue	EBITDA
4.5x	14.6x	4.6x	13.9x

## Historical Performance of Sybase, Inc.:



## Sybase, Inc. Description:

Sybase, Inc. delivers enterprise software and services to manage, analyze and mobilize information. The Company provides open, cross-platform solutions that deliver information anytime, anywhere, providing decision-ready information to the right people at the right time. 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. The Company operates through three segments: Infrastructure Platform Group (IPG), iAnywhere Solutions (IAS) and Sybase 365 (Sybase 365). IPG focuses on enterprise class database servers, integration and development products. IAS provides mobile database and mobile enterprise solutions. Sybase 365 provides global services for mobile messaging interoperability and the management and distribution of mobile content. Sybase was founded in 1984 and is headquartered in Dublin, California.

SY Balance Sheet Adjustment -- Net Debt From 3/31/10 Balance Sheet (\$ in m)	
<b>Plus:</b>	
Current portion of long-term debt, long-term debt	\$722.5
<b>Total:</b>	<b>\$722.5</b>
<b>Less:</b>	
Cash And Cash Equivalents and Short-term Investments:	\$1,266.8
<b>Total:</b>	<b>\$1,266.8</b>
<b>Net Debt (Cash) Assumed:</b>	<b>(\$544.3)</b>

The information contained herein was obtained from public sources and should not be relied upon without independent verification.