IBM and SAP Announce Plans for Major Investments to Drive Clients' Digital Transformations

Sweeping Program Aims to Combine Complementary Technologies and Services Including IBM Cognitive Capabilities, IBM Cloud and Power Systems, SAP® S/4HANA and SAP HANA® Cloud Platform

ARMONK, N.Y., and WALLDORF, GERMANY - 06 Apr 2016: IBM (NYSE: IBM) and SAP SE(NYSE: SAP) today announced plans across both companies to drive the modernization of clients' systems and processes and accelerate them into the digital economy.

Specifically, the companies plan to co-innovate solutions that increase customer value through cognitive extensions, enhanced customer and user experiences and industry-specific functionality -- all enabled with SAP® Business Suite 4 SAP HANA® (SAP S/4HANA) software, available on-premise and in the cloud.

The companies intend to co-locate resources in Walldorf, Germany and Palo Alto, Calif. deepening their longstanding partnership and delivering a distinct blend of market-leading capabilities. In addition, the companies will showcase new solutions and thought leadership to clients in IBM, SAP innovation centers around the world.

"The future of business strategy and business value will proceed from the foundational elements of this announcement -- cognitive, cloud and the design of consumer-quality experiences in every industry," said Bridget van Kralingen, senior vice president, IBM Global Business Services. "We're formalizing a complementary set of capabilities to simplify and speed outcomes for clients evolving to become cognitive enterprises."

"Today's announcement builds on SAP's commitment to enable strong, growing businesses that can seize the amazing opportunities of the digital economy," said Rob Enslin, member of the Executive Board of SAP SE and president of Global Customer Operations, SAP. "SAP S/4HANA is the reimagined suite of core business

applications that has once again set the standard for the industry. I'm delighted that IBM and SAP will collaborate closely to give customers a clear roadmap to innovating new business models and outcomes that were never before possible."

As clients change business models to capture new market opportunities by rethinking processes, work patterns and end-user experiences, the companies expect that the collaboration will include:

- Cloud-based solutions: The companies will draw on the successful, strategic partnership between IBM and SAP for SAP HANA Enterprise Cloud services announced in October 2014 to scale the IBM cloud platform to meet the unpredictable demands of digital transformation. In addition, IBM and SAP will collaborate on industry-specific cloud solutions and expand current SAP HANA Enterprise Cloud services to include ongoing application maintenance and support services.
- **On-premise solutions:** SAP and IBM will enable client engagements for hybrid and on-premise offerings with SAP HANA on IBM Power systems, supported through the new IBM Power Systems Center of Excellence for SAP HANA in Austin, Texas.
- **Cognitive capabilities:** IBM will develop cognitive solutions for SAP S/4HANA and line-of-business solutions that harness the power of IBM's cognitive APIs to drive more informed decisions by a broad range of business users and across all C-suite professions.
- Customer and user experience: IBM Interactive Experience (iX), the world's largest digital agency; SAP Global Design, the group behind the award-winning SAP Fiori® UX; and the SAP Customer Engagement and Commerce team will work together on pre-designed experiences that can be further customized for clients' customers and employees. The collaboration will also apply IBM's iOS design skills for mobile user experiences.
- **Integrated services:** The companies will develop collaborative consulting models drawing on proven, agile services and support methodologies from both organizations.
- Industry-specific road maps: IBM's Institute for Business Value and SAP's Value Engineering organization will co-create digital transformation road maps by industry and by C-suite role.

For more information on the program, visit www.ibm-sap.com/digital_transformation, ibm.biz/digital-transformation-video and the SAP News Center. Follow SAP on Twitter at @sapnews. Follow IBM on Twitter at @IBM.

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