

Virgin Mobile USA, Inc.  
Form SC 13D/A  
December 19, 2008

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 13D  
Under the Securities Exchange Act of 1934  
(Amendment No. 1)\*  
Virgin Mobile USA, Inc.**

(Name of Issuer)  
Class A Common Stock, par value \$0.01 per share

(Title of Class of Securities)  
92769R108

(CUSIP Number)  
Charles R. Wunsch, Esq.  
Sprint Ventures, Inc.  
c/o Sprint Nextel Corporation  
6200 Sprint Parkway  
Overland Park, Kansas 66251  
(913) 523-9802

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)  
December 9, 2008

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box.

\*The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see the Notes*).

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NAMES OF REPORTING PERSONS

1

**Sprint Ventures, Inc.**

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

00

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

**Kansas**

SOLE VOTING POWER

7

NUMBER OF

**0**

SHARED VOTING POWER

SHARES BENEFICIALLY OWNED BY

8

OWNED BY

**52,044,315**

SOLE DISPOSITIVE POWER

EACH REPORTING

9

PERSON **12,058,626**

WITH SHARED DISPOSITIVE POWER

**10**

**0**

**11** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

**52,044,315**

**12** CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

**13** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

**62.7%**

**14** TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

**CO**

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This Amendment No. 1 to Schedule 13D amends the Schedule 13D filed with the Securities and Exchange Commission ( SEC ) on September 19, 2008 (the Schedule 13D ) by Sprint Ventures, Inc. (the Reporting Person ) with respect to the subject class of securities. As described in more detail in Item 6 below, this Amendment No. 1 to the Schedule 13D is being filed as a result of the Reporting Person entering into the voting agreement between Virgin Mobile USA, Inc. (the Issuer ) and the Reporting Person, dated as of December 9, 2008 (the Stock Plan Voting Agreement ). Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Schedule 13D. The Schedule 13D is amended as follows:

**Item 5. Interest in Securities of the Issuer.**

Item 5 of the Schedule 13D is hereby amended and restated in its entirety as follows:

(a) Amount beneficially owned:

52,044,315 shares of Class A Common Stock. This beneficial ownership results from: (i) the Reporting Person's ownership of a limited partnership interest in Virgin Mobile USA, L.P. (an indirect, majority-owned subsidiary of the Issuer) ( VMU Opco ), which interest is initially exchangeable for 12,058,626 shares of Class A Common Stock of the Issuer, and the Reporting Person's ownership of one share of the Issuer's Class B Common Stock, which is entitled to a number of votes that is equal to the total number of shares of Class A Common Stock for which such limited partnership interest is exchangeable; (ii) 25,851,771 shares of Class A Common Stock beneficially owned by the Virgin Group; and (iii) 14,133,918 shares of Class A Common Stock beneficially owned by SK Telecom. The Reporting Person, the Virgin Group and SK Telecom may be deemed to share beneficial ownership of the above-referenced shares as a result of being parties to the Amended and Restated Stockholders Agreement, a copy of which was filed as Exhibit 4.1 to the Current Report on Form 8-K filed by the Issuer with the Securities and Exchange Commission on August 28, 2008. The Reporting Person does not affirm the existence of a group with Virgin Group and SK Telecom and disclaims beneficial ownership of the shares beneficially owned by the Virgin Group and SK Telecom. The Reporting Person is not responsible for the completeness and accuracy of the information concerning the Virgin Group or SK Telecom.

Percent of class:

62.7% based on (i) 53,707,076 shares of Class A Common Stock of the Issuer outstanding as of October 31, 2008 (as reported by the Issuer in its Form 10-Q for the quarterly period ended September 30, 2008), plus (ii) 115,062 shares of Class A Common Stock that may be acquired by the Virgin Group upon the conversion of its shares of Class C Common Stock of the Issuer, plus (iii) the shares of Class A Common Stock underlying a limited partnership interest in VMU Opco held by the Reporting Person, which interest is initially exchangeable for 12,058,626 shares of Class A Common Stock of the Issuer, and the 10,999,373 shares of Class A Common Stock of the Issuer held by

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SK Telecom (which were issued to SK Telecom in respect of its limited partnership interest in VMU Opco pursuant to its election to exchange such interest for shares of Class A Common Stock), plus (iv) 5,882,353 shares of Class A Common Stock issuable upon conversion of the Series A Preferred Stock of the Issuer owned by the Virgin Group and SK Telecom, subject to stockholder approval of the Issuer, plus (v) one share of the Issuer's Class B Common Stock held by the Reporting Person, which is entitled to a number of votes that is equal to the total number of shares of Class A Common Stock for which the Reporting Person's limited partnership interest in VMU Opco is exchangeable, plus (vi) 193,368 shares of Class A Common Stock beneficially owned by Helio, Inc., currently controlled by SK Telecom.

To the knowledge of the Reporting Person, none of the persons named in Item 2 in the Schedule 13D (other than the Reporting Person) beneficially owns any shares of the Issuer's Class A Common Stock.

(b) (i) Sole power to vote or to direct the vote: 0

(ii) Shared power to vote or to direct the vote: 52,044,315

(iii) Sole power to dispose or to direct the disposition of: 12,058,626

(iv) Shared power to dispose or to direct the disposition of: 0

(c) Transactions Effected in Past 60 Days by Reporting Person: None

(d) Not applicable.

(e) Not applicable.

**Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.**

Item 6 of the Schedule 13D is hereby amended and supplemented by adding the following at the end thereof:

*Stock Plan Voting Agreement*

On December 9, 2008, the Reporting Person entered into the Stock Plan Voting Agreement with the Issuer under which the Reporting Person has agreed, subject to certain conditions, to vote its shares of the Issuer's capital stock entitled to vote thereon in favor of a proposal to increase the shares available for issuance under the Issuer's 2007 Omnibus Incentive Compensation Plan (the Plan) by 5,000,000 shares at a special meeting of stockholders of the Issuer. The Virgin Group and SK Telecom each entered into a voting agreement with the Issuer in connection with the increase in shares available for issuance under the Plan. The Stock Plan Voting Agreement includes restrictions on the transfer of securities of the Issuer held by SK Telecom, the Virgin Group and the Reporting Person until the termination of such agreements, subject to certain exceptions.

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**Item 7. Material to be Filed as Exhibits.**

Item 7 of the Schedule 13D is hereby amended and supplemented by adding the following at the end thereof:  
Exhibit 99.8 Voting Agreement, dated as of December 9, 2008, between Virgin Mobile USA, Inc. and Sprint Ventures, Inc. (incorporated by reference to Exhibit 10.2 to the Issuer's Current Report on Form 8-K filed on December 11, 2008)

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**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

December 19 , 2008

**Date**

/s/ Douglas B. Lynn

**Signature**

Douglas B. Lynn, Vice President

**Name/Title**

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**Exhibit Index**

Exhibit	Description
Exhibit 99.8	Voting Agreement, dated as of December 9, 2008, between Virgin Mobile USA, Inc. and Sprint Ventures, Inc. (incorporated by reference to Exhibit 10.2 to the Issuer's Current Report on Form 8-K filed on December 11, 2008)

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**Appendix A**

Appendix A is hereby amended and restated in its entirety as follows:

**Directors and Executive Officers of Sprint Ventures, Inc.**

<b>Name</b>	<b>Position</b>	<b>Address</b>	<b>Principal Occupation</b>	<b>Citizenship</b>
<b><u>Directors</u></b>				
Scott W. Andreasen	Director	c/o Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	Assistant Secretary of Sprint Nextel Corporation	United States
Charles R. Wunsch	Director	c/o Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	General Counsel and Corporate Secretary of Sprint Nextel Corporation	United States
<b><u>Executive Officers</u></b>				
Keith Cowan	President	c/o Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	President, Strategy and Corporate Development and Acting President, CDMA of Sprint Nextel Corporation	United States
Christopher J. Gregoire	Vice President	c/o Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	Vice President and Principal Accounting Officer of Sprint Nextel Corporation	United States
Greg D. Block	Vice President and Treasurer	c/o Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	Vice President and Treasurer of Sprint Nextel Corporation	United States
Timothy P. O Grady	Director and Vice President and Secretary	c/o Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	Vice President, Legal Securities and Governance and Assistant Secretary of Sprint Nextel Corporation	United States

<b>Name</b>	<b>Position</b>	<b>Address</b>	<b>Principal Occupation</b>	<b>Citizenship</b>
Douglas B. Lynn	Vice President	c/o Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	Vice President Corporate Development of Sprint Nextel Corporation	United States

**Directors and Executive Officers of Sprint Nextel Corporation**

<b>Name</b>	<b>Position</b>	<b>Address</b>	<b>Principal Occupation</b>	<b>Citizenship</b>
<b><u>Directors</u></b> Robert R. Bennett	Director	c/o Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	President of Discovery Holding Company, provider of creative, media management and network services and non-fiction entertainment	United States
Gordon M. Bethune	Director	c/o Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	Retired	United States
Larry C. Glasscock	Director	c/o Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	Chairman of the Board of WellPoint, Inc., a health benefits company	United States
James H. Hance, Jr.	Director	c/o Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	Chairman of the Board of Sprint Nextel Corporation	United States
V. Janet Hill	Director	c/o Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	Vice President of Alexander & Associates, Inc., a corporate consulting firm	United States
William O. Hockaday, Jr.	Director	c/o Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	Retired	United States



<b>Name</b>	<b>Position</b>	<b>Address</b>	<b>Principal Occupation</b>	<b>Citizenship</b>
Sven-Christer Nilsson	Director	c/o Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	Founder/Owner of Ripasso AB, a business advisory company	Sweden
William R. Nuti	Director	c/o Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	Chairman of the Board, Chief Executive Officer and President of NCR Corporation, a global technology company	United States
Rodney O Neal	Director	c/o Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	Chief Executive Officer and President of Delphi Corporation	United States
<b><u>Executive Officers</u></b>				
Daniel R. Hesse	Director and President and Chief Executive Officer	Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	Director and President and Chief Executive Officer of Sprint Nextel Corporation	United States
Robert H. Brust	Chief Financial Officer	Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	Chief Financial Officer of Sprint Nextel Corporation	United States
Charles R. Wunsch	General Counsel and Corporate Secretary	Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	General Counsel and Corporate Secretary of Sprint Nextel Corporation	United States
Keith O. Cowan	President, Strategy and Corporate Development and Acting President, CDMA	Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	President, Strategy and Corporate Development and Acting President, CDMA of Sprint Nextel Corporation	United States

<b>Name</b>	<b>Position</b>	<b>Address</b>	<b>Principal Occupation</b>	<b>Citizenship</b>
Christopher J. Gregoire	Vice President and Principal Accounting Officer	Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	Vice President and Principal Accounting Officer of Sprint Nextel Corporation	United States
Paget L. Alves	President Sales and Distribution	Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	President Sales and Distribution of Sprint Nextel Corporation	United States
Steven L. Elfman	President Network Operations and Wholesale	Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	President Network Operations and Wholesale of Sprint Nextel Corporation	United States
Robert L. Johnson	Chief Service Officer	Sprint Nextel Corporation 6200 Sprint Parkway Overland Park, Kansas 66251	Chief Service Officer of Sprint Nextel Corporation	United States

fund that is fully invested in contracts deemed to be fully benefit-responsive, and stated at contract value. The contract value is the relevant measure to the Plan because it is the amount that is available for Plan benefits. Accordingly, investments as reflected in the Statements of Net Assets Available for Benefits state the VRST at fair value, with a corresponding adjustment to reflect the investment at contract value. Shares of registered investment companies are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Shares in the SAP ADR Stock Fund and the remaining Vanguard Common Collective trusts are valued based on their underlying securities.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

**(d) Notes Receivable from Participants**

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Delinquent notes receivable from a participant are reclassified as distributions based upon the terms of the Plan document.

**(e) Payment of Benefits**

Benefits are recorded when paid.

**(f) Fully Benefit-Responsive Investment Contracts**

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statements of Net Assets Available for Benefits presents the investment contracts at fair value with the adjustment from fair value to contract value. The Statements of Changes in Net Assets Available for Benefits are prepared on a contract value basis.

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The investment in the VRST includes fully benefit-responsive investments stated at fair value. Contract value is equal to total cost of the investment (amount paid at time of purchase plus or minus any additional deposits or withdrawals) plus accrued interest. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The average yield and crediting interest rates for the VRST were 2.29% and 1.92%, respectively, for 2015 and 2.30% and 1.89%, respectively, for 2014. The crediting interest rate is based on a formula agreed upon with the issuer, updated quarterly, with no minimum crediting interest rate. Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (i) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan); (ii) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions; (iii) bankruptcy of the Plan Sponsor or other Plan Sponsor events (e.g., divestitures or spin-offs of a subsidiary), which cause a significant withdrawal from the Plan, or (iv) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan Administrator does not believe that any such event that would limit the Plan's ability to transact at contract value with participants is probable of occurring.

***(g) Recently Issued Accounting Standards***

In May 2015, the Financial Accounting Standards Board (FASB) issued updated guidance (Accounting Standards Update (ASU) 2015-07 *Fair Value Measurement*) on the disclosure requirements for certain investments measured at fair value using the net asset value per share (or its equivalent) practical expedient as defined in Accounting Standards Codification (ASC) Topic 820. The new guidance removes the requirement to categorize such investments within the fair value hierarchy. This guidance will be effective for the Plan fiscal year beginning after December 15, 2015. The Plan does not expect this requirement to significantly change its current fair value disclosures.

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965): Part (I) Fully Benefit-Responsive Investment Contracts, Part (II) Plan Investment Disclosures, Part (III) Measurement Date Practical Expedient*. This three-part standard simplifies employee benefit plan reporting with respect to fully benefit-responsive investment contracts and plan investment disclosures, and provides for a measurement-date practical expedient. Parts I and II are effective for fiscal years beginning after December 15, 2015 and should be applied retrospectively, with early application permitted. Part III is effective for fiscal years beginning after December 15, 2015 and should be applied prospectively, with early application permitted. Part III is not applicable to the Plan.

Management has elected not to early adopt the provisions of either ASU 2015-07 or ASU 2015-12. Initial assessment of the impact of the ASUs on the Plan are that they will not materially impact the presentation of total assets or investments in the Statements of Net Assets Available for Benefits. Specifically in the 2015 presentation, investments in VRST with a fair value of \$174,270,571 will be presented at contract value of \$171,357,494 and the adjustment from fair value to contract value will be eliminated in the Statements of Net Assets Available for Benefits.

ASU 2015-12 also eliminates certain disclosures which need to be made for fully benefit-responsive investment contracts including, but not limited to: the interest crediting rate, the basis for and frequency of interest crediting rate resets, the minimum interest crediting rate, the average yield earned by the Plan, and the average yield earned by the Plan with an adjustment to reflect the actual interest rate credited to participants. These disclosures are currently made in Note 2(f) of the Notes to Financial Statements.

Disclosure of specific investment fair values in excess of 5% of Plan assets contained in Note 4 of the Notes to Financial Statements will no longer be required.





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### **(3) Fair Value Measurements**

Fair value (as described in FASB ASC Topic 820) is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value. It establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

#### *Valuation Hierarchy*

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:

- Level 1 Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets. Level 1 assets and liabilities include registered investment companies (mutual funds), money market funds, common stocks and brokerage option.
- Level 2 Observable inputs other than Level 1 prices, for example, quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs that are observable or can be corroborated, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 assets and liabilities include items that are traded less frequently than exchange traded securities and whose model inputs are observable in the markets or can be corroborated by market observable data. Examples in this category are common collective trust funds.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the Plan's own assumptions about the market that participants would use to price an asset based on the best information available in the circumstances. The Plan has no Level 3 investments.

#### *Valuation Methodologies*

Following is a description of the valuation methodologies used for instruments measured at fair value. There have been no changes in the methodologies used at December 31, 2015 and 2014.

**Registered Investment Companies:** Mutual funds are valued at the net asset value (NAV) on a market exchange. Each fund's NAV is calculated as of the close of business of the New York Stock Exchange and National Association of Securities Dealers Automated Quotations.

**SAP ADR Stock Fund:** The stock fund includes the Parent Company's common stock and is valued at the closing price reported in the active market in which the individual securities are traded.

**Vanguard Brokerage Option:** Equities are valued at last quoted sales price as of the close of business. Such securities not traded as of the close of business are valued at the last quoted bid prices.

**Common Collective Trust Funds:** These investments are public investment securities valued using the NAV provided by the Trustee. The NAV is quoted on a private market that is not active; however, the unit price is based on underlying investments, which are traded on an active market.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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The following table summarizes, by level within the fair value hierarchy, the Plan's investment assets at fair value as of December 31, 2015. As required by FASB ASC Topic 820, assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Fair value measurements using input levels			
	Level 1	Level 2	Level 3	Total
<b>Mutual Funds:</b>				
Vanguard Wellington Fund	\$ 956,642,951	\$	\$	\$ 956,642,951
U.S. Equity Funds	456,447,974			456,447,974
Vanguard Institutional Index Fund	356,643,918			356,643,918
International Equity Funds	321,201,373			321,201,373
Bond Funds	192,094,664			192,094,664
Money Market Fund	1,032,335			1,032,335
SAP ADR Stock Fund	39,889,317			39,889,317
Vanguard Brokerage Option	26,851,219			26,851,219
Common Collective Trust Funds		750,652,260		750,652,260
<b>Total investments measured at fair value</b>	<b>\$ 2,350,803,751</b>	<b>\$ 750,652,260</b>	<b>\$</b>	<b>\$ 3,101,456,011</b>

The following table summarizes, by level within the fair value hierarchy, the Plan's investment assets at fair value as of December 31, 2014. As required by FASB ASC Topic 820, assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Fair value measurements using input levels			
	Level 1	Level 2	Level 3	Total
<b>Mutual Funds:</b>				
Vanguard Wellington Fund	\$ 911,914,081	\$	\$	\$ 911,914,081
U.S. Equity Funds	461,984,701			461,984,701
Vanguard Institutional Index Fund	334,250,020			334,250,020
International Equity Funds	319,897,306			319,897,306
Bond Funds	173,367,156			173,367,156
Money Market Fund	1,782,154			1,782,154
SAP ADR Stock Fund	36,088,625			36,088,625
Vanguard Brokerage Option	18,443,826			18,443,826
Common Collective Trust Funds		707,497,484		707,497,484
<b>Total investments measured at fair value</b>	<b>\$ 2,257,727,869</b>	<b>\$ 707,497,484</b>	<b>\$</b>	<b>\$ 2,965,225,353</b>

There were no significant transfers among investment levels during the years ended December 31, 2015 and 2014.



**Table of Contents****(4) Investments**

The following presents investments that represent 5% or more of the Plan's net assets:

	<b>December 31</b>	
	<b>2015</b>	<b>2014</b>
Vanguard Wellington Fund	\$ 956,642,951	\$ 911,914,081
Vanguard Institutional Index Fund	356,643,918	334,250,020
Vanguard Retirement Savings Trust	174,270,571	169,090,789
Vanguard Total Bond Market Index Fund	163,462,887	156,614,349
Vanguard Strategic Equity Fund	*	155,809,695

\* Balance does not exceed 5% or more of the Plan's net assets.

During 2015 and 2014, the Plan's investments, including gains and losses on investments bought and sold, as well as held during the year, appreciated (depreciated) in fair value as follows:

	<b>2015</b>	<b>2014</b>
Mutual Funds	\$ (135,547,235)	\$ 67,271,372
SAP ADR Stock Fund	4,893,940	(8,799,205)
Common Collective Trust Funds	10,088,086	34,160,102
	\$ (120,565,209)	\$ 92,632,269

**(5) Related-Party Transactions**

Certain Plan investments are shares of mutual funds, stocks or common collective trust funds managed by an affiliate of Vanguard Fiduciary Trust Company. Vanguard Fiduciary Trust Company is the Trustee as defined by the Plan (Plan Trustee) and, therefore, these transactions qualify as party-in-interest transactions. All fees for the investment management services are paid by the Company. The Company may be reimbursed for reasonable Plan expenses paid by the Company on behalf of the Plan, provided the Company advises the Plan Trustee of the liability owed to the Company. Additionally, participants can invest in the Parent Company's ADR Stock Fund. The Parent Company is a related party.

**(6) Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to amend, modify, or terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

**(7) Tax Status**

On February 13, 2014, the IRS issued a favorable determination letter to the Company indicating that the Plan, as amended and restated as of January 1, 2006, remains in compliance with the applicable provisions of the Code and the regulations thereunder. The Plan has been amended since January 1, 2006; however, the Plan Administrator believes that the Plan is designed, and is currently being operated, in compliance with applicable provisions of the Code and therefore, believes that the Plan is qualified and the related trust is tax-exempt.

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U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2012.

**(8) Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

At December 31, 2015, the Plan had \$174,270,571 of investments in alternative investment funds which are reported at fair value and had concluded that the net asset value reported by the underlying funds approximates the fair value of the investments. These investments are redeemable at contract value under agreements with the underlying funds. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Furthermore, changes to the liquidity provisions of the funds may significantly impact the fair value of the Plan's interest in the funds.

**(9) Reconciliation of Financial Statements and Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500.

	<b>December 31</b>	
	<b>2015</b>	<b>2014</b>
Net assets available for benefits per the financial statements	\$ 3,141,413,109	\$ 3,001,555,796
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	2,913,077	4,988,703
Net assets available for benefits per the Form 5500	\$ 3,144,326,186	\$ 3,006,544,499

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the Form 5500.

	<b>For the year ended December 31, 2015</b>
	<b>\$139,857,313</b>

Net increase in assets available for benefits per the financial statements	
Adjustment to fair value from contract value for fully benefit-responsive investment contracts	2,913,077
Reversal of prior year adjustment to fair value from contract value for fully benefit-responsive investment contracts	(4,988,703)
Net income per the Form 5500	\$137,781,687

**(10) Subsequent Events**

The Plan has evaluated subsequent events through June 27, 2016, the date the financial statements were available to be issued.



**Table of Contents****Schedule 1****SAP AMERICA, INC.****401(k) PLAN**

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2015

Identity of issue, borrower, lessor, or	Description of investment	Current value
similar party	and notes receivable	
(*) Vanguard Funds:		
Wellington	Registered investment company	\$ 956,642,951
Institutional Index	Registered investment company	356,643,918
Total Bond Market Index	Registered investment company	163,462,887
Strategic Equity	Registered investment company	153,676,155
International Growth	Registered investment company	127,916,185
Windsor II	Registered investment company	123,168,122
Explorer	Registered investment company	93,659,390
Global Equity	Registered investment company	90,249,329
Total International Stock Index	Registered investment company	85,180,747
Extended Market Index	Registered investment company	63,525,481
Emerging Markets Stock Index	Registered investment company	17,855,112
Small-Cap Index	Registered investment company	10,039,773
PIMCO Income Fund	Registered investment company	15,315,346
Metropolitan West Total Return	Registered investment company	5,957,807
AllianceBernstein Discovery Growth	Registered investment company	5,363,450
Wells Fargo Advantage Special	Registered investment company	4,779,272
Federated Inst. High Yield Bond	Registered investment company	4,364,533
Templeton Global Bond	Registered investment company	2,746,193
TARGET Small Capitalization Value	Registered investment company	2,236,329
Fidelity Managed Income Portfolio	Registered investment company	247,899
(*) Vanguard Trusts:		
(**) Retirement Savings	Common collective trust	174,270,571
Target Retirement 2035	Common collective trust	89,474,149
Target Retirement 2030	Common collective trust	87,372,428
Target Retirement 2025	Common collective trust	69,457,224
Target Retirement 2040	Common collective trust	51,289,784
Target Retirement 2020	Common collective trust	50,761,454
Target Retirement 2045	Common collective trust	23,276,965
Target Retirement 2015	Common collective trust	18,684,929
Target Retirement 2050	Common collective trust	13,243,273
Target Retirement Income	Common collective trust	10,394,560
Target Retirement 2055	Common collective trust	4,846,842

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	Target Retirement 2010	Common collective trust	4,462,952
	Target Retirement 2060	Common collective trust	2,797,248
	TRP Blue Chip Growth T2	Common collective trust	150,319,882
(*)	Vanguard Brokerage Option	Vanguard brokerage option	26,851,219
(*)	Vanguard Prime Money Market Fund	Interest-bearing cash account	1,032,335
(*)	SAP ADR Stock Fund	American depository receipts	39,889,317
	Total Investments at fair value		3,101,456,011
(*) (***)	Notes receivable from participants	Notes receivable bearing interest at rates ranging from 3.25% to 9.25% due through the year 2028	26,873,770
			\$ 3,128,329,781

(\*) Denotes party-in-interest.

(\*\*) Represents the fair value. The contract value as of December 31, 2015 was \$171,357,494 for the Vanguard Retirement Savings Trust.

(\*\*\*) Current value represents unpaid principal balance plus any accrued but unpaid interest.

See accompanying Report of Independent Registered Public Accounting Firm.

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**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Plan Administrator has duly caused this Annual Report to be signed on the SAP America, Inc. 401(k) Plan's behalf by the undersigned hereunto duly authorized.

SAP America, Inc. 401(k) Plan

By: /s/ Johnna Seal  
Johnna Seal  
Plan Administrator  
Date: June 27, 2016

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**Table of Contents**

**Exhibit Index**

<b>Exhibit No.</b>	<b>Description</b>
23.1	Consent of Independent Registered Public Accounting Firm
23.2	Consent of Independent Registered Public Accounting Firm

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