



Press Release

SMA Solar Technology AG

SMA Solar Technology AG generates sales of EUR 1.4 billion in the first nine months of 2010

- Total sales in Q1-Q3/2010 increased tremendously to EUR 1.4 billion, EUR 627 million of which were realized in Q3
- Capacity limit almost reached in the third quarter due to improved availability of electronic components
- 5.7 GW inverter output sold in the first nine months
- EBIT of EUR 418 million generated (EBIT margin 29 %)
- Earnings per share improved to EUR 8.56

Niestetal, November 12, 2010 - The first nine months of the year have been highly successful for the SMA Group (SMA/FWB: S92). The global market leader for solar inverters generated group sales of EUR 1,442.5 million in the period to September 30, 2010 (Q1-Q3 2009: EUR 559.5 million). Following a strong first half year, the third quarter contributed EUR 626.7 million to sales (Q3 2009: EUR 312.4 million), thus being the strongest quarter in terms of sales in the Company's history.

Due to the attractive global framework conditions, the worldwide market for photovoltaic systems saw a highly positive trend in the current financial year to the end of September. For the entire year of 2010, SMA's Managing Board still expects newly installed PV power of up to 17 GW. Germany continues to be the largest photovoltaics market. However, the early reduction of feed-in tariffs has shown its effects in the third quarter. Newly installed PV power fell from 3.8 GW in the first half year to about 1.5 GW in the third quarter according to SMA's assumptions. SMA estimates that new solar power systems with a total capacity of about 5.3 GW were installed in Germany up to September 30, 2010.

Among the foreign markets with the largest newly installed PV power in the period under review were France, Italy, North America, the Czech Republic, Australia and Belgium. Through its global positioning, SMA was able to benefit from the development of foreign markets. Foreign business accounted for 38.7 % of sales of the first nine months (Q1-Q3 2009: 37.7 %).



SMA produces to order and, thus, is able to respond quickly to changed demands. In view of the market growth to be expected, SMA's Managing Board expanded significantly the production capacities at the sites in Kassel and Denver, Colorado (USA), at the beginning of 2010. On the reporting date, SMA had a maximum annual production capacity of approx. 11 GW worldwide. This corresponds to a doubling in annual production capacity in comparison to the end of 2009. Owing to the better availability of electronic components, SMA was able to utilize almost fully its existing production capacities in the third quarter of 2010 with an inverter output sold of nearly 2.6 GW. In the first nine months, SMA sold inverter output of 5,738 MW in total. Delivery periods fell considerably to normally two to three weeks for string inverters of the Medium Power Solutions segment and to six to eight weeks for central inverters of the High Power Solutions segment at present.

Due to the excellent development of sales in the third quarter, the SMA Group was able to increase again its operating profit (EBIT) in the first nine months of 2010. EBIT of EUR 418.2 million was significantly above the value of EUR 120.8 million achieved in the comparable period of the previous year. The third quarter contributed EUR 198.3 million (Q3 2009: EUR 85.8 million), which corresponds to almost 50 %. SMA Group's fixed cost increased slower than sales so that the strong sales growth had a positive effect on the EBIT margin. The EBIT margin improved to 29.0 % (Q1-Q3 2009: 21.6 %).

Net income of the SMA Group was EUR 296.9 million in the period under review, which corresponds to 20.6 % of sales. The earnings per share of the SMA Group rose to EUR 8.56 (Q1-Q3 2009: EUR 2.48).

The total assets increased by EUR 525.3 million to EUR 1,243.9 million as at September 30, 2010 (December 31, 2009: EUR 718.6 million).

The net working capital went up to EUR 335.9 million (December 31, 2009: EUR 98.6 million) and was 18.5 % of sales of the last twelve months.

The SMA Group's equity improved to EUR 660.1 million as at September 30, 2010 (December 31, 2009: EUR 407.6 million). As before, the SMA Group has a highly solid balance sheet structure with its equity ratio of 53.1 %.



For the entire year of 2010, the Managing Board expects sales to increase to between EUR 1.7 and EUR 1.9 billion and to achieve an EBIT margin of 26.5 % to 28.5 %.

Development in the forthcoming financial year depends largely on country-specific incentive programs. It is very difficult to forecast the development of global demand in solar power systems in 2011 due to the expected changes in incentive conditions in certain countries. SMA will continue to utilize available flexibilization measures in order to adapt production to the changed demand situation, if necessary.

SMA's Managing Board is expecting growth of globally newly installed PV power of up to 20 % in 2011. At the same time, the Managing Board cannot rule out a slight market decline of up to 10 %. Changed growth dynamics and higher competitive intensity will have an impact on the development of the results of the SMA Group. For 2011, SMA's Managing Board expects EUR 1.5 to EUR 1.9 billion in sales and an EBIT margin of 21 % to 25 %.

About SMA

The SMA Group generated sales of EUR 934 million in 2009 and is the worldwide market leader for photovoltaic inverters, a key component of all solar power plants. It is headquartered in Niestetal, near Kassel, Germany, and is represented on four continents by 15 foreign subsidiaries. The Group employs a staff of over 5,500 (incl. temporary workers). SMA's product portfolio includes the most comprehensive range of inverters on the market, offering a compatible inverter for every type of photovoltaic module and for all plant sizes. The product range covers both inverters for photovoltaic plants connected to the grid as well as inverters for off-grid systems. Since 2008, the Group's parent company SMA Solar Technology AG has been listed on the Prime Standard of the Frankfurt Stock Exchange (S92) and also in the TecDAX index. In recent years, SMA has received numerous awards for its excellence as an employer.



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