



Press Release

SMA Solar Technology AG

SMA Solar Technology AG surpasses last year's record results

- **Sales doubled and rose to 1.9 billion euros**
- **Record EBIT margin of 26.9 %**
- **High cash flow through low capital intensity**
- **Record dividend of 3.00 euros per share leading the field of solar stock in the TecDAX**
- **1,500 new jobs created**
- **Unchanged sales and earnings forecast**

Niestetal, March 30, 2011 – SMA Solar Technology AG (SMA) successfully continued its growth path in the fiscal year 2010. Group sales doubled and rose to 1.9 billion euros (PY: 0.9 billion euros). SMA's consolidated earnings before interest and taxes (EBIT) of 516 million euros (PY: 228 million euros) also set a new earnings record corresponding to an EBIT margin of 26.9 % (PY: 24.4 %). The consolidated profit of 365 million euros also doubled on a year-on-year basis (PY: 161 million euros). The Managing Board and the Supervisory Board of SMA are proposing to the Annual General Meeting on May 26, 2011 that an increased dividend of 3.00 euros per share be distributed for the fiscal year 2010. The proposed dividend underlines the high earnings power of SMA and is significantly higher than the proposed dividend of comparative companies listed on the stock exchange in Germany.

In 2010, with an estimated 17 to 20 gigawatt (GW) worldwide the growth in newly installed photovoltaics (PV) power output was faster than expected. Thanks to its positioning, SMA was able to benefit from this evolution given the fact that the company is the only manufacturer worldwide to offer a product portfolio of inverters for all applications, all power classes and all types of solar modules. The amount of inverter output sold, which stood at 7.8 GW (PY: 3.4 GW), means that the company's market share was between 39 % and 45 % in line with the previous year's figure (2009: approx. 40 %).

Internationalization is gaining increasing importance for SMA. In 2010, almost 45 % of sales were generated outside of Germany (PY: 38.4 %). SMA predicts continuing strong growth, above all



abroad, and accordingly, it expanded its production sites last year in Denver (USA) and Toronto (Canada). Just as in Germany, SMA is able to adjust capacities to demand in these markets within a short space of time with an extreme degree of flexibility. In addition, sales and service companies were set up in India and England.

The annual production capacity of the SMA Group in the fiscal year 2010 therefore doubled to a total of 11 GW (PY: 5 GW). There are plans to set up further sales and service companies in the fast-growing solar markets of Japan and Thailand in 2011.

"The international photovoltaic markets will acquire ever increasing importance. SMA, as a technology and global market leader with 17 foreign subsidiaries situated on four continents, is exceptionally well-prepared for the further internationalization of business," explains Günther Cramer, Chief Executive Officer of SMA Solar Technology AG. "Our extreme flexibility and the consistent expansion of our production capacities mean that we are perfectly prepared for weathering the high volatility of the solar markets. In markets where we see potential for sustained growth, we will establish further production sites in order to enable us to utilize opportunities quickly and in a targeted fashion."

As technology leader, SMA has consistently invested in research and development over several years. SMA invested a total of 83 million euros in research and development in 2010 including 600 engineers. The product innovations introduced onto the market in 2010 will not only allow the system costs of large-scale solar projects to be reduced but will also help cope with the increasing challenges of grid integration. SMA's product developments received several awards in 2010. "We will continue to expand our technological edge and set new trends in the solar industry in 2011 with the aid of further innovations. Accordingly, we increased the budget for research and development this year to 100 million euros," explains Günther Cramer. In addition, further investments are planned for the current fiscal year, in particular investments in buildings and machinery, amounting to between 150 and 200 million euros.

The comfortable equity situation with an equity ratio of 58 % (PY: 56 %) and liquid funds of half a billion euros will allow SMA to implement its ambitious growth and investment plans. At the same time, the company is ideally prepared for short-term fluctuations in demand.



SMA is also a highly attractive employer. Over 1,500 new jobs were created in the 2010 fiscal year. In February 2011, SMA was distinguished as the best employer in Germany in the federal 'Great Place to Work' competition in recognition of its unique corporate culture.

SMA is convinced that the development of the photovoltaic markets is only at an initial stage. The turn to renewable energies enjoys broad social support worldwide. Therefore, the Managing Board of SMA estimates that demand for solar power systems will significantly increase in the medium term. However, due to changes in support programs in important European solar markets, SMA predicts a temporary stagnation in the market in 2011. A slight downturn in growth cannot be ruled out. The Managing Board confirms the forecast and stands by its sales figure of between 1.5 and 1.9 billion euros with a slightly lower EBIT margin of between 21 % and 25 %.

SMA will pursue its successful strategy and continue the consistent expansion of its internationalization. In the future, important growth impulses will come from foreign markets. In 2011, SMA will introduce product innovations in line with its role as a technology leader that will make a significant contribution to reducing the investment, operating and maintenance costs of solar power systems.

The annual report 2010 for the SMA Group and the individual financial statements for the AG are available on the corporate website at www.SMA.de/IR/FinancialReports.

About SMA

The SMA Group, with sales of 1.9 billion euros in 2010, is the world market leader for solar inverters, a component that lies at the heart of every solar power system. Its headquarters is situated in Niestetal near Kassel and it also has 17 foreign subsidiaries situated on four continents. In 2010, the Corporate Group employed over 5,000 persons (including temporary staff). SMA produces a wide spectrum of inverter types, the optimal inverter for each type of solar module used and offers all the power classes required for solar power systems. The product portfolio includes both inverters for grid-connected solar power systems and stand-alone systems. Since 2008, the parent company SMA Solar Technology AG has been listed in the Prime Standard of the Frankfurt Securities Exchange (S92) and in the TecDAX. Over the past few years, SMA has received several awards for its outstanding performance as an employer and lately reached first place in the federal "Great Place to Work" competition.

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