



Press Release – SMA Solar Technology AG

SMA Solar Technology AG Achieves Second-Best Nine-Month Result in Company History from January to September 2011

Highlights Q1 – Q3 2011:

- **Increase in inverter output sold in third quarter, 5.4 gigawatts of inverter output sold in total at the end of the period under review (Q1 – Q3 2010: 5.7GW)**
- **€1.2 billion sales thanks to strong project and international business, €477 million in Q3 alone (Q1 – Q3 2010: €1.4 bn. Euro)**
- **Significantly increased export ratio of 53.4% compared to the same period in the previous year (Q1 – Q3 2010: 38.7%)**
- **Second-best operating profit (EBIT) in Company history with €178 million (Q1 – Q3 2010: €418.2 million)**
- **Managing Board confirms sales and earnings forecast for 2011**

Niestetal, November 11, 2011 – In the first nine months of 2011, SMA Solar Technology AG (SMA/FWB: S92) further expanded its position as the global market leader for solar inverters, in a difficult market environment. With 5.4 gigawatts (GW) of inverter output sold and sales of €1.192 billion, SMA followed on well from a record year in 2010 (Q1 – Q3 2010: 5.7GW / €1.443 billion). SMA benefited from its broad product range and high product quality as well as from its strong international position and a tightly knit global service network in all important photovoltaics markets.

According to estimates by the SMA Managing Board, global newly installed photovoltaic capacity in the period under review fell short of the installed capacity during the same period last year. Positive development in the project business did not offset the decline in demand in the high-volume commercial business. For 2011 overall, the SMA Managing Board expects global newly installed capacity of about 19GW – 21GW. The global market will thus remain below 23GW, the estimated record figure in 2010.

"The subdued demand can be explained by a number of factors. Firstly, the Euro and debt crisis is unsettling many end customers, so investments in solar power plants are being postponed. Secondly, the banks' significantly increased refinancing costs are changing the financing structures of large-scale solar projects," explains Pierre-Pascal Urbon, Chief Executive Officer and Chief Financial Officer of SMA. "The Euro and debt crisis will probably occupy us for another few months. We therefore expect moderate growth of global demand in the coming year. Also, stagnation cannot be



ruled out at this point. In the medium term, photovoltaic energy has good prospects. There is growing social support of generating electricity with solar power plants in the direct vicinity of the electricity consumer. In addition, positive developments in demand can be seen abroad. North America and Japan are important areas for growth.”

In the period under review, the markets with the greatest newly installed capacity included Italy, North America, France and Australia. With its exceptional global position, SMA took opportunities on the international markets and increased export ratio to 53.4% in the first nine months of the year (Q1 – Q3 2010: 38.7%). SMA will continue to advance the internationalisation of the Company and establish foreign companies in South America and Africa to serve customers in those regions even better.

The increased export ratio is reflected in the product mix. SMA recorded strong growth in business with Sunny Central inverters, which are used in large-scale solar projects. Sales in the High Power Solutions segment climbed by 74.3% to €321.1 million compared to the same period last year (Q1 – Q3 2010: €184.2 million). The Medium Power Solutions segment was the strongest sales driver with a share of 70.3% (Q1 – Q3 2010: 85.8%).

With earnings before interest and taxes (EBIT) of €178.3 million, SMA achieved the second-best result in the Company’s history, which is still significantly lower than the record result of the previous year (Q1 – Q3 2010: €418.2 million). This corresponds to an EBIT margin of 15%. Consolidated net profit amounted to €126.4 million (Q1 – Q3 2010: €296.9 million) and earnings per share to €3.64 (Q1 – Q3 2010: €8.56).

SMA achieved a positive net cash flow from operating activities for the first time in the period under review, with €104.3 million in the third quarter of 2011. The company thus demonstrated its ability to transfer sales into cash in a difficult market environment. At the end of the period under review, net working capital amounted to €341.6 million (June 30, 2011: €340.6 million). This corresponds to a net working capital ratio of 20.5%.

With an equity ratio of 56.7% and net cash of €338.2 million (December 31, 2010: €523.4 million), SMA continues to have a very solid equity base and is financially independent.

The SMA Managing Board expects sales of €1.5 billion to €1.7 billion and operating profit of €220 million to €300 million for the full year of 2011.

The quarterly financial report from January to September 2011 as well as a video statement is available on the SMA website at www.SMA.de/IR/FinancialReports.



About SMA

SMA Solar Technology AG (SMA/FWB: S92) is the global market leader for solar inverters, the leading supplier of transformers and chokes, and a provider of innovative energy supply solutions for mass transit and main-line rail transportation. The SMA Group generated sales of €1.9 billion in 2010. It is headquartered in Niestetal, near Kassel, Germany, and is represented in 19 countries on four different continents. The Group employs a staff of over 5,300 worldwide, plus a number of temporary employees which varies on a seasonal basis. The multi award-winning product range covers solar inverters for roof systems, major solar projects and off-grid systems, enabling SMA to provide a technically optimised inverter solution for all size categories and system types. Its range of services is complemented by a worldwide service network. The highly flexible manufacturing plants for solar inverters in Germany and North America have a capacity of approximately 11.5GW a year. The SMA Group also operates a manufacturing plant for electromagnetic core components in Poland. Since 2008, SMA has been listed on the Prime Standard of the Frankfurt Stock Exchange and also in the TecDAX index. In recent years, SMA has received numerous awards for its excellence as an employer and achieved first place in 2011 in the federal "Great Place to Work" competition.

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