



Press Release

SMA Solar Technology AG

Niestetal, May 14, 2010

SMA Solar Technology AG: Q1 2010 the most successful quarter in the Company's history

- **With € 339 million, sales in the first quarter exceed the Company's forecast**
- **Operating profit (EBIT) of € 92 million generated**
- **EBIT margin with 27.2 % at a record level**
- **1.3 GW inverter output sold**
- **Supply bottleneck in the semiconductor industry restricts growth of SMA's production**
- **Unchanged sales and earnings forecast for 2010**

SMA Solar Technology AG (FWB: S92) today publishes its quarterly financial report for the period from January to March 2010.

The first three months of 2010 were the most successful first quarter in SMA's history. SMA increased group sales to € 339.3 million, thus slightly exceeding the sales forecast of between € 310 and € 330 million, announced on March 31. This means that sales have almost quadrupled when compared to the same period of the previous year (Q1 2009: € 86.7 million).

The fundamental framework conditions in the photovoltaic sector changed significantly in the first quarter of 2010 versus the first quarter of 2009. The environment in the first three months of 2009 was characterized by uncertainty in the financial markets, the prospects of still falling module prices and the related sudden decline in worldwide demand for photovoltaic systems. In the first quarter of 2010, however, the pull-forward effects due to the announced further adjustment of the feed-in tariffs for solar power in Germany, the historically low interest level and low module prices resulted in continued peak demand, which had already begun in the second half of 2009.

In the period under review, SMA sold an inverter output of 1,288 MW (Q1 2009: 243 MW). The export ratio was 38.8 % in the first quarter, which is almost identical to the level of the whole year of 2009 of 38.4 % (Q1 2009: 52.5 %).



"Following a highly successful 2009 fiscal year, demand for our products in the first quarter of this year has been excellent again," explains Günther Cramer, CEO of SMA Solar Technology AG. "We responded early on to the expected high demand and doubled our production capacities within the last few months to a total of 11 gigawatts."

In the first quarter of 2010, SMA achieved an operating profit (EBIT) of € 92.4 million (Q1 2009: € 6.0 million), thus being highly profitable again. The EBIT margin of 27.2 % was only slightly below the record value of 28.7 % achieved in the fourth quarter of 2009 (Q1 2009: 6.9 %).

SMA's consolidated net profit increased to € 66.6 million (Q1 2009: € 5.5 million). As at March 31, 2010, earnings per share were € 1.92 (Q1 2009: € 0.16).

The net working capital more than doubled by March 31, 2010 to € 199.6 million as compared to the end of the last fiscal year (December 31, 2009: € 98.6 million). The net working capital ratio in relation to the last twelve months' sales was 16.8 % and within the corridor of between 16 % and 18 %, pursued by the Managing Board. The increase in net working capital is due primarily to the planned increase in inventories (particularly raw materials, consumables and supplies), which is intended to secure a maximum utilization of production capacities.

Cash and cash equivalents as well as securities fell slightly to € 349.3 million as at March 31, 2010 (December 31, 2009: € 365.0 million). Net cash, less current and non-current financial liabilities amounted to € 326.5 million. The equity ratio changed insignificantly to 56.1 % (December 31, 2009: 56.7 %).

After the quarter under review, the demand for SMA products has further increased. The main drivers, also in the second quarter, are pull-forward effects due to the planned reduction of feed-in tariffs in Germany as at July 1, 2010 and lower module prices. However, several weeks ago, important suppliers, mainly semiconductor manufacturers, notified SMA that they would not be able to adhere to their promises for additional delivery quantities. As a result of insufficient supply with electronic components, SMA is currently not able to raise its production significantly beyond the output volume of the fourth quarter of 2009, as originally intended. This means that SMA can use the new inverter production in Kassel-Waldau, established in the first quarter of 2010 with an additional capacity of 5 GW p.a., to a low degree only. The Managing Board of SMA expects that the supply situation will



improve successively in the second half of the year. Further information about the current delivery situation for PV inverters is available on SMA's website: www.SMA.de/Delivery.

"The inadequate supply of electronic components affects not only all inverter manufacturers but a number of other sectors as well," explains Günther Cramer, CEO of SMA Solar Technology AG. "As soon as the material supply situation has relaxed, will we be able to supply a considerably greater number of inverters within a very short time owing to our expansion of production capacities."

The Managing Board continues to adhere to its sales forecast for fiscal 2010 of between € 1.1 and € 1.3 billion with an EBIT margin of between 20 % and 23 %.

The quarterly financial report January to March 2010 is available on our website at www.SMA.de/IR/FinancialReports.

About SMA

The SMA Group generated sales of 934 million Euro 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 13 foreign subsidiaries. The Group employs a staff of over 4,500 (incl. temporary employees). 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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