



Press release by SMA Solar Technology AG

### **SMA posts significant surges in sales and earnings in first half-year**

- **Sales up 157% to EUR 292.6 million**
- **EBIT more than quadrupled to EUR 68.7 million**
- **Net profit for the period already exceeds earnings for 2007 as a whole**
- **Positive outlook for year as a whole: sales revenue growth from 80% to 100% as against 2007 with an EBIT margin of around 23%**

In the first half of 2008, SMA Solar Technology AG (FWB: S92) recorded highly positive business performance and generated a significant surge in sales and earnings compared to the previous year. On account of the strong demand for SMA photovoltaic inverters in Germany and abroad, sales rose by 157% in the first six months to EUR 292.6 million (previous year: EUR 113.7 million). The second quarter made a key contribution towards this growth with sales of EUR 177.4 million. The international markets continued to gain in significance for SMA during the first half of the year with a strong rise in sales of around 350% to EUR 142.4 million (previous year: EUR 31.2 million). The international share of total income rose considerably in the first half of the year to 47% (previous year: 27%).

SMA improved its earnings before interest and taxes (EBIT) in the reporting period to EUR 68.7 million (previous year: EUR 14.2 million) – four times the figure for the first half of 2007. The EBIT margin rose to 23.5% (previous year: 12.5%). The Company generated around two-thirds of this EBIT in the second quarter (EUR 44.4 million). The SMA Group's net profit for the period rose to EUR 48.2 million in the first six months – a level already higher than the profit for the whole of 2007 (EUR 36.8 million). With 34.7 million shares outstanding as at the closing date June 30, 2008, SMA generated earnings per share in the reporting period of EUR 1.39.

The extremely positive business performance led to a strong rise in cash flow from operating activities to EUR 71.9 million (previous year: EUR 0 million). Cash flow from investing activities was dominated by investments of EUR 30.6 million in property, plant and equipment. Investments focused on the construction of new production facilities for photovoltaic inverters in Kassel, which are scheduled to commence operations at the start of 2009. The Company did not receive the net issue proceeds of EUR 121.1 million from the successful IPO until after June 30, 2008 and will therefore report these funds as cash flow from financing activities in the third quarter.

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"Our inverters – the technology leaders – are highly sought after in Germany and internationally. In the first half-year, we more than tripled the inverter output sold to 895 MW as against the same period of 2007. We are profiting from the fact that we are the world's only manufacturer to offer photovoltaic inverters for all types of applications, all types of solar module and all performance ranges," said Günther Cramer, CEO of SMA. "In the last few months we have launched two new inverters, including the new generation of the Sunny Boy 5000TL. The Sunny Boy 5000TL is distinguished by a range of innovations that result in a reduced price and much simpler installation. We are also working hard to push ahead with further product innovations that will allow us to further extend our technology leadership and make our photovoltaic systems even more cost efficient."

SMA Solar Technology AG is optimistic for fiscal 2008 as a whole and is also forecasting further strong demand for photovoltaic inverters. SMA is anticipating sales revenue for the whole year of between EUR 580 million and EUR 640 million, a rise of around 80% or 100% from the previous year. The EBIT margin is expected to be on par with the half-year level.

#### **About SMA Solar Technology AG:**

With sales of EUR 327 million, SMA is the world market leader for photovoltaic inverters, a central component in any solar power system. SMA's head office is located in Niestetal near Kassel. It is represented by international subsidiaries on four continents in eight countries. The Group employs more than 2,500 people (including temporary workers). SMA produces a broad range of types of inverters, offering the right type of inverter for every type of photovoltaic module in use and every rating of photovoltaic systems. The product range includes both inverters for grid-connected photovoltaic systems and isolated systems. SMA has been listed in the Prime Standard of the Frankfurt stock exchange since June 27, 2008 (S92).

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