



Press Release – SMA Solar Technology AG

## **SMA Solar Technology AG: Managing Board Confirms Guidance for Full-Year 2011**

- **Managing Board confirms its sales and earnings forecast for 2011 and anticipates a strong second half to the year**
- **First half of 2011:**
  - **3.1 GW inverter output sold**
  - **€715 million sales due to a significant upturn in business in the second quarter of 2011**
  - **Successful internationalization with 40 % international growth year-on-year (H1 2011: export ratio of 56.3 %)**
  - **Operating profit (EBIT) of more than €100 million**

Niestetal, August 12, 2011 – SMA Solar Technology AG (SMA/FWB: S92) benefited from its strong brand presence in the major solar markets worldwide and distinguished itself markedly from its closest competitors. In the second quarter of 2011, SMA doubled its inverter output sold compared with the first three months of the year. In the first half of 2011, SMA sold an inverter output of 3.1 GW (Q1 – Q2 2010: 3.1 GW).

The SMA Managing Board believes global newly installed photovoltaic capacity for the first half of 2011 to be below the previous year's level. "The debate surrounding the expansion of photovoltaic energy has deeply unsettled end-customers in major solar markets and led to a reduction in their willingness to invest", states Pierre-Pascal Urbon, Chief Executive Officer and Chief Financial Officer of SMA. However, the fundamental data for the solar industry has improved over the last few months. "The broad social consensus that now surrounds the intensified expansion of photovoltaic energy, the favorable interest level and the significantly reduced specific costs of constructing a solar power plant compared with the beginning of the year are good conditions for a significant rise in global demand in the second half of the year", says Pierre-Pascal Urbon. The SMA Managing Board thus confirms its sales and earnings guidance for the current fiscal year – of a sales range between €1.5 billion and €1.9 billion and an EBIT corridor of €315 million to €475 million (EBIT margin of 21 % to 25 %).

In the second quarter of 2011, SMA grew at a faster rate than its next largest competitor. With sales totaling €715 million in the first half of 2011, SMA is the global market leader for solar inverters



(Q1 - Q2 2010: €815.8 million). SMA's excellent positioning in growing foreign markets is also reflected in the company's export ratio. In the first six months of the year, SMA generated 56.3 % of its sales in countries outside Germany (Q1 - Q2 2010: 36.4 %). The Medium Power Solutions segment was the key driving force for sales in the reporting period with a 73.1 % share of total sales (Q1 - Q2 2010: 85.7 %). Business with Sunny Central inverters, which are used in major solar projects, developed in a very pleasing manner. Sales in the High Power Solutions segment climbed year-on-year by more than 66 % to €170.6 million (Q1 - Q2 2010: €102.4 million).

Although EBIT has recovered since the first quarter of 2011 due to the improved sales figures, it remains considerably below the record high figure achieved in the previous year. In the first half of 2011, SMA generated EBIT of €103.7 million (Q1 - Q2 2010: €219.9 million). This is equivalent to an EBIT margin of 14.5 %, yet again recording a percentage in double-digits. This underscores SMA's profound ability to adapt and respond to market needs quickly in the event of rapidly rising demand while keeping cost-efficiency in mind. Consolidated net profit amounted to €73.5 million (Q1 - Q2 2010: €158.2) and earnings per share came to €2.12 (Q1 - Q2 2010: €4.56).

SMA's business model is technology-driven and non-capital-intensive compared with other stages of the value-added chain. In view of the anticipated rise in demand in the second half of the year, SMA has increased its working capital as planned. At June 30, 2011, working capital stood at €340.6 million (at December 31, 2010: €284.6 million). That is equivalent to 18.7 % of sales over the last twelve months. With an equity ratio of 57.0 % and net cash of €307.8 million (at December 31, 2010: €523.4 million), SMA exhibits a very sound balance sheet structure as at June 30, 2011.

The half-yearly financial report from January to June 2011 is available on the web site at [www.SMA.de/IR/FinancialReports](http://www.SMA.de/IR/FinancialReports).

## **About SMA**

SMA Solar Technology AG (SMA/FWB: S92) is the worldwide market leader for photovoltaic inverters, a 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 18 countries on four different continents. The Group employs a staff of over 6,500 worldwide (including



temporary employees). 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 optimized 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 11.5 GW 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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