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Introduction
SMA – Offering a comprehensive inverter product range and serving all markets segments

- All PV applications
- All power ranges
- All module types

- On-grid
- Off-grid
- Back-up
- From <1 kW
- To >1 MW
- Thin-Film module
- Crystalline module

SMA is uniquely positioned to capture full PV-market potential
The inverter is the ‘heart’ of every PV system

Illustrative example of a PV plant

1. Modules generate current electricity
2. Sunny Boy transforms direct current into alternating current
3. Sunny Beam monitors the entire system

Inverters are high tech-products

Direct Current (DC)

Solar Inverter

Alternating Current (AC)

Tasks additionally covered by the inverter

1. Optimal solar generator control under all temperature and irradiation conditions
2. System monitoring
3. Grid monitoring + grid support
SMA targets sales of € 580m to 640m in 2008

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>1 HY 2007</th>
<th>1 HY 2008</th>
<th>△</th>
</tr>
</thead>
<tbody>
<tr>
<td>MW sold</td>
<td>950</td>
<td>293</td>
<td>895</td>
<td>+205%</td>
</tr>
<tr>
<td>Sales</td>
<td>327</td>
<td>114</td>
<td>293</td>
<td>+157%</td>
</tr>
<tr>
<td>Sales as of sales</td>
<td>59</td>
<td>14</td>
<td>69</td>
<td>+384%</td>
</tr>
<tr>
<td>EBIT as of sales</td>
<td>18%</td>
<td>12%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>37</td>
<td>9</td>
<td>48</td>
<td>+454%</td>
</tr>
<tr>
<td>Net Income as of sales</td>
<td>11%</td>
<td>8%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>NWC-Ratio (LTM)</td>
<td>18%</td>
<td>18%</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Export-Ratio</td>
<td>29%</td>
<td>27%</td>
<td>47%</td>
<td></td>
</tr>
</tbody>
</table>

SMA is part of the Tec-Dax since September 22, 2008
Market
Direct exposure to high-growth PV-market

PV-market growth expectations (MW)

- Every PV system requires an inverter
  - Residential <5kW
  - Commercial <250kW
  - Industrial >250kW
  - Off-Grid

Different application types require different solutions

Sources: Rogol/Photon (February 2008), Solarbuzz LLC, production led scenario (March 2008).
New solar regulations in key markets in place

- Recent amendment to EEG (effective Jan 1, 2009) is a solid basis for future growth
- New EEG does not foresee a cap of new solar installations
- German market will be driven by residential and midsize (<100 kW) installation markets

- US-senate (93-2) and House of Representatives (257-166) voted to extend the investment tax credit (ITC) for solar for 8 years and to remove the USD 2,000 cap for residential solar installations.

- New Royal Decreto has a cap of 500 MW for 2009 (460 MW 2010)
- Feed-in tariff of EUR 0.32/kWh for green field (max 10 MW) and roof-top installations >20 kW and EUR 0.34/kWh for roof-top installations <20 kW
- Roof-top installations will play a greater role in the future (2009: >50%)
SMA is likely to increase its market share in 2008 again

- The PV-inverter market has high market entry barriers
e.g. Product range, service, global presence, flexibility

Sources: Solarbuzz LLC (March 2008), Photon (May 2008), Photon (September 2007), Photon International (March 2008).
Notes:
(1) Market share based on companies’ MW production (Photon [May 2008] and SMA in relation to PV market size of 2,826MW (Solarbuzz LLC [March 2008]).
(2) Market share based on companies’ estimated silicon production in relation to estimated silicon market size of 50,000 tons (Photon [September 2007]).
(3) Market share based on companies’ production (Photon International, March 2008) in relation to PV market size of 2,826MW (Solarbuzz LLC [March 2008]).
Technology
Six highly successful product families

SUNNY BOY/SUNNY MINI CENTRAL
SUNNY TOWER
SUNNY ISLAND
SUNNY BACKUP-SYSTEM
COMMUNICATION PRODUCTS
SUNNY CENTRAL
Several innovations brought to market in 2008

<table>
<thead>
<tr>
<th>Sunny Boy 5000TL</th>
<th>Sunny Mini Central 11000TL</th>
<th>Sunny Central HE</th>
<th>Sunny Backup 2220</th>
<th>Sunny Island 2224</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; Easy communication (Bluetooth, Display)</td>
<td>&gt; Transformerless</td>
<td>&gt; New Sunny Centrals for EU and US market</td>
<td>&gt; Backup solution for single-family houses</td>
<td>&gt; Off-grid manager</td>
</tr>
<tr>
<td>&gt; Multistring</td>
<td>&gt; Well accepted for commercial and industrial applications</td>
<td>&gt; High-efficiency technology</td>
<td>&gt; Battery delivers stored solar power at power failure</td>
<td>&gt; Suitable for off-grid systems as well as a utility backup</td>
</tr>
<tr>
<td>&gt; Easy installation</td>
<td>&gt; Highest efficiency</td>
<td>&gt; Add-on for every PV system</td>
<td>&gt; Add-on for every PV system</td>
<td>&gt; Excellent overload characteristics</td>
</tr>
<tr>
<td>&gt; Transformerless</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

> Targeted max $\eta$: 97%  
> Targeted max $\eta$: 98%  
> Targeted max $\eta$: 98.7%\(^{(1)}\)  
> Targeted max $\eta$: 93.6%  
> Targeted max $\eta$: 93.6%

Equally strong engineering capabilities across all products

Note:  
\(^{(1)}\) Based on next generation of Sunny Central 300 (without transformer).
More promising products to be launched in 2009 and beyond

**Sunny Central 600HE**
- New generation with outdoor-cabinet
- Best system costs due to outdoor setup and high efficiency
- Targeted max $\eta$: 98.8%

**Sunny Central 630HE**
- First inverter on the market meeting medium voltage directive
- 20% reduction of system costs
- Excellent specific price
- Targeted max $\eta$: >98%

**Sunny Boy 3000HF**
- Light inverter with galvanic separation
- Targeted max $\eta$: 96%

**TriPower 17000TL**
- Three phase concept as alternative to Sunny Central
- Best price/ performance ratio with highest efficiency
- Targeted max $\eta$: 98%

SMA strives to remain trendsetter in inverter technology
Proven technology leadership and high rate of innovation

Economics

Key innovations

- **H5-Topology (2007)**
  > Innovative circuit technology enable efficiency increase to 98%

- **Electronic Solar Switch (2007)**
  > First integrated direct current load disconnection unit for highest security

- **OptiTrac (2007)**
  > Yield increase through optimization of Maximum Power Point (MPP) tracking system

- **OptiCool (2005)**
  > Full efficiency up to 40°C through licensed chassis concept

- **Up to new products per year to outperform the market**

Note: (1) Price/W reduction of Sunny Boy & Sunny Mini Central. Calculation based on catalogue price per Watt for most efficient and highest power product in the respective year.
The inverter will not become a commodity product

**Cost Reduction in**

<table>
<thead>
<tr>
<th>Production</th>
<th>PV-Field Wiring</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Today</strong></td>
<td><strong>Future</strong></td>
</tr>
<tr>
<td><img src="image1.png" alt="Image" /></td>
<td><img src="image2.png" alt="Image" /></td>
</tr>
</tbody>
</table>

- Serial production is significantly cheaper than shop fabrication
- Avoiding of any additional distribution boxes and equipment

➢ The decentralized system layout will become even more popular in the future
With 300 engineers we are well-prepared to bring inverter technology to the next level

**Increase Investment Return through**

**Innovation**

<table>
<thead>
<tr>
<th>Today</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Solar Panels Today" /></td>
<td><img src="image2.png" alt="Solar Panels Future" /></td>
</tr>
<tr>
<td><img src="image3.png" alt="Control Panel Today" /></td>
<td><img src="image4.png" alt="Control Panel Future" /></td>
</tr>
</tbody>
</table>

- $\eta \sim 99\%$ is the new target
- Participate in controlling the grid to ensure higher PV penetration

**Reduction of System Costs**

<table>
<thead>
<tr>
<th>Today</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image5.png" alt="Installation Today" /></td>
<td><img src="image6.png" alt="Installation Future" /></td>
</tr>
<tr>
<td><img src="image7.png" alt="Reliability Today" /></td>
<td><img src="image8.png" alt="Reliability Future" /></td>
</tr>
</tbody>
</table>

- Easier installation
- Higher reliability
- Simplified service procedures

- Optimized system technology leads to module inverter concepts in power ranges 15 to 30 kW
Flexibility
Flexible business model with favorable risk profile

Production capacity is not a limiting factor for SMA
SMA’s special corporate culture fosters flexibility and innovation

**Leadership awards – Selected examples**

- **2008**
  - Great Place to Work Award 2008
  
- **2007**
  - Life Long Learning Award 2007
  
- **2006**
  - Entrepreneur of the Year Award 2006

**Key elements of SMA’s culture**

- Established organization with flat hierarchies
- High transparency and open door policy
- Performance linked variable compensation
- Stock program for employees
- Significant earnings participation of all employees (16% of pre-tax earnings)
- Continuous personnel development (5 days of training p.a. and per employee)
- Low rate of employees’ absence related to sickness of 2.8% (SMA Germany) vs. a 3.2% on average in Germany in 2007
- Low employees fluctuation (0.7% in 2007)
SMA serves the global PV-market

Sales and service infrastructure is substantial market entry barrier

> More than 170 sales and marketing employees and 180 service employees representing SMA globally

> High-class customer base and excellent customer loyalty

Powerful global sales and service infrastructure
Financials
SMA - A success story also from a financial perspective

Sales Development (€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>MW sold</th>
<th>Market Share$^1$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>430 MW</td>
<td>25%</td>
</tr>
<tr>
<td>2007</td>
<td>950 MW</td>
<td>34%</td>
</tr>
<tr>
<td>2008</td>
<td>&gt; 2,000 MW</td>
<td>&gt; 40%</td>
</tr>
</tbody>
</table>

Note: $^1$ Market share based on companies’ MW production (Photon May 2008) in relation to PV market size of 2,826 MW [Solarbuzz LLC (March 2008)]; 2008 management forecast
Medium Power Solutions drives SMA’s growth

Photovoltaics
Technology
Medium Power Solutions

Photovoltaics
Technology
High Power Solutions

Railway
Technology

Electronics
Manufacturing

Introduction | Market | Technology | Flexibility | Financials | Summary
EBIT-margin increased to 23.5% in 2008

- Much higher module availability in 2008
- Strong international business (47% export ratio)
- Scale effects are key driver for margin improvement
Gross margins Medium / High Power Solutions are similar

EBIT margins by segment

<table>
<thead>
<tr>
<th>Year</th>
<th>Medium Power Solutions</th>
<th>High Power Solutions</th>
<th>Railway Technology</th>
<th>Electronics Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>18.4</td>
<td>10.7</td>
<td>9.9</td>
<td>6.7</td>
</tr>
<tr>
<td>2007</td>
<td>18.7</td>
<td>11.4</td>
<td>10.1</td>
<td>8.8</td>
</tr>
<tr>
<td>2008</td>
<td>19.3</td>
<td>0</td>
<td>11.9</td>
<td>6.6</td>
</tr>
<tr>
<td>2009</td>
<td>16.4</td>
<td>25.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
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</tbody>
</table>
SMA has a strong balance sheet as of June 2008

Major balance sheet items

- Balance sheet includes dividend payment of €25.2m, which was approved by the AGM in April 2008.
- Net proceeds from IPO amount to c. €121m.
- Total CapEx of €28m, thereof €13m pre-payments for the new production plant.
Net Working Capital under control despite strong growth

Note: (1) Working capital defined as trade receivables, inventories, less trade payables.
Investment in capacity expansion will trigger significant productivity gains

Net investments in fixed assets (€m and % of sales)

- 2006: 5.7%
- 2007: 3.3%
- 1. HY 2007: 10.5%
- 1. HY 2008: 2.9%

Free cash flow (€m and % of sales)

- 2006: 11.5%
- 2007: 32.4%
- 1. HY 2007: 2.9%
- 1. HY 2008: 38%

These financial metrics reflect the company's investment strategy and its impact on productivity.
All markets, all power ranges, all module technologies

**Technology leadership**
Up to 6 new products per year

**Flexibility**
No significant margin impact within production capacity corridor (1:2)

**Global sales and service**
60% export in 2010

**Low capital intensity and high profits**
EBIT Margin in 1HY 2008 > 23%
ROCE in 1HY 2008 > 50%

**Differentiated investment case of SMA represents a completely new PV investment opportunity**