SMA Solar Technology AG
Half-yearly Results 2010
Pierre-Pascal Urbon, CFO, August 13, 2010
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1. Highlights
Q2 figures even surpass preliminary results\(^1\)

- Sales tripled to € 816 million during the first half-year 2010
- SMA sold 3.1 GW inverter output during the first six months 2010 – nearly as much as in the entire year 2009 (3.4 GW)
- EBIT boosted to € 220 million (27.0 % as of sales)
- Average selling price of 25 €-cents/Watt during first six months 2010
- Net Working Capital amounts to € 253 million as of June 30 and lies within guidance\(^2\)
- Capital Expenditure\(^3\) amounts to € 68 million during the first six months
- Management leaves guidance for 2010 unchanged\(^4\)

\(\text{SMA is best positioned to benefit from future market growth}\)
# SMA’s business model is highly profitable

<table>
<thead>
<tr>
<th></th>
<th>January – June 2010</th>
<th>January – June 2009</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>MW sold</td>
<td>3,146</td>
<td>792</td>
<td>4.0 x</td>
</tr>
<tr>
<td>Sales</td>
<td>815.8</td>
<td>247.1</td>
<td>3.3 x</td>
</tr>
<tr>
<td>EBIT</td>
<td>219.9</td>
<td>35.0</td>
<td>6.3 x</td>
</tr>
<tr>
<td>as % of sales</td>
<td>27.0 %</td>
<td>14.2 %</td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>158.2</td>
<td>26.0</td>
<td>6.1 x</td>
</tr>
<tr>
<td>as % of sales</td>
<td>19.4%</td>
<td>10.5 %</td>
<td></td>
</tr>
<tr>
<td>Net Cash&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>353.6</td>
<td>158.5</td>
<td>2.2 x</td>
</tr>
<tr>
<td>Capital Expenditure&lt;sup&gt;2)&lt;/sup&gt;</td>
<td>67.6</td>
<td>32.5</td>
<td>2.1 x</td>
</tr>
<tr>
<td>NWC&lt;sup&gt;3)&lt;/sup&gt;-Ratio</td>
<td>16.8 %</td>
<td>17.0 %</td>
<td></td>
</tr>
<tr>
<td>Export Ratio</td>
<td>36.4 %</td>
<td>43.1 %</td>
<td>2.1 x</td>
</tr>
</tbody>
</table>

(1) Net Cash: Cash and cash equivalents plus short-term cash investments less interest – bearing liabilities
(2) excl. Finance leases and excl. Development projects to be capitalized
(3) Net Working Capital (Inventory + Acc. Receivable % Acc. Payable)
2. Recent Developments
Sunny Central 800CP received high-profile Intersolar Award

**SUNNY CENTRAL 800CP**

**Key Benefits**

> Significant reduction of system costs due to outdoor design, integrated string monitors and main boxes

> Higher energy yield due to active temperature management and shielded electronics

> Lower service costs due to unique design and filterless cooling technology

> Certified for crystalline and thin-film modules

**Technical Details**

Max AC Power: 880 kVA up to 25°C\(^1\)

Input Voltage Range: 570 – 1,100 V\(_{DC}\)

Max Efficiency: 98.6 %

The Sunny Central 800CP is already compliant with the new medium voltage code (BDEW)

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\(^{1}\) 800 kVA up to 50°C
Sunny Tripower launched successfully

**Sunny Tripower 17000TL**

**Key Benefits**
- Three-phase feed-in
- Integrated grid management functions
- New concept for highly flexible configuration with “Optiflex”
- Intelligent electronic string fuse and failure detection
- Integrable DC overvoltage protector
- String current monitoring
- Cable connection without tools (DC plug system „SUNCLIX“)

**Technical Details**
- Max AC Power: 17 kVA up to 50°C
- Input Voltage Range: 150 – 1,000 V\_DC
- Max Efficiency: 98.2 %

The Sunny Tripower has the highest efficiency in its class
SMA was also awarded for its financial reporting and its IR

Awards verify SMA’s exemplary financial market communications
3. Market
SMA expects a total market size of up to 14 GW in 2010

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>approx. 3,800</td>
<td></td>
<td>Up</td>
</tr>
<tr>
<td>Italy</td>
<td>approx. 750</td>
<td></td>
<td>Up</td>
</tr>
<tr>
<td>North America</td>
<td>approx. 650</td>
<td></td>
<td>Up</td>
</tr>
<tr>
<td>France</td>
<td>approx. 400</td>
<td></td>
<td>Up</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>approx. 400</td>
<td></td>
<td>Up</td>
</tr>
<tr>
<td>Rest of World</td>
<td>approx. 2,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>approx. 8,000</strong></td>
<td></td>
<td><strong>up to 14 GW</strong></td>
</tr>
</tbody>
</table>

SMA expects to maintain or slightly increase its market share in 2010\(^1\)

\(^1\) Market share 2009 is estimated to be > 40 %
4. Financials
During the first six months 2010, SMA tripled sales compared to the same period previous year.

Sales in €m:
- 2009: 934
- Q1 - Q2 2009: 247
- Q1 - Q2 2010: 816

Export Ratio:
- 2009: 38.4%
- Q1 - Q2 2009: 43.1%
- Q1 - Q2 2010: 36.4%

Sales increased from 3,381 MW in 2009 to 792 MW in Q1 - Q2 2009, and further to 3,146 MW in Q1 - Q2 2010, resulting in a 3.3x increase.
Medium Power Solutions sales were impacted by shortage of electronic components

- Germany accounted for 67% of MPS sales
- Top sellers were Sunny Mini Central 10000TL and 11000TL as well as Sunny Boy 5000TL
- Change in product mix compared to Q1-Q2 2009

- HPS profitability quintupled compared to same period of previous year
- Top sellers were Sunny Central 630 HE and 500HE
- Sales are mainly driven by long-term projects

- Enhanced international sales activities led to significant increase in foreign sales
- Outsourcing increased to 85%
- Production was impacted by electronic component supply

6 months Highlights

- Top sellers were Sunny Mini Central 10000TL and 11000TL as well as Sunny Boy 5000TL
- Change in product mix compared to Q1-Q2 2009

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(1) Incl. internal sales
Cost of Goods Sold decreased due to shift in the product mix towards inverters with larger power sizes.

COGS\(^1\)\(^{2}\) R&D expenses\(^1\) SGA expenses\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>COGS</th>
<th>R&amp;D Expenses</th>
<th>SGA Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>593.0</td>
<td>49.1</td>
<td>65.2</td>
</tr>
<tr>
<td>Q1 - Q2 2009</td>
<td>66.7%</td>
<td>7.2%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Q1 - Q2 2010</td>
<td>508.5</td>
<td>34.4</td>
<td>29.5</td>
</tr>
</tbody>
</table>

> Significant improvement of gross margin due to product mix

> COGS include costs for service infrastructure

> Primarily personnel expenses (approx. 75%); SMA employs more than 500 engineers as of June 30

> R&D budget of € 80 million in 2010 (plus capitalized R&D projects)

> Decrease of SGA expenses as 5.7% of sales underpins scalability of SMA's business model

\(^1\) €m and as % of sales
\(^2\) COGS: Cost of Goods Sold
SMA is one of the most profitable stock-listed companies in the world

EBIT and EBIT-margin SMA Group

SMA benefits from economies of scale
Total assets amount to € 1 billion

SMA increased its cash position\(^2\) to more than € 376 million

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(1) As of June 30, 2010
(2) Cash plus time deposits with duration of > 3 months
SMA will invest in its infrastructure in 2010 and the coming years

SMA has sufficient cash flow and liquid funds to finance expansion
Increase in Net Working Capital mainly due to raw materials

Net Working Capital

as % of LTM\(^2\) sales

\[\begin{array}{ccc}
\text{Dec 31, 2009} & 10.6\% & 52.5 \\
\text{Mar 31, 2010} & 16.8\% & 69.0 \\
\text{Jun 30, 2010} & 16.8\% & 80.5 \\
\end{array}\]

in € million

\[\begin{array}{ccc}
98.6 & 52.5 & 60.1 \\
199.6 & 104.1 & 58.1 \\
252.6 & 151.2 & 139.9 \\
\end{array}\]

1) Working Capital = Inventory + Trade Receivable – Trade Payable

2) LTM\(^2\) = Last twelve months
Never change a winning business strategy

Technology leadership
5 to 6 new products per year

Flexibility
Enables to quickly adjust to high market volatility

Dedicated global sales and service team
Best positioned in 12 countries on 4 continents

Low capital intensity and high profits
High Return on Capital Employed

SMA will strive to maintain or slightly increase its market share
More than 600 shareholder were present during the Annual General Meeting in May

- > 87.6% of the voting capital stock\(^1\) attended the AGM\(^2\)
- > Activities of Management Board and Supervisory Board in 2008 were approved
- > New Supervisory Board was appointed (now 12 members)
- > AGM decided to distribute a dividend of €1.30 per share
- > Deloitte & Touche, Hanover, was appointed as auditor for fiscal 2010

\(\text{Total number of voting stocks is 34.7 m}\)
\(\text{Annual General Meeting}\)
SMA paid a dividend of 1.30 € per share after its AGM on May 27

Higher liquidity with a free float of 27.14 % (before June 14: 25.70 %)

(1) As of June 30, 2010
(2) As of June 14, 2010; Total number of shares: 34.7 million
Visit our IR website http://www.ir.sma.de

> Financial Calender
  > September 1, 2010: WestLB Energy Forum, Frankfurt
  > September 16, 2010: Capital Markets Day, SMA/Niestetal

> Investor Relations Contact:
  Pierre-Pascal Urbon (Chief Financial Officer)
  Anna Raudszus (Director Investor Relations)
  Julia Damm (Assistant Investor Relations)
  Phone: +49 – 561 – 9522 – 2222
  Fax: +49 – 561 – 9522 – 2223
  E-Mail: IR@SMA.de