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1. Equity Story
SMA is the world market and technology leader in the field of solar inverters

Complete product portfolio

Sunny Home Manager  Sunny Boy  Sunny Boy HF  Sunny Tripower  Sunny Central CP

Technology leader

Present in 19 markets

Rock solid

1) SMA guidance: Sales: € 1.5 to € 1.7 bn; EBIT margin: 14.7% to 17.6%

Price per Watt (based on 100%)  Maximum inverter efficiency
SMA’s technology places the solar inverter into the center of the PV-System

PV system produces energy at the point of consumption; therefore, energy management is of great importance
SMA serves all market segments worldwide

All PV applications

- On-grid
- Off-grid
- Back-up

All performance ranges

- Residential
  - < 2 kW
  - 2 kW to 30 kW
  - 30 kW to 500 kW
  - To >1 MW

All module types

- Crystalline modules
- Concentrator modules
- Thin film

Every market segment has different product requirements
SMA only produces to order

> Weekly forecast meetings
> Global sourcing
> Stock of critical components

SMA doubled the production capacity to 11.5 GW within three months

Professional sourcing

Flexible production

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Inverter output sold (in MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2010</td>
<td>1,858</td>
</tr>
<tr>
<td>Q3 2010</td>
<td>2,592</td>
</tr>
<tr>
<td>Q4 2010</td>
<td>2,012</td>
</tr>
<tr>
<td>Q1 2011</td>
<td>1,019</td>
</tr>
<tr>
<td>Q2 2011</td>
<td>2,128</td>
</tr>
</tbody>
</table>

> Low capital intensity
> Outsourcing
> Temporary employees
SMA has a high customer proximity due to its subsidiaries in 19 markets.

Our well designed processes distinguish us from other competitors.
SMA is the clear service leader in the solar industry\textsuperscript{1)}

With more than 20 GW installed capacity SMA has economies of scale to run a profitable service business

**Key Service Offerings**

- Warranty extensions
- Service and maintenance contracts (up-time guarantee)
- Repair / spare parts

**Service Performance**

- 90\% accessibility of hotline within 1.5 minutes
- 73\% are exchanged on the same day

\textsuperscript{1)} Global SMA Service Survey 2011
SMA is rock solid

30 years of experience

Well set up for the future

> Excellent track record

> Complementary management team and second level with division heads

> Nearly € 308 million net cash\(^1\)

> Low financial gearing

Financial strength is a key for success in a turbulent market environment

\(^1\) As of June 30, 2011
2. Markets
The global PV market takes a break after impressive growth

Fundamentals are in place

> Broad social consensus for solar energy in many countries
> Aggressive targets
> Increasing demand for energy, particularly in emerging markets
> Historically low interest rates
> Attractive returns due to well-defined support programs in key markets

Visibility in the solar market is low – for all players


PV market development

- Broad social consensus for solar energy in many countries
- Aggressive targets
- Increasing demand for energy, particularly in emerging markets
- Historically low interest rates
- Attractive returns due to well-defined support programs in key markets

 Visibility in the solar market is low – for all players

SMA Solar Technology AG

1) BSW 11/2010: approx. 10% of the annual gross power consumption by 2020
Demand during the first 8 months has been below previous year’s level\(^1\) – so far, the industrial segment performed better compared to 2010

<table>
<thead>
<tr>
<th>Market</th>
<th>Volume 2010(^2)</th>
<th>Volume 2011(^2)</th>
<th>Volume 2012(^2)</th>
<th>Segments 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Residential</td>
<td>Commercial</td>
<td>Industrial</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>7.4</td>
<td>5.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>4.5</td>
<td>3.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>1.5</td>
<td>1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>1.5</td>
<td>3.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>1.5</td>
<td>1.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>0.0</td>
<td>0.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROW</td>
<td>&lt; 3.6</td>
<td>2.5 – 5.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>&lt; 20</td>
<td>17 – 20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) SMA estimates
\(^2\) SMA estimates; in GW

\(\Rightarrow\) SMA experienced just a slight increase in demand in September
Only very few inverter manufacturers serve all markets and all PV applications.

No Asian player is among the top 5 inverter companies. Technology is the key barrier to enter the market.
3. Technology
Technology remains the main driver of the solar inverter business

Selected innovations 2011

SUNNY TRIPOWER 20000TL
High Efficiency

- > 99% efficiency
- > Lower specific price

Sunny TriPower 20000TL

TL Grounding Solution

- > Higher system efficiency (up to + 3%)
- > Lower specific system cost due to transformerless technology

Sunny TL Grounding Solution

SUNNY BOY

- > High reliability due to lower number of components
- > Ease of installation
- > Panel level monitoring
- > Residential < 2 kW

Sunny Boy

SUNNY VIEW

- > Convenient monitoring
- > Colorful touch display
- > Social media functions
- > Residential

Sunny View

SMA invests up to € 100 million in research & development in 2011
SMA has a defined roadmap to reduce the specific costs of inverters

<table>
<thead>
<tr>
<th>Earnings-Impact</th>
<th>Research &amp; development focus</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&gt; Analysis of those components that represent 80% of the material costs</td>
</tr>
<tr>
<td></td>
<td>&gt; Change of assembly and testing processes</td>
</tr>
<tr>
<td></td>
<td>&gt; Increase the speed of switching and thus reduce the size of windings</td>
</tr>
<tr>
<td></td>
<td>&gt; Highly integrated microelectronics</td>
</tr>
<tr>
<td></td>
<td>&gt; Reduction of housing size and packages</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>+</td>
<td>++</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>+++</td>
<td>+++</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- [ ] Product update
- [ ] Product innovation
- [ ] New product platform

+ Marginal improvement
++ Considerable improvement
+++ Quantum leap

SMA strives to reduce the specific costs of a solar inverter by 50% until 2015
Energy management is the current topic in the solar industry

**Fundamental concept**

> PV is generated near to the point of consumption at the time of the day with the highest energy need
>
> Solar energy feeds into the low voltage grid
>
> A growing number of installations require the management of decentralized power plants for grid stability
>
> Less investment in high voltage lines and distribution grid infrastructure due to higher self-consumption

**Application**

⇒ On a sunny day solar power already contributes up to 25% of the power consumption at lunch time in Germany
SMA supports the new Low-Voltage Directive and is prepared to meet the new requirements

Requirements of the Low-Voltage Directive:

- In case of over frequency, active power reduction enhances the stability of the European power distribution grid (50.2 Hz)
- Remote power limitation for plants > 30 kW
- Provision of reactive power to increase the share of PV power in the low-voltage grid - this enables to feed-in twice as much PV power into the grid without complex grid extension

Competitors may not have the R&D resources or funds to comply with the new regulations in time
4. Organizational structure
SMA has a new divisional structure with a broad management basis

> Divisional organization reduces complexity
> Different customer needs can be served more efficiently
> Business units are empowered to react faster

With new structures SMA is better positioned to serve the different customer groups
The Board is a strong team with enormous experience

From left to right: Marko Werner (CSO), Roland Grebe (CTO), Pierre-Pascal Urbon (CEO/CFO), Jürgen Dolle (CHRO) and Uwe Hertel (COO)

➤ The Board is well prepared for the future and will conduct SMA successfully into the advanced solar age
5. Outlook
Guidance 2011: Managing Board revised its 2011 sales and earnings guidance on September 19, 2011\(^1\)

**SMA adjusted its guidance due to the weak demand of solar inverters for roof systems business**

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\(^1\) Previous guidance as of September 15, 2010: Sales: €1.5 to €1.9 billion; EBIT: €315 to €475 million
SMA expects a shake out of smaller competitors

The future inverter market will be characterized by a few big players with an international approach and an excellent global service network.
Never change a winning business strategy

**Technology leadership**
Energy management and cost reduction

**Comprehensive product portfolio**
For all applications, module types and power classes

**High flexibility**
Enables a quick adjustment to high market volatility

**Dedicated global sales and service team**
More than 1,300 sales and service professionals

All applications, all power classes, all module types:

SMA offers inverters for all PV systems
During the first six months SMA shipped as much as last year

Sales in €m

- 2010: 7,750 MW
- Q1-Q2 2010: 3,146 MW
- Q1-Q2 2011: 3,147 MW

Export ratio

- 2010: 44.9%
- Q1-Q2 2010: 36.4%
- Q1-Q2 2011: 56.3%
Medium Power Solutions benefitted from strong German demand in Q2

- Top seller are the Sunny Tripower 12000TL to 17000TL as well as Sunny Boy 3000TL to 5000TL
- Strong international markets in H1 2011: Australia, Italy, Belgium and North America
- Sales are driven by long-term projects for modernisation of railway coaches
- Solid order backlog; first long-term projects in the US and Japan

Total Sales (€m) 6 months - Highlights

<table>
<thead>
<tr>
<th></th>
<th>Q1 - Q2 2010</th>
<th>Q1 - Q2 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium Power Solutions (MPS)</td>
<td>699.1</td>
<td>523.3</td>
</tr>
<tr>
<td>High Power Solutions (HPS)</td>
<td>102.4</td>
<td>170.6</td>
</tr>
<tr>
<td>Railway Technology</td>
<td>12.1</td>
<td>15.4</td>
</tr>
<tr>
<td>Electronics Manufacturing</td>
<td>2.2</td>
<td>5.7</td>
</tr>
<tr>
<td>Railway Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronics Manufacturing</td>
<td>182.9</td>
<td>184.6</td>
</tr>
</tbody>
</table>

(1) Incl. Internal sales
Gross margin reflects the change in the product mix

> Change in product mix is key driver for gross margin development
> The increase in COGS is partially compensated by the discontinuation of provisions

<table>
<thead>
<tr>
<th>Year</th>
<th>COGS 1) (€m)</th>
<th>COGS 1) (%)</th>
<th>R&amp;D expenses 1) (€m)</th>
<th>R&amp;D expenses 1) (%)</th>
<th>SGA expenses 1) (€m)</th>
<th>SGA expenses 1) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1,226.9</td>
<td>63.9%</td>
<td></td>
<td></td>
<td>72.0</td>
<td>3.7%</td>
</tr>
<tr>
<td>Q1-Q2 2010</td>
<td>508.5</td>
<td>62.3%</td>
<td></td>
<td></td>
<td>34.4</td>
<td>4.2%</td>
</tr>
<tr>
<td>Q1-Q2 2011</td>
<td>506.8</td>
<td>70.9%</td>
<td></td>
<td></td>
<td>39.8</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

> SMA will invest €100 million in R&D in 2011
> More than 920 R&D employees strive to develop technology leading products; approx. 100 new hires within first six months of 2011
> R&D focus is on reduction of inverters’ specific costs, reduction of Total Cost of Ownership and grid integration

> SMA changed cost splitting for IT and Facility Management in 2011; this is the main driver for SGA increase
> Implementation of strategic projects and marketing initiatives had an impact on SGA expenses as well
During the first six months SMA generated more than € 100 million in operating profit

**EBIT and EBIT margin SMA Group**

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT Margin</th>
<th>EBIT (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>26.9%</td>
<td>516.8</td>
</tr>
<tr>
<td>Q1 - Q2 2010</td>
<td>27.0%</td>
<td>219.9</td>
</tr>
<tr>
<td>Q1 - Q2 2011</td>
<td>14.5%</td>
<td>103.7</td>
</tr>
</tbody>
</table>

**EBIT margin by Segment**

- **Medium Power Solutions**: 10.8% (Q1 - Q2 2010), 25.4% (Q1 - Q2 2011)
- **High Power Solutions**: 17.5% (Q1 - Q2 2010), 21.8% (Q1 - Q2 2011)
- **Railway Technology**: 7.0% (Q1 - Q2 2010), 5.6% (Q1 - Q2 2011)
- **Electronics Manufacturing**: 5.1% (Q1 - Q2 2010), 7.7% (Q1 - Q2 2011)

EM is internal supplier for MPS.
With nearly € 308 million Net cash SMA has one of the best balance sheets in the solar industry

SMA maintains its expansion plans with capital expenditures of € 150 to € 200 million in 2011
Net Working Capital is in line with SMA’s guidance\(^1\)

Net Working Capital\(^2, 3\)

SMA plans to deploy the majority of finished goods by the end of the year

\(^1\) Management Guidance: 18 % to 20 % as of LTM Sales
\(^2\) Working Capital = Inventory + Trade Receivables - Trade Payables
\(^3\) Relating to the last twelve months (LTM)
\(^4\) In € million
SMA plans investments in 2011 of € 200 million

Investments SMA group

- Dec 31, 2010: €115 million
- Mar 31, 2011: €35 million
- Jun 30, 2011: €72 million
- Budget 2011: €200 million

Appendix
SMA has a solid shareholder structure

> 20% of SMA shares are fixed in a family pool (2010)

> 17.28% of SMA shares are fixed in three charitable foundations of the SMA founders Cramer, Drews and Wettlauffer (2011)

The shareholder structure ensures a stable development
Dynamic first nine months for SMA shares

SMA shares have outperformed DAX and TecDAX
## Contact and Financial Calendar

> **Investor Relations Contact**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pierre-Pascal Urbon</td>
<td>Chief Executive Officer, Chief Financial Officer</td>
</tr>
<tr>
<td>Stephanie Kniep</td>
<td>Director Investor Relations</td>
</tr>
<tr>
<td>Julia Damm</td>
<td>Investor Relations Officer</td>
</tr>
</tbody>
</table>

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| Fax:          | +49 561 9522-2223 |
| E-Mail:       | IR@SMA.de         |

> **Financial Calendar 2011**

- November 23, 2011: German Equity Forum

» Visit our IR web site http://www.IR.SMA.de