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1. Executive Summary –
We expect 2011 to become the second best year in SMA’s history
SMA confirms guidance for 2011\(^1\)

> SMA forecasts a global market size of up to 21 GW in 2011 (2010: c. 23 GW)

> SMA gained back market share due to its complete product portfolio, international footprint and outstanding quality

> With 5.4 GW sold inverter power SMA reached nearly the record level of 2010 (January – September 2010: 5.7 GW)

> Sales boosted to € 1.2 billion on the back of the strong international business (export ratio\(^2\) 53%) and increased utility business (26.9% of total sales\(^2\))

> Second best EBIT for the first nine months in SMA’s history with € 178 million (15% EBIT margin)

> Increase in Net Working Capital stopped in Q3. NWC ratio is broadly in line with management guidance\(^3\)

> Positive cash flow of € 104.3 million in Q3 underpins SMA’s favorable business model

For 2012 SMA expects a moderate market growth but cannot rule out that global demand will be affected by stagnation

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(1) Guidance of September 19, 2011: Sales 2011: € 1.5 - € 1.7 bn; EBIT: € 220 - € 300 million
(2) January to September 2011
(3) NWC in % of last twelve months sales (LTM): 18% - 20%
## Second best nine months’ sales and earnings in SMA’s history

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>MW sold</td>
<td>5,361</td>
<td>5,738</td>
<td>1,966</td>
</tr>
<tr>
<td>Sales</td>
<td>1,192.2</td>
<td>1,442.5</td>
<td>559.5</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>339.2</td>
<td>553.9</td>
<td>198.2</td>
</tr>
<tr>
<td>as % of sales</td>
<td>28.5%</td>
<td>38.4%</td>
<td>35.4%</td>
</tr>
<tr>
<td>EBIT</td>
<td>178.3</td>
<td>418.2</td>
<td>120.8</td>
</tr>
<tr>
<td>as % of sales</td>
<td>15.0%</td>
<td>29.0%</td>
<td>21.6%</td>
</tr>
<tr>
<td>Net Profit</td>
<td>126.4</td>
<td>296.9</td>
<td>86.0</td>
</tr>
<tr>
<td>as % of sales</td>
<td>10.6%</td>
<td>20.6%</td>
<td>15.4%</td>
</tr>
<tr>
<td>EPS&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>3.64</td>
<td>8.56</td>
<td>2.48</td>
</tr>
</tbody>
</table>

Record year
2. Market –
Sudden decline in global demand is a completely new situation for the entire solar industry
The global solar market takes a break after years of impressive growth

<table>
<thead>
<tr>
<th>Market in GW</th>
<th>2010(^1)(^2)</th>
<th>2011</th>
<th>2012</th>
<th>Mid-term(^3)</th>
<th>Segments 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Residential</td>
</tr>
<tr>
<td>Germany</td>
<td>7.4</td>
<td>5.0</td>
<td>-</td>
<td>-</td>
<td>10%</td>
</tr>
<tr>
<td>Italy</td>
<td>6.0</td>
<td>5.0</td>
<td>-</td>
<td>-</td>
<td>10%</td>
</tr>
<tr>
<td>France</td>
<td>1.5</td>
<td>1.0</td>
<td>-</td>
<td>-</td>
<td>10%</td>
</tr>
<tr>
<td>North America</td>
<td>1.7</td>
<td>3.2</td>
<td>↑</td>
<td>↑</td>
<td>10%</td>
</tr>
<tr>
<td>Japan</td>
<td>1.5</td>
<td>1.5</td>
<td>↑</td>
<td>↑</td>
<td>10%</td>
</tr>
<tr>
<td>ROW</td>
<td>4.9</td>
<td>3.0 - 4.5</td>
<td>↑</td>
<td>↑</td>
<td>10%</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>19 - 21</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Change y-o-y  
+ 190%  - 20% / - 10%

The expected regional shift in demand will increase the number of mid-sized and large solar installations
In light of the inverter shortage in 2010 many players increased their production capacity.

The solar inverter market is driven by technology. Therefore, the low utilization rate of production plants will heat-up the shake out process in the solar inverter industry.

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**Production capacity**

- **Utilization rate**
  - c. 68%
  - c. 40%

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>34</td>
</tr>
<tr>
<td>2011</td>
<td>48</td>
</tr>
</tbody>
</table>

**Impact**

- Smaller inverter manufacturer cannot easily increase the utilization rate because they serve only selected regions / segments
- Low failure rates very much depend on mature production processes and advanced testing
- Cost advantages mainly derived from new technologies and global sourcing and to a lesser extent from production in low cost countries

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(1) In GW; SMA estimate
SMA gained back market share due to technological leading and reliable products

SMA again increased the inverter shipments in Q3 2011

SMA’s average selling price:  2010: 0.24 € / W²)  2011: 0.21 € / W³)

[1] Q1 – Q3 2010: 5.7 GW; Q1 – Q3 2011: 5.4 GW  
[2] Full year  
3. Equity Story –
Successful innovator; trusted services; high quality; global presence
SMA’s strong market position is the result of our strategic and operational excellence

**High customer proximity**

- Sales professionals in 19 markets
- Sunny Pro Club
- SMA Solar Academy

**Flexible production**

- Quick adjustment of production capacity
- Production sites in high volume markets
- Low risk due to production-to-order strategy
- Up to 80% of electronics production can be outsourced
- Fully automated and certified testing infrastructure

**Technology Leadership**

- Top efficiency with 99%
- Full product range for customized design
- Solutions for grid-management and energy storage

**Fast Service**

- More than 80 service stations and nearly 750 trained service professionals
- Innovative service products (e.g. up-time guarantee, warranty extension)
- Outstanding response time (90% accessibility of hotline within 1.5 minutes)

(1) C. 1,900 members worldwide
(2) C. 1,300 trainings worldwide
(3) Nearly 1:3 (LTM)
(4) E.g. Sunny Tripower 20000TL HE
SMA has a defined roadmap to reduce the specific costs of inverters by 50% until 2015

Selected innovations 2011

- **SUNNY TRIPOWER 20000TL**
  - High Efficiency
  - > 99% efficiency
  - > Lower specific price
  - > Available in Q4 2011

- **TL Grounding Solution**
  - > Higher system efficiency (up to +3%)
  - > Lower specific system costs due to transformerless technology

- **SUNNY BOY 240**
  - > High reliability
  - > Ease of installation
  - > Panel level monitoring
  - > Available in Q2 2012

Research & development focus

- > Analysis of those components that represent 80% of the material costs
- > Change of assembly and testing processes
- > Increase the speed of switching and thus reduce the size of windings
- > Highly integrated microelectronics
- > Reduction of housing size and packages

SMA’s Sunny Tripower, Sunny Boy TL and Sunny Boy HF already comply with the new German low voltage directive
High process maturity and long-term experience drive SMA’s outstanding quality level

**Testing Processes**

> Pre-Production testing in our self-developed test center
  > Accelerated life-time test
  > Fully automated simulation of different grid-situations

> Production testing
  > Taking samples during production
  > Continous test at the end of production (100% control)

> UL-Authorization / ISO 17025
  > Data Acceptance Programme (DAP)
  > Client Test Data Programme (CTDP)
  > Yearly audits

> SMA already invested nearly € 40 million in its testing infrastructure since 2006

**At SMA reproducible quality is not a coincidence**
4. Financials –
Second best nine months’ results in SMA’s history
Second best nine months’ sales in SMA’s history

Sales in €m

- 7,750 MW
- 5,738 MW
- 5,361 MW

Export ratio
- 2010: 44.9%
- Q1 - Q3 2010: 38.7%
- Q1 - Q3 2011: 53.4%

-17.4%
Strong increase in High Power Solutions sales due to successful market entry in USA and India

- More than 50% of gross sales were generated in Germany
- Top sellers are the Sunny Tripower 12000TL to 17000TL as well as Sunny Boy 3000TL to 5000TL
- Strong international markets in Q1-Q3 2011: Australia, Italy, Belgium and North America

- Top sellers were Sunny Central 800CP and Sunny Central 630HE
- More than 70% of gross sales revenues were generated abroad
- Promising project pipeline (e.g. 260 MW project in US)

- Sales are driven by long-term projects for modernisation of railway coaches especially in Europe
- Solid order backlog; first long-term projects

- Internal supplier for other SMA segments, in particular MPS

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### External Sales (€m)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 - Q3 2010</th>
<th>Q1 - Q3 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Railway Technology</td>
<td>184.2</td>
<td>321.1</td>
</tr>
<tr>
<td>Electronics Manufacturing</td>
<td>3.2</td>
<td>9.8</td>
</tr>
<tr>
<td>Medium Power Solutions (MPS)</td>
<td>1,237.3</td>
<td>837.2</td>
</tr>
<tr>
<td>High Power Solutions (HPS)</td>
<td>1,294.2</td>
<td>892.4</td>
</tr>
<tr>
<td>Total Sales (€m)</td>
<td>1,294.2</td>
<td>892.4</td>
</tr>
</tbody>
</table>

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(1) Incl. internal sales
Change in product mix is the key driver for gross margin development

**COGS**

1. Change in product mix in MPS segment impacts gross margin
2. The increase in COGS is partially compensated by the discontinuation of provisions
3. Material expenses accounted for 76%; personnel expenses for 16% and other expenses for 8%

**R&D expenses**

1. SMA will invest € 100 million in R&D in 2011 (incl. capitalized R&D projects)
2. More than 970 R&D employees strive to develop technology leading products
3. R&D focus is on reduction of inverters’ specific costs, reduction of Total Cost of Ownership and grid integration

**SGA expenses**

1. The increase of selling expenses in Q2 was due to the participation in the world’s largest trade fair “Intersolar”
2. In view of the increasing internationalization SMA created new structures abroad as well as in headquarters
3. Implementation of strategic projects and marketing initiatives as well as the one-off effect with the acquisition of dtw impacted SGA expenses

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(1) €m and as % of sales
(2) COGS: Cost of Goods Sold
(3) Without capitalized R&D projects
(4) SGA: Selling and general administrative expenses
High Power Solutions contributed nearly 40% to SMA’s earnings

EBIT and EBIT margin SMA Group\(^1\)\(^2\)

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT Margin</th>
<th>EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>26.9%</td>
<td>516.8</td>
</tr>
<tr>
<td>Q1 - Q3 2010</td>
<td>29.0%</td>
<td>418.2</td>
</tr>
<tr>
<td>Q1 - Q3 2011</td>
<td>15.0%</td>
<td>178.3</td>
</tr>
</tbody>
</table>

EBIT margin by segment

- **Medium Power Solutions**: Q1 – Q3 2010 10.1%, Q1 – Q3 2011 9.0%
- **High Power Solutions**: Q1 – Q3 2010 21.4%, Q1 – Q3 2011 21.2%
- **Railway Technology**: Q1 – Q3 2010 6.8%, Q1 – Q3 2011 8.9%
- **Electronics Manufacturing**: Q1 – Q3 2010 5.2%

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\(1\) In € million
\(2\) Dhw does not contribute to EBIT in Q3
SMA has a net cash position of € 338.2 million at the end of September 2011

Solid balance sheet structure with an equity ratio of nearly 57%
SMA will not deplete the full capital expenditure budget 2011\(^1\)

**Investments SMA group**

For 2012 SMA targets lower capital expenditures
SMA stabilized Net Working Capital compared to Q2 2011\(^1\) by improving the collection process

Net Working Capital\(^{2,3}\)

\[ \text{Finished goods} \quad 82.8 \]
\[ \text{Unfinished goods, work in progress} \quad 27.1 \]
\[ \text{Raw materials and consumables} \quad 205.7 \]
\[ \text{Trade Receivables} \quad 156.5 \]
\[ \text{Trade Payables} \quad -130.5 \]

\[ \text{Dec 31, 2010}^{4) } 284.6 \]
\[ \text{Sep 30, 2011}^{4) } 341.6 \]

\[ \text{as % of sales} \]
\[ \text{Finished goods} \quad 20.5\% \]
\[ \text{Unfinished goods, work in progress} \quad 7.4\% \]
\[ \text{Raw materials and consumables} \quad 60.2\% \]
\[ \text{Trade Receivables} \quad 46.3\% \]
\[ \text{Trade Payables} \quad -40.0\% \]

For 2011 SMA expects a Net Working Capital ratio between 18% and 20% as of sales

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\(1\) June 30, 2011: € 340.6 million
\(2\) Net Working Capital = Inventory + Trade Receivables – Trade Payables (no advanced payments included)
\(3\) Relating to the last twelve months (LTM)
\(4\) In € million
SMA generated a positive net cash flow from operating activities of € 104 millions in Q3 2011

<table>
<thead>
<tr>
<th>As of sales</th>
<th>2010</th>
<th>Q1 - Q3 2010</th>
<th>Q1 - Q3 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.1%</td>
<td>386.3</td>
<td>296.9</td>
<td>65.0</td>
</tr>
<tr>
<td>20.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SMA has invested € 57 million in Net Working Capital since the beginning of the year
5. Investment Highlights / Outlook –
Moderate growth in 2012; stagnation of demand cannot be ruled out
Investment Highlights – Well positioned in the solar market

Complete product portfolio

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

Rock solid

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>EBIT margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td>17.6% to 14.7%</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td>1,700 to 1,500</td>
</tr>
</tbody>
</table>

Technology leader

Present in 19 markets

Price per Watt (based on 100%)  Maximum inverter efficiency
SMA confirms the guidance for 2011\(^1\)

**Technology leadership**
Cost reduction, grid management

**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

For 2012 SMA expects a moderate growth of the solar market but cannot rule out that global demand will be affected by stagnation

\(^1\) As of September 19, 2011: Sales: € 1.5 to € 1.7 billion; EBIT: € 220 to € 300 million
Closing of dtw - acquisition took place on August 1, 2011

> In August and September 2011 dtw generated a net profit of € 3.8 million

> In corporate view due to elimination of intercompany profits dtw’s earnings were
  € 0.8 million in Q3 2011

> € 9.3 million of dtw net profit is recognized directly in equity (January to July 2011)

> Net outflow of funds from the acquisition amounted to € 23.0 million

> Integration of dtw and synchronization of development activities are proceeding as planned

> dtw is as flexible as SMA due to deployment of temporary employees

> Details of transaction are included in note 2 on page 44 of our Quarterly Financial Report
  January to September 2011

Overall, dtw will contribute between € 15 to € 20 million in earnings in 2011
Contacts and Financial Calendar

> Investor Relations Contact

Pierre-Pascal Urbon  Chief Financial Officer
Stephanie Kniep  Director Investor Relations
Julia Damm  Investor Relations Officer
Phone:  +49 – 561 – 9522 – 2222
Fax:  +49 – 561 – 9522 – 2223
E-Mail:  IR@SMA.de

> Financial Calendar  2012

November 23, 2011:  German Equity Forum
May 22, 2012  Annual General Meeting

Visit our IR website  http://www.ir.sma.de