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1. Executive Summary
By now 40% of revenues are derived from project business

> 2.5 GW inverter output sold (−38%)
> €462 million in sales due to a slow market development and accelerated price pressure (−45%)
> 67% (H1 2012: 54%) of sales outside Germany underpins SMA’s unique global footprint
> Adj. EBITDA\(^1\) of €29 million (H1 2012: €114) despite strong decline in sales; this equals 6% of sales (H1 2012: 14%)
> Net Working Capital ratio\(^2\) increased to 26% as of LTM sales due to international business and the integration of Zeversolar
> Net Capex amounted to €31 million (H1 2012: €59 million), including €12 million for capitalized R&D projects (H1 2012: €11 million)\(^3\)
> Solid balance sheet structure with equity ratio of 58% and net cash of €348 million

Positive Q2 result did not compensate negative Q1 result and one-offs for headcount adjustment.
### SMA confirms sales and earning guidance for 2013

<table>
<thead>
<tr>
<th></th>
<th>January – June 2012</th>
<th>January – June 2013</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>MW sold</td>
<td>4,029</td>
<td>2,505</td>
<td>-38 %</td>
</tr>
<tr>
<td>Sales</td>
<td>833.7</td>
<td>461.5</td>
<td>-45 %</td>
</tr>
<tr>
<td>Adj. EBITDA</td>
<td>114.2</td>
<td>29.2</td>
<td>-74 %</td>
</tr>
<tr>
<td>Net Income /-loss</td>
<td>59.4</td>
<td>-16.2</td>
<td>-127%</td>
</tr>
<tr>
<td>Net Capex</td>
<td>58.6</td>
<td>31.2</td>
<td>-47%</td>
</tr>
<tr>
<td>Adj. Free Cash Flow</td>
<td>-44.3</td>
<td>-25.9</td>
<td>41%</td>
</tr>
<tr>
<td>Net Cash</td>
<td>387.7</td>
<td>348.2</td>
<td>-10%</td>
</tr>
<tr>
<td>NWC ratio</td>
<td>19.4%</td>
<td>26.1%</td>
<td></td>
</tr>
</tbody>
</table>

**Improved cash flow profile in Q2 2013 (Q1 2013: €-21 million; Q2 2013: €-5 million).**

1. SMA confirms sales and earning guidance for 2013:
   - Sales 2013: €0.9 - €1.3 billion, EBIT 2013: break even in best case before restructuring charges
   - H1 2013: Before accruals for personnel restructuring charges of €15 million
   - Before time deposits and acquisition of Zeversolar
2. Highlights
High price pressure and a regional shift affect the market development

Global PV Inverter Market

- 2012: 31 GW, €5.3 bn
- 2013: 29-34 GW, €4.4 bn

Regions

- Germany
- Americas
- Rest of Europe
- China
- Japan
- Rest of the World (ROW)

SMA management expects longer lasting consolidation in the industry.
SMA Smart Home for more independence

Customer benefits

> Easy to use – the Sunny Home Manager can be accessed via PC or smart phone, whether at home or on the move

> Intelligent planning for automatic load control – using local weather forecasts to predict PV power generation

> Storage integration – through the integration of battery storage into the intelligent energy management, self-consumption can be maximized

> Future-proof – to enable seamless integration of various components in the intelligent energy management system, SMA works closely with renowned manufacturers
A turnkey solution for utility-scale projects

SMA Compact MV Power Platform

Customer benefits

> Cost-effective, integrated turnkey solution (2 Sunny Central CP-US inverters, Transformers and 2 DC Disconnect Units) with best-in-class system efficiencies

> Forced air cooling to reduce the number of components and minimize maintenance efforts in harsh environments

> Preconfigured system simplifies the project planning and delivery
SMA’s innovation unmet in the U.S.

**Product innovations**

**Sunny Boy US**

for residential PV systems

**Sunny Tripower US**

for mid to large-scale decentralized PV systems

**Customer benefits**

> Unique Secure Power Supply provides daytime power even in the event of a grid outage

> Flexible - two MPP\(^1\) trackers provide numerous design options and increase system efficiency

> Lower levelized cost of energy due to high maximum system voltage (Sunny Boy: 600 V DC; Sunny Tripower: 600 V DC - 1,000 V DC)

> Integration of Webconnect to allow direct connection to Sunny Portal

> Integrated arc fault circuit interrupter (AFCI) to avoid additional installation costs

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\(^1\) MPP: Maximum Power Point - to always achieve the maximum performance from the solar modules despite different radiation levels
3. Strategy
SMA’s strategy targets new business opportunities and sustainable cost savings

**Innovation Leadership**
- **New Markets**
  - Energy Management Systems
  - PV Diesel Hybrid Systems
- **New Customers**
  - Service Customers
  - Regional Utilities
- **New Offers**
  - Skid Solution
  - Operational Management

**Cost Reduction**
- **New Products**
  - Platforms and Solutions (SMA)
  - Simple and Reliable Products (Zegersolar)
- **Adjustment of Organization**
  - Headquarters
  - Subsidiaries
- **Increase of productivity**
  - Lean Management
  - Cost-out-Programs

**Internationalization**
- **New SMA Subsidiaries**
  - South Africa
  - Chile
  - Middle East
- **Go-to-market**
  - Strategy for China

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SMA is the specialist for system technology and number 1 player in the solar industry.
4. Financials
Strong U.S. business could not compensate weak demand in European markets

SMA has reached H1 2013 target

International share 56.3% 53.7% 67.4%

Sales of approx. €450 – €490 million
MPS affected by changes in European market environment

<table>
<thead>
<tr>
<th>Medium Power Solutions</th>
<th>Power Plant Solutions</th>
<th>Service</th>
<th>Railway Technology</th>
<th>Zeversolar</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>External Sales (€m)</strong></td>
<td><strong>H1 2012</strong></td>
<td><strong>H1 2013</strong></td>
<td><strong>H1 2012</strong></td>
<td><strong>H1 2013</strong></td>
</tr>
<tr>
<td><strong>Total Sales (€m)</strong></td>
<td>615</td>
<td>254</td>
<td>195</td>
<td>177</td>
</tr>
</tbody>
</table>

- **-59%**
- **-9%**
- **+48%**
- **-5%**

6 months - Highlights

- **H1 2013** sales figures were impacted by subsidy cuts
- Key sales drivers were the Sunny Tripower as well as Sunny Boy
- Important international markets were the U.S., Australia and Netherlands
- dtw and Off-Grid Solutions are part of MPS

**SMA** is a bankable and trustworthy partner for utility-scale PV projects

- SMA offers turn-key solution from the DC feeders to the medium voltage collection loop
- PPS benefitted from strong foreign business
- Most important markets were North America, Japan and Thailand

- Commissioning of solar plants, repair and maintenance contracts were main sales drivers
- Most important markets were European PV-markets, U.S. and Thailand
- Railway Technology increased its global footprint with a subsidiary in Brazil
- Most important markets were Europe and Brazil
- Business in China started slowly in H1 2013
- Sales were almost exclusively generated within China
Cost out measures of €70 million within the first six months

**COGS\(^1,2\)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>H1 2012</th>
<th>H1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € million</td>
<td>1,120</td>
<td>629</td>
<td>371</td>
</tr>
<tr>
<td>%</td>
<td>76.5%</td>
<td>75.5%</td>
<td>80.4%</td>
</tr>
</tbody>
</table>

**R&D expenses\(^1\)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>H1 2012</th>
<th>H1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € million</td>
<td>87.9</td>
<td>44.2</td>
<td>37.7</td>
</tr>
<tr>
<td>%</td>
<td>6.0%</td>
<td>5.3%</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

**SGA expenses\(^1,3\)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>H1 2012</th>
<th>H1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € million</td>
<td>143.3</td>
<td>74.5</td>
<td>65.9</td>
</tr>
<tr>
<td>%</td>
<td>9.8%</td>
<td>8.9%</td>
<td>14.3%</td>
</tr>
</tbody>
</table>

- SMA invested €49.7 million in R&D in H1 2013 (incl. capitalized R&D projects)
- SMA further expanded development cooperations and intensified the measures to protect intellectual property
- Zeversolar concentrates on cost down and quality improvements as well as cost initiatives for SMA
- Reduction in R&D expenses result of a decrease in personnel expenses (Bonus for employees and reduced head counts) and other expenses

**Notes:**

1. € million and as % of sales
2. COGS: Cost of Goods Sold
3. SGA: Selling and general administrative expenses
Positive Q2 result did not compensate negative Q1 result and one-offs for headcount adjustments

The Medium Power Solutions division experienced a harsh decline in profitability due to a much slower business and price erosion.

1. H1 2013: Adjusted figures for EBIT and EBIT margin do not include accruals for personnel restructuring charges of €1.5 million
2. Zeversolar: acquired in 03/2013 - EBIT margin of Zeversolar will be shown later in 2013
SMA is a bankable partner with an equity ratio of 58%.

Net cash amounted to €348.2 million at the end of June 2013.
Net Working Capital ratio\(^1\) of 26.1% mainly due to the acquisition of Zeversolar

Net Working Capital\(^2\)

<table>
<thead>
<tr>
<th></th>
<th>€ million</th>
<th>as % of sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finished goods</td>
<td>65</td>
<td>18.3%</td>
</tr>
<tr>
<td>Unfinished goods, work in progress</td>
<td>27</td>
<td>8.9%</td>
</tr>
<tr>
<td>Raw materials and consumables</td>
<td>129</td>
<td>47.7%</td>
</tr>
<tr>
<td>Trade Receivables</td>
<td>119</td>
<td>39.4%</td>
</tr>
<tr>
<td>Trade Payables</td>
<td>27</td>
<td>10.6%</td>
</tr>
<tr>
<td>December 31, 2012</td>
<td>268</td>
<td></td>
</tr>
<tr>
<td>June 30, 2013</td>
<td>285</td>
<td></td>
</tr>
</tbody>
</table>

\(\text{Net Working Capital} = \text{Inventory} + \text{Trade Receivables} - \text{Trade Payables} \text{ (no advanced payments included)}\)

In 2013 SMA targets to drive down raw materials and finished goods.

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1. New Management guidance for NWC 2013: 22% to 26% as of LTM sales
2. Net Working Capital = Inventory + Trade Receivables – Trade Payables (no advanced payments included)
SMA improved its cash flow profile

<table>
<thead>
<tr>
<th></th>
<th>H1 2012¹</th>
<th>H1 2013¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Cash Flow</td>
<td>+104</td>
<td>+21</td>
</tr>
<tr>
<td>Cash Flow from Operating Activities</td>
<td>+14</td>
<td>+5</td>
</tr>
<tr>
<td>Net Capex²</td>
<td>-59</td>
<td>-31</td>
</tr>
<tr>
<td>Free Cash Flow (Adj.)</td>
<td>-44</td>
<td>-26</td>
</tr>
<tr>
<td>Acquisition³</td>
<td>0</td>
<td>-22</td>
</tr>
<tr>
<td>Net investments from securities and other financial assets</td>
<td>1</td>
<td>+66</td>
</tr>
<tr>
<td>Free Cash Flow (IFRS)</td>
<td>-43</td>
<td>+18</td>
</tr>
</tbody>
</table>

¹ In € million, H1 2012: with rounding difference
² Reduction in Capex due to no additional construction projects
³ Acquisition of Zeversolar
5. Outlook & Summary
SMA confirms its full year guidance 2013 before restructuring charges

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1 2013</td>
<td>Q2 2013</td>
</tr>
<tr>
<td>Sales</td>
<td>212</td>
<td>249</td>
</tr>
<tr>
<td>International Share</td>
<td>68%</td>
<td>67%</td>
</tr>
<tr>
<td>Adj. EBITDA²</td>
<td>9</td>
<td>20</td>
</tr>
<tr>
<td>Net CapEx³</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>NWC-Ratio⁴</td>
<td>23%</td>
<td>26%</td>
</tr>
<tr>
<td>Adj. Free Cash Flow⁵</td>
<td>-21</td>
<td>-5</td>
</tr>
</tbody>
</table>

As a world market leader SMA depends on the market development.

1. 2HY 2013 trend refers to the first six months of 2013
2. 1HY 2013 figure without accruals for personnel restructuring charges
3. Without capitalized R+D projects
4. As of last twelve months sales
5. Before acquisition and Net investments from securities
SMA is a specialist for system technology

SMA is the number 1 player in the solar inverter industry.

- SMA has the competence to equip the world’s largest PV projects with inverter technology
- SMA sets the pace for intelligent energy management systems for residential applications
- SMA’s swift and professional service is unmet in the solar industry
- SMA is a true global player
- With the majority stake in Zeversolar, SMA has access to the Chinese solar market
- SMA is highly flexible and has proven its ability to cope with rapid changes over the last years
6. Appendix
Complexity of liquid cooling concepts

- Liquid cooling needs additional components – without getting rid of air cooling components like fans.
- Difficult interior cooling: same temperature difference of e.g. 15°C has to serve for 2 transfers between heat carriers (air-liquid-air) compared to only 1 (air-air) with air cooling.

**Diagram:**
- **Full heat dissipation by air-liquid heat exchanger**
- **Ca. 1/4 heat emission by interior components**
- **Ca. 1/4 heat emission by choke**
- **Ca. 1/2 heat emission by power electronics + cooling by forced airflow**
- **Pump, fluid reservoir etc**
- **1/2 heat dissipation by interior liquid-air heat exchanger**
- **1/2 heat emission by interior components**
- **Ca. 1/4 heat emission by choke**
- **50°C fan**
- **65°C fan**

**Notes:**
- Typical forced air cooling concept
- Typical liquid cooling concept
SMA’s innovation strategy secures high return on investment for our customers

**Key MPS project in Germany**

> 16,000 kWh of electricity generated every year (in Gerichstetten)

> Complex interaction between Sunny Tripower 15000TL, Sunny Boy 5000TL, Sunny Island 6.0H, Sunny Home Manager and batteries of German manufacturer Hoppecke

> Intelligent interaction between all components through SMA technology

**Key PPS project in the U.S.**

> With 9.5 MW nominal power the largest solar project in Tennessee (in Chattanooga)

> Largest Solar Park of the Volkswagen brand

> 5 MV Power Platforms with 10 SMA Sunny Central 760 CP

> Annual yield of 13,100 MWh

> Solar plant will contribute 12.5% of manufacturing facility’s energy needs during full production times; 100% in non-production periods
Photovoltaics are already an economic energy source in many countries

**HES project in South Africa**

- First off-grid solar diesel hybrid power plant generating power in the megawatt range in Thabazimbi, South Africa with inverters and intelligent system management from SMA
- 63 Sunny Tripower inverters
- Has been complementing the diesel energy supply of a chrome ore mine since November 2012 with a yearly yield of up to 1.8 GWh of solar energy

**Key Service project in Germany**

- 50.2 Hz modification in compliance with the system stability act
- Goal: Ensure grid stability for all current consumers
- Approx. 120 utility companies are SMA customers
- Cooperation with 100 installation companies that retrofit on behalf of SMA
Energy that Changes