



SMA Solar Technology AG – Press Release

## **SMA Taps Fast-Growing Chinese Photovoltaic Market through Majority Shareholding in Zegersolar**

**Niestetal/Shanghai, December 20, 2012 – Today SMA Solar Technology AG (SMA/FWB: S92) concluded a contract in Shanghai about the acquisition of a majority stake of 72.5 percent in Jiangsu Zegersolar New Energy Co., Ltd., a leading inverter manufacturer in China. Zegersolar offers products specially tailored to the requirements of the Chinese photovoltaic market. With this joint venture, SMA is securing access to the growing Chinese market and is strategically consolidating its position as global market leader.**

“Over the next few years, China will become the largest photovoltaic market worldwide. Up to now, we did not have access to this market due to local particularities. For this reason, our majority shareholding in Zegersolar is strategically highly relevant for us. We are taking advantage of this historic chance to successfully anchor SMA in a young growth market and to further establish our position as global market leader,” says SMA Speaker of the Managing Board, Pierre-Pascal Urbon. He also emphasizes the positive effects resulting from the transaction: “Through this transaction, SMA can open up the procurement channels in China more quickly than planned and, thus, advance ongoing cost-reduction measures at a faster rate.”

SMA plans to use the joint venture primarily to aid comprehensive operation in the Chinese market. Through this transaction SMA can optimally meet local requirements. “With this joint venture SMA is gaining access to products specifically tailored to the unique needs of the Chinese market. As a leading manufacturer in China, Zegersolar is also in contact with the prevailing customers and decision-makers in the energy industry. We will be serving the Chinese market via the modern production site in Yangzhong and are also in a position to quickly increase capacity through already established processes,” says Pierre-Pascal Urbon. It has always been SMA’s philosophy to carry out production locally should it be required by the conditions on-site. “Accordingly, we set up production sites in North America early on to establish our market leadership in the region,” explains Pierre-Pascal Urbon.

Chief Executive Officer at Zegersolar, Chen Yulong, is also very pleased with the signing of the contract: “We have managed to successfully position Zegersolar in the Chinese market over the course of several years. With this joint venture, we are creating a stable future for the company and will be able to implement our growth plans even faster. With SMA’s experience added to our roster, we will be able to advise our Chinese customers in the energy industry when it comes to the ever more important question of grid integration and, thus, set ourselves apart from our competitors. We are very happy that our management board stands in full support of the transaction and will play a major role in the further development of Zegersolar,” says Chen Yulong.



Zeversolar's enterprise value based on SMA's stake of 72,5 percent is CNY 319 million (approx. €40 million) from which net liabilities are deducted in order to determine the purchase price. The purchase is financed with cash on hand. The economic start of the joint venture is planned for January 1, 2013. The transaction is still subject to approval by Chinese government authorities and the responsible anti-trust offices. E. J. McKay acted as the financial advisor, CMS as the legal advisor, and Deloitte & Touche as the financial and tax due diligence consultant to SMA; Zhenghan acted as the legal advisor to Zeversolar.

### **About SMA**

The SMA Group generated sales of €1.7 billion in 2011 and is the global market leader for solar inverters, a key component of all PV plants and, as an energy management group, offers innovative key technologies for future power supply structures. It is headquartered in Niestetal, near Kassel, Germany, and is represented in 21 countries on six continents. The Group employs more than 5,500 people worldwide, plus a number of temporary employees that varies on a seasonal basis. SMA's broad product portfolio includes a compatible inverter for every type of module on the market and for all plant sizes, as well as monitoring and energy management systems. The product range includes both inverters for photovoltaic plants connected to the grid as well as inverters for off-grid systems. SMA is therefore able to provide ideal technical inverter solutions for all plant sizes and types. Since 2008, the Group's parent company, SMA Solar Technology AG, has been listed on the Prime Standard of the Frankfurt Stock Exchange (S92) and also in the TecDAX index. In recent years, SMA has received numerous awards for excellence as an employer and achieved first place in the nationwide "Great Place to Work®" competition in 2011 and 2012.

### **About Zeversolar**

Jiangsu Zeversolar New Energy Co., Ltd. emerged in 2011 as the result of a merger between "Jiangsu Eversolar New Energy Co., Ltd." and "Jiangsu ZOF New Energy Co., Ltd." The company, located in Suzhou (Jiangsu province), develops, produces and sells PV inverters. It offers a range of products from residential PV systems all the way to PV power plants in the megawatts. The ISO 9001:2008 certified company carries out production in Yangzhong (Jiangsu province), has research and development facilities in Suzhou and Shanghai and also has six sales and service branches in China. Zeversolar also has subsidiaries in Australia and Germany. Zeversolar currently employs more than 450 employees worldwide, including about 150 working in development. In 2011, Zeversolar achieved sales of CNY approx. 250 million and sold 215 MW of inverter power, making them one of the leading PV inverter manufacturers in China.



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