



Press Release

SMA Solar Technology AG

## **SMA Solar Technology AG: Managing Board confirms forecast for the year 2011 despite weak first quarter**

- Q1 sales of € 255.9 million exceeded forecast
- EBIT of € 13.7 million slightly above expectations
- High export ratio of 66.4 percent emphasizes strong international presence
- More than 1 GW inverter output sold
- Lower demand in the first quarter, particularly due to high inventory levels and insecurity regarding national incentive programs

Niestetal, May 13, 2011 - SMA Solar Technology AG (SMA/FWB: S92) adheres to its sales and earnings forecast for 2011 despite declining business figures in the first quarter. Sales of € 255.9 million in the first three months of this year exceeded the company's forecast, but remained below the previous year's figure (Q1 2010: € 339.3 million). Customers' continued high inventory levels, changes in incentive programs of important European solar markets and the expectation of further falling module prices led to a decline in demand for solar inverters in the reporting period.

"We almost doubled our export ratio compared to the same quarter of the previous year. This underlines both our strong international presence with 17 foreign companies on four continents and the dynamic developments in several particularly promising photovoltaic markets," explains Günther Cramer, chief executive officer of SMA Solar Technology AG. The export ratio in the first quarter was 66.4 percent (Q1 2010: € 38.8 percent). The most important foreign markets included Italy, North America, Australia and France.

In the first three months of 2011, SMA sold photovoltaic inverters with a total capacity of 1,019 MW (Q1 2010: 1,288 MW). One of the most successful products was the award-winning, three-phase Sunny Tripower inverter. "The overwhelming response to the Sunny Tripower again provides proof of the decisive technological edge of SMA," emphasizes Cramer. "We will expand that even further in 2011 with a development budget of € 100 million."



Although sales almost halved compared to the fourth quarter of 2010, SMA closed the first quarter 2011 with earnings before interest and taxes (EBIT) of € 13.7 million (Q1 2010: € 92.4 million), owing to its high level of flexibility. This corresponds to an EBIT margin of 5.4 percent. Consolidated net profit was € 10.3 million (Q1 2010: € 66.6 million) and the earnings per share amounted to € 0.30 (Q1 2010: € 1.92).

SMA's net cash fell to € 462.0 million in the first quarter (Dec. 31, 2010: € 523.4 million), primarily due to the weak development of business and the change in net working capital. SMA still has a solid balance sheet structure with an equity ratio of 57.5 percent.

As of March 31, 2011, net working capital rose to € 314.9 million (Dec. 31, 2010: € 284.6 million) and amounted to 17.1 percent of sales over the last twelve months. Accordingly, the ratio was below the corridor of 18 to 20 percent, which was expected by management. The increase in net working capital is attributable to the planned increase in inventories of raw materials, consumables and supplies as well as the business-related increase in inventories of finished goods.

The demand for SMA products rose slightly at the beginning of the second quarter. Significant sales boosts continue to come from the foreign markets. The Managing Board of SMA expects that the second half of the year will see distinctly more dynamic development than the first six months and predicts sales of between € 1.5 billion and € 1.9 billion for the year 2011, with a profit margin of 21 to 25 percent.

With an intensified expansion of renewable energies, system technology in photovoltaics will have special significance. SMA makes use of identified opportunities; such as through innovative approaches for grid integration and optimization of self-consumption. In addition, the company will increase its proximity to customers worldwide by expanding the existing sales and service companies and by establishing new companies in Japan and Thailand.

The quarterly financial report from January to March 2011 is available at [www.SMA.de/IR/FinancialReports](http://www.SMA.de/IR/FinancialReports).

## **About SMA**

The SMA Group generated sales of EUR 1.9 billion in 2010 and is the worldwide market leader for photovoltaic inverters, a key component of all solar power plants. It is headquartered in Niestetal,



near Kassel, Germany, and is represented on four continents by 17 foreign companies. In 2010, the Group employed a staff of over 5,000 (incl. temporary employees). SMA's product portfolio includes the most comprehensive range of inverters on the market, offering a compatible inverter for every module type and for all plant sizes. The product range covers both inverters for photovoltaic plants connected to the grid as well as inverters for off-grid systems. 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 its excellence as an employer and lately reached first place in the federal "Great Place to Work" competition.

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