



SMA Solar Technology – AG Press Release

SMA Solar Technology AG Generates a Break-Even Result Before One-Time Items in Q2 2013

Overview of H1 2013:

- **2.5 gigawatts of inverter output sold (Q1–Q2 2012: 4.0 GW)**
- **Sales in line with forecast at €461.5 million (Q1–Q2 2012: €833.7 million)**
- **International share rose to 67.4% (Q1–Q2 2012: 53.7%)**
- **Positive earnings before interest, taxes, depreciation and amortization (EBITDA) of €14.2 million (Q1–Q2 2012: €114.2 million) affected by one-time items from personnel adjustments of €15.0 million**
- **Net cash of €348.2 million (Dec. 31, 2012: €446.3 million) and equity ratio of 58.3% (Dec. 31, 2012: 61.8%)**
- **Managing Board confirms sales and earnings forecast for fiscal year 2013**

Niestetal, August 8, 2013 – In the first half of 2013, SMA Solar Technology AG (SMA/FWB: S92) sold PV inverters with an output of 2.5 gigawatts (Q1–Q2 2012: 4.0 GW) in a market environment characterized by increasing competitive pressure and a considerable price slump. Sales decreased by 45% compared with the same period of the previous year to €461.5 million (Q1–Q2 2012: €833.7 million). The international share of total sales, which increased to 67.4% from 53.7% (Q1–Q2 2012), reflects SMA's outstanding international position with excellent sales and service structures and a full range of products. The most important foreign markets in the first half of the year included the U.S., Japan, Australia and Thailand. In Europe, the Eastern European markets, Benelux and Great Britain offered positive stimuli. However, overall demand continued to lag substantially in Europe due to dramatic changes to the subsidy conditions, in particular in Germany and Italy, the unresolved financial crisis and the possible introduction of punitive duties on Chinese PV modules.

Despite the sharp decline in sales, SMA succeeded in generating positive earnings before interest, taxes, depreciation and amortization (EBITDA) of €14.2 million in the reporting period (Q1–Q2 2012: €114.2 million). EBIT was at €-23.3 million in the first half of 2013 (Q1–Q2 2012: €83.7 million). EBIT includes expenses for personnel adjustments of €15.0 million. This corresponds to an EBIT margin of -5% (Q1–Q2 2012: 10%). The ongoing efforts to reduce costs and increase productivity made a positive impact in the second quarter of 2013. EBIT adjusted for expenses for personnel adjustments increased in comparison to the first three months of the fiscal year to €0.2 million. However, this was not sufficient to compensate for the earnings slump in the first quarter of 2013 and the one-time items of the planned personnel changes. The group earnings amounted to €-16.2 million in the reporting period (Q1–Q2 2012: €59.4 million). The considerable decline in operating profit compared with the same reporting period



of the previous year is attributable in particular to the sharp drop in sales, the decline in prices and one-time items of the planned personnel adjustments.

With net cash of €348.2 million (Dec. 31, 2012: €446.3 million) and an equity ratio of 58.3% (Dec. 31, 2012: 61.8%), SMA continues to have a solid financial position.

"SMA will continue to invest in technology development to further lower manufacturing costs with entirely new product platforms. We will also pursue our globalization strategy to benefit from demand stimuli in photovoltaic markets outside Europe through a strong local presence. The slump in demand in Europe forces additional cost cutting measures and an adjustment to the personnel structures. By implementing the different measures, we will sustainably improve our competitiveness. In the medium-term, as a specialist for system technology SMA is set to benefit from the trend toward energy management, construction of PV power plants and the supplementation of stationary diesel gensets with PV systems," explains SMA Chief Executive Officer Pierre-Pascal Urbon.

The SMA Managing Board is adhering to its sales and earnings forecast for 2013. This forecast calls for sales of €0.9 billion to €1.3 billion for the SMA Group. With regard to the operating result adjusted for one-time items of the planned staff reduction, the SMA Managing Board expects to break even, at best, but cannot rule out making a loss.

The half-yearly financial report for January to June 2013 is available at www.SMA.de/IR/FinancialReports.

About SMA

The SMA Group generated sales of €1.5 billion in 2012 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 internationally in 21 countries. The Group employs more than 5,000 people worldwide. SMA's broad product portfolio includes a compatible inverter for every type of module on the market and for all plant sizes. 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 and fourth place in 2013.



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