



SMA Solar Technology AG
Analyst / Investor Presentation
Financial Results 2009

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1. Highlights





2009 was SMA's most successful year

- > Sales of € 934 million exceeded management guidance¹⁾
- > Outstanding profitability with an EBIT-margin of 24.4 %²⁾
- > 3.4 GW sold inverter power due to SMA's unique flexibility³⁾
- > Increased market share to more than 40 %⁴⁾

▶▶ The proposed dividend of € 1.30 / share represents an increase of 30 % compared to 2008

(1) SMA's guidance (February 23, 2010): Sales of € 1.1 to 1.3 bn, EBIT-margin 20 - 23 %

(2) EBIT-Margin 2008: 24,6 %

(3) 2008: 2.2 GW sold

(4) SMA's market share 2008: c. 38 %



SMA is rock solid

	<u>Full Year¹⁾</u>		<u>2009¹⁾</u>			
	<u>2008</u>	<u>2009</u>	Q1	Q2	Q3	Q4
MW sold	2,180	3,381	243	549	1,174	1,415
Sales	682	934	87	160	312	375
EBIT	167	228	6	29	86	107
as of sales	25 %	24 %	7 %	18 %	28 %	29 %
Net Income	120	161	6	20	60	75
as of sales	18 %	24 %	6 %	13 %	19 %	20 %
Net Cash ²⁾	240	345	200	159	233	345
NWC-Ratio ³⁾	11 %	11 %	14 %	17 %	19 %	11 %
Export-Ratio	42 %	38 %	53 %	38 %	33 %	38 %

▶▶ SMA has no refinancing needs

(1) IFRS; all figures in €m;
 (2) Cash, Cash Equivalents, Government/Treasury Bonds - Financial Liabilities (long-term & short-term lease liabilities); As of Dec. 31; Net IPO proceeds amounted to € 121.9 m.
 (3) Inventories + Trade Receivables - Trade Payables. As of Dec. 31



SMA experienced a record first quarter

- > Strong demand for SMA products in Q1/2010
- > Some of the delivered SMA inverters were not installed due to the strong winter in January and February
- > SMA has increased its total annual production capacity to 11 GW to meet with peak demands
- > SMA's speed of growth is linked to the supply of electronic components and semiconductors
- > The electronic and semiconductor industry is currently not able to serve the additional demand

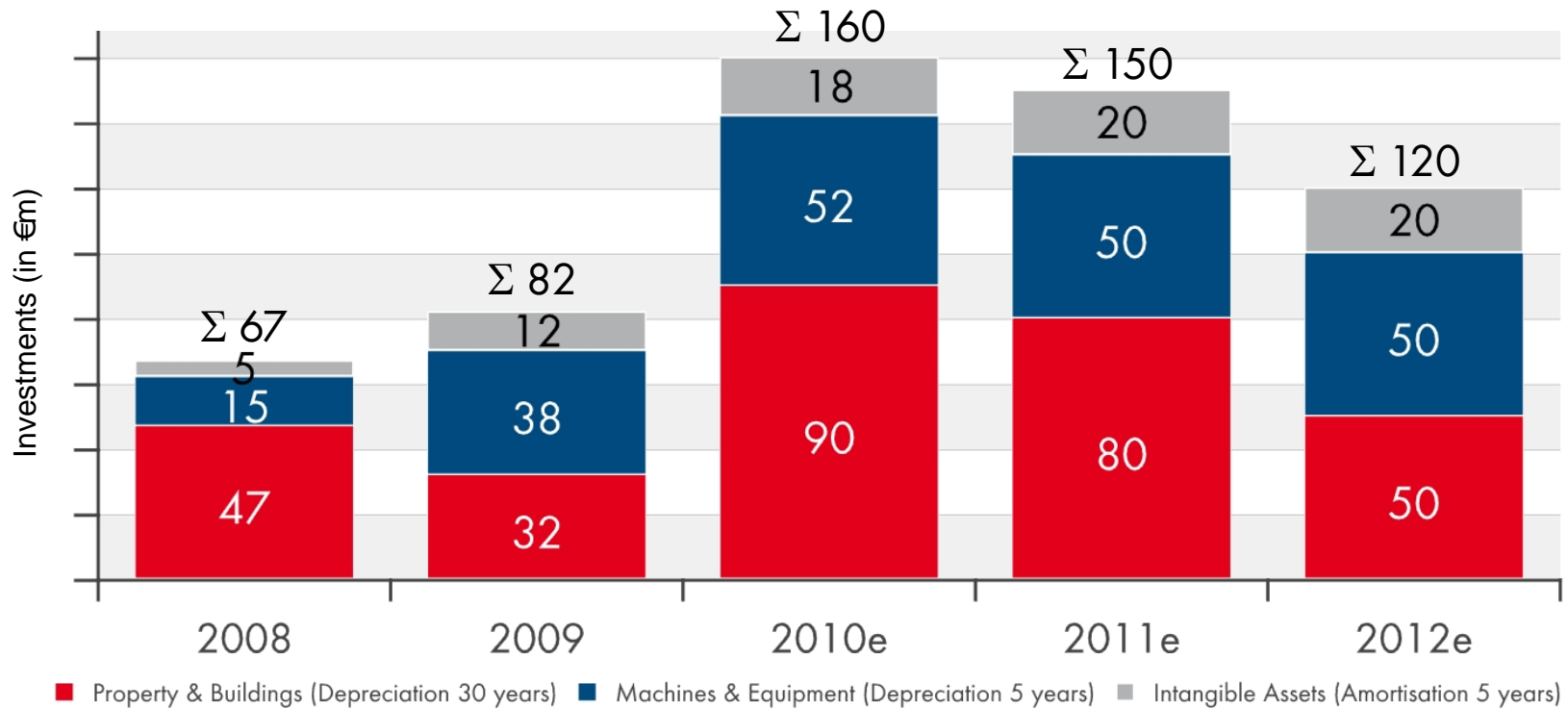
▶▶ SMA expects sales of between € 310 to 330 million in Q1/2010



With a market share of > 40 %, SMA is directly exposed to the PV-world market demand

- > SMA expects a PV world-market of 9 to 11 GW in 2010
 - > Management expects to maintain or slightly increase its market share
 - > SMA plans to generate sales between € 1.1 and € 1.3 bn.
 - > Management has targeted an EBIT-margin between 20 and 23 %
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- ▶▶ The growth of the PV industry is currently limited by the availability of solar inverters

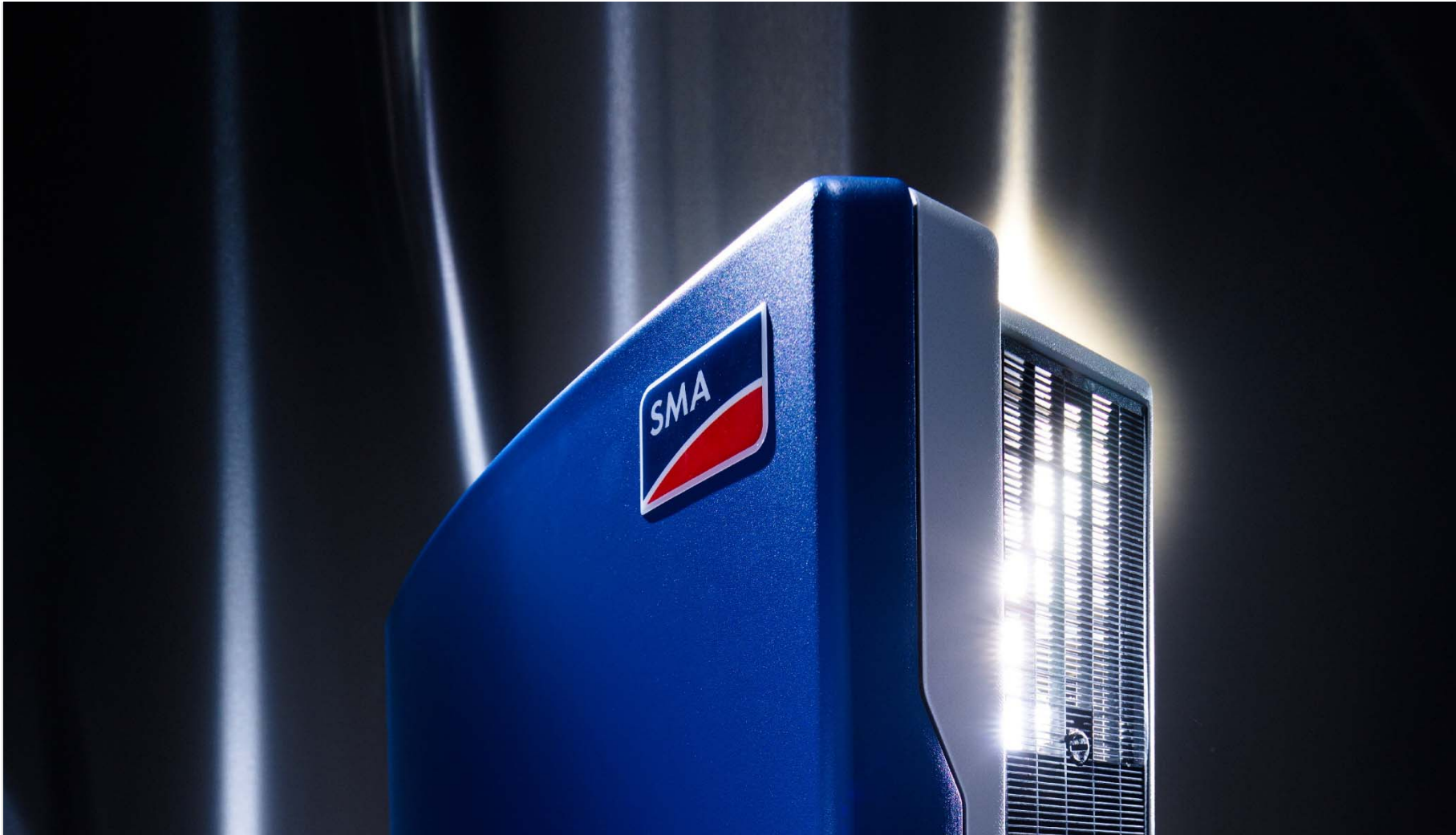
The solar century has just begun – SMA will therefore invest in its infrastructure



▶▶ SMA has sufficient cash flow and liquid funds to finance expansion



2. Market





Germany will remain the largest PV market in 2010

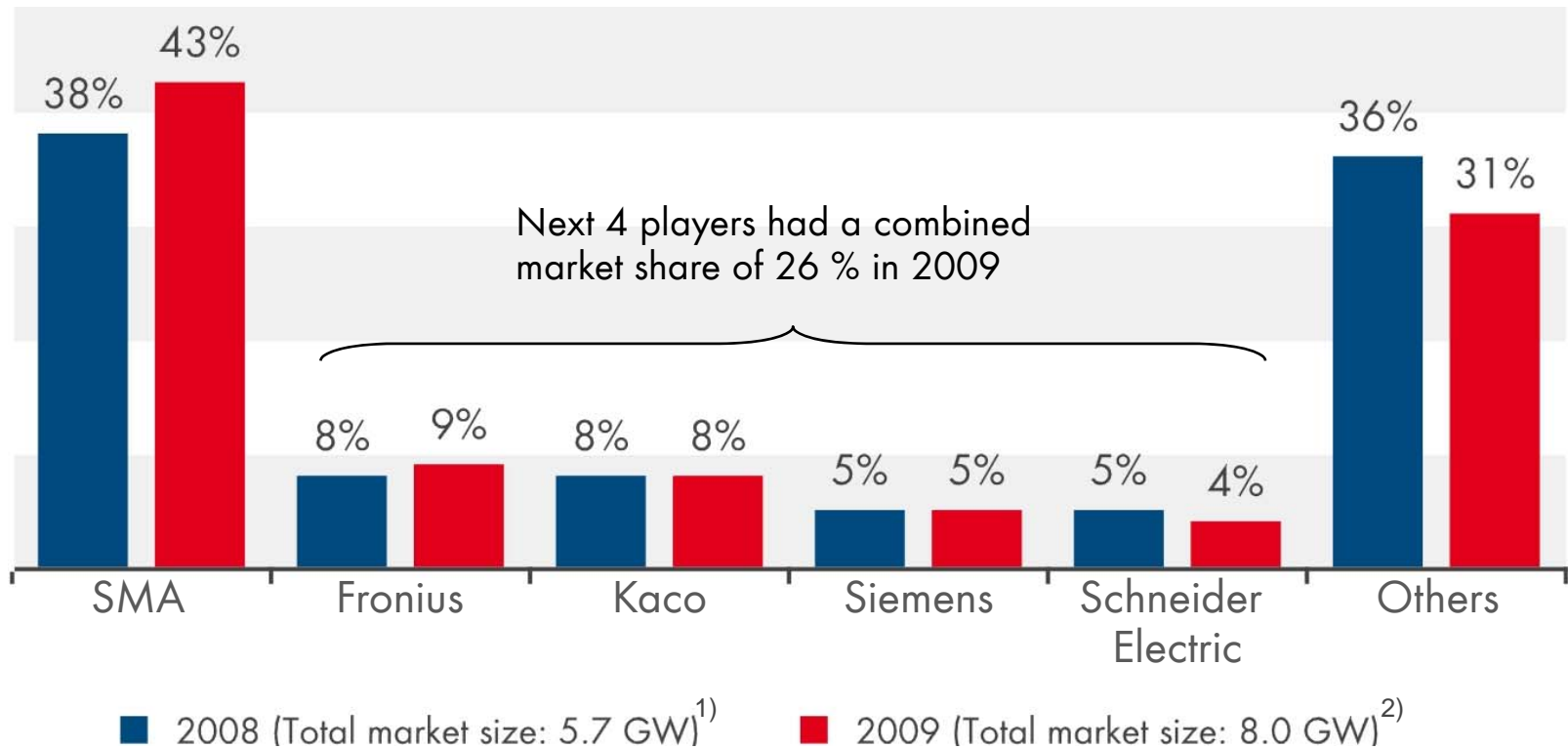
Markets	Estimated Vol. 2009 in MW ⁽¹⁾	Estimated Market Segmentation in 2009 ⁽¹⁾			Estimated Market Growth 2010 ⁽¹⁾
		Res.	Comm.	Indust.	
Germany	>3,000				↗
North America	650				↑
Italy	500				↑
France	400				↑
Czech Republic	400				↑
Rest of World	>2,050				↗
Total	7,000 to 8,000				↗

▶▶ SMA estimates a world market size of 9 to 11 GW in 2010

(1) SMA estimates



Due to its unique positioning, SMA outperformed the market



▶▶ The PV-inverter market has high market-entry barriers (e.g. product range, innovation rate, service, global customer access, flexibility)

(1) Market share based on companies' sold MW production (Sonne Wind & Wärme, SMA estimates) in relation to PV-market size of 5,750 MW (BSW, 2/2009)
 (2) Market share based on companies' sold MW production (Photon, Photovoltaik, SMA estimates) in relation to PV-market size of 8,000 MW (SMA estimates)

3. Technology Leadership





SMA is the true innovation leader in inverter technology

Product highlights 2009

SUNNY CENTRAL
630HE



SUNNY BOY
3000HF



SUNNY
Tripower



BLUETOOTH®
Communication



SUNNY BOY
8000US



SUNNY CENTRAL
500U



▶▶ Only new technologies drive price reductions



SMA's strength in innovation is accredited by professionals



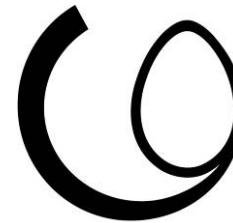
Intersolar AWARD
Sunny Boy 5000TL



product
design
award

2008 ■

Product Design Award
Sunny Boy 4000TL



DESIGNPREIS
2009

NOMINIERT

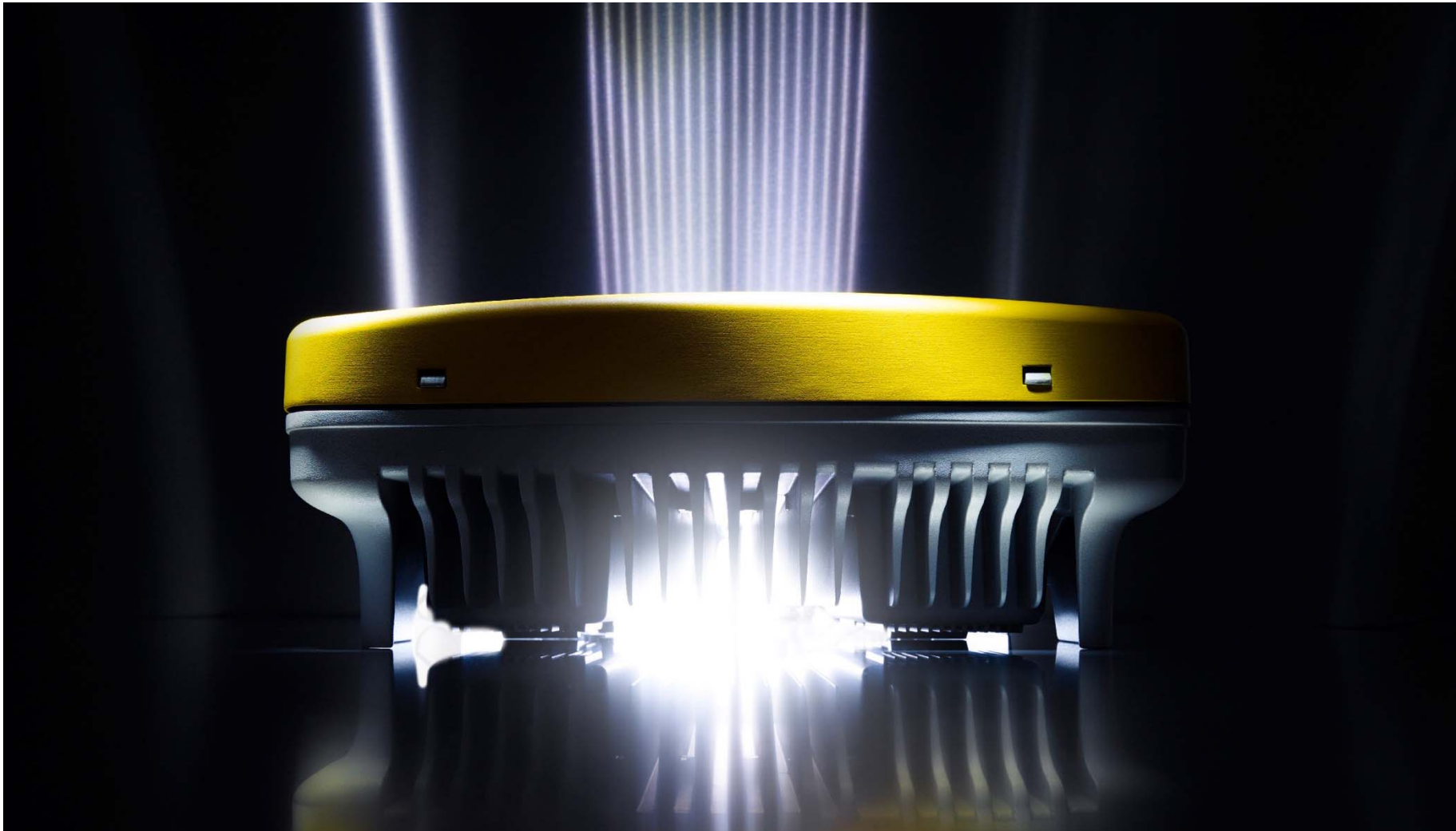
Design Award of
Federal Republic of Germany
Sunny Boy 4000TL



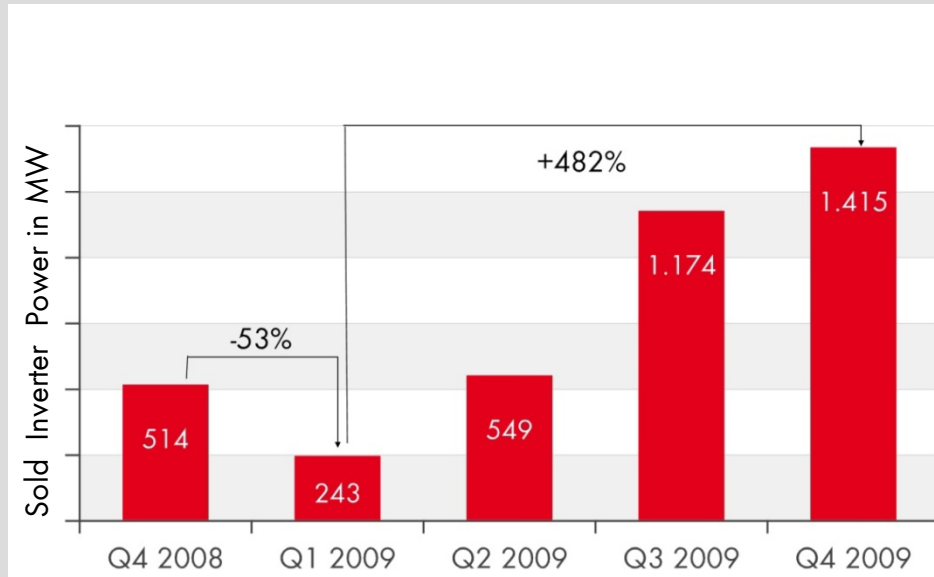
Innovation Award
Bad Staffelstein
Sunny Tripower

▶▶ The Sunny Tripower won the Bad Staffelstein Innovation Award

4. Flexibility



SMA's extraordinary flexibility enables rapid adjustment of production capacity



- > SMA's business model is unmet in the solar industry
- > Adjustment measures comprise:
 - The low vs. the intensive use of temporary workers
 - The limited vs. the intensive use of outsourcing
 - The use of interim solutions if required

▶▶ SMA will ramp up its annual production capacity to 11 GW in 2010

Interim solutions will bridge the period until the new production facility is available



- > SMA is to set up new a production plant in the commercial area „Sandershäuser Berg“
- > The new site will comprise inverter assembly and testing, service and repair, as well as logistics and storage of electronic components
- > The interim solution at Kassel-Waldau has a capacity of 5 GW and is already in operation
- > The interim solutions will be transferred to the new production plant in 2012



Key Facts

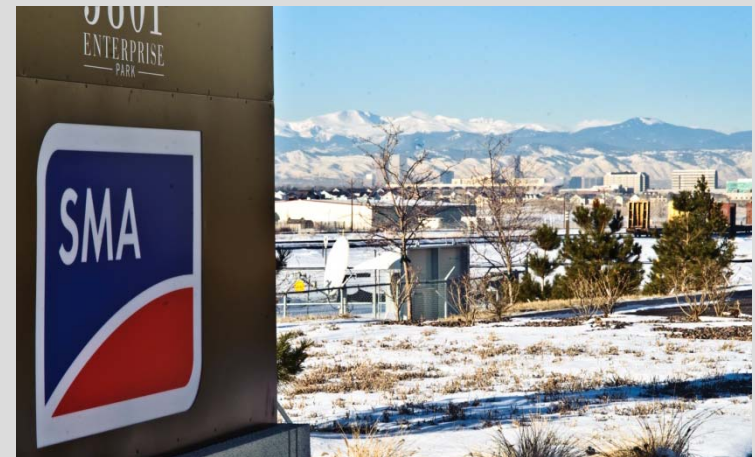
Annual Capacity:	5 GW
Total Capital Expenditure:	€ 125 m.
Completion Date:	2012
# Employees:	c. 1,500
Square Meter:	75,000 m ²

▶▶ The new plant will lead to significant productivity gains



SMA will start serial production in Denver in Q2/2010

- > The plant in Denver/Colorado, is laid out for the assembly and testing of Sunny Boy, Sunny Central and Sunny Island product lines
- > The production layout is comparable to Germany and ensures high flexibility
- > Denver's workforce has been successfully trained at SMA's headquarters
- > Expansion option is available



Key Facts

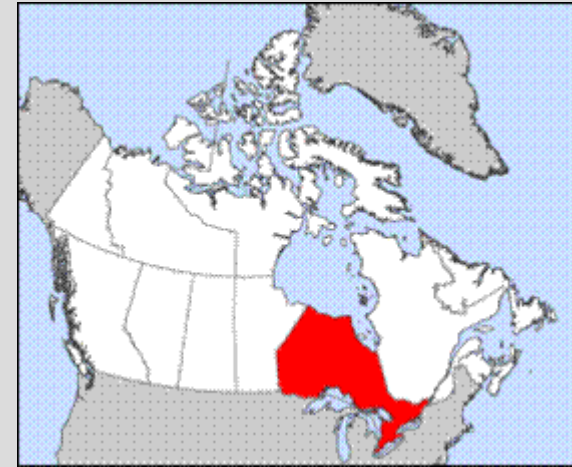
Annual Capacity:	1 GW
Capital Expenditure:	€ 12 m.
Completion Date:	06/2010
# Employees:	c. 700
Square Meter:	15,000 m ²

- ▶▶ With the new production facility in Denver, SMA intends to reduce transportation and interim storage costs as well as the currency exchange risks



SMA will benefit from the growth in the Canadian solar market

- > SMA is planning to set up a production facility in Ontario/Canada
- > The new subsidiary will cover inverter assembly and testing functions as well as sales and service
- > SMA has started the site location process already
- > First products for the Canadian solar market will be shipped in Q1/2011

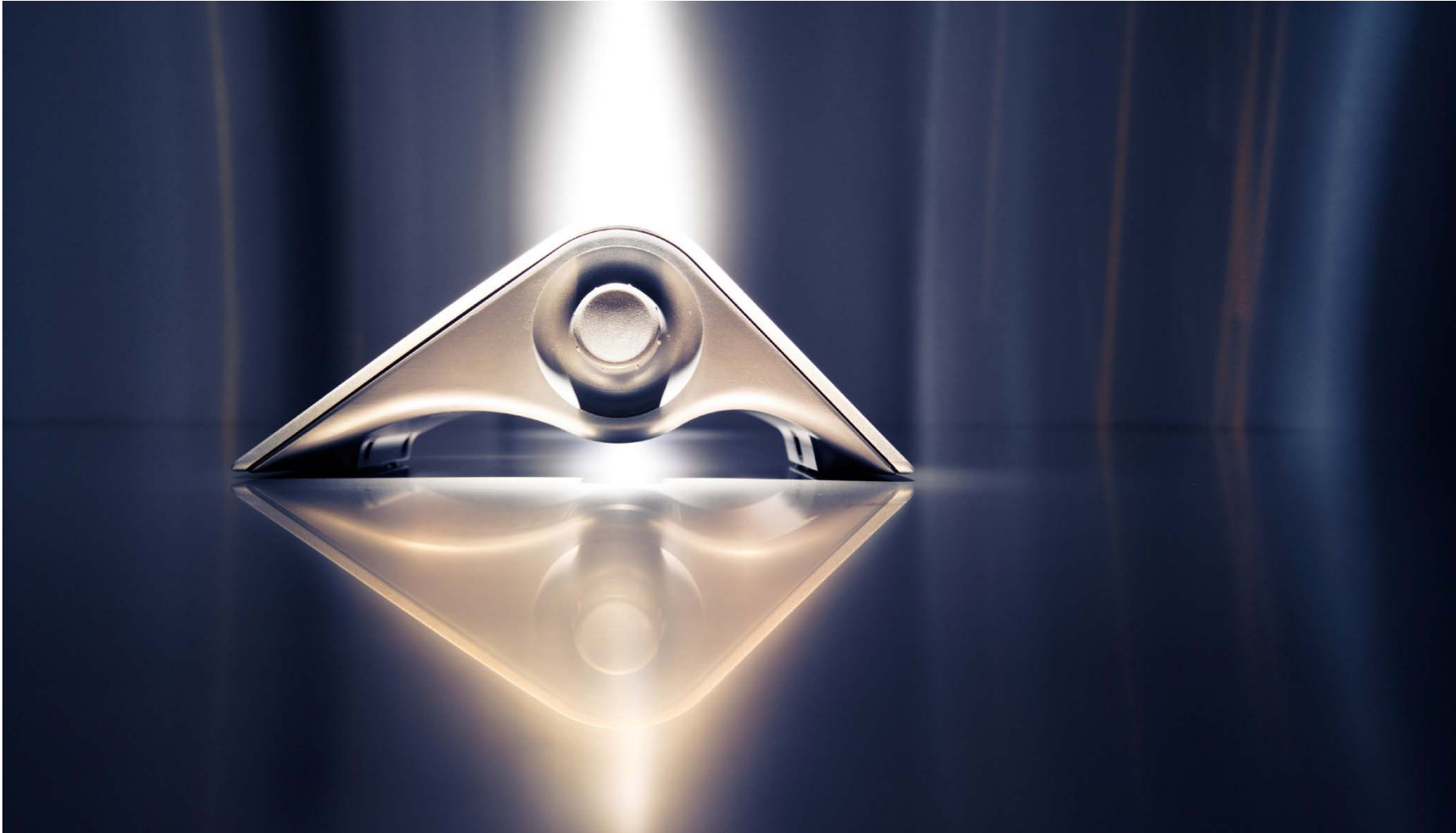


Key Facts

Annual Capacity:	c. 0.5 GW
Capital Expenditure:	c. € 5 -10 m.
Completion Date:	Q4/2010
# Employees:	c. 100 - 200

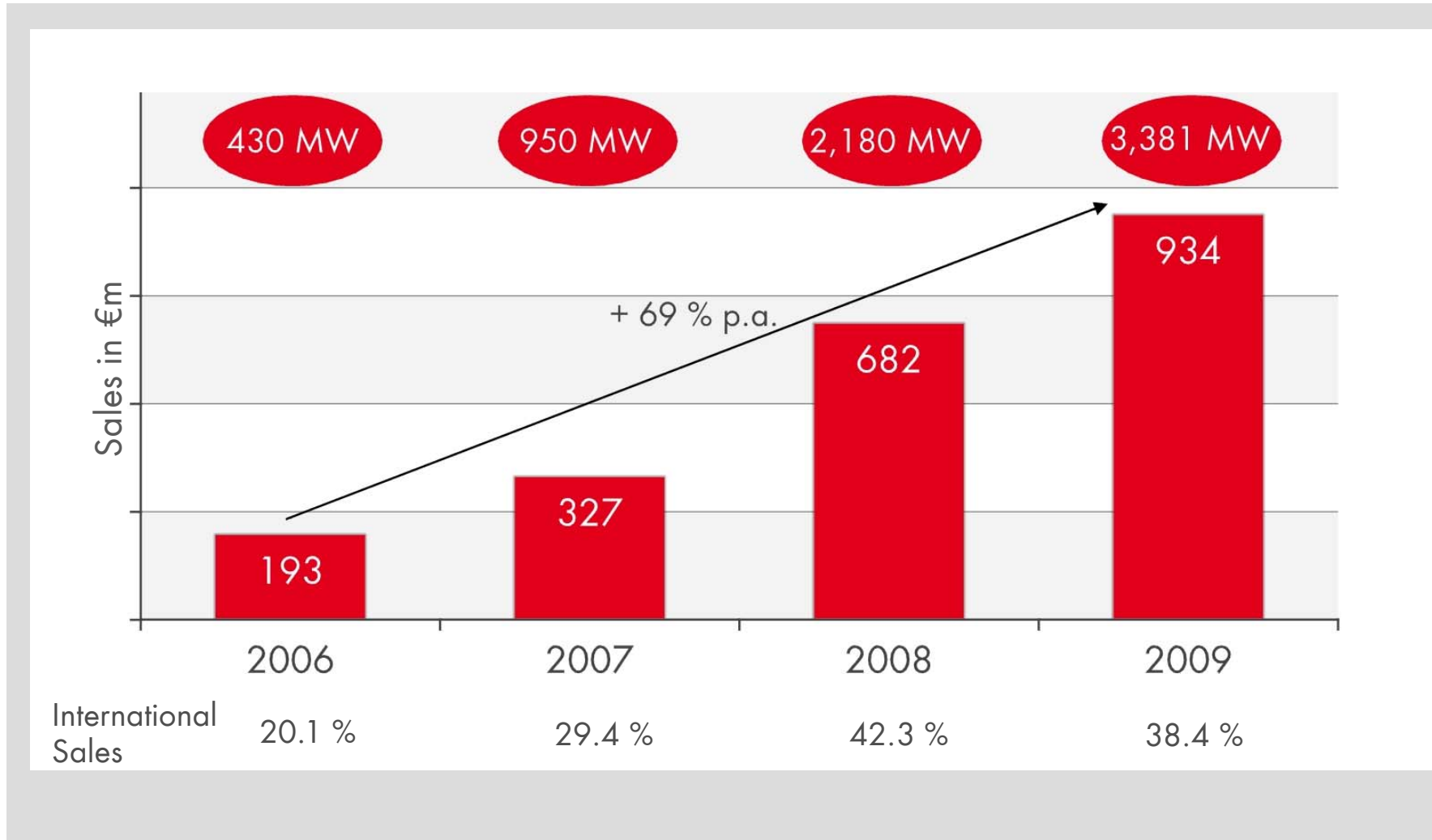
▶▶ With the new facility SMA is fulfilling the local content-requirements

5. Financials

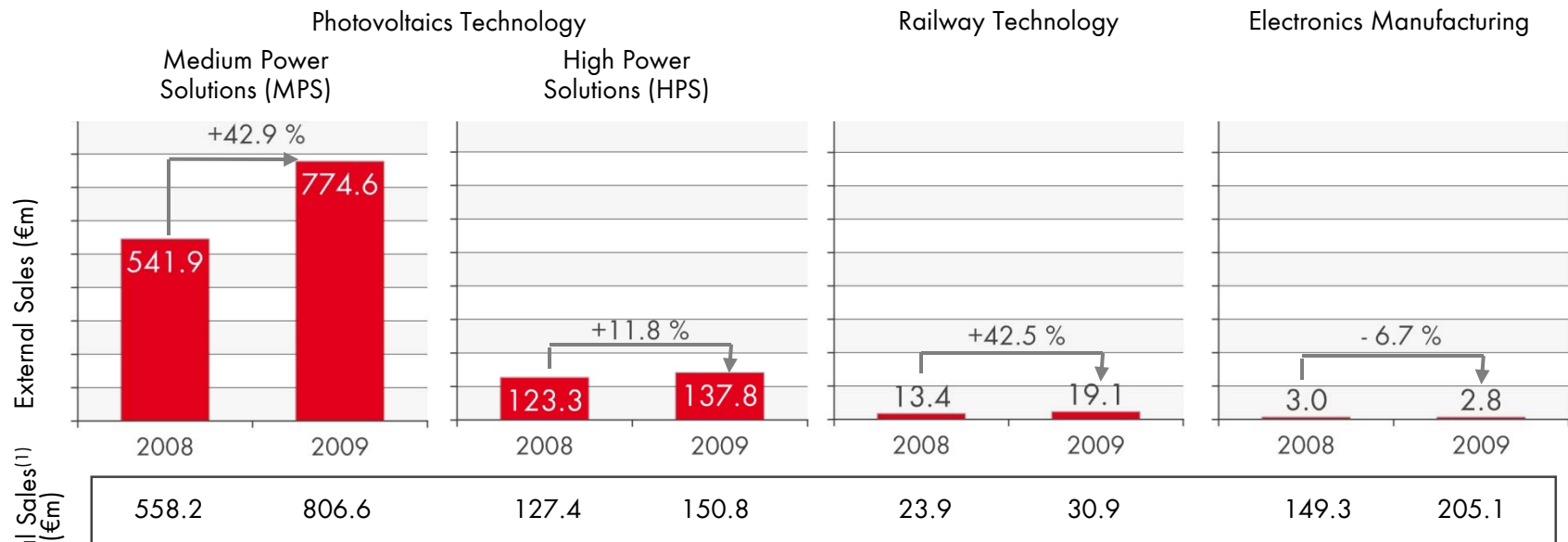




2009 was another stellar year for SMA



The product lines Sunny Boy and Sunny Mini Central accounted for more than 80 % of total sales in 2009



12 months - Highlights Total Sales⁽¹⁾ (€m)

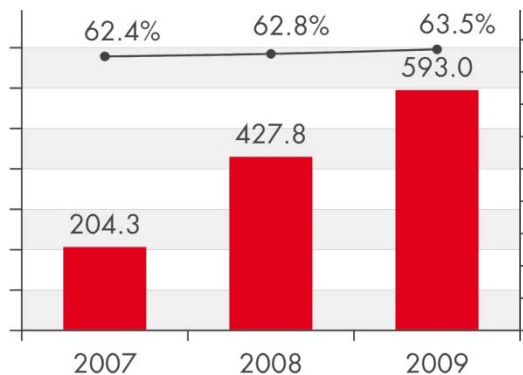
- > Share of Sunny Mini Central inverters increased to 45 % of sales due to a strong commercial market
- > Top sellers were Sunny Mini Central 10000TL and 11000TL as well as Sunny Boy 5000TL
- > Top sellers were Sunny Central 630 HE and 500HE
- > Germany accounted for 63 % of HPS sales
- > Financing of large-scale projects improved since Q3/2009
- > Sales are driven by long-term projects for the modernization of railway coaches
- > Solid order backlog assures capacity utilization for more than 1 year ahead
- > Outsourcing significantly increased in 2009
- > Internal supplier for other SMA segments, in particular MPS

(1) Incl. internal sales



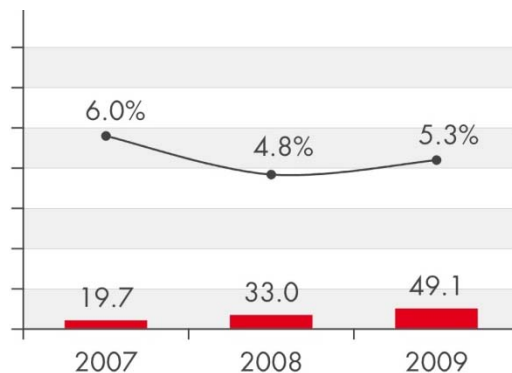
The increase in R&D costs reflects SMA's focus on technology

COGS^{1) 2)}



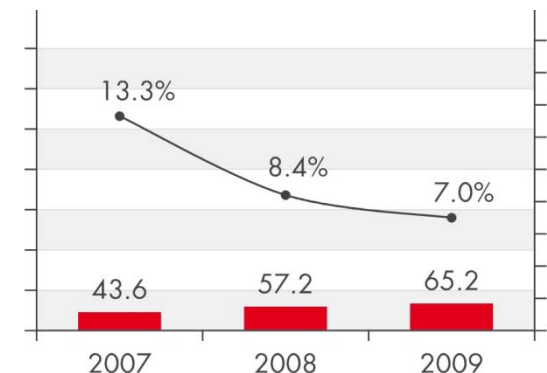
- > Slight increase of COGS as a percentage of sales due to expansion of SMA's service infrastructure and service costs
- > Product mix only had minor impact

R&D expenses¹⁾



- > Primarily personnel expenses (c. 74.7 %)
- > Increase of more than 400 engineers to strengthen R&D competence
- > Increase of R&D budget to € 70 - 80 million planned in 2010

SGA expenses¹⁾



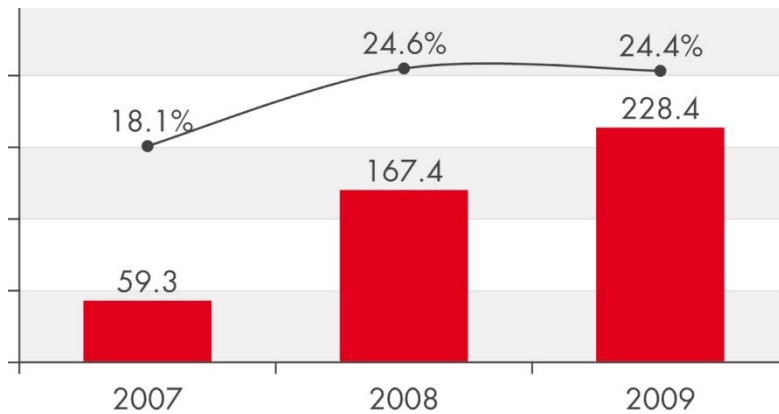
- > Decrease of SGA expenses as percentage of sales underpins scalability of SMA's business model

(1) €m and as % of sales
 (2) COGS: Cost of Goods Sold

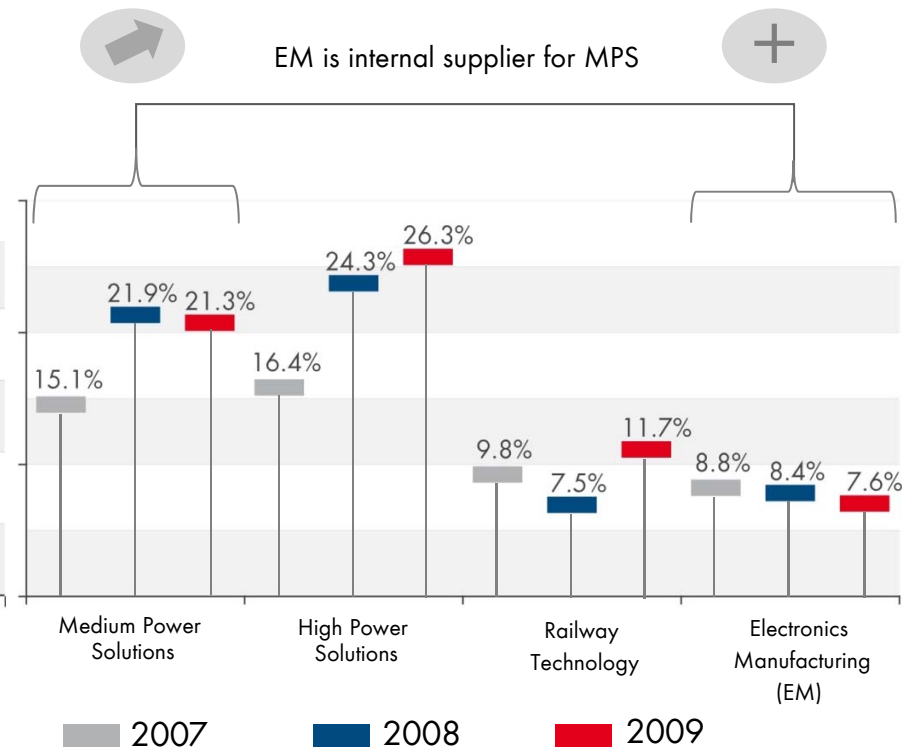
SMA is one of the most profitable stock-listed solar companies in the world



EBIT and EBIT-margin SMA Group

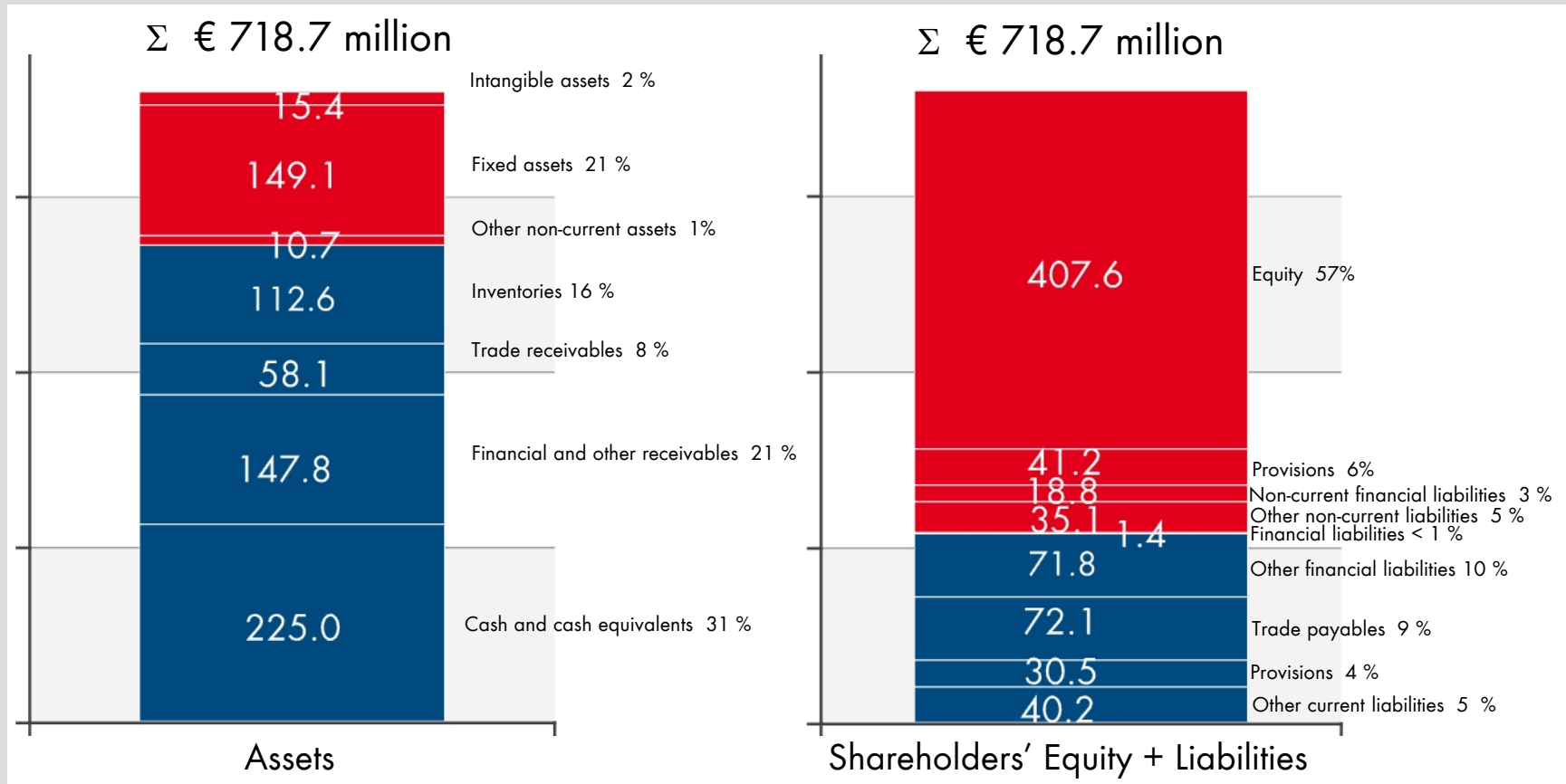


EBIT-margin by Segment





SMA remains on a firm footing

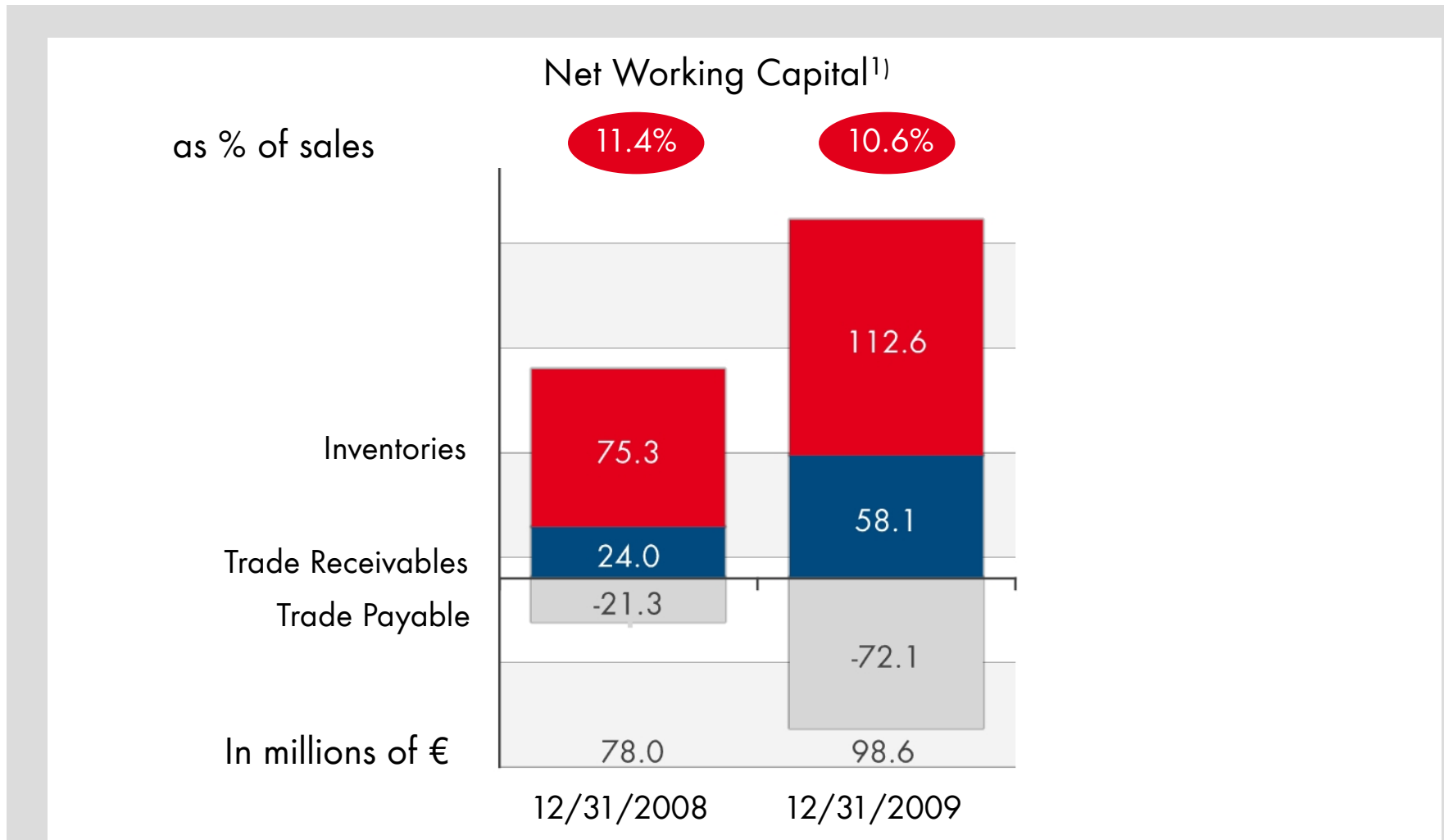


▶▶ € 365 million in cash and investments with duration of >3 months

(1) IFRS; all figures in €m;
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 (3) Inventories + Trade Receivables - Trade Payables. As of Dec. 31



Increase in inventories reflects a high order backlog



1) Working Capital = Inventory + Trade Receivable - Trade Payable



SMA's cash flow profile is very attractive for investors

	2009	2008
Sales	934.3	681.6
EBITA	230.5	184.1
<hr/>		
Cash flow from Operations	221.5	188.8
Cash flow after Capital Expenditure	-201.5	-94.5
Add back payments for investments in securities and other financial assets	119.4	20.6
Cash flow after Financing	<u>-36.1</u>	<u>93.3</u>
Adjusted Free Cash flow	103.3	208.2
Cash Conversion Rate ¹⁾	0.6	0.6

▶▶ SMA has an attractive business model that turns a high proportion of its profit into cash flow

1) Cash flow from operations minus net expenditure on property, plant + equipment /EBITA



SMA will continue to pursue its successful strategy

Technology leadership

5 to 6 new products per year

Flexibility

(more than 1:4 from Q1 to Q4 2009)
Enables to quickly adjust to high market volatility

Dedicated global sales and service team

Best positioned in 12 countries on 4 continents

Low capital intensity and high profits

High Return on Capital Employed





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

> Financial Calender

- > May 14, 2010: Publication of Quarterly Financial Report
January to March 2010
- > May 27, 2010: Annual General Meeting 2010
- > August 13, 2010: Publication of Half-yearly Financial Report
January to June 2010
- > September 2010: Capital Markets Day, SMA/Niestetal

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