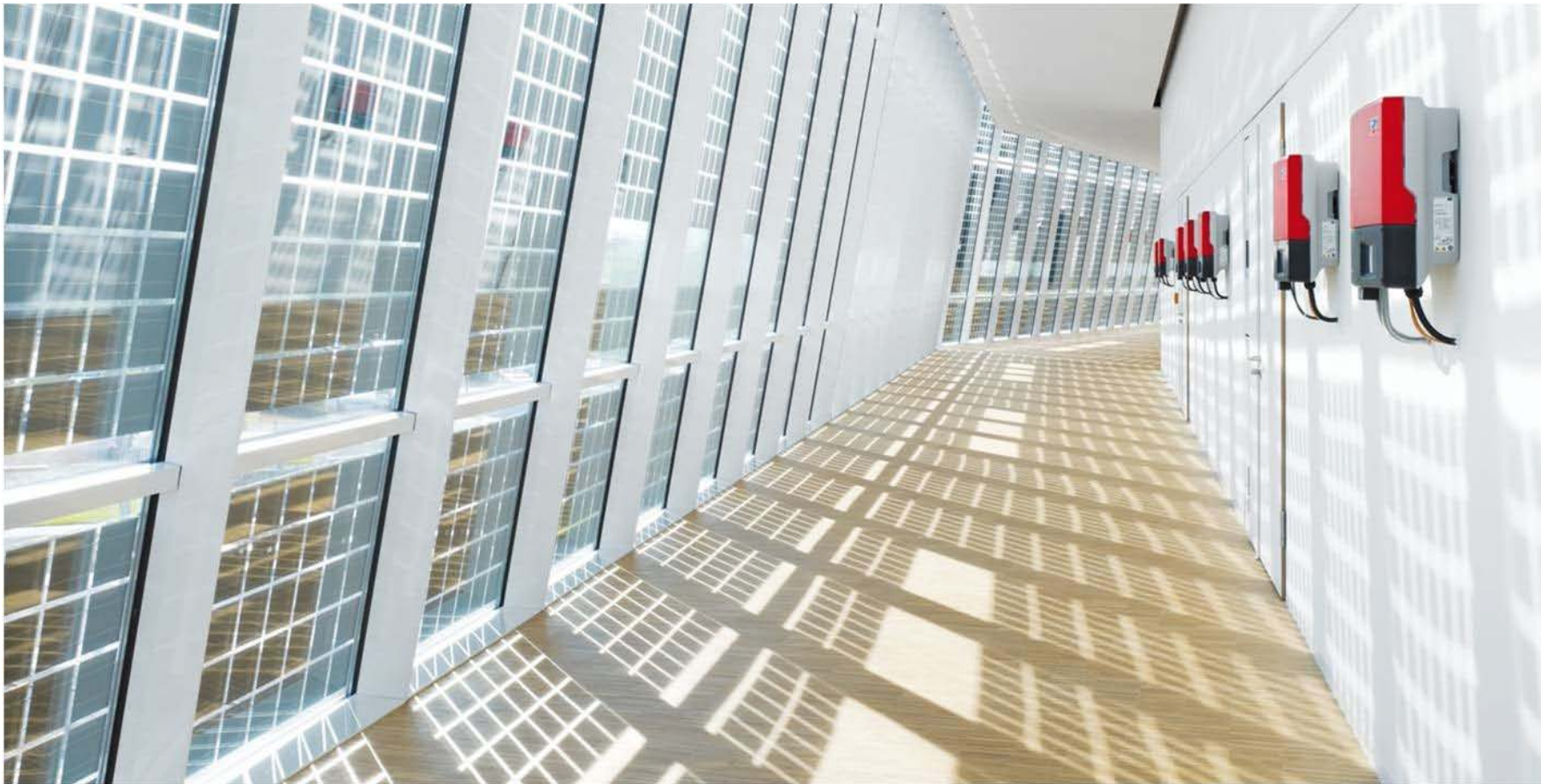


SMA Solar Technology AG

Quarterly Results - January to September 2011





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1. Executive Summary –

We expect 2011 to become the second best year in SMA's history





SMA confirms guidance for 2011¹⁾

- > SMA forecasts a global market size of up to 21 GW in 2011 (2010: c. 23 GW)
- > SMA gained back market share due to its complete product portfolio, international footprint and outstanding quality
- > With 5.4 GW sold inverter power SMA reached nearly the record level of 2010 (January – September 2010: 5.7 GW)
- > Sales boosted to € 1.2 billion on the back of the strong international business (export ratio²⁾ 53%) and increased utility business (26.9% of total sales²⁾)
- > Second best EBIT for the first nine months in SMA's history with € 178 million (15% EBIT margin)
- > Increase in Net Working Capital stopped in Q3. NWC ratio is broadly in line with management guidance³⁾
- > Positive cash flow of € 104.3 million in Q3 underpins SMA's favorable business model

► For 2012 SMA expects a moderate market growth but cannot rule out that global demand will be affected by stagnation



Second best nine months' sales and earnings in SMA's history

	January – September 2011	January – September 2010	January – September 2009
MW sold	5,361	5,738	1,966
Sales	1,192.2	1,442.5	559.5
Gross Profit	339.2	553.9	198.2
as % of sales	28.5%	38.4%	35.4%
EBIT	178.3	418.2	120.8
as % of sales	15.0%	29.0%	21.6%
Net Profit	126.4	296.9	86.0
as % of sales	10.6%	20.6%	15.4%
EPS ¹⁾	3.64	8.56	2.48

Record year

2. Market –

Sudden decline in global demand is a completely new situation for the entire solar industry





The global solar market takes a break after years of impressive growth

Market in GW	2010 ¹⁾²⁾	2011	2012	Mid-term ³⁾	Segments 2011		
					Residential	Commercial	Industrial
Germany	7.4	5.0	➔	➔			
Italy	6.0	5.0	⬇	➔			
France	1.5	1.0	⬇	➔			
North America	1.7	3.2	⬆	⬆			
Japan	1.5	1.5	⬆	⬆			
ROW	4.9	3.0 - 4.5	⬆	⬆			
Total	23	19 - 21	↔	➔			

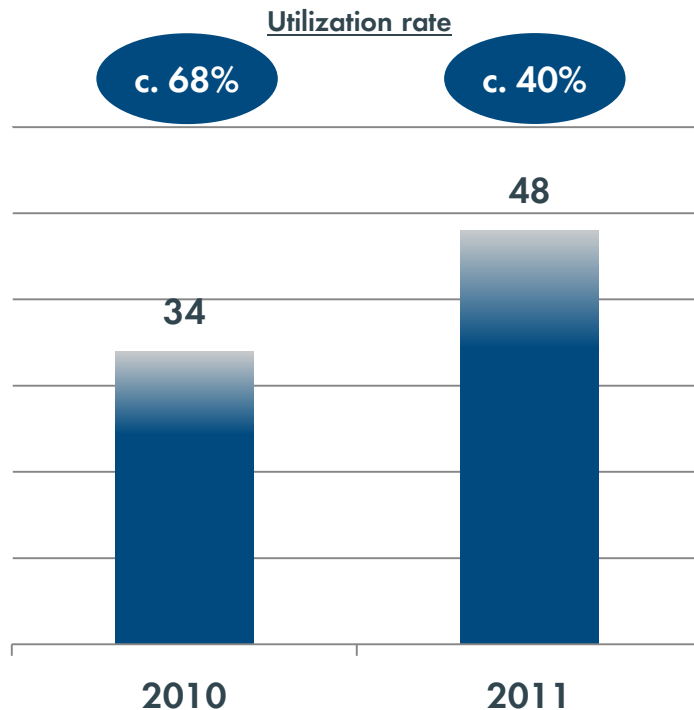
Change y-o-y + 190% - 20% / - 10%

▶ The expected regional shift in demand will increase the number of mid-sized and large solar installations



In light of the inverter shortage in 2010 many players increased their production capacity

Production capacity¹⁾



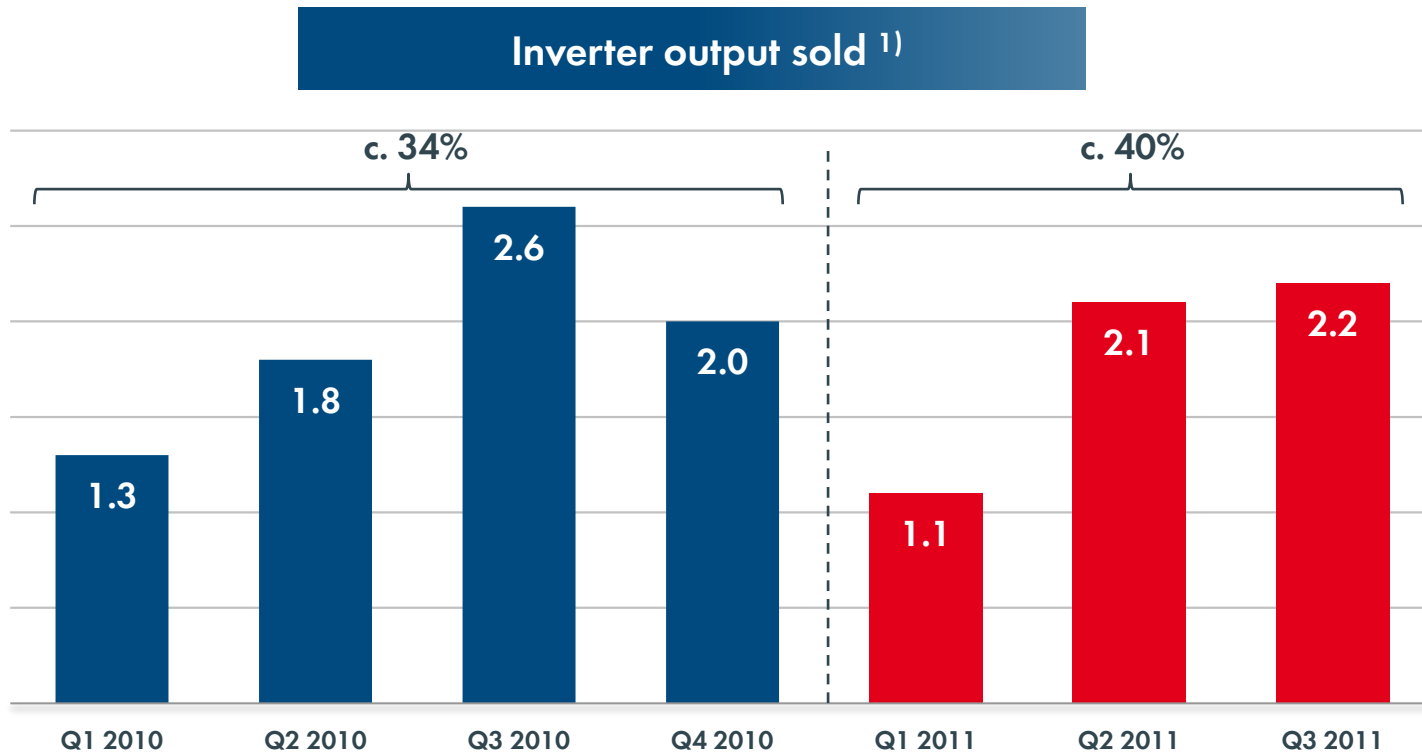
Impact

- > Smaller inverter manufacturer cannot easily increase the utilization rate because they serve only selected regions / segments
- > Low failure rates very much depend on mature production processes and advanced testing
- > Cost advantages mainly derived from new technologies and global sourcing and to a lesser extent from production in low cost countries

▶▶ The solar inverter market is driven by technology. Therefore, the low utilization rate of production plants will heat-up the shake out process in the solar inverter industry



SMA gained back market share due to technological leading and reliable products



SMA's average selling price: 2010: 0.24 € / W²⁾

2011: 0.21 € / W³⁾

▶ SMA again increased the inverter shipments in Q3 2011

3. Equity Story –

Successful innovator; trusted services; high quality; global presence



SMA's strong market position is the result of our strategic and operational excellence



High customer proximity

- > Sales professionals in 19 markets
- > Sunny Pro Club¹⁾
- > SMA Solar Academy²⁾

Flexible production

- > Quick adjustment of production capacity³⁾
- > Production sites in high volume markets
- > Low risk due to production-to-order strategy
- > Up to 80% of electronics production can be outsourced
- > Fully automated and certified testing infrastructure



Fulfilling the increasing global demand for solar power

Technology Leadership

- > Top efficiency with 99%⁴⁾
- > Full product range for customized design
- > Solutions for grid-management and energy storage

Fast Service

- > More than 80 service stations and nearly 750 trained service professionals
- > Innovative service products (e.g. up-time guarantee, warranty extension)
- > Outstanding response time (90% accessibility of hotline within 1.5 minutes)



SMA has a defined roadmap to reduce the specific costs of inverters by 50% until 2015

Selected innovations 2011

Com. / Ind.

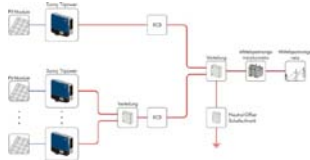
SUNNY TRIPOWER 20000TL High Efficiency



- > 99% efficiency
- > Lower specific price
- > Available in Q4 2011

Com. / Ind.

TL Grounding Solution



- > Higher system efficiency (up to + 3%)
- > Lower specific system costs due to transformerless technology

Residential.

SUNNY BOY 240



- > High reliability
- > Ease of installation
- > Panel level monitoring
- > Available in Q2 2012

Research & development focus

- > Analysis of those components that represent 80% of the material costs
- > Change of assembly and testing processes
- > Increase the speed of switching and thus reduce the size of windings
- > Highly integrated microelectronics
- > Reduction of housing size and packages

▶ SMA's Sunny Tripower, Sunny Boy TL and Sunny Boy HF already comply with the new German low voltage directive



High process maturity and long-term experience drive SMA's outstanding quality level

Testing Processes

- > Pre-Production testing in our self-developed test center
 - > Accelerated life-time test
 - > Fully automated simulation of different grid-situations
- > Production testing
 - > Taking samples during production
 - > Continuous test at the end of production (100% control)
- > UL-Authorization / ISO 17025
 - > Data Acceptance Programme (DAP)
 - > Client Test Data Programme (CTDP)
 - > Yearly audits
- > SMA already invested nearly € 40 million in its testing infrastructure since 2006

▶ **At SMA reproducible quality is not a coincidence**

Testing Equipment



Test / simulation center



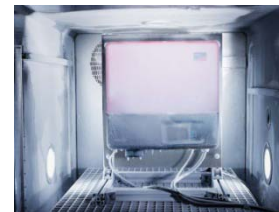
Continuous testing



Accelerated life time test (Shaker)



Accelerated life time test (Simulation)



Accelerated life time test (Climate)



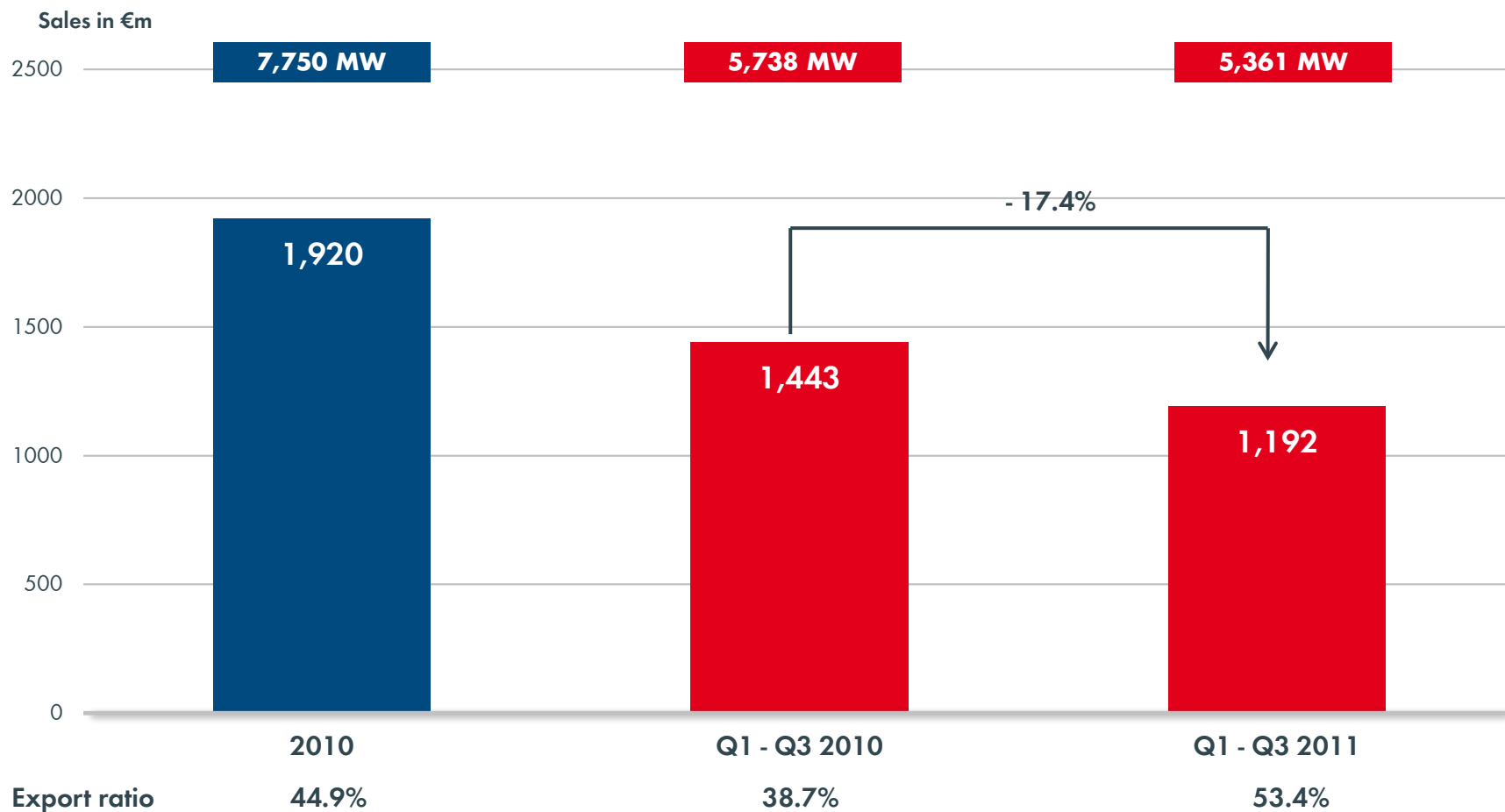
Accelerated life time test (EMV)

4. Financials – Second best nine months' results in SMA's history



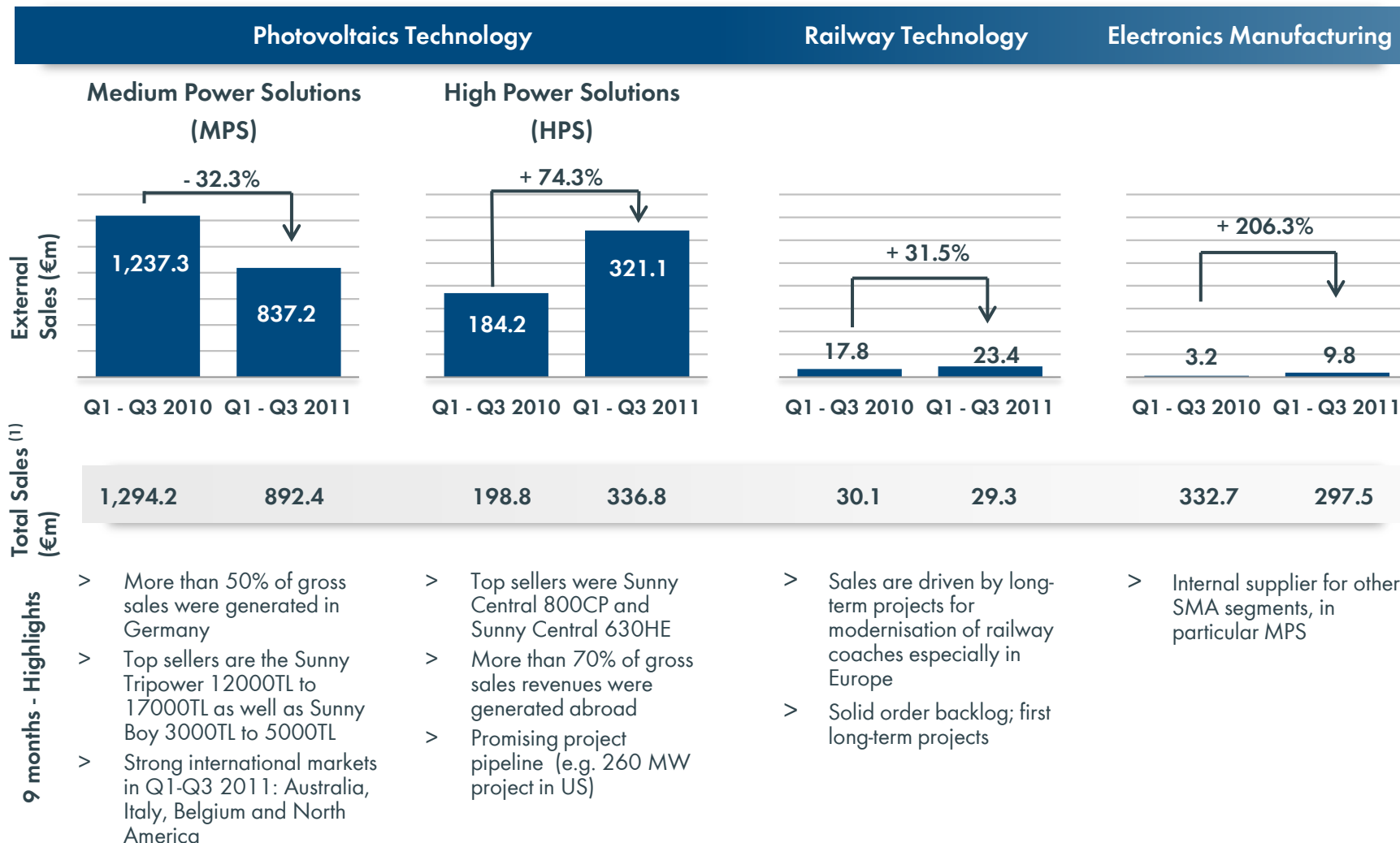


Second best nine months' sales in SMA's history





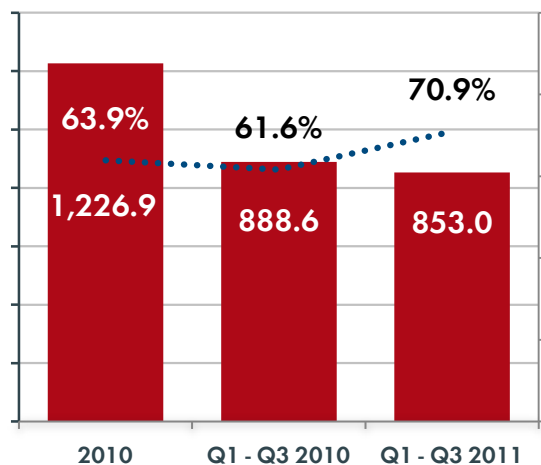
Strong increase in High Power Solutions sales due to successful market entry in USA and India





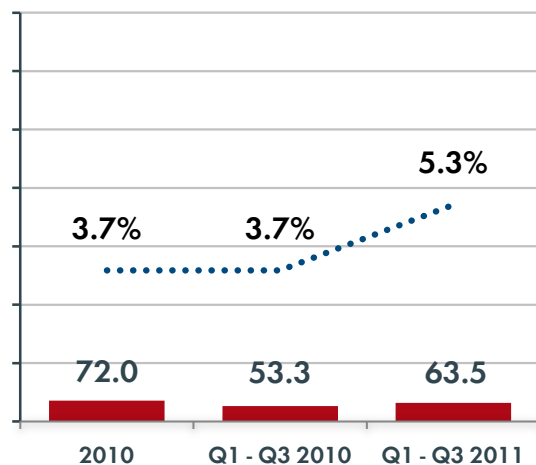
Change in product mix is the key driver for gross margin development

COGS¹⁾²⁾



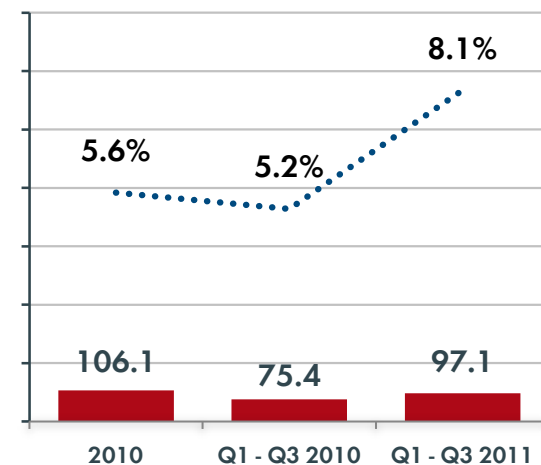
- > Change in product mix in MPS segment impacts gross margin
- > The increase in COGS is partially compensated by the discontinuation of provisions
- > Material expenses accounted for 76%; personnel expenses for 16% and other expenses for 8%

R&D expenses¹⁾³⁾



- > SMA will invest € 100 million in R&D in 2011 (incl. capitalized R&D projects)
- > More than 970 R&D employees strive to develop technology leading products
- > R&D focus is on reduction of inverters' specific costs, reduction of Total Cost of Ownership and grid integration

SGA expenses¹⁾⁴⁾

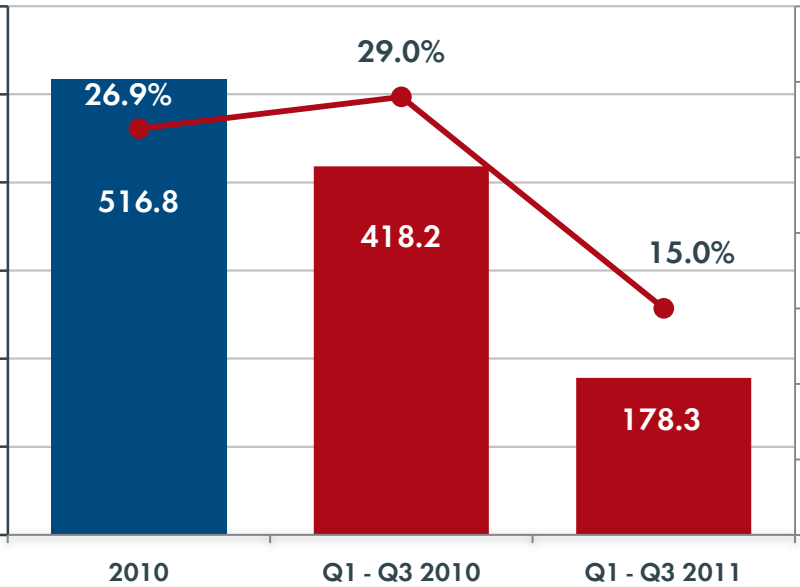


- > The increase of selling expenses in Q2 was due to the participation in the worlds largest trade fair „Intersolar“
- > In view of the increasing internationalization SMA created new structures abroad as well as in headquarters
- > Implementation of strategic projects and marketing initiatives as well as the one-off effect with the acquisition of dtw impacted SGA expenses

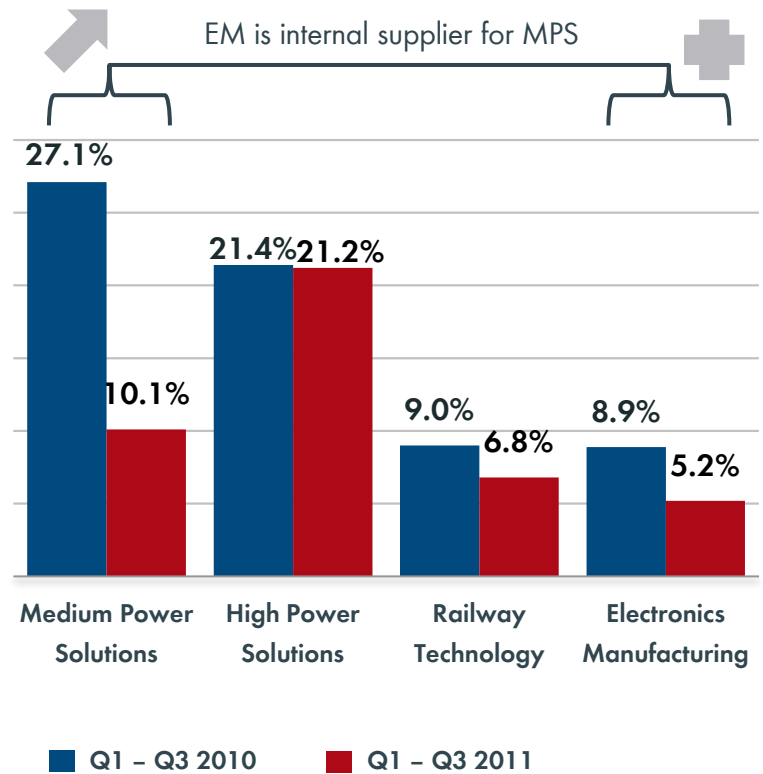


High Power Solutions contributed nearly 40% to SMA's earnings

EBIT and EBIT margin SMA Group^{1) 2)}



EBIT margin by segment

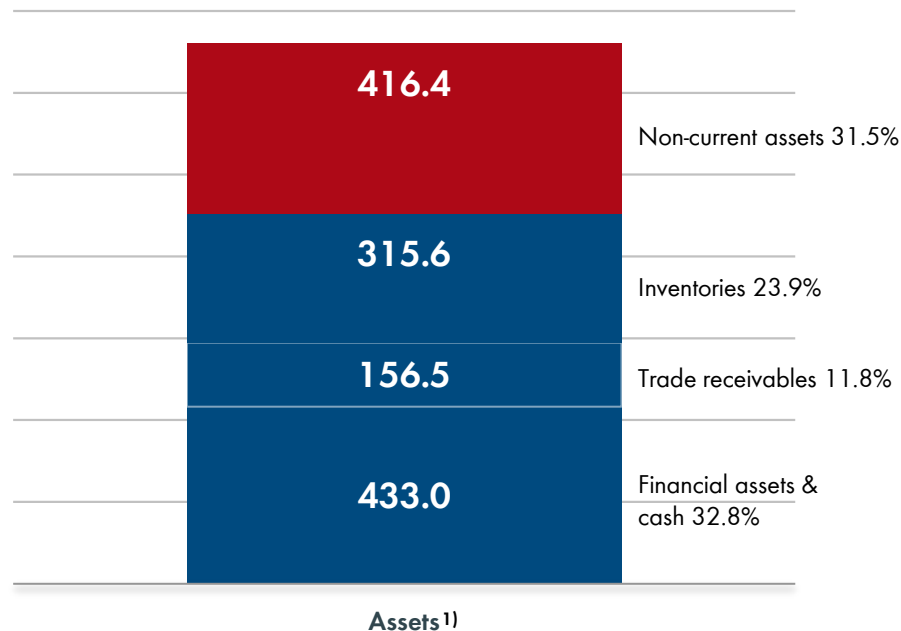


(1) In € million
 (2) Dtw does not contribute to EBIT in Q3

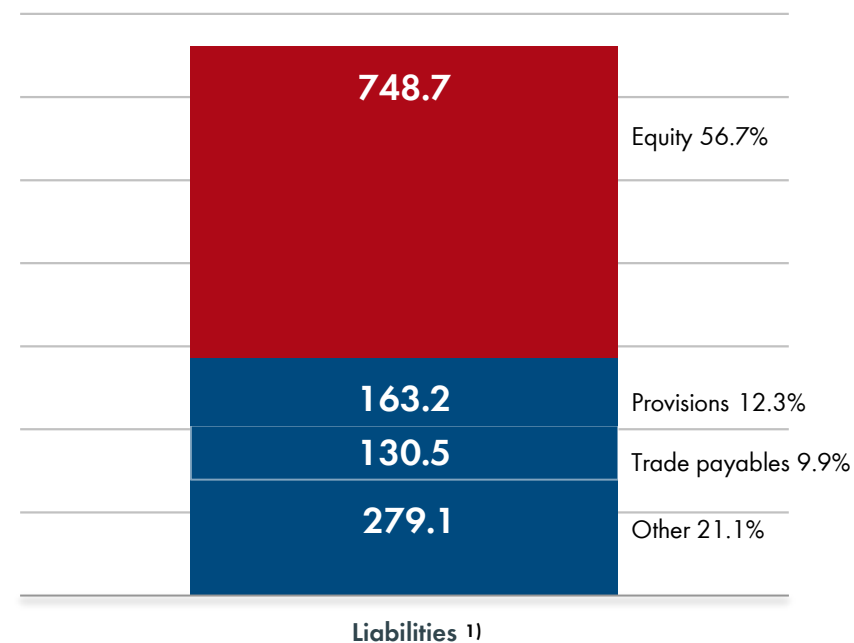


SMA has a net cash position of € 338.2 million at the end of September 2011

Σ € 1,321.5 million



Σ € 1,321.5 million

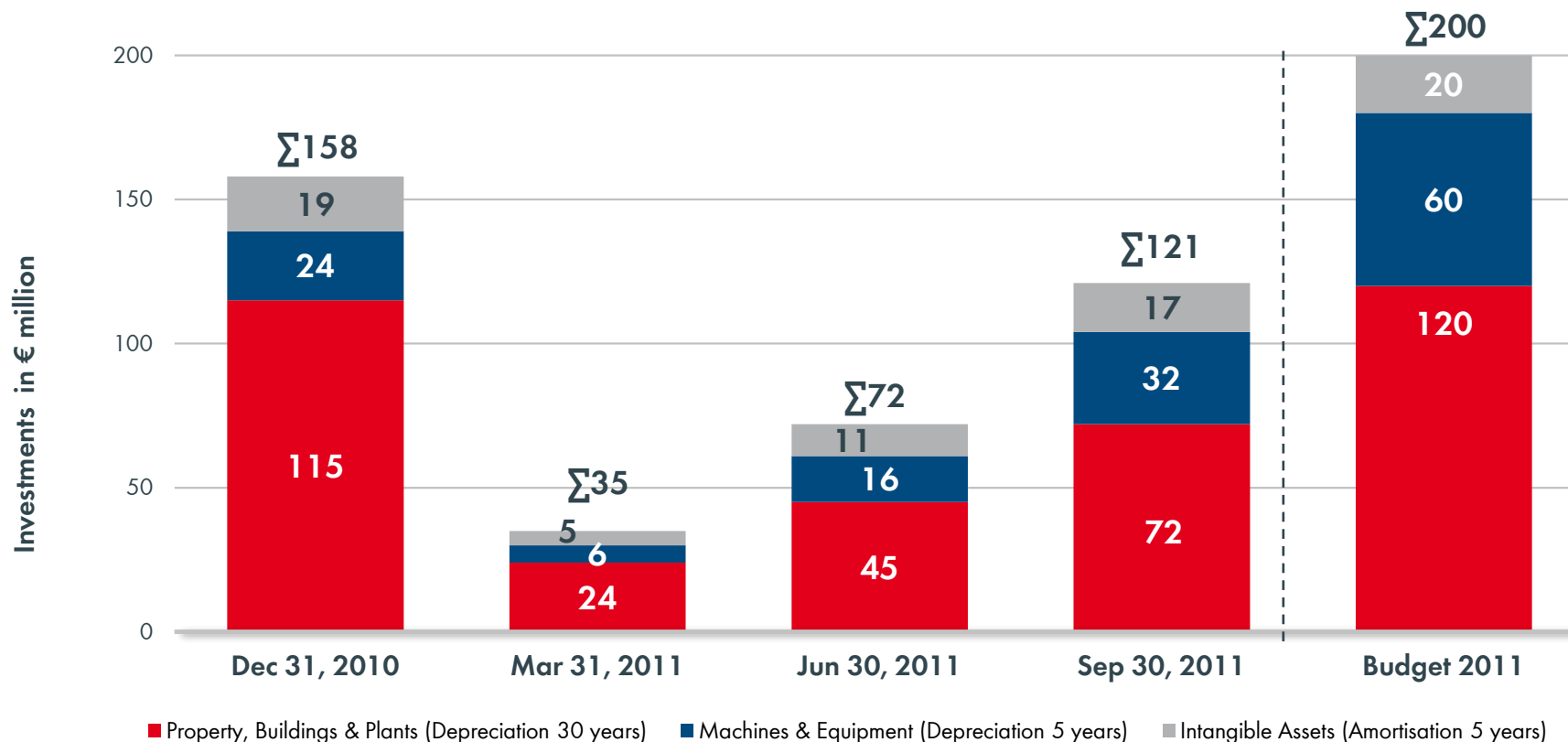


► Solid balance sheet structure with an equity ratio of nearly 57%



SMA will not deplete the full capital expenditure budget 2011¹⁾

Investments SMA group

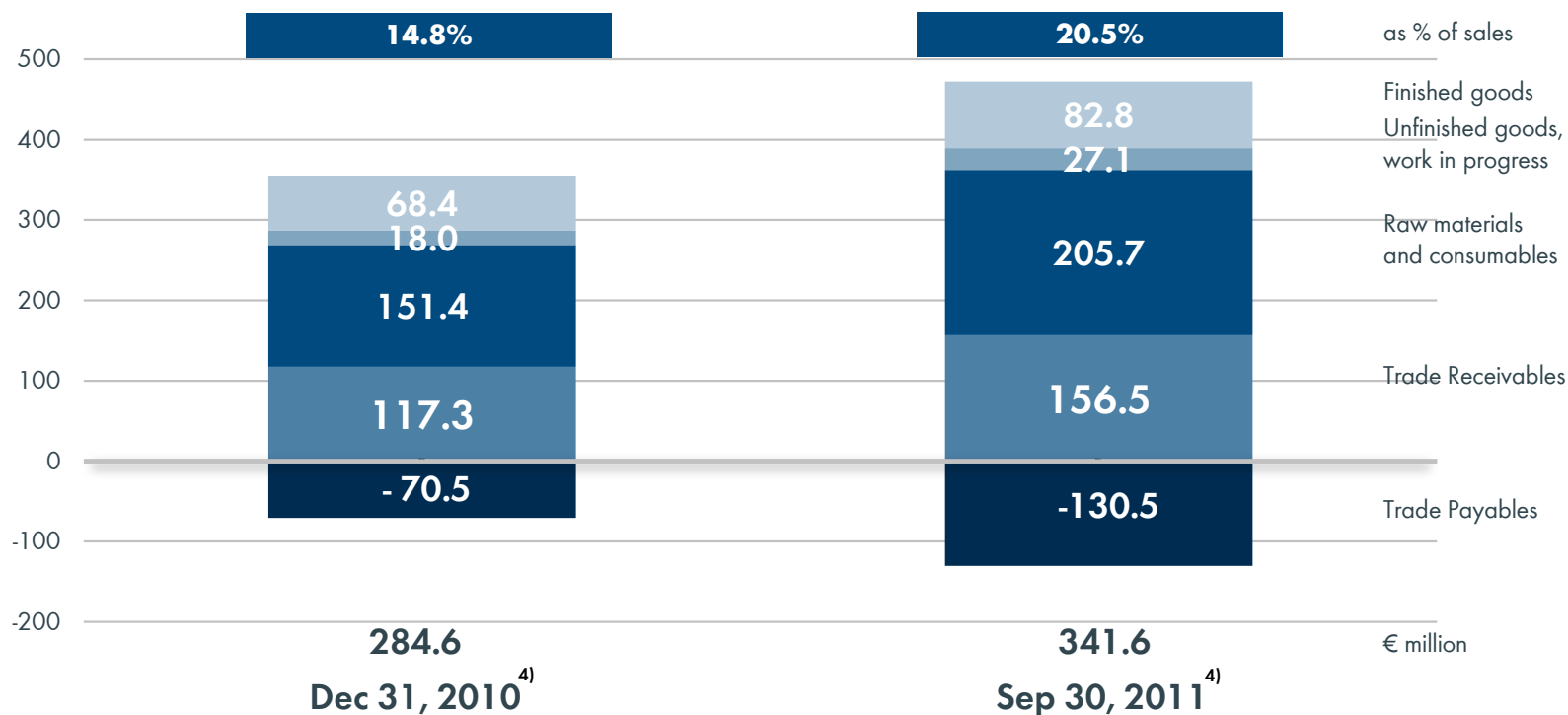


►► For 2012 SMA targets lower capital expenditures



SMA stabilized Net Working Capital compared to Q2 2011¹⁾ by improving the collection process

Net Working Capital²⁾³⁾



►► For 2011 SMA expects a Net Working Capital ratio between 18% and 20% as of sales

(1) June 30, 2011: € 340.6 million

(2) Net Working Capital = Inventory + Trade Receivables - Trade Payables (no advanced payments included)

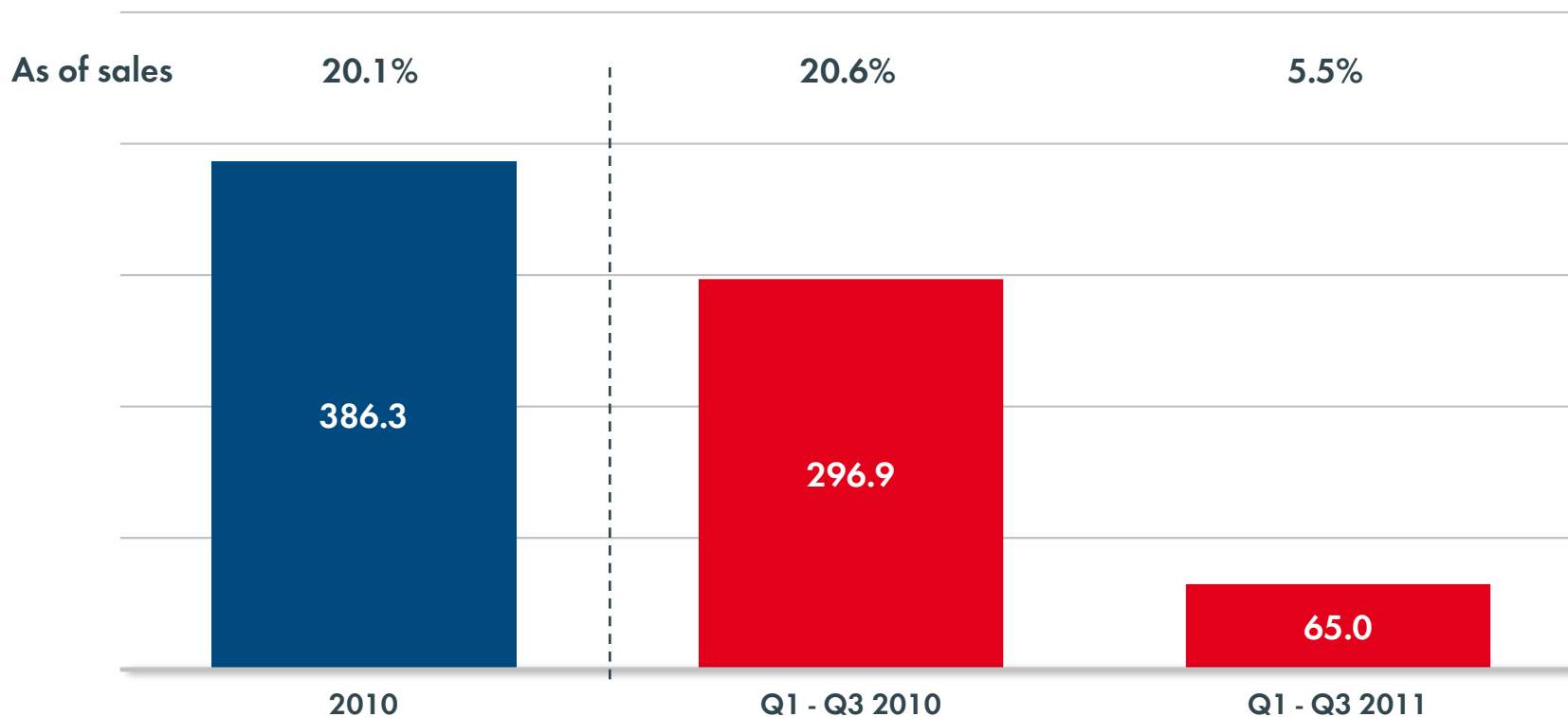
(3) Relating to the last twelve months (LTM)

(4) In € million



SMA generated a positive net cash flow from operating activities of € 104 millions in Q3 2011

Net cash flow from operating activities



▶ SMA has invested € 57 million in Net Working Capital since the beginning of the year

5. Investment Highlights / Outlook –

Moderate growth in 2012; stagnation of demand cannot be ruled out





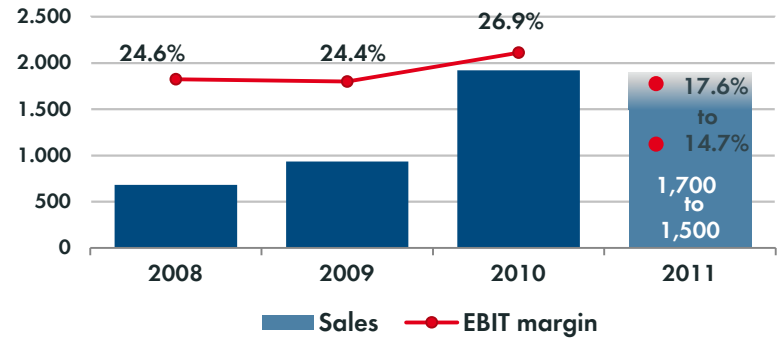
Investment Highlights – Well positioned in the solar market

Complete product portfolio

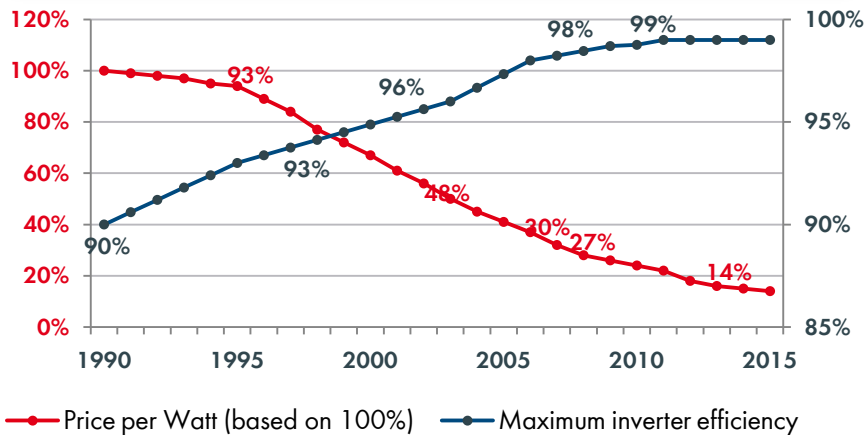
Sunny Home Manager Sunny Boy Sunny Boy HF Sunny Tripower Sunny Central CP



Rock solid



Technology leader



Present in 19 markets





SMA confirms the guidance for 2011¹⁾

Technology leadership

Cost reduction, grid management

Comprehensive product portfolio

For all applications, module types and power classes

High flexibility

Enables a quick adjustment to high market volatility

Dedicated global sales and service team

More than 1,300 sales and service professionals



►► For 2012 SMA expects a moderate growth of the solar market but cannot rule out that global demand will be affected by stagnation



Closing of dtw - acquisition took place on August 1, 2011

- > In August and September 2011 dtw generated a net profit of € 3.8 million
- > In corporate view due to elimination of intercompany profits dtw's earnings were € 0.8 million in Q3 2011
- > € 9.3 million of dtw net profit is recognized directly in equity (January to July 2011)
- > Net outflow of funds from the acquisition amounted to € 23.0 million
- > Integration of dtw and synchronization of development activities are proceeding as planned
- > dtw is as flexible as SMA due to deployment of temporary employees
- > Details of transaction are included in note 2 on page 44 of our Quarterly Financial Report January to September 2011

▶ Overall, dtw will contribute between € 15 to € 20 million in earnings in 2011



Contacts and Financial Calendar

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> Financial Calendar 2012

November 23, 2011:	German Equity Forum
March 30, 2012:	Publication of Annual Report SMA Group 2011 and Individual Financial Statement SMA AG 2011
May 11, 2012	Publication of Quarterly Financial Report: January to March 2012
May 22, 2012	Annual General Meeting

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