



SMA Solar Technology AG—Press Release

**SMA Managing Board Expects Sales Between €730 Million and €770 Million in a Difficult Business Environment in 2015 and Presents Cost Reduction Measures**

**Niestetal, January 30, 2015—The Managing Board of SMA Solar Technology AG (SMA/FWB: S92) is forecasting sales of between €730 million to €770 million and earnings before interest and taxes (EBIT) of €-30 million to €-60 million in the current fiscal year. To return SMA to profitability, the Managing Board will adjust the company's structures worldwide. At today's Capital Markets Day, SMA Chief Executive Officer Pierre-Pascal Urbon is presenting the measures that are intended to lower SMA's break-even point to less than €700 million in the coming months.**

SMA's management has developed specific measures for all corporate areas in order to cut fixed costs by more than €160 million. In addition to a substantial adjustment of the corporate structure in Germany and abroad, the plan includes, among others, the focus on strategically important development projects, the reduction of the depth of added value and the consolidation of the global infrastructure. "We deeply regret that the transformation is associated with a drastic staff reduction. However, we have no other choice since sales markets with significance for SMA have declined by almost 75% within just 48 months because of the change in general conditions," said SMA Chief Executive Officer Pierre-Pascal Urbon. By implementing these measures, the SMA Managing Board wants to reduce the cost base sharply enough that SMA will not have to make any more personnel adjustments in the future even with a lower sales level.

"In the last fiscal year, SMA defended its global market share measured in euros despite the market slump in continental Europe. We will continue to offer system technology and services for all photovoltaic applications in all attractive solar markets as the global market leader. Our latest product developments prove that we can use technological innovation not only to significantly reduce the specific inverter costs per watt, but also to set trends in our industry. Thanks to our good sales and service presence, especially in Americas and Asia/Pacific, we can benefit from the positive development in these growth regions. We optimized our supply chain and production processes such that we will still be able to serve global demand even if it develops better than we expect," said Pierre-Pascal Urbon.

For the current fiscal year, the SMA Managing Board expects sales of between €730 million to €770 million. The decline in sales compared to the previous year is especially attributable to a further decline in demand in Europe and the high price pressure. The SMA Managing Board expects earnings before interest and taxes of between €-30 million to €-60 million in 2015. SMA's profitability will primarily be determined by the speed at which the planned



transformation measures are implemented. With net cash of nearly €230 million at the end of 2014 and a high equity ratio, SMA remains well financed.

The presentation of today's Capital Markets Day with further information can be found at <http://www.sma.de/en/investor-relations/publications/presentations.html>.

### **About SMA**

The SMA Group generated sales of more than €930 million in 2013 and is the global market leader for solar inverters, a key component of all PV plants. SMA offers innovative key technologies for future power supply structures. It is headquartered in Niestetal, near Kassel, Germany, and is represented 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 grid-connected photovoltaic plants as well as off-grid and hybrid system technology. The product portfolio is supplemented by comprehensive services and operational management of utility-scale PV plants. 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.

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