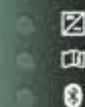




QUARTERLY FINANCIAL REPORT
JANUARY TO MARCH 2010
SMA SOLAR TECHNOLOGY AG



SUNNY TRIPOWER

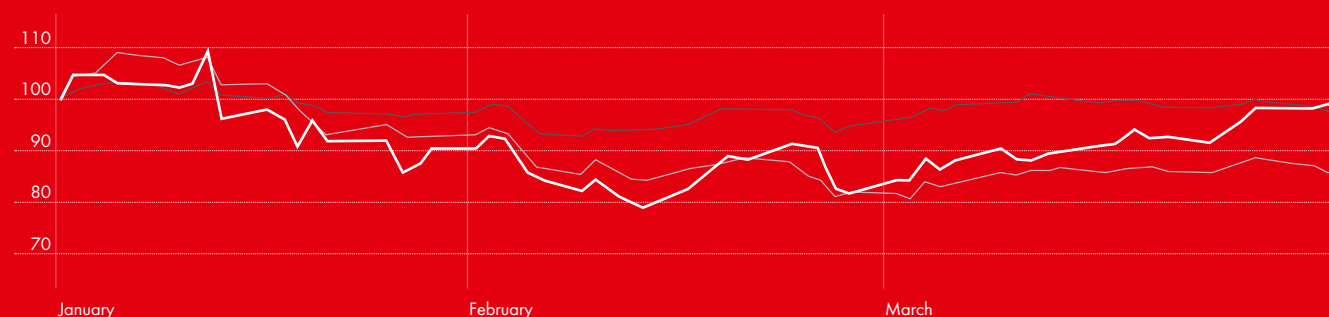
BUSINESS GROUP FIGURES

SMA Group		Q1 2010	Q1 2009	Change	Year 2009
Sales	€ million	339.3	86.7	291 %	934.3
Export ratio		38.8 %	52.2 %		38.4 %
Inverter output sold	MW	1,288	243	430 %	3,381
Capital expenditure ¹	€ million	36.2	16.4	121 %	74.9
Depreciation	€ million	5.6	2.9	93 %	16.3
Operating profit (EBIT)	€ million	92.4	6.0	1,440 %	228.4
Operating profit margin		27.2 %	6.9 %		24.4 %
Consolidated net profit	€ million	66.6	5.5	1,111 %	161.1
Earnings per share ²	€	1.92	0.16		4.64
Employees (average during the period) ³		4,656	2,648	76 %	3,412
in Germany		4,389	2,500	76 %	3,266
abroad		267	148	80 %	176

SMA Group		03/31/2010	12/31/2009	Change
Total assets	€ million	846.6	718.6	18 %
Equity	€ million	474.9	407.6	17 %
Equity ratio		56.1 %	56.7 %	
Net working capital ⁴	€ million	199.6	98.6	102 %
Net working capital ratio		16.8 %	10.6 %	
Cash and cash equivalents	€ million	349.3	365.0	- 4 %

Performance of the SMA share Q1 2010 percent⁵

● SMA share ● TecDAX® ● ÖkoDAX®



¹ excl. finance leases, excl. R & D

² converted to 34,700,000 shares

³ incl. temporary employees

⁴ inventories and trade receivables minus trade payables

⁵ rebased to 100 %

THE FUTURE OF SOLAR TECHNOLOGY

SMA Solar Technology AG develops, produces and sells solar inverters and monitoring systems for photovoltaic applications. SMA is the world's largest producer in this segment and is the only vendor that has a product range with the matching inverter type for any module type and any power class. This applies for grid-tied applications as well as island and backup operation.

The inverter is technologically the most important component in any solar power system: It converts the direct current generated in photovoltaic cells into alternating current suitable for the grid. In addition, it is an intelligent system manager, responsible for yield monitoring and grid management. Solar inverters are characterized by a particularly high efficiency. The Sunny Tripower produced by SMA already has an efficiency of 98 %, which allows for increased electricity production.

SMA's business model is driven by technological progress. Due to its flexible and scalable production, SMA is in a position to quickly respond to customer demands and promptly implement product innovations. This allows the Company to keep pace with the dynamic market trends of the photovoltaics industry and at the same time absorb short-term fluctuations in demand for solar inverters.

SMA Solar Technology AG is headquartered in Niestetal, near Kassel, and is represented on four continents by 13 foreign subsidiaries. This group of companies employs more than 4,500 employees (incl. temporary staff) and has been distinguished several times in previous years with awards for its outstanding performance as an employer.

Since June 27, 2008, the Company has been listed in the Prime Standard of the Frankfurt Stock Exchange (S92), and since September 22, 2008, the Company's shares have been listed in the TecDAX. In 2009, SMA generated an earnings before interest and taxes (EBIT) of more than € 228 million from sales of more than € 930 million. This corresponds to an EBIT margin of over 24 %.

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BASIC DATA

WKN	A0DJ6J
ISIN	DE000A0DJ6J9
Stock market code	S92
Reuters	S92G.DE
Bloomberg	S92 GR
Listing	Prime Standard of Frankfurt Stock Exchange
Share class	Bearer shares without par value
Share capital	€ 34.7 million
Number of shares	€ 34.7 million
Index	TecDAX®

PERFORMANCE Q1 2010

in %, rebased to 100 points

After a distinct price decrease, investors saw a significant recovery and stabilization of the price for SMA shares in the first quarter of 2010.

- SMA Share
- TecDAX®
- ÖkoDAX®

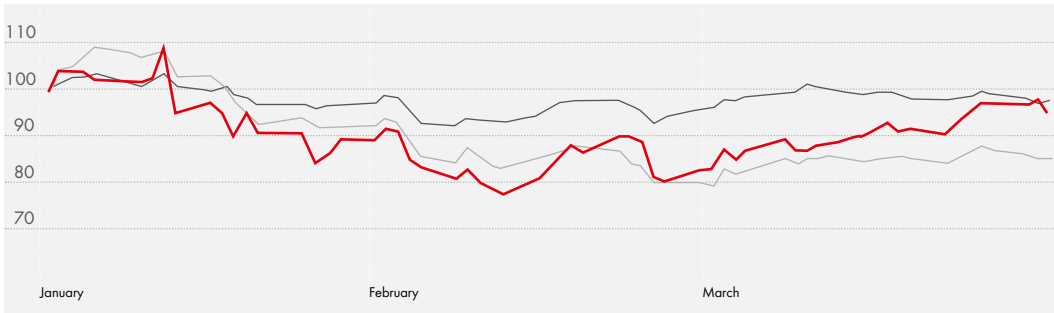
THE SHARE

Investors reward SMA’s strong positioning

In the first quarter of 2010, SMA shares demonstrated a high level of volatility. Following a marked price decline at the beginning of the year, the shares recovered in the middle of the quarter and stabilized in March.

In January, SMA shares were above the 100 euro mark. During the next few weeks, the price fell significantly to a low of € 73.75 in the middle of February (February 12, Xetra closing price). The main reason for this price decline was a discussion on the early reduction of the feed-in tariffs for solar power in Germany, announced by the German coalition government. With about 3.8 GW of new output installed, Germany is by far the largest photovoltaics market worldwide. A higher degression of the feed-in tariffs might result in lower demand for solar power plants and in increased price pressure on enterprises in the photovoltaics sector. Continuing speculation regarding the amount of reductions has led to a high level of uncertainty in the market in respect of solar stocks. SMA shares were not able to escape the resulting downwards trend throughout the sector.

However, the upwards trend in the share price from the middle of February showed that SMA was able to convince the capital market of its unique position in the solar sector. With a market share of more than 40 %, SMA is the worldwide market leader for photovoltaic inverters. Owing to its technology leadership, its broad product range, its high level of flexibility and its global presence, SMA is in an



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At the end of the first quarter of 2010, 20 banks and financial institutions reported regularly on SMA shares. The following list shows the range of sell-side coverage.

Institution	Analyst
Bank of America / Merrill Lynch	Claus Roller / Gerhard Orgonas
Barclays Capital	Rupesh Madlani / Arindam Basu
Berenberg Bank	Lars Dannenberg
Bryan, Garnier & Co	Ben Lynch
Cheuvreux	Philipp Bumm
Citi	Vidya Anant
Commerzbank	Robert Schramm
Deutsche Bank	Hermann Spellmann
DZ Bank	Sven Kürten
Goldman Sachs Group	Stephen Benson
HSBC Trinkaus & Burkhardt	Christian Rath
HVB UniCredit	Michael Tappeiner
Jefferies International	Michael McNamara
Landesbank Baden-Württemberg	Anja-Katharina Bohlen
Macquarie Group	Dr. Benjamin Klüftinger
Metzler	Ruxandra Haradau-Döser
Nomura	Catharina Saponar
Steubing	Alla Gorelova
UBS	Patrick Hummel
West LB	Peter Wirtz

Financial market communication at a high level

SMA is committed to a culture of open communication, including in its dialog with the capital market. The heart of the activities is a shareholder-oriented communication policy, which is characterized mainly by the principles of transparency, continuity and trustworthiness. The objectives are the building-up and maintenance of long-term and trusting relationships with all players in the capital markets. In respect of this, we refer to our Investor Relations Web site at www.IR.SMA.de. Investors, financial analysts, journalists and the interested public will find comprehensive and up-to-date information about the Company on this Web site. It includes financial reports, presentations, statutory company statements and a financial calendar. SMA also provides current information with regard to the corporate

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governance topic on this site. Moreover, the site offers an interactive share price chart which allows comparing the SMA share price with selected stock exchange indices. The menu “FAQ” provides answers to frequently asked questions.

Investor Relations activities further intensified

We successfully continued our investor relations work in the first quarter of 2010. The Managing Board visited institutional investors in London at the beginning of the year. In March, the Company presented itself for the first time to investors in Edinburgh. As in 2009, SMA took part in Commerzbank’s Growth & Responsibility Conference in March in Frankfurt. In the context of road shows and phone conferences, there were about 70 individual discussions in the first quarter of 2010. In addition, SMA ensures regular exchanges with financial analysts. The Investor Relations team will use 2010 to intensify the dialog with the capital market.

Managing Board presents the 2009 record results at the press conference on financial statements

CEO Günther Cramer and CFO Pierre-Pascal Urbon invited local and national media representatives to the press conference on the results of fiscal 2009, held on March 31, 2010 at Presseclub Frankfurt. On the same day, Pierre-Pascal Urbon answered analysts’ questions during a phone conference.

The Managing Board presented the Consolidated Financial Statements and major results of fiscal 2009 as well as SMA’s sustainable growth concept and corporate strategy for 2010. Material elements are a significant expansion of production capacities in Germany and in the USA to a total of 11 GW, incorporation of further branch establishments in emerging markets and securing technology leadership through the usual high rate of innovation of five to six new products a year. SMA has an excellent position in the relevant solar markets and will be able to again take a share in the global growth in the photovoltaics market in 2010. SMA expects to maintain or even expand its market share of over 40 %.

INTERIM MANAGEMENT REPORT



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ECONOMIC CONDITIONS

General economic conditions

The global economy is recovering gradually from the serious recession. According to the current estimate of the International Monetary Fund (IMF), global production will grow by 4.3 % this year (IMF, World Economic Outlook, April 2010). Germany’s leading economic research institutes forecast a 1.5 % growth in general economic production 2010 in Germany in their “Joint Economic Forecast Spring 2010”. However, scientists have warned of the risk of new setbacks. The reasons were the unsecure global economic environment and the still difficult situation in the banking sector. Against the backdrop of the slow recovery, SMA’s management is expecting a continuous improvement in financing possibilities.

General economic conditions in the sectors

Due to incentive programs offered worldwide, the photovoltaics sector has been uncoupled from the development of the global economy. The strong demand in the second half year of 2009 continued in the first quarter of 2010. Major reasons are pull-forward effects due to the early amendments to the Renewable Energy Sources Act (EEG) in Germany and a historically low interest level. According to the estimates of SMA’s management, financing possibilities have improved further in the first quarter.

The Managing Board assumes that the world market for solar inverters had a volume of 7 to 8 gigawatts (GW) in 2009. With about 3.8 GW of new output installed, Germany accounted for about 50 % of the global market. In the first three months of 2010, the number of new photovoltaic systems installed declined slightly against that of the fourth quarter of 2009 as a result of seasonal effects. Due to the early amendment to the EEG, Germany was the largest photovoltaics market worldwide in the first quarter of 2010. Foreign markets saw a promising development during the first three months. North America, Italy, France, Belgium, Australia and the Czech Republic were among the strongest solar markets. In particular, growth impulses came from the Residential and Commercial market segments. Due to the weather conditions, fewer large-scale solar projects (Industrial market segment) than in the fourth quarter of 2009 were installed in the first quarter.

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The extremely slow growth of the semiconductor industry led to restricted development in the inverter manufacturer sector. The supply industry was not able to cover additional demands. This resulted in bottlenecks in solar inverter supplies.

The fundamental framework conditions in the first quarter 2010 differed substantially from those in the same period of the previous year. The environment in the first three months of 2009 was characterized by great uncertainty in the financial markets, high module prices and the sudden decline in worldwide production. These changed fundamental framework conditions must be taken into account in the analysis of results of operations, financial position and net assets.

Impact of general conditions on business development

SMA is the sole inverter manufacturer worldwide that is able to offer the optimum technical solution independent of the module technology used or the performance level. This unique position enabled SMA to benefit from the development of the global photovoltaics market again. SMA responded quickly in the first quarter 2010 to the changed demand structure. For example, the Company sold more inverter capacity in the Medium Power Solutions segment in the first three months of 2010 than in the fourth quarter of 2009. At the same time, SMA’s Managing Board pushed consistently the significant expansion of production capacities at the sites in Kassel and Denver, Colorado (USA). In Germany alone, SMA had a maximum annual production capacity of approx. 10 GW at the end of the first quarter 2010. However, the bottlenecks in electronic components supplies have so far prevented SMA from utilizing its additional production capacities to their full extent. As a result, delivery times for innovative SMA products increased again in the first quarter of 2010 as compared to the previous quarter.

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

Results of operations

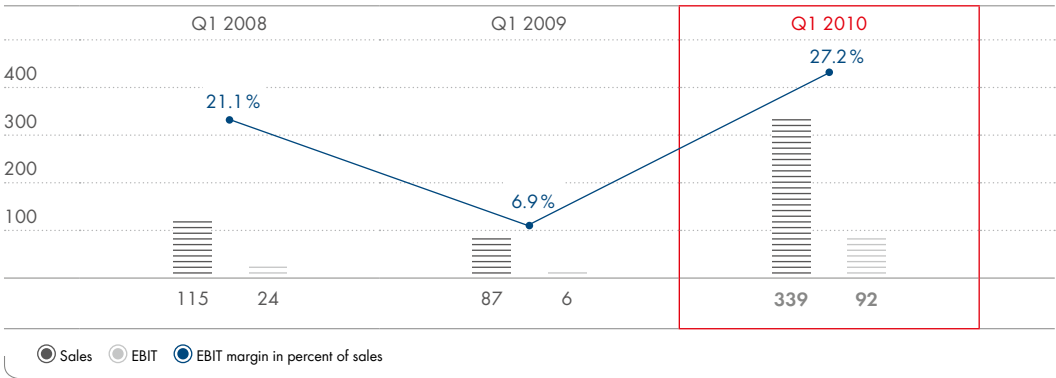
Group sales and earnings

The fundamental framework conditions in the photovoltaics sector changed significantly in the first quarter of 2010 versus the same period of the previous year. The environment in the first three months of 2009 was characterized by uncertainty in the financial markets, high module prices and the sudden decline in worldwide demand. In the first quarter of 2010, however, pull-forward effects due to the early adjustment of the feed-in tariffs in Germany, the historically low interest level and low module prices had a positive impact on demands. Therefore, a comparison of the first quarter of 2010 with the prior-year period is of limited value for analytical purposes. For this reason, we included the fourth quarter of 2009 as an additional benchmark in the assessment of the results of operations.

The first three months of 2010 were the most successful first quarter in SMA's history. Sales of the SMA Group totaled € 339.3 million, which is almost four times as high as in the first quarter of 2009 (Q1 2009: € 86.7 million).

The main growth driver in the first quarter of 2010 was the Medium Power Solutions segment. The developments of both sales and profitability significantly exceeded the management's expectations. The most successful products were the high-performance SMA inverters (Sunny Boy 5000TL, Sunny Mini Central 10000TL and 11000TL). The High Power Solutions segment contributed 6.8 % to Group sales. Sales development in this segment was influenced in particular by weather conditions. Germany was the strongest market in terms of sales during the first quarter 2010. Sales generated in foreign markets amounted to € 131.5 million (Q1 2009: € 46.7 million). Due to the strong domestic

SALES & EBIT in € million



	Results of operations, financial position and net assets

demand, the foreign share of 38.8 % was below the previous year’s figure (Q1 2009: 52.5 %). North America, Italy, France, Belgium, Australia and the Czech Republic were among the most important foreign markets.

Earnings before interest and taxes (EBIT) in the first quarter of 2010 totaled € 92.4 million. The EBIT margin of 27.2 % was only slightly below the record value of the fourth quarter of 2009. SMA expanded its international service and sales structures and intensified its development activities in the first three months of 2010. In the first quarter of 2009, EBIT were € 6.0 million, which corresponds to a share of 6.9 % in sales. Due to the different fundamental framework conditions, a comparison of the profitability of the 2010 first quarter with the prior-year period is of limited value. In the first three months of 2009, emerging foreign markets were the main business drivers. There was high demand for solar inverters with smaller outputs in these markets. In addition, very few large-scale solar projects were financed in the first three months of 2009 due to the uncertainty in capital markets.

The SMA Group’s consolidated profit was € 66.6 million in the period under review. This equates to 19.6 % of sales and is also slightly below the record level of the fourth quarter of 2009. In the same period of the previous year, consolidated profit was € 5.5 million and amounted to 6.3 % of sales. The earnings per share of the SMA Group increased to € 1.92 (Q1 2009: € 0.16).

Sales and earnings by segment

In the **Photovoltaics Technology** division, external sales in the first quarter of 2010 of € 332.6 million were four times as high as in the first quarter of 2009 (Q1 2009: € 82.7 million). The inverter output sold to generate these sales rose to approx. 1.3 GW, which is more than six times the figure of the first quarter of 2009 (Q1 2009: approx. 0.2 GW).

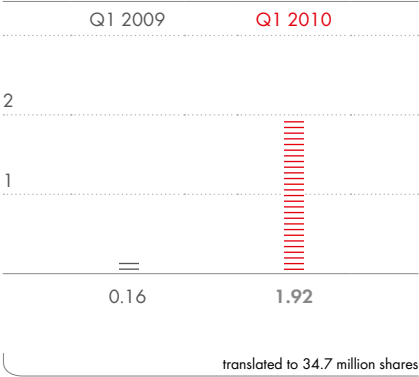
The main growth driver for the multiplication of sales in the first quarter of 2010 versus the prior-year period was the Medium Power Solutions segment. Sales in this segment accounted for 93 % of total sales in the Photovoltaics Technology segment (Q1 2009: 91.7 %). The High Power Solutions segment also saw substantial growth versus the previous year and contributed 7.0 % to total sales of the Photovoltaics Technology division (Q1 2009: 8.3 %).

The **Medium Power Solutions** segment covers the products Sunny Boy, Sunny Mini Central, Sunny Island, Sunny Backup and communication products. The grid-connected inverters and Sunny Backup inverters are deployed mainly in residential and commercial buildings, while Sunny Island is used for stand-alone systems, so-called off-grid applications. The product families have power classes ranging from 700 watts to 11 kilowatts (kW).

In the Medium Power Solutions segment, external sales totaled € 309.4 million in the first quarter of 2010 (Q1 2009: € 75.8 million). The management’s expectations were exceeded due to the strong demand in the first quarter, which is normally suffering from seasonal effects. Sales in this segment rose by 7.7 % also in comparison to the high-sales previous quarter (Q4 2009: € 287.3 million).

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EARNINGS PER SHARE in €



Of gross sales, 64.4 % were generated in Germany. The most successful foreign markets in this segment were France, North America, Belgium, Australia and the Czech Republic. The inverter types Sunny Mini Central 10000TL, Sunny Mini Central 11000TL and Sunny Boy 5000TL were the top-selling products in the quarter. In the previous year, Sunny Boy 5000TL and Sunny Mini Central 8000TL as well as the lower-performance Sunny Boy 2500 were the major sales drivers. Operating income (EBIT) improved by € 82.7 million to € 88.3 million (Q1 2009: € 5.6 million). This corresponds to an EBIT margin of 27.4 % (Q1 2009: 6.9 %) in relation to internal and external sales revenues.

The **High Power Solutions** segment includes the central inverters of the type Sunny Central. These units are used primarily in the market for large solar power plants with an output ranging from above 100 kW to several megawatts.

In the High Power Solutions segment, external sales rose by € 16.3 million to € 23.2 million in the first quarter of 2010 (Q1 2009: € 6.9 million). With 42.8 % of generated gross sales, Germany was the strongest market in terms of sales. The most successful international markets were Italy and North America. As in the previous year, Sunny Central 500HE, followed by Sunny Central 630HE, were the best-selling products. Operating income (EBIT) improved to € 1.1 million in the quarter under review (Q1 2009: € –0.8 million). This corresponds to an EBIT margin of 3.9 % (Q1 2009: –11.0 %) in relation to internal and external sales revenues. The current preparations for a great number of future projects have a negative impact on profitability.

In the **Railway Technology** division, external sales in the first three months of 2010 rose by 69.7 % to € 5.6 million (Q1 2009: € 3.3 million). In this division, which is characterized by larger-scale individual projects, it was possible to achieve a distinct increase of foreign sales owing to intensified sales activities abroad. Internal sales of € 4.2 million (Q1 2009: € 1.6 million) related primarily to supplies of cable and mechanical components to the High Power Solutions segment. Operating income (EBIT) improved by 25.0 % to € 0.5 million (Q1 2009: € 0.4 million) due to long-term large projects. The EBIT margin was 5.1 % (Q1 2009: 8.2 %) in relation to internal and external sales. Owing to a business that was characterized by long-term large projects, the division had extremely good capacity utilization at the end of the quarter.

The **Electronics Manufacturing** segment acts mainly as a sub-supplier for other segments, in particular the Medium Power Solutions segment. The production area was very well utilized throughout the period. The share of electronic assemblies manufactured by third parties was adapted to the demand. Total sales from external and internal revenues improved by € 60.2 million to € 81.8 million (Q1 2009: € 21.6 million). Operating income (EBIT) amounted to € 6.2 million and was almost four times as high as in the same period of the previous year (Q1 2009: € 1.5 million). In relation to internal and external sales revenues, this corresponds to an EBIT margin of 7.6 % (Q1 2009: 6.9 %).

Development of significant income statement items

The share of manufacturing costs in sales amounted to € 208.9 million (Q1 2009: € 59.7 million). This means that costs reduced significantly by 61.6 % in relation to sales revenues, compared to the previous year (Q1 2009: 68.9 %). The clear reduction is due primarily to the change in the product mix. In the first quarter of 2009, we mainly sold inverters with small output, while in the first quarter of 2010 high-output inverters were among the best-selling products. In comparison to the previous quarter, cost of sales was at a similar level. Cost of sales is attributable as follows: 68.4 % to material expenses, 18.6 % to personnel expenses and 13.0 % to other expenses.

Selling expenses in absolute figures increased by € 5.4 million to € 12.0 million (Q1 2009: € 6.6 million). This accounts for 3.5 % of sales (Q1 2009: 7.6 %). New sales and service companies were established abroad in 2009. There was a distinct increase of sales staff at many sites worldwide.

Research and development expenses, excluding capitalized development projects, in the first quarter totaled € 17.2 million (Q1 2009: € 8.2 million). The total research and development expenses, including capitalized development projects, amounted to € 20.7 million (Q1 2009: € 9.4 million). They were attributable mainly to a significant increase of staff in this area. The number of staff in the research and development area increased to 675 (December 31, 2009: 628).

Administrative expenses amounted to € 9.2 million in the first three months of 2010 (Q1 2009: € 6.5 million). The good scalability of SMA Group's business model is reflected in a decline of the share of administrative expenses in sales. Their share in sales fell in the first three months of 2010 by 4.8 percentage points to 2.7 % (Q1 2009: 7.5 %).

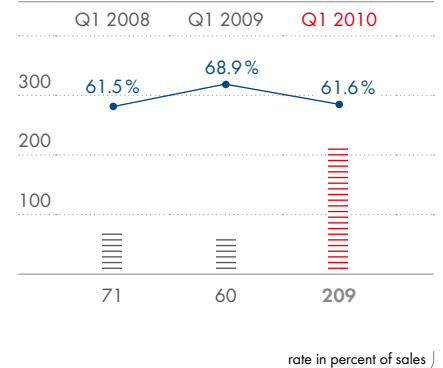
Financial position

Due to the different fundamental framework conditions, a comparison of the cash flow developments in the first quarter 2010 with the prior-year period is of limited value. The first quarter of the previous year was characterized mainly by a strong decline in results and comparatively low investments. In view of the prospects for the second quarter 2009, net working capital was raised only slightly in the previous year.

SMA's high profitability in the first quarter of 2010 is also reflected in the gross cash flow, which was € 78.5 million and thus substantially above the value of the previous year of € 3.7 million.

Against the backdrop of the delivery bottlenecks for electronic components and the looming growth opportunities in the solar industry, SMA increased its net working capital (in particular raw materials, consumables and supplies) significantly in the first quarter of 2010. The effects on the cash flow were compensated for, in part, by the growth-related increase in liabilities for guarantee extensions, for

COST OF GOODS SOLD in € million



See also section Research and Development, p.17 f.

prepayments received as well as for employee bonus payments and for holiday and flexitime commitments. The net cash flow from operating activities amounted to € 26.4 million in the first three months (Q1 2009: € –22.0 million).

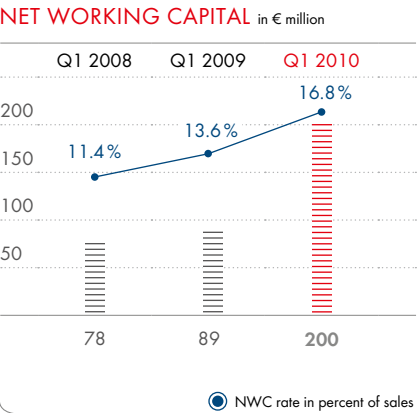
The expansion of infrastructure at the Kassel site and the new inverter production plant in Denver, Colorado (USA), resulted in a distinct increase in investments on a year-on-year basis. In the first quarter of 2010, the Company invested € 33.6 million in property, plant and equipment. In addition, SMA made investments of € 6.1 million in intangible assets in this period. The outflow of funds for the acquisition of 94 % of the shares in SMA Immo GmbH amounted to € 1.3 million.

Cash and cash equivalents of € 209.3 million (December 31, 2009: € 225.0 million) include cash in hand, bank balances, short-term deposits with an original term to maturity of less than three months as well as any credits on current accounts used. Together with the time deposits with a term to maturity of more than three months, this results in financial resources of € 349.3 million (December 31, 2009: € 365.0 million). The changes of € 1.1 million in connection with changes in the scope of consolidation include short-term credits on current accounts taken over with the acquisition of SMA Immo GmbH.

SMA, more than almost any other enterprise in the solar sector, pursues a business model characterized by low capital intensity. SMA is able to turn a comparatively high proportion of profits to cash.

Net assets

The total assets as at March 31, 2010 increased by € 128.0 million to € 846.6 million (December 31, 2009: € 718.6 million).



The net working capital more than doubled by March 31, 2010 and increased to € 199.6 million (December 31, 2009: € 98.6 million). The net working capital was 16.8 % of sales of the last twelve months. Accordingly, the ratio was within the corridor of 16 % to 18 %, which was expected by the management. In essence, the rise in the net working capital is attributable to the planned increase in inventories (in particular in raw materials, consumables and supplies). Inventories were raised by 53.9 % to € 173.1 million (December 31, 2009: € 112.5 million) in order to ensure the maximum utilization of production. Trade receivables increased by 68.0 % to € 97.6 million (December 31, 2009: € 58.1 million), while trade payables remained at the level of the previous year.

The Company’s equity as at March 31, 2010 increased by 16.5 % to € 474.9 million (December 31, 2009: € 407.6 million). SMA has a highly solid balance sheet structure with its equity ratio of 56.1 %. The decline in the equity ratio by 7.0 percentage points in relation to the end of 2009 is due mainly to the increase in current assets.

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INVESTMENTS

According to an assessment of SMA’s Managing Board, the photovoltaics sector is one of the leading industries of the 21st century and is at the very beginning of its development. To benefit from expected growth, SMA has planned to make significant investments in infrastructure. A total of about € 160 million are scheduled for investments in fiscal 2010.

In the first three months of the fiscal year, SMA’s management has consistently pushed forward its expansion plans. Investments in fixed assets and in intangible assets, excluding capitalized development costs, amounted to € 36.2 million in the first quarter of 2010 (Q1 2009: € 16.4 million). Investments in fixed assets accounted for € 33.6 million thereof (Q1 2009: € 15.2 million). Of these investments, 37.4 % was attributable to land and buildings and 62.6 % to machinery and equipment. With about € 20.7 million, the major portion of investments in fixed assets related to the completion and equipping of an interim production site at Kassel-Waldau and of the new inverter plant in Denver, Colorado (USA). The capitalized development costs amounted to € 3.5 million (Q1 2009: € 1.1 million).

RESEARCH AND DEVELOPMENT

A main differentiating characteristic of SMA compared to competitors is its high innovative power. In order to secure the Company’s future success, it is important that SMA continues to launch innovative products in the market, which both are characterized by a lower specific selling price and set new standards in technology. For this reason, the Managing Board of SMA decided to expand SMA’s research and development area on a consistent basis. Excluding capitalized development projects, the Company has a budget of € 80 million for this purpose in fiscal 2010.

Research and development expenses in the first quarter totaled € 20.7 million (Q1 2009: € 9.3 million). € 3.5 million of these costs was attributable to capitalized development projects (Q1 2009: € 1.1 million). Research and development costs as a share of sales were 6.1 % (Q1 2009: 10.8 %).

Currently, the development team of the Medium Power Solutions segment is focusing its activities on the completion of the Sunny Tripower and of Sunny Boy 3000HF, whose series production will be started in the middle of 2010.

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On the occasion of the 25th Photovoltaics Solar Energy Symposium in Bad Staffelstein, SMA received the innovation award for its new three-phase multi-string inverter Sunny Tripower. With its five worldwide innovations, this SMA inverter was chosen as the most innovative solar product. The new three-phase multi-string inverter features, on the one hand, Optiflex, which is a completely new concept for highly flexible plant configuration and, on the other, it has the unique multi-security concept Optiprotect: This consists of a string failure detection, an electronic string fuse and a lightning protection function that can be integrated and thus guarantees a maximum operating safety of the PV plant. Furthermore, the new DC plug system SUNCLIX as the fifth innovation significantly simplifies inverter installation.

The Sunny Boy 3000HF is equipped with a high-frequency transformer. Based on the latest SMA technology, these new inverters offer particularly high yields for galvanically isolated equipment in the 2.000 watt, 2.500 watt and 3.000 watt power classes. In addition, development of the design was concentrated, among other things, on the specific assembly prerequisites in the USA: Owing to its slim housing, the Sunny Boy 3000HF can be integrated to fit in post-and-beam structure walls.

Development activities in the High Power Solutions segment were concentrated primarily on the development of a new outdoor concept of the new Sunny Central series. This product helps to drastically reduce the costs of the entire system once more, through a more compact, more cost-effective concrete substation and the resulting lower transportation costs. At present, the outdoor concept is in the test phase, with series production being started in the middle of 2010.

EMPLOYEES / HUMAN RESOURCES

Employee development

As at balance sheet date of March 31, 2010, the number of staff in the SMA Group amounted to 4,876, including 1,577 temporary employees (March 31, 2009: 2,684, including 346 temporary employees). The temporary employees are active primarily in the production areas.

SMA expanded its existing foreign companies in growth markets in the first quarter of 2010 in terms of staff. The number of staff abroad increased by March 31, 2010 to 279 employees (March 31, 2009: 155).

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Company culture

The German Great Place to Work Institute® names the best employers in Germany every year. In the context of the “Best Workplaces in Germany 2010” competition, companies from all industries, of all sizes and from all regions take part in an independent evaluation of their quality and attractiveness as an employer. The main themes were the credibility and fairness of management, team spirit within the company, and the employees’ identification with it.

In this year’s Great Place to Work competition, SMA reached the second place in the category “Companies with 2,001 to 5,000 employees”. In addition, SMA received a special award for “Lifelong Learning” for its overall concept in the field of employee development.

 www.greatplacetowork.de

Managing Board

The founders of SMA Solar Technology AG have prepared the Company systematically for many years for the pending challenges and a generational shift in the Managing Board. As announced by SMA back in February 2009, the contracts with the two founding board members Günther Cramer (CEO) and Peter Drews (CPO) will expire in the middle of 2011. After 30 years of activity in the Company’s management, Günther Cramer and Peter Drews will complete the generational shift and stand as candidates for the Supervisory Board. In order to ensure an optimal induction of the new board members as well as a smooth transfer of responsibilities, the Supervisory Board resolved at its meeting on February 23, 2010 to expand the Managing Board from five to seven members on April 1, 2010 for the period until the departure of both founders.

Uwe Hertel, graduate engineer, was appointed as a new Managing Board member in charge of production. Uwe Hertel has been with SMA for 19 years and was previously Senior Vice President Production. The graduate social pedagogue Jürgen Dolle took over the board department of Human Resources.

EMPLOYEES

	03/31/2010	03/31/2009	03/31/2008
Employees (excl. temporary employees)	3,299	2,338	1,629
of which domestic	3,020	2,183	1,534
of which abroad	279	155	95
Temporary employees	1,577	346	514
Total employees (incl. temporary employees)	4,876	2,684	2,143

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Jürgen Dolle has been with SMA since 2001. Previously he was the Vice President of the Human Resources department.

CEO Günther Cramer will continue to assume the functions of strategy and corporate communication. Peter Drews will fill the new board position Systematic Product Cost Reduction as the Chief Product Officer (CPO). The scheduled and fast cost reduction for SMA products is of the utmost importance for the medium- and long-term expansion of the Company’s leading market position.

Effective April 1, 2010, the Managing Board of SMA Solar Technology AG will consist of the following members: Günther Cramer (Chief Executive Officer), Jürgen Dolle (Chief Human Resources Officer), Peter Drews (Chief Product Officer), Roland Grebe (Chief Technology Officer), Uwe Hertel (Chief Operating Officer), Pierre-Pascal Urbon (Chief Financial Officer) and Marko Werner (Chief Sales Officer).

SUPPLEMENTARY REPORT

After to the quarter under review, the demand for SMA products increased further. Several weeks ago, however, important suppliers, in particular semiconductor manufacturers, informed SMA that they would not be able to adhere to their commitments regarding additional delivery quantities. Due to the insufficient supply of electronic components, SMA is currently not able to increase its production, as intended, beyond the output volume of the fourth quarter 2009. Therefore, only the existing production capacities are fully utilized. SMA will not be able to utilize the new inverter production facility in Kassel-Waldau with an additional capacity of 5 GW per annum to its full extent. SMA’s Managing Board expects that the supply situation will improve successively in the second half of the year. SMA’s Managing Board adheres to its sales and earnings forecast of February 23, 2010 for the 2010 fiscal year. Further information about the current delivery situation for PV inverters is available on SMA’s Web site www.SMA.de/Delivery.

 Further information:
www.SMA.de/Delivery

RISKS AND OPPORTUNITIES REPORT

The Group’s risk and opportunities management as well as possible individual risks are described in detail in the Annual Report 2009. Essentially, the comments made there remain applicable. At the moment, no risks that could seriously jeopardize the Company’s continuing existence or could significantly impair its performance are discernible.

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FORECAST REPORT

Macroeconomic situation

In the first months of 2010, the macroeconomic development was better than forecast by economic institutions at the beginning of the year. The International Monetary Fund (IMF) has raised its growth forecast for 2010 in April by 0.4 percentage points to 4.3 % (IMF, World Economic Outlook, January 2010: 3.9 %). The economic recovery is largely the result of the stabilization of financial markets due to interventions of central banks as well as state support programs and guarantees. The positive impact of governmental economic stimulus programs for the real economy has added to this. In 2010, global growth is still below the level of the years before the global financial crisis.

Future general economic conditions in the photovoltaics sector

The development of the photovoltaics markets depends largely on country-specific incentive programs and the financing terms and conditions. Many countries have adopted incentive programs that will promote the expansion of photovoltaics in the long term. The Managing Board of SMA expects that the worldwide solar market will grow in 2010 to between 9 and 11 GW. It expects continuing growth of the worldwide photovoltaics market for the forthcoming years as well. According to estimates of the Managing Board, Germany with a size of 4 to 5 GW will be the largest photovoltaics market in 2010. It is very likely that the excessive reduction of feed-in tariffs, proposed by the Federal Ministry, which will take place in the middle of 2010 and again upon change of years 2010/2011, will result in a change to market structures. Owing to their unique selling propositions, inverter manufacturers will be less affected by this development.

North America, Italy, France, Belgium and the Czech Republic will be among the most important foreign markets in 2010. The Chinese and Indian solar markets will gain further importance in 2010. These countries have created the prerequisites for growth over the last few years through attractive incentive programs.

Overall statement on the expected development of the SMA Group

The following disclosures on the future development of the SMA Group are based on the estimates of SMA's Managing Board. These result from the expectations presented above regarding the development of global photovoltaics markets.

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Owing to its broad product portfolio, its high level of flexibility and its global presence, SMA has a unique position in the solar market. SMA is the world market leader, when measured by the inverter output sold of about 3.4 GW in 2009. According to SMA’s own estimates, this is a market share of over 40 %. The Managing Board intends to defend or even expand the high market share in 2010 again.

Against the backdrop of this unique position in the global market for photovoltaic inverters and the extraordinarily high order volume at March 31, 2010, the Managing Board is expecting sales of between € 1.1 billion and € 1.3 billion. A price decline has been taken into account in the 2010 sales forecast. This price decline can only be partially compensated for by product innovations with lower specific selling prices.

The German photovoltaics market will continue to be SMA’s largest sales market in 2010 as well. The Managing Board expects the foreign ratio to increase slightly in the next two years as a result of the increasing importance of foreign markets. According to SMA’s estimates, key growth impulses for the Company will come from the solar markets in North America, France, Italy, Belgium and the Czech Republic. SMA is present in these countries with its own sales and service companies. In the USA, the new production site in Denver, Colorado, will start its series production of the Sunny Boy and Sunny Central inverters in the middle of 2010. Initially, the plant will only serve the US market. In addition, due to the favorable feed-in rates in Canada, SMA will build an inverter plant in Ontario by the end of 2010 to be able to react flexibly to local demands.

Due to the incentive structure, SMA’s growth markets are characterized by a high share of new installations in the Residential and Commercial market segments. The Managing Board estimates that the Medium Power Solutions segment will grow further in 2010 and will account for about 70 % to 75 % of total sales. The product groups Sunny Boy and Sunny Mini Central will be the key sales drivers. SMA plans to expand its technology leadership in 2010 in the Medium Power Solutions segment, including through the market launch of the Sunny Tripower and the Sunny Boy 3000HF.

According to the management’s estimates, large-scale solar projects will gain importance throughout the world in 2010. This development will be driven decisively by the better financing and incentive conditions as compared to 2009. SMA is in a good position to benefit from this development. The Managing Board expects that the High Power Solutions segment will account for up to 30 % of SMA’s total sales in 2010. The Sunny Central 630HE and Sunny Central 500HE are expected to be the best-selling products in 2010. SMA intends to further expand its technological edge in this market segment in 2010 through new innovative products, in particular the Sunny Central 800CP.

In the Railway Technology segment, the Managing Board is expecting a sales plus in 2010 owing to the high number of orders on hand. SMA assumes that the export ratio will amount to about 80 %. The Railway Technology division is expected to contribute less than 5 % to the SMA Group’s total sales.

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SMA plans to further expand its research and development activities in 2010. It is our objective to introduce a series of new products offering key innovations to our customers at the leading trade fairs Intersolar in Germany and Solar Power in the USA. For this purpose, SMA will raise its development expenditure to € 80 million. We will expand our development area in the next years in order to enlarge our technological advantages towards competitors. In addition, the Managing Board will promote systematic cost reduction for our inverters with our new function for Systematic Product Cost Reduction. We regard this as an important step in continuously improving our competitive position in the next few years.

SMA will enlarge its international presence in 2010 again. We intend to expand our existing foreign companies. We will continue our proven strategy to be one of the first inverter manufacturers in young markets with our own subsidiaries in 2010 as well. For example, we are planning to establish two to three new foreign subsidiaries.

SMA will adhere to its strategy to produce its units exclusively based on purchase orders. For this reason, SMA will expand the maximum global production capacities in Germany, the USA and Canada in 2010, partially with interim solutions, up to an inverter output to above 11 GW per year. This capacity expansion will support SMA in fulfilling peak demands during the year within the usual short delivery periods. A prerequisite is that the bottlenecks in the supply of electronic components will be solved in the second half of 2010.

SMA's strategic goals will lead to higher structural costs. Therefore, the Managing Board is expecting a slightly declining EBIT margin of 20 % to 23 % for fiscal 2010. Thanks to its excellent financial situation, SMA does not intend to perform any capital measures or to borrow capital in 2010. SMA will finance the scheduled investments to expand production, to construct new office and service buildings and to purchase machinery and equipment of about € 140 million in 2010 and about € 130 million in 2011 from available liquid funds or the cash flow.

Niestetal, May 11, 2010

SMA Solar Technology AG
The Managing Board

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INCOME STATEMENT AND STATEMENT
OF COMPREHENSIVE INCOME SMA GROUP

		Jan. – March (Q1) 2010 € '000	Jan. – March (Q1) 2009 € '000
	Note		
Sales	4	339,325	86,666
Cost of sales	5	208,922	59,710
Gross profit		130,403	26,956
Selling expenses	6	11,978	6,560
Research and development expenses	7	17,194	8,226
General administrative expenses	8	9,163	6,541
Other operating income	9	4,376	3,581
Other operating expenses	9	3,999	3,259
Operating profit (EBIT)		92,445	5,951
Financial income		589	2,131
Financial expenses		260	391
Financial result	11	329	1,740
Profit before income taxes		92,774	7,691
Income tax expense		26,157	2,209
Consolidated net profit		66,617	5,482
of which attributable to minority interests		- 26	0
of which attributable to the shareholders of SMA AG		66,643	5,482
Earnings per share, basic (€)	12	1.92	0.16
Earnings per share, diluted (€)	12	1.92	0.16
Number of ordinary shares (in thousands)		34,700	34,700
Consolidated net profit		66,617	5,482
Unrealized gains (losses) from foreign currency translation		610	73
Overall result		67,227	5,555

Consolidated Balance Sheet SMA Group

CONSOLIDATED BALANCE SHEET SMA GROUP

	Note	03/31/2010 € '000	12/31/2009 € '000
Non-current assets			
Intangible assets	13	20,685	15,372
Fixed assets	14	184,397	149,119
Other financial investments		73	73
Other financial assets	16	3,853	3,602
Deferred tax receivables		12,619	7,066
		221,627	175,232
Current assets			
Inventories	15	173,160	112,569
Trade receivables		97,588	58,077
Other financial assets	16	141,421	143,787
Income tax receivables		706	349
Other receivables		2,798	3,626
Cash and cash equivalents		209,282	225,010
		624,955	543,418
Total assets		846,582	718,650
Shareholders' equity			
Share capital		34,700	34,700
Capital reserves		119,200	119,200
Retained earnings		320,940	253,687
Minority interests		56	0
	17	474,896	407,587
Non-current liabilities			
Other provisions	18	48,987	41,243
Financial liabilities	19	20,626	18,772
Other liabilities	21	35,431	29,944
Deferred tax liabilities		7,421	5,145
		112,465	95,104
Current liabilities			
Other provisions	18	34,264	30,453
Financial liabilities	19	2,175	1,411
Trade payables		71,101	72,067
Other financial liabilities	20	90,025	71,819
Income tax liabilities		22,101	24,943
Other liabilities	21	39,555	15,266
		259,221	215,959
Total equity and liabilities		846,582	718,650

CONSOLIDATED STATEMENTS OF CASH FLOWS SMA GROUP

	Note	Jan. – March (Q1) 2010 € '000	Jan. – March (Q1) 2009 € '000
Consolidated net profit		66,617	5,482
Income tax expenses		26,157	2,209
Financial result		- 329	- 1,740
Depreciation and amortization		5,616	2,919
Change in other provisions		11,555	- 1,085
Profit (-)/losses (+) from the disposal of assets		836	0
Other non-cash expenses/revenue		806	14
Interest received		343	2,110
Interest paid		- 472	- 366
Income tax paid		- 32,633	- 5,844
Gross cash flow		78,521	3,699
Increase of inventories		- 60,635	- 2,622
Increase in trade receivables		- 39,796	- 6,353
Decrease in trade payables		- 1,654	- 2,059
Change in other net assets/other non-cash transactions		50,011	- 14,621
Net cash flow from operating activities	24	26,447	- 21,956
Payments for investments in fixed assets		- 33,581	- 15,788
Proceeds from the disposal of fixed assets		- 41	0
Payments for investments in intangible assets		- 6,098	- 1,714
Payments for the acquisition of consolidated companies		- 1,288	0
Proceeds from the disposal/payments for the acquisition of securities and other financial assets		0	5,040
Net cash flow from investing activities	25	- 41,008	- 12,462
Change in financial liabilities		- 48	221
Net cash flow from financing activities	26	- 48	221
Net increase/decrease in cash and cash equivalents		- 14,609	- 34,197
Changes due to changes in the scope of consolidation.		- 1,130	0
Change in cash and cash equivalents due to exchange rate effects		37	59
Cash and cash equivalents as of 01/01		225,010	240,682
Cash and cash equivalents as of 03/31	27	209,282	206,544

STATEMENT OF CHANGES IN EQUITY SMA GROUP

	Equity attributable to the shareholders of the parent company				Minority interest € '000	Consolidated sharehol- ders' equity € '000
	Share capital € '000	Capital reserves € '000	Retained earnings € '000	Total € '000		
Shareholders' equity as of January 1, 2010	34,700	119,200	253,687	407,587	0	407,587
Changes in minority interests	0	0	0	0	82	82
Consolidated net profit Q1 2010	0	0	66,643	66,643	- 26	66,617
Differences from currency translation	0	0	610	610	0	610
Shareholders' equity as of March 31, 2010	34,700	119,200	320,940	474,840	56	474,896

STATEMENT OF CHANGES IN EQUITY SMA GROUP

	Equity attributable to the shareholders of the parent company				Minority interest € '000	Consolidated sharehol- ders' equity € '000
	Share capital € '000	Capital reserves € '000	Retained earnings € '000	Total € '000		
Shareholders' equity as of January 1, 2009	34,700	119,200	126,857	280,757	0	280,757
Consolidated net profit Q1 2009	0	0	5,482	5,482	0	5,482
Differences from currency translation	0	0	73	73	0	73
Shareholders' equity as of March 31, 2009	34,700	119,200	132,412	286,312	0	286,312

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS AS AT MARCH 31, 2010

1. Basic information

The Condensed Interim Consolidated Financial Statements of SMA Solar Technology AG as at March 31, 2010 were prepared, as were the Consolidated Financial Statements as at December 31, 2009, in compliance with the International Financial Reporting Standards (IFRS), adopted and published by the International Accounting Standards Board (IASB), as adopted by the European Union, and whose application is mandatory. Accordingly, the Interim Financial Statements of SMA Technology AG are prepared in line with IAS 34 “Interim Financial Reporting” in the 2010 fiscal year. In accordance with the regulations of IAS 34, a condensed reporting format compared with the Consolidated Financial Statements as at December 31, 2009 was chosen. The Condensed Financial Statements do not include all the information and disclosures required for Consolidated Financial Statements and are therefore to be read in conjunction with the Consolidated Financial Statements as at December 31, 2009.

The Condensed Interim Consolidated Financial Statements were prepared in euro. Unless indicated otherwise, all amounts stated were rounded to full thousands of euro (€ ’000) or millions of euro (€ million) for the sake of clarity and clearness.

The Managing Board of SMA Solar Technology AG authorized the Interim Consolidated Financial Statements for submission to the Supervisory Board on May 11, 2010.

The registered office of the Company is at Sonnenallee 1, 34266 Niestetal. The shares of SMA Solar Technology AG are traded publicly; they are listed in the Prime Standard of the Frankfurt Stock Exchange. Since September 22, 2008, the Company’s shares have been listed in the technology index TecDAX.

The SMA Group produces predominantly in Germany and distributes inverters throughout the world. More detailed information on the segments is provided in section 4.

2. Consolidated group and principles of consolidation

The scope of consolidation as at December 31, 2009 has changed versus December 31, 2008 and now includes the newly incorporated companies SMA America Holdings LLC (Denver), SMA America Production LLC (Denver), SMA Benelux SPRL (Brussels), SMA Czech Republic s. r. o. (Prague), SMA Middle East Ltd. (Abu Dhabi), Niestetal Services, Unipessoal Lda. (Lisbon) and SMA Services GmbH (Niestetal). All new companies are fully consolidated. The company so far operating under the name of SMA America, Inc. in Rocklin, USA, was renamed SMA Solar Technology America LLC.

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The scope of consolidation as at March 31, 2010 was expanded versus December 31, 2009 by the new company SMA Immo GmbH. SMA Immo GmbH, Niestetal, is fully consolidated. The shares of minority shareholders in equity of the consolidated companies are shown separately within equity.

The acquisition of the shares in SMA Immo GmbH was not valued as a business combination pursuant to IFRS 3. In accordance with this standard, it is not necessary to account a transaction as a business combination if the acquisition does not relate to a business within the meaning of IFRS 3. Instead, it is an acquisition of a group of assets. The cost of the individual identifiable assets was allocated based on their relevant fair values. This has not resulted in significant effects on the net assets, financial position and results of operations in the Consolidated Financial Statements of SMA Solar Technology AG.

The Interim Consolidated Financial Statements are based on the financial statements of SMA Solar Technology AG and of the subsidiaries included in consolidation, which are prepared in accordance with uniform accounting policies applicable throughout the Group.

More detailed information is provided in the Notes to the Consolidated Financial Statements as at December 31, 2009.

3. Accounting policies

There were no changes to the accounting and valuation policies in the present Interim Consolidated Financial Statements as at March 31, 2010 compared with the Consolidated Financial Statements of SMA Solar Technology AG as at December 31, 2009. A detailed description of these policies is published in the Notes to the Consolidated Financial Statements as at December 31, 2009.

The SMA Group has implemented all accounting standards that are to be applied mandatorily from the 2010 fiscal year in the preparation of the Consolidated Financial Statements. This relates primarily to IAS 1 "Presentation of Financial Statements". The other standards to be applied initially in the fiscal year 2010 have no significant impact on the Consolidated Interim Financial Statements.

New accounting standards

In deviation from the accounting principles applied on December 31, 2009, the SMA Group has implemented all the accounting standards that are to be applied mandatorily from the 2010 fiscal year in the preparation of the Consolidated Financial Statements.

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This relates to:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters (amendment)
- IFRS 2 Share-based Payment. Group cash-settled share-based payment transactions (amendment)
- IFRS 3 Business Combinations (revision)
- IAS 27 Consolidated and Separate Financial Statements (revision)
- IAS 39 Financial Instruments: Recognition and Measurement. Eligible hedged items (amendment)
- IAS 32 Financial Instruments: Presentation (amendment)
- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRIC 18 Transfers of Assets from Customers
- Improvements to International Financial Reporting Standards (published 2009)

The standards to be applied initially in the fiscal year 2010 have no significant impact on the Consolidated Interim Financial Statements. The Consolidated Financial Statements as at December 31, 2009 contain a detailed description of the new accounting standards that are on principle relevant to SMA.

4. Segment reporting

The Group’s operating segments were defined in compliance with the regulations contained in IFRS 8 and match those of the Consolidated Financial Statements as at December 31, 2009. Sales in the Photovoltaics Technology division are subject to fluctuations because of discontinuous incentive programs.

The segment information pursuant to IFRS 8 is made up as follows for the first quarters of 2010 and 2009:

Financial ratios by segments

Segment	Photovoltaics Technology				Railway Technology	
	Medium Power Solutions		High Power Solutions		Railway Technology	
€ million	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009
External sales	309.4	75.8	23.2	6.9	5.6	3.3
Internal sales	12.4	5.4	5.1	0.4	4.2	1.6
Total sales	321.8	81.2	28.3	7.3	9.8	4.9
Depreciation and amortization	3.7	1.9	0.6	0.4	0.1	0.1
Operating profit (EBIT)	88.3	5.6	1.1	-0.8	0.5	0.4
Sales by regions						
Germany	206.0	33.9	10.1	5.7	1.6	2.0
European Union	73.2	27.7	10.4	0.7	2.1	1.1
Third-party countries	40.7	16.4	3.1	0.6	1.9	0.2
Sales deductions	-10.5	-2.2	-0.4	-0.1	0.0	0.0
External sales	309.4	75.8	23.2	6.9	5.6	3.3

Segment	Electronics Manufacturing					
	Electronics Manufacturing		Reconciliation		Continuing operations	
€ million	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009
External sales	1.1	0.7	0.0	0.0	339.3	86.7
Internal sales	80.7	20.9	-102.4	-28.3	0.0	0.0
Total sales	81.8	21.6	-102.4	-28.3	339.3	86.7
Depreciation and amortization	1.0	0.5	0.2	0.0	5.6	2.9
Operating profit (EBIT)	6.2	1.5	-3.7	-0.7	92.4	6.0
Sales by regions						
Germany	1.0	0.7	0.0	0.0	218.7	42.3
European Union	0.1	0.0	0.0	0.0	85.8	29.5
Third-party countries	0.0	0.0	0.0	0.0	45.7	17.2
Sales deductions	0.0	0.0	0.0	0.0	-10.9	-2.3
External sales	1.1	0.7	0.0	0.0	339.3	86.7

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Notes to the Condensed Interim Financial Statements as at March 31, 2010

The reconciliation of the total segment operating profit (EBIT) pursuant to IFRS 8 to profit before income taxes produces the following figures:

Reconciliation		
€ million	Q1 2010	Q1 2009
Total segment earnings (EBIT)	96.0	6.7
Eliminations	- 3.6	- 0.7
Consolidated operating profit (EBIT)	92.4	6.0
Financial result	0.3	1.7
Profit before income taxes	92.7	7.7

The reconciliation includes circumstances that by definition are not part of the segments. In addition, unallocated parts of Group head office, e. g., from circumstances that are accounted for centrally, are included therein. Business relations between the segments are eliminated in the reconciliation.

Segment assets as at March 31, 2010 increased as against the reporting date of the last Consolidated Financial Statements (December 31, 2009) by € 86.7 million in the Medium Power Solutions segment, by € 22.0 million in the High Power Solutions segment and by € 14.6 million in the Electronics Manufacturing segment.

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SELECTED NOTES TO THE INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME SMA GROUP

5. Cost of sales

	Q1 2010 € '000	Q1 2009 € '000
Material expenses	142,904	38,229
Personnel expenses	38,954	15,845
Depreciation	3,480	1,903
Other	23,584	3,733
	208,922	59,710

Cost of sales include, as direct costs, the product-related material expenses as well as all other expenses for production, acquisition and service. Production expenses include the cost for device production, production-related testing areas and warehouse management. Service expenses consist of the cost for global customer service, device repair and the service hotline.

6. Selling expenses

	Q1 2010 € '000	Q1 2009 € '000
Material expenses	101	94
Personnel expenses	7,406	3,401
Depreciation	304	206
Other	4,167	2,859
	11,978	6,560

Selling expenses include expenditure for global sales activities, internal sales departments and marketing.

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Selected Notes to the Income Statement and Statement of Comprehensive Income SMA Group

7. Research and development expenses

	Q1 2010 € '000	Q1 2009 € '000
Material expenses	646	259
Personnel expenses	15,406	6,702
Depreciation	1,018	490
Other	3,580	1,900
	20,650	9,351
Capitalized development projects	- 3,456	- 1,125
	17,194	8,226

Research and development costs include all expenses that can be attributed to product development, development-related testing areas and product management. In addition, costs for technical documentation and patent management are assigned to the research and development costs.

8. General administrative expenses

	Q1 2010 € '000	Q1 2009 € '000
Material expenses	29	23
Personnel expenses	7,975	4,356
Depreciation	311	319
Other	848	1,843
	9,163	6,541

Administrative expenses include expenses for the Managing Board, for quality management as well as for the finance and human resources areas. The expenses for building management and IT were distributed, based on cost types, to all functional areas in line with planned consumption.

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9. Other operating income / other operating expenses

Other income mainly comprised income from foreign currency valuation and other nonoperating income.

Other expenses are primarily expenses for the disposal of fixed assets and expenses incurred from foreign currency valuation.

10. Benefits to employees and temporary employees

	Q1 2010 € '000	Q1 2009 € '000
Wages and salaries	49,974	23,231
Expenses for temporary employees	12,293	3,472
Social security contribution and welfare payments	7,570	3,601
	69,837	30,304

The average number of employees amounted to:

	Q1 2010	Q1 2009
Research and development	598	413
Production and service	1,483	1,117
Sales and administrative	759	534
	2,840	2,064
Trainees and interns	329	229
Temporary employees	1,487	355
	4,656	2,648

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Selected Notes to the Income Statement and Statement of Comprehensive Income SMA Group

11. Financial result

	Q1 2010 € '000	Q1 2009 € '000
Interest income	588	2,110
Other financial income	1	21
Financial income	589	2,131
Interest expenses	191	1
Other financial expenses	0	25
Interest share from finance lease	0	2
Interest portion from valuation	69	363
Financial expenses	260	391
Financial result	329	1,740

The lower interest income reflects the current development of interest levels. Interest expenses relate to loan interest on the part of the new subsidiary SMA Immo GmbH.

12. Earnings per share

Earnings per share are calculated by dividing the consolidated earnings attributable to the shareholders by the weighted average of ordinary shares in circulation during the period.

The consolidated earnings attributable to the shareholders are the consolidated net income after tax. Since, at the reporting date, the Company does not hold any of its own shares and neither are there any other special cases, the number of ordinary shares issued equates the number of shares in circulation.

The calculation of the earnings in relation to the weighted average number of shares in accordance with IAS 33 results in earnings of € 1.92 per share on 34.7 million shares for the period from January 1 to March 31, 2010. In relation to the weighted average number of shares in accordance with IAS 33, the earnings amount to € 0.16 per share on 34.7 million shares for the period from January 1 to March 31, 2009.

There are no options or conversion rights at the reporting date. Therefore, there are no diluting effects so that the diluted and basic earnings per share are the same.

The carrying amount of the buildings held under finance leases amounted to € 20.3 million as at December 31, 2009. In the context of the acquisition of SMA Immo GmbH at the beginning of the current fiscal year, this finance lease has ended. The carrying amount of the buildings owned by SMA Immo GmbH amounted to € 27.0 million on the date the company was included in the scope of consolidation. The prepayments made in the period from January 1 to March 31, 2010 include prepayments for the construction of office buildings, the SMA Solar Academy and for the establishment of the production facility in Denver, USA, in the total amount of € 7.7 million.

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Selected Notes to the Balance Sheet SMA Group

15. Inventories

	03/31/2010 € '000	12/31/2009 € '000
Raw materials, consumables and supplies	105,776	60,259
Unfinished goods, work in progress	15,665	13,586
Finished goods and goods for resale	47,050	36,036
Prepayments	4,669	2,688
	173,160	112,569

Inventories are measured at the lower value of acquisition or manufacturing costs and net realizable value. The increase in inventories results from the significantly better order situation in the first quarter on a year-on-year basis. The impairment on inventories, included in expenses as manufacturing costs, is € 0.1 million (Q1 2009: € 0.2 million).

16. Other financial assets

As at March 31, 2010, unchanged versus December 31, 2009, other current financial assets include primarily time deposits amounting to € 140.0 million, which have a term to maturity of more than three months, and interest accrued. Other non-current financial assets include a rent deposit in the amount of € 3.7 million for buildings in the USA.

17. Equity

The change in equity, including effects not shown in the income statement, is presented in the statement of changes in equity.

On June 10, 2009, the General Meeting of SMA Solar Technology AG passed a resolution to distribute a dividend of € 1.00 per qualifying bearer share for the 2008 fiscal year.

At the next General Meeting, the Managing Board will propose that a dividend of € 45.1 million (€ 1.30 per qualifying share) be distributed.

Due to the inclusion of SMA Immo GmbH in the scope of consolidation at the beginning of the 2010 fiscal year, the finance lease with SMA AG has ended. The value of liabilities to credit institutions, stated at SMA Immo GmbH, amounted to € 22.8 million on the acquisition date.

20. Other financial liabilities

	03/31/2010 € '000	12/31/2009 € '000
Liabilities Human Resources department	75,607	57,200
Liabilities Sales department	14,175	14,352
Other	243	267
	90,025	71,819

Liabilities in the personnel area contain obligations to employees regarding performance-based bonuses, positive holiday and flexitime balances as well as variable salary components and contributions to the worker’s compensation association. The liabilities in the marketing area contain primarily liabilities to customers from advance payments received and bonus agreements. All other financial liabilities are due in the short term.

21. Other liabilities

	03/31/2010 € '000	12/31/2009 € '000
Deferred income for extended guarantees	34,473	29,849
Liabilities from prepayments received	34,014	12,857
Liabilities due to tax authorities	4,643	1,559
Liabilities from subsidies received	1,724	826
Other	132	119
	74,986	45,210

The accrual item for extended warranties includes liabilities from chargeable guarantee extensions granted for the products in the Photovoltaics Technology division. The main item in the liabilities due to tax authorities is tax liabilities from payroll accounting. The liabilities from subsidies received relate to taxable government grants from funds of the common-task program “Improvement of the Regional Economic Structure” (EU GA), granted as investment subsidies.

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22. Financial instruments

As at March 31, 2010, the Balance Sheet included three forward transactions intended to hedge the exchange rate risks of expected future sales generated with customers in the USA.

The derivatives are still classified as held for trading. They are not part of a hedging relationship as defined by IAS 39.

The acquisition of SMA Immo GmbH has resulted in the initial recognition of interest derivatives. SMA Immo GmbH is exposed to interest risks due to existing financial liabilities. To secure the interest in the long term and to have a secure basis for calculating the financing, interest swaps were concluded for a part of these financial liabilities.

23. Contingencies

As at the closing date of March 31, 2010, contingencies amounted to € 0.03 million (previous year: € 0.00 million).

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NOTES TO THE STATEMENTS OF CASH FLOWS SMA GROUP

The liquid funds shown in the cash flow statement correspond to the balance sheet item “Cash and cash equivalents”.

24. Net cash flow from operating activities

The gross cash flow of € 78.5 million (Q1 2009: € 3.7 million) reflects the operating income prior to any commitment of funds.

The net cash flow from operating activities increased in fiscal 2010 to € 26.4 million (Q1 2009: € – 22.0 million). The increase is mainly the result of the year-on-year higher gross cash flow (€ + 74.8 million) due to strong growth of sales.

The increased net working capital results primarily from the higher trade receivables. These rose as compared to December 31, 2009 by € 39.8 million to € 97.6 million. The changes in other net assets relate primarily to growth-related increases in liabilities for guarantee extensions, prepayments received, employee bonus payments and the liabilities under holiday and flexitime commitments.

25. Net cash flow from investing activities

The net cash flow from investing activities increased to € – 41.0 million in the period under review, following € – 12.5 million in the same period of the previous year. The outflow of funds due to investments in fixed assets and intangible assets amounted to € 39.7 million (Q1 2009: € 17.5 million). Pursuant to IAS 7.17, monetary investments with a term to maturity of more than three months are allocated to the net cash flow from investing activities. The outflow of funds for the acquisition of the shares in SMA Immo GmbH at the beginning of the fiscal year 2010 amounted to € 1.3 million.

26. Net cash flow from financing activities

In the previous year, the net cash flow from financing activities included the changes in the finance lease liabilities to SMA Immo GmbH of € 0.2 million. In the current fiscal year, the value reflects the changes in the liabilities to credit institutions, which were taken over with the acquisition of SMA Immo GmbH.

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27. Cash and cash equivalents

Cash and cash equivalents of € 209.3 million (December 31, 2009: € 225.0 million) include cash in hand, bank balances, short-term deposits with an original term to maturity of less than three months as well as any credits on current accounts used. Together with the time deposits with a term to maturity of more than three months, this results in financial resources of € 349.3 million (December 31, 2009: € 365.0 million). The changes of € 1.1 million resulting from changes in the scope of consolidation include short-term liabilities on current account taken over with the acquisition of SMA Immo GmbH.

OTHER DISCLOSURES

28. Events after the balance sheet date

There were no significant events on or after the reporting date other than those presented in or recognizable from the statements in the Consolidated Management Report and the Notes.

29. Related party disclosures

There were no significant changes in respect of related parties as against December 31, 2009, except for the changes in the Managing Board and the acquisition of the shares in SMA Immo GmbH. The scope of transactions with team-time GmbH in the first quarter of 2010 was identical to the previous extent.

Niestetal, May 11, 2010

SMA Solar Technology AG
The Managing Board

Günther Cramer Peter Drews Jürgen Dolle Roland Grebe

Uwe Hertel Pierre-Pascal Urbon Marko Werner

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Auditor's Review Report	

AUDITOR'S REVIEW REPORT (Translation – the German text is authoritative)

To SMA Solar Technology AG, Niestetal

We have reviewed the condensed consolidated Interim Financial Statements – comprising the condensed balance sheet, condensed income statement, condensed cash flow statement, condensed statement of changes in equity and selected explanatory notes – together with the interim group management report of SMA Solar Technology AG, Niestetal, for the period from January 1, 2010 to March 31, 2010, which are components of the quarterly financial report pursuant to section 37x para. 3 of the German Securities Trading Act (WpHG). The preparation of the condensed consolidated Interim Financial Statements in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the Company's Managing Board. Our responsibility is to issue a review report on the condensed consolidated Interim Financial Statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated Interim Financial Statements and of the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer – IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated Interim Financial Statements have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited

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primarily to inquiries of company personnel and analytical assessments and therefore does not provide the assurance attainable in a financial statements audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated Interim Financial Statements have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Hanover, May 11, 2010

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Scharpenberg	Schwibinger
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

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Disclaimer

This Quarterly Financial Report was published in German and English on May 14, 2010. The German version is authoritative. Both versions are available as downloads on our Web site:

www.SMA.de/IR/Finanzberichte
www.SMA.de/IR/FinancialReports

Disclaimer

This document contains forward-looking statements and information – that is, statements related to future, not past, events. These statements may be identified by words such as “expects,” “looks forward to,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “will,” “project” or words of similar meaning. Such statements are based on our current expectations and certain assumptions, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond SMA’s control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of SMA to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For us, particular uncertainties arise, among others, from changes in general economic and business conditions (including margin developments, the legal and regulatory framework, changes in currency exchange rates and interest rates). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement as expected, anticipated, intended, planned, believed, sought, estimated or projected. SMA does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated.

FINANCIAL CALENDAR

May 27, 2010	Annual General Meeting 2010, Kongress Palais / Kassel
August 13, 2010	Publication of Interim Financial Report January to June 2010 Analyst Conference Call: 9:00 a. m. (CET)
September 1, 2010	WestLB Energy Forum, Frankfurt
September 16, 2010	Capital Markets Day, SMA / Niestetal
November 12, 2010	Publication of Interim Financial Report January to September 2010 Analyst Conference Call: 9:00 a. m. (CET)

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