



Court Imposes Sentence on Sinovel For Theft of AMSC Trade Secrets

July 9, 2018

AYER, Mass., July 09, 2018 (GLOBE NEWSWIRE) -- AMSC (Nasdaq:AMSC), a global energy solutions provider serving wind and power grid industry leaders, announced that Judge James D. Peterson of the U. S. District Court for the Western District of Wisconsin sentenced Sinovel Wind Group Co. Ltd. (Sinovel) in connection with Sinovel's theft of AMSC's trade secrets. Sinovel was convicted of conspiracy to commit trade secret theft, theft of trade secrets, and wire fraud on January 24, 2018 following an 11-day jury trial in Madison, Wisconsin.

Judge Peterson found that AMSC's losses from the theft exceeded \$550 million, and imposed the maximum statutory fine of \$1.5 million on Sinovel. He also sentenced Sinovel to one year of probation, during which Sinovel must pay the unpaid balance that Sinovel agreed to pay to AMSC pursuant to the terms of the settlement agreement entered into by the parties and announced on July 3, 2018.

Under the terms of the settlement agreement, Sinovel agreed to pay AMSC's wholly-owned Chinese subsidiary, Suzhou AMSC Superconductor Co. Ltd., an aggregate cash amount in Renminbi (RMB) equivalent to \$57.5 million, consisting of two installments. Sinovel paid the first installment of \$32.5 million on July 4, 2018, and has agreed to pay the second installment of \$25 million within ten (10) months after the U.S. District Court for the Western District of Wisconsin delivers the first sentence against Sinovel. As a result of Judge Peterson delivering such sentence on July 6, 2018, the second installment of \$25 million is due by May 6, 2019. Sinovel will also pay \$850,000 to additional victims within its year of probation.

[About AMSC](#) (Nasdaq:AMSC)

AMSC generates the ideas, technologies and solutions that meet the world's demand for smarter, cleaner ... better energy™. Through its Windtec™ Solutions, AMSC provides wind turbine electronic controls and systems, designs and engineering services that reduce the cost of wind energy. Through its Gridtec™ Solutions AMSC provides the engineering planning services and advanced grid systems that optimize network reliability, efficiency, and performance. AMSC's solutions are now powering gigawatts of renewable energy globally and are enhancing the performance and reliability of power networks in more than a dozen countries. Founded in 1987, AMSC is headquartered near Boston, Massachusetts with operations in Asia, Australia, Europe, and North America. For more information, please visit www.amsc.com.

AMSC, Windtec, Gridtec, PowerModule, and Smarter, Cleaner ... Better Energy are trademarks or registered trademarks of American Superconductor Corporation. All other brand names, product names, trademarks, or service marks belong to their respective holders.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such statements include, but are not limited to, statements about anticipated payments from Sinovel; anticipated impact of the settlement agreement on our business; and other statements containing the words "believes," "anticipates," "plans," "expects," "will" and similar expressions. Such forward-looking statements represent management's current expectations and are inherently uncertain. There are a number of important factors that could materially impact the value of our common stock or cause actual results to differ materially from those indicated by such forward-looking statements. These important factors include, but are not limited to: Sinovel may not make the second installment payment in the timeframe expected, or at all, We have a history of operating losses and negative operating cash flows, which may continue in the future and require us to secure additional financing in the future; Our operating results may fluctuate significantly from quarter to quarter and may fall below expectations in any particular fiscal quarter; Our financial condition may have an adverse effect on our customer and supplier relationships; Our success in addressing the wind energy market is dependent on the manufacturers that license our designs; Our success is dependent upon attracting and retaining qualified personnel and our inability to do so could significantly damage our business and prospects; Failure to successfully execute the move of our former Devens, Massachusetts manufacturing facility or achieve expected savings following the move could adversely impact our financial performance; We rely upon third-party suppliers for the components and sub-assemblies of many of our Wind and Grid products, making us vulnerable to supply shortages and price fluctuations; Many of our revenue opportunities are dependent upon subcontractors and other business collaborators; Growth of the wind energy market depends largely on the availability and size of government subsidies, economic incentives and legislative programs designed to support the growth of wind energy; Our products face intense competition; We may not realize all of the sales expected from our backlog of orders and contracts; We have operations in and depend on sales in emerging markets, including India, and global conditions could negatively affect our operating results or limit our ability to expand our operations outside of these markets; We face risks related to our intellectual property; We face risks related to our legal proceedings; and the important factors discussed under the caption "Risk Factors" in Part 1. Item 1A of our Form 10-K for the fiscal year ended March 31, 2018, and our other reports filed with the SEC. These important factors, among others, could cause actual results to differ materially from those indicated by forward-looking statements made herein and presented elsewhere by management from time to time. Any such forward-looking statements represent management's estimates as of the date of this press release. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.

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Source: AMSC