



AMSC Announces Settlement with Sinovel Wind Group

Jul 3, 2018

[Back](#)

AYER, Mass., July 03, 2018 (GLOBE NEWSWIRE) -- AMSC (Nasdaq:AMSC), a global energy solutions provider serving wind and power grid industry leaders, announced that today AMSC and Sinovel Wind Group Co. Ltd. (Sinovel) have entered into a settlement agreement to resolve all existing commercial disputes between the parties.

Under the terms of the settlement agreement, Sinovel has agreed to pay AMSC an aggregate cash amount in Renminbi (RMB) equivalent to \$57.5 million, consisting of two installments. Sinovel has agreed to pay AMSC the first installment of \$32.5 million by July 5, 2018, and has agreed to pay AMSC the second installment of \$25 million (Second Payment) within ten (10) months after the U.S. District Court delivers the first sentence against Sinovel, which is expected to occur on July 6, 2018 (Second Payment Due Date). Mr. Wenyuan Wei, former Sinovel chairman and a current Sinovel shareholder, has delivered a letter of guarantee to AMSC for the Second Payment should Sinovel fail to make such payment by the Second Payment Due Date.

In addition, pursuant to the terms of the settlement agreement, AMSC and its wholly-owned Austrian subsidiary, AMSC Austria GmbH, have granted Sinovel a non-exclusive license for certain AMSC intellectual property to be used solely in Sinovel's doubly fed wind turbines. In the event that Sinovel or Mr. Wei does not make the Second Payment by the Second Payment Due Date, the agreement provides that the non-exclusive license will terminate.

AMSC and Sinovel have also agreed to submit withdrawal applications to terminate the various legal proceedings between them, with the right to re-file, to the relevant Chinese courts and the Beijing Arbitration Commission. In addition, AMSC and Sinovel have agreed to a mutual release covering all subject matters of the commercial disputes, effective upon the completion of the Second Payment.

Mr. Daniel P. McGahn, President and CEO of AMSC, expressed that, "We valued the past cooperation between Sinovel and AMSC which was heralded as the example of Sino-US cooperation in the new energy area. Through Sinovel's and AMSC's joint efforts, we have signed a settlement agreement to resolve the previous disputes in a constructive manner that we believe will enable us to move on with our respective businesses. This closes a challenging chapter for AMSC."

McGahn continued, "We thank the Chinese, American, Austrian, and EU governments for their attention, understanding and support."

[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; expected date that the U.S. District Court delivers the first sentence against 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 first installment payment or the Second Payment in the timeframe expected, or at all, and the guarantor may also fail to make the Second Payment; The relevant Chinese courts and the Beijing Arbitration Commission may not accept any re-filing by us of any proceeding with Sinovel; We have a history of operating losses and negative operating cash flows, which may continue in the future and require us 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 any move of our Devens, Massachusetts manufacturing facility or achieve expected savings following any such move; 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, and global conditions could negatively affect our operating results or limit our ability to expand our operations outside of these countries; 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.

Investor Relations Contact:

Brion D. Tanous
CleanTech IR, Inc.
Phone: 424-634-8592
Email: Brion.Tanous@amsc.com

Public Relations Contact:

Nicol Golez
Phone: 978-399-8344
Email: Nicol.Golez@amsc.com



Source: AMSC