



February 19, 2014

## China's Supreme People's Court Decides in Favor of AMSC on Jurisdictional Matters

DEVENS, Mass., Feb. 19, 2014 (GLOBE NEWSWIRE) -- AMSC (Nasdaq:AMSC), a global solutions provider serving wind and power grid industry leaders, today announced that China's Supreme People's Court has decided in favor of AMSC on the jurisdiction of AMSC's two software copyright infringement cases against Sinovel Wind Group, Ltd. (Sinovel) and Guotong Electric (Guotong). The Supreme People's Court ruled that the cases will be heard as copyright infringement cases separate from the commercial arbitration claims. The cases will be heard independently in their respective court systems.

These are two of the four legal cases that AMSC brought against Sinovel in late 2011 regarding Sinovel's contractual breaches and AMSC's discovery of intellectual property theft by Sinovel. AMSC is also engaged in a commercial arbitration case and a trade secrets case against Sinovel in China.

### Background on Beijing Civil Case

In September 2011, AMSC filed a civil action with the Beijing No. 1 Intermediate People's Court that alleges Sinovel's unauthorized copying and use of portions of AMSC's wind turbine control software developed for Sinovel's 1.5 MW wind turbines and the binary code, or upper layer, of AMSC's software for its PM3000 power converters. In this case, AMSC is seeking a cease and desist order and damages totaling US\$6 million. In November 2011, Sinovel filed a motion to remove this case from the Beijing No. 1 Intermediate People's Court and transfer the matter to the Beijing Arbitration Commission. The court denied Sinovel's motion to remove the case. Sinovel filed an appeal of that decision to the Beijing Higher People's Court, and the Beijing Higher People's Court supported the Beijing No. 1 Intermediate People's Court's ruling and rejected Sinovel's appeal. Sinovel then filed an appeal of that decision with China's Supreme People's Court. The Supreme People's Court has ruled to uphold the Beijing Higher People's Court ruling that the dispute shall be heard by the court. AMSC will now await a hearing date from the Beijing No. 1 Intermediate People's Court.

### Background on Hainan Civil Case

In September 2011, AMSC also filed a copyright case against Sinovel and Guotong Electric with the Hainan No. 1 Intermediate People's Court. In this case, AMSC is seeking a cease and desist order as well as damages totaling approximately US\$200,000, making this the smallest of AMSC's legal actions against Sinovel. In this case, Sinovel filed a jurisdiction opposition motion in December 2011 requesting that the Hainan No. 1 Intermediate People's Court dismiss AMSC's case against Sinovel, saying the case should be governed by the Beijing Arbitration Commission pursuant to the terms of component contracts between AMSC and Sinovel. Not only did the court grant Sinovel's motion, but also it dismissed the cases against both Sinovel and Guotong. AMSC appealed the dismissal to the Hainan Higher People's Court, which on April 5, 2012 upheld the decision of the Hainan No. 1 Intermediate People's Court. AMSC then filed an appeal of that decision with China's Supreme People's Court. The Supreme People's Court overturned the previous two rulings made by the Hainan No. 1 Intermediate People's Court and Hainan Higher People's Court and has ruled that the case will be heard by the court. AMSC will now await a hearing date from Hainan No. 1 Intermediate People's Court.

### [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. The company's solutions are now powering gigawatts of renewable energy globally and 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 <http://www.amsc.com>.

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*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"). Any statements in this release about future expectations, plans, prospects, and our beliefs regarding the potential impact of the Supreme People's Court ruling on AMSC's other pending cases against Sinovel*

and other statements containing the words "believes," "anticipates," "plans," "expects," "will" and similar expressions, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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. Such factors include: We have experienced recurring operating losses and recurring negative cash flows from operations which raise substantial doubt about our ability to continue as a going concern. This substantial doubt has resulted in a qualified opinion from our auditors with an explanatory paragraph regarding our ability to continue as a going concern. We believe this opinion 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; we may not realize all of the sales expected from our backlog of orders and contracts; our business and operations would be adversely impacted in the event of a failure or security breach of our information technology infrastructure; our success is dependent upon attracting and retaining qualified personnel and our inability to do so could significantly damage our business and prospects; we rely upon third-party suppliers for the components and subassemblies of many of our Wind and Grid products, making us vulnerable to supply shortages and price fluctuations, which could harm our business; many of our revenue opportunities are dependent upon subcontractors and other business collaborators; if we fail to implement our business strategy successfully, our financial performance could be harmed; problems with product quality or product performance may cause us to incur warranty expenses and may damage our market reputation and prevent us from achieving increased sales and market share; new regulations related to conflict-free minerals may force us to incur significant additional expenses; our contracts with the U. S. government are subject to audit, modification or termination by the U.S. government and include certain other provisions in favor of the government; the continued funding of such contracts remains subject to annual congressional appropriation which, if not approved, could reduce our revenue and lower or eliminate our profit; we may acquire additional complementary businesses or technologies, which may require us to incur substantial costs for which we may never realize the anticipated benefits; many of our customers outside of the United States are, either directly or indirectly, related to governmental entities, and we could be adversely affected by violations of the United States Foreign Corrupt Practices Act and similar worldwide anti-bribery laws outside the United States; we have limited experience in marketing and selling our superconductor products and system-level solutions, and our failure to effectively market and sell our products and solutions could lower our revenue and cash flow; we have experienced recurring losses from operations and negative operating cash flow; these factors raise substantial doubt regarding our ability to continue as a going concern; we have a history of operating losses, and we may incur additional losses in the future; our operating results may fluctuate significantly from quarter to quarter and may fall below expectations in any particular fiscal quarter; we may require additional funding in the future and may be unable to raise capital when needed; our debt obligations include certain covenants and other events of default. Should we not comply with the covenants or incur an event of default, we may be required to repay our debt obligations in cash, which could have an adverse effect on our liquidity; if we fail to maintain proper and effective internal controls over financial reporting, our ability to produce accurate and timely financial statements could be impaired and may lead investors and other users to lose confidence in our financial data; we may be required to issue performance bonds or provide letters of credit, which restricts our ability to access any cash used as collateral for the bonds or letters of credit; changes in exchange rates could adversely affect our results from operations; growth of the wind energy market depends largely on the availability and size of government subsidies and economic incentives; we depend on sales to customers in China and India, and global conditions could negatively affect our operating results or limit our ability to expand our operations outside of these countries; changes in China's or India's political, social, regulatory and economic environment may affect our financial performance; our products face intense competition, which could limit our ability to acquire or retain customers; our international operations are subject to risks that we do not face in the United States, which could have an adverse effect on our operating results; adverse changes in domestic and global economic conditions could adversely affect our operating results; we may be unable to adequately prevent disclosure of trade secrets and other proprietary information; our patents may not provide meaningful protection for our technology, which could result in us losing some or all of our market position; the commercial uses of superconductor products are limited today, and a widespread commercial market for our products may not develop; there are a number of technological challenges that must be successfully addressed before our superconductor products can gain widespread commercial acceptance, and our inability to address such technological challenges could adversely affect our ability to acquire customers for our products; we have not manufactured our Amperium wire in commercial quantities, and a failure to manufacture our Amperium wire in commercial quantities at acceptable cost and quality levels would substantially limit our future revenue and profit potential; third parties have or may acquire patents that cover the materials, processes and technologies we use or may use in the future to manufacture our Amperium products, and our success depends on our ability to license such patents or other proprietary rights; our technology and products could infringe intellectual property rights of others, which may require costly litigation and, if we are not successful, could cause us to pay substantial damages and disrupt our business; we have filed a demand for arbitration and other lawsuits against our former largest customer, Sinovel, regarding amounts we contend are overdue. We cannot be certain as to the outcome of these proceedings; we have been named as a party to purported stockholder class actions and stockholder derivative complaints, and we may be named in additional litigation, all of which will require significant management time and attention, result in significant legal expenses and may result in an unfavorable outcome, which could have a material adverse effect on our business, operating results and financial condition; our 7% convertible note contains warrants and provisions that could limit our ability to repay the note in shares of common stock and should the note be repaid in stock, shareholders could experience significant dilution; our common stock has experienced, and may continue to experience, significant market price and volume fluctuations, which may prevent our stockholders from selling our common stock at a profit and could lead to costly litigation against us that could divert our management's attention. These 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, 2013, and our other reports filed with the SEC, 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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