



AMSC to Delay Reporting Fourth Quarter and Fiscal Year End Financial Results

Company Reduces Global Headcount by 10 Percent, Provides Update on its Acquisition of The Switch and Continues Discussions with Sinovel

DEVENS, Mass., May 31, 2011 (BUSINESS WIRE) --

American Superconductor Corporation (NASDAQ: AMSC), a global power technologies company, today announced that it will not file its Annual Report on Form 10-K and report financial results for the fiscal year ended March 31, 2011 by its May 31, 2011 filing deadline with the Securities and Exchange Commission (SEC). As a result, the company has filed a Notification of Late Filing on Form 12b-25 with the SEC requesting an extension of up to 15 days to file its Annual Report.

Additional time is required to complete the preparation and audit of the company's financial statements for fiscal 2010, including a review of certain revenues associated with shipments to customers in China during the second, third and fourth fiscal quarters. In connection with this ongoing review, the company currently expects to reverse the recognition of a material amount of revenue that it had included when estimating revenues of "less than \$355 million" for the full fiscal year ended March 31, 2011 in the company's press release dated April 5, 2011.

The company plans to file its Annual Report on Form 10-K as soon as practicable and hold a conference call to discuss its financial results and recent business developments after the Annual Report is filed.

Business Updates

- In order to better align its spending with near-term revenues, AMSC has implemented a hiring freeze and has significantly reduced travel and discretionary spending. Since March 31, 2011, the company also has reduced its total headcount by 10 percent globally.
- On March 14, 2011, AMSC announced a definitive agreement to acquire The Switch Engineering Oy, a power technologies company headquartered in Finland. AMSC received regulatory approval on the 190-million-Euro (approximately US\$273 million based on current exchange rates) acquisition on May 26, 2011. AMSC is currently reviewing options to secure additional financing to enable the company to complete its acquisition of The Switch.
- As reported on April 5, 2011, AMSC's financial results for the fourth quarter of fiscal 2010 were impacted by a refusal by Sinovel Wind Group Co., Ltd. (Sinovel) to accept shipments at the end of March as well as Sinovel's failure to pay AMSC for certain contracted shipments completed in fiscal year 2010. Although a resolution has not yet been reached, AMSC remains involved in regular executive-level discussions with Sinovel and expects that it will continue to do business with this customer.

[About American Superconductor \(NASDAQ: AMSC\)](#)

AMSC offers an array of proprietary technologies and solutions spanning the electric power infrastructure - from generation to delivery to end use. The company is a leader in [renewable energy](#), providing proven, megawatt-scale wind turbine designs and electrical control systems. The company also offers a host of [Smart Grid](#) technologies for power grid operators that enhance the reliability, efficiency and capacity of the grid, and seamlessly integrate renewable energy sources into the power infrastructure. These include superconductor power cable systems, grid-level surge protectors and power electronics-based voltage stabilization systems. AMSC's technologies are protected by a broad and deep intellectual property portfolio consisting of hundreds of patents and licenses worldwide. More information is available at www.amsc.com.

American Superconductor and design, Revolutionizing the Way the World Uses Electricity, AMSC, Powered by AMSC, Amperium, D-VAR, dSVC, FaultBlocker, PowerModule, PowerPipelines, PQ-IVR, PQ-SVC, SeaTitan, SolarTie, SuperGEAR and Windtec and design are trademarks or registered trademarks of American Superconductor Corporation or its subsidiaries. All other brand names, product names or trademarks belong to their respective holders.

Any statements in this release about future expectations, plans and prospects for the company, including without limitation, our expectations regarding the filing of our Annual Report on Form 10-K for the fiscal year ended March 31, 2011, the financial performance of the company 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. 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 may be subject to restatement of financial information from prior periods; identification of deficiencies in our internal control over financial reporting or disclosure control and procedures, and/or additional unanticipated accounting, audit and internal control issues; we have a history of operating losses, and we may incur losses in the future; our operating results may fluctuate significantly from quarter to quarter and may fall below expectations in any particular fiscal quarter, including any expectations resulting from financial guidance issued by us; a significant portion of our revenues are derived from a single customer, Sinovel, and revenues from this customer may decline in future periods; any failure by this customer (or other customers) to honor contractual obligations to accept products or to pay for products may have a material adverse impact on our financial condition or results from operations; adverse changes in domestic and global economic conditions could adversely affect our business; changes in exchange rates could adversely affect our financial results; we may not realize all of the sales expected from our backlog of orders and contracts; we rely upon third party suppliers for the components and subassemblies of many of our products, making us vulnerable to supply shortages and price fluctuations; we may require significant additional funding and may be unable to raise capital when needed, which could force us to delay, reduce, or eliminate planned activities, including the planned acquisition of The Switch; failure to complete the planned acquisition of The Switch could harm our operating results and could cause our stock price to decline; completion of the planned acquisition of The Switch could present certain risks to our business; we may acquire additional complementary businesses or technologies that may require us to incur substantial costs for which we may never realize the anticipated benefits; 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; if we fail to implement our business strategy, our financial performance could be harmed and our growth could slow or stop; 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 U.S., which could have an adverse effect on our operating results; we depend on sales to China, and global conditions could negatively affect our operating results or limit our ability to expand our operations outside of China; changes in China's political, social, regulatory and economic environment may affect our financial performance; 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; our success in addressing the wind energy market is dependent on the manufacturers that license our designs; we have been named as a party to purported stockholder class actions and shareholder derivative complaints, and we may be named in additional litigation, all of which will require significant management time and attention and 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; 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; and our patents may not provide meaningful protection for our technology, which could result in us losing some or all of our market position. Reference is made to these and other factors discussed in the "Risk Factors" section of the company's most recent quarterly or annual report filed with the Securities and Exchange Commission. In addition, any forward-looking statements included in this press release represent the company's views as of the date of this release. While the company anticipates that subsequent events and developments may cause the company's views to change, the company specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the company's views as of any date subsequent to the date this press release is issued.

SOURCE: American Superconductor Corporation

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