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## **AMSC Announces D-VAR(R) System Installations in Africa and the United States**

### **Company Also Announces Four D-VAR Wins in Australia, North America, and South Africa**

DEVENS, Mass., May 1, 2014 (GLOBE NEWSWIRE) -- AMSC (Nasdaq:AMSC), a global solutions provider serving wind and power grid industry leaders, today announced that it has successfully installed and commissioned three D-VAR® STATCOM systems in Africa and the United States. The new installations are connecting renewable power plants to the grid and ensuring power quality at industrial sites. Additionally, AMSC announced that it has won four new D-VAR contracts in Australia, North America, and South Africa. For all of these new contracts, the D-VAR system will be used to meet grid interconnection standards and safely and efficiently connect wind and solar energy generation plants to the power grid.

#### **Renewable Installations**

Located at the wind or solar plant substation, AMSC's D-VAR STATCOM provides a renewable energy integration solution that allows power plants to stay online and helps prevent the nuisance tripping of solar inverters and wind turbine generators. Customers utilize AMSC's D-VAR solutions to provide dynamic voltage control, power factor correction and post-contingency reactive compensation to stabilize the power grid and prevent undesirable events such as voltage collapse. The new installations include:

- **Kahuku Wind project in Oahu, Hawaii:** First Wind, an independent U.S.-based wind energy company, is using the solution to connect the 30 megawatt (MW) Kahuku Wind project to the Hawaiian Electric Company's (HECO) grid.
- **Cookhouse Wind Farm near Port Elizabeth, South Africa:** Consolidated Power Projects (CONCO), South Africa's largest high voltage construction company, has installed the D-VAR system as part of its efforts to connect the 140 MW project to the Eskom's grid. Eskom is South Africa's primary electric utility.

#### **Industrial Installations**

Every year, billions of dollars in revenue are lost due to momentary power quality problems. The slightest variations in voltage can cause hours of downtime, resulting in lost productivity and the need to recalibrate equipment. When used to enhance power quality, AMSC's D-VAR system can cost effectively provide efficiency, protection, and a secure connection, helping industrial facilities achieve smooth operation and realize their full profit potential. AMSC also installed a D-VAR system for a power quality application at the Yellowstone Valley Electric Co-op in Montana, United States. The Yellowstone Valley Electric Co-op is using a D-VAR system to mitigate the voltage sags and flicker caused by large power draw from a local car shredding facility.

"To achieve our financial targets, we remain focused on winning new orders in both existing and emerging markets," said Daniel P. McGahn, President and CEO, AMSC. "The new orders we announced today, in conjunction with the new installations, demonstrate our accomplishments in our core markets of Australia and the United States as well as in Africa, one of our targeted emerging markets."

#### **[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 ability to win new orders in existing and emerging markets to achieve our fiscal targets 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 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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