

A collage of four photographs showing different views of SMIC industrial buildings. The top-left photo shows a modern glass and steel structure. The middle-left photo shows a large brick building. The bottom-left photo shows a building with a flagpole. The right photo shows a building with a flagpole and a flag.

SMIC

1Q 2009 Earnings Presentation

April 29, 2009

SEHK: 981

NYSE: SMI





SAFE HARBOR

(Under the Private Securities Litigation Reform Act of 1995)

This press release contains, in addition to historical information, “forward-looking statements” within the meaning of the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements, including statements concerning expected increase in our second quarter 2009 utilization rate, anticipated timing for moving into volume production for 65nm customer low power product, future collaboration with global partners, anticipated future credit facilities, anticipated increase in revenue in the second quarter 2009, our expectations regarding market recovery, our ability to strengthen our operational and financial performance, our expectations regarding the amount of our capital expenditures in 2009, and statements under “Capex Summary” and “Second Quarter 2009 Guidance”, are based on SMIC’s current assumptions, expectations and projections about future events. SMIC uses words like “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project” and similar expressions to identify forward-looking statements, although not all forward-looking statements contain these words. These forward-looking statements are necessarily estimates reflecting the best judgment of SMIC’s senior management and involve significant risks, both known and unknown, uncertainties and other factors that may cause SMIC’s actual performance, financial condition or results of operations to be materially different from those suggested by the forward-looking statements including, among others, risks associated with cyclical and market conditions in the semiconductor industry, the downturn in the global economy and the impact on China’s economy, intense competition, timely wafer acceptance by SMIC’s customers, timely introduction of new technologies, SMIC’s ability to capture growth opportunities in China, SMIC’s ability to strengthen its products portfolio, supply and demand for semiconductor foundry services, industry overcapacity, shortages in equipment, components and raw materials, orders or judgments from pending litigation, availability of manufacturing capacity and financial stability in end markets.

Investors should consider the information contained in SMIC’s filings with the U.S. Securities and Exchange Commission (SEC), including its annual report on 20-F, as amended, filed with the SEC on November 28, 2008, especially in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections, and such other documents that SMIC may file with the SEC or SEHK from time to time, including on Form 6-K. Other unknown or unpredictable factors also could have material adverse effects on SMIC’s future results, performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this press release may not occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this press release. Except as required by law, SMIC undertakes no obligation and does not intend to update any forward-looking statement, whether as a result of new information, future events or otherwise.





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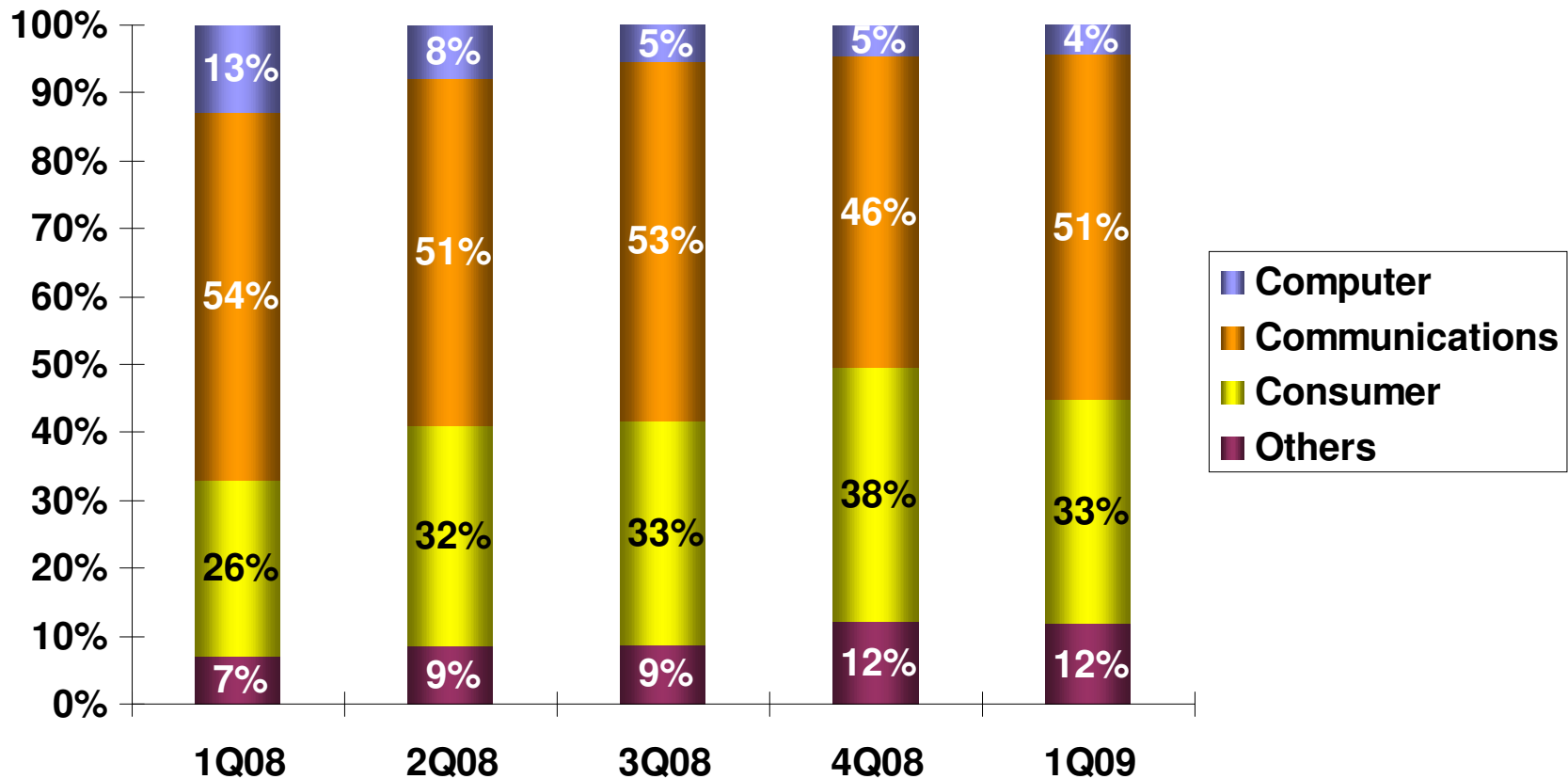


FINANCIAL HIGHLIGHTS

Financial Highlights					
<i>(Amounts in US\$ million, except for EPS and operating data)</i>	1Q09	4Q08	QoQ	1Q08	YoY
Sales	146.5	272.5	(46.2%)	362.4	(59.6)
Gross margins	(88.3%)	(27.4%)	-	(9.0%)	-
Net income(loss)	(178.4)	(139.5)	27.9%	(224.9)	(20.7%)
Operating expenses	46.7	46.4	0.5%	64.4	(27.5%)
Capex	24	56	(57.1%)	136	(82.4%)
Net income (loss) per ADS (US\$ diluted)	(0.40)	(0.37)	-	(0.61)	-



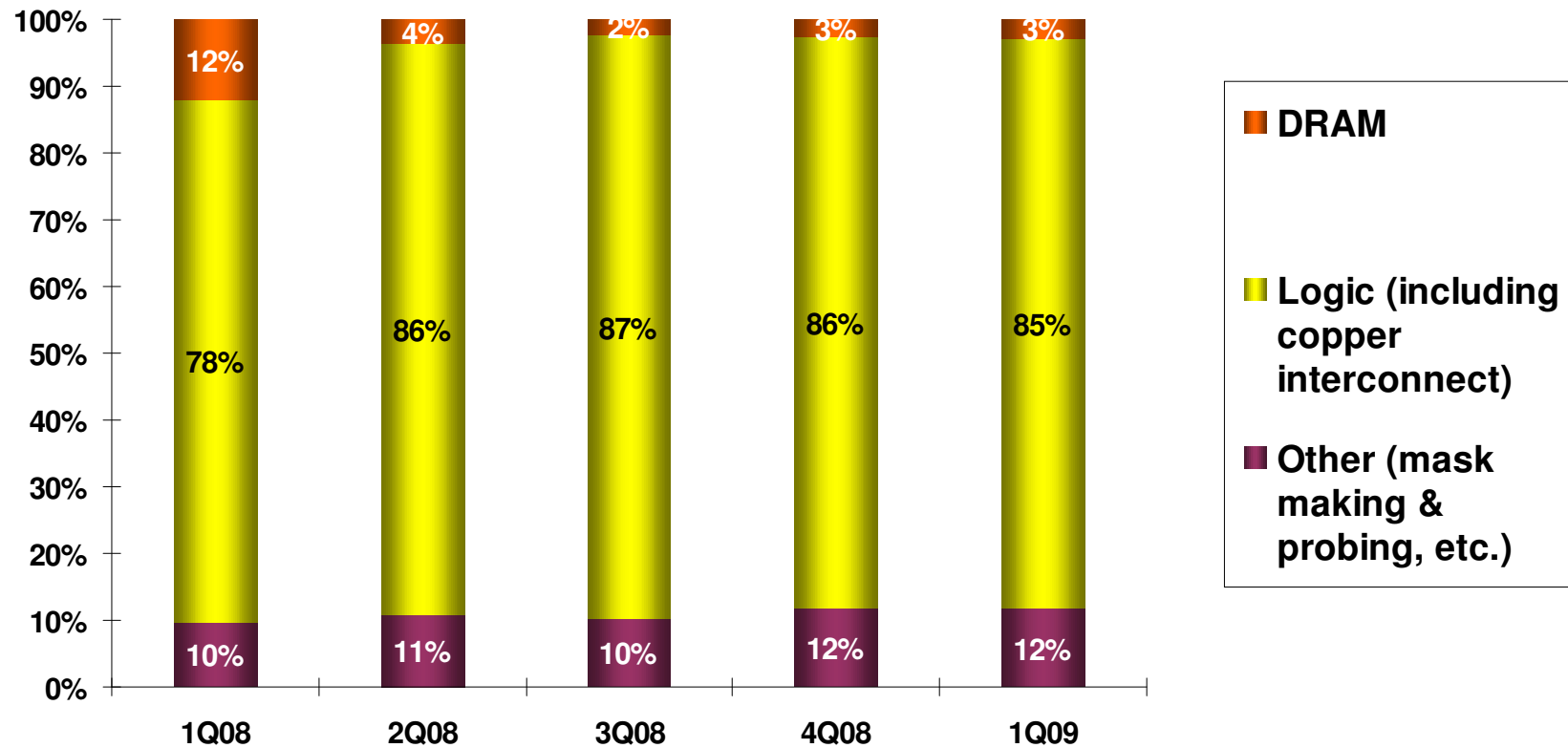
SALES BREAKDOWN BY APPLICATION



Source: Company financials



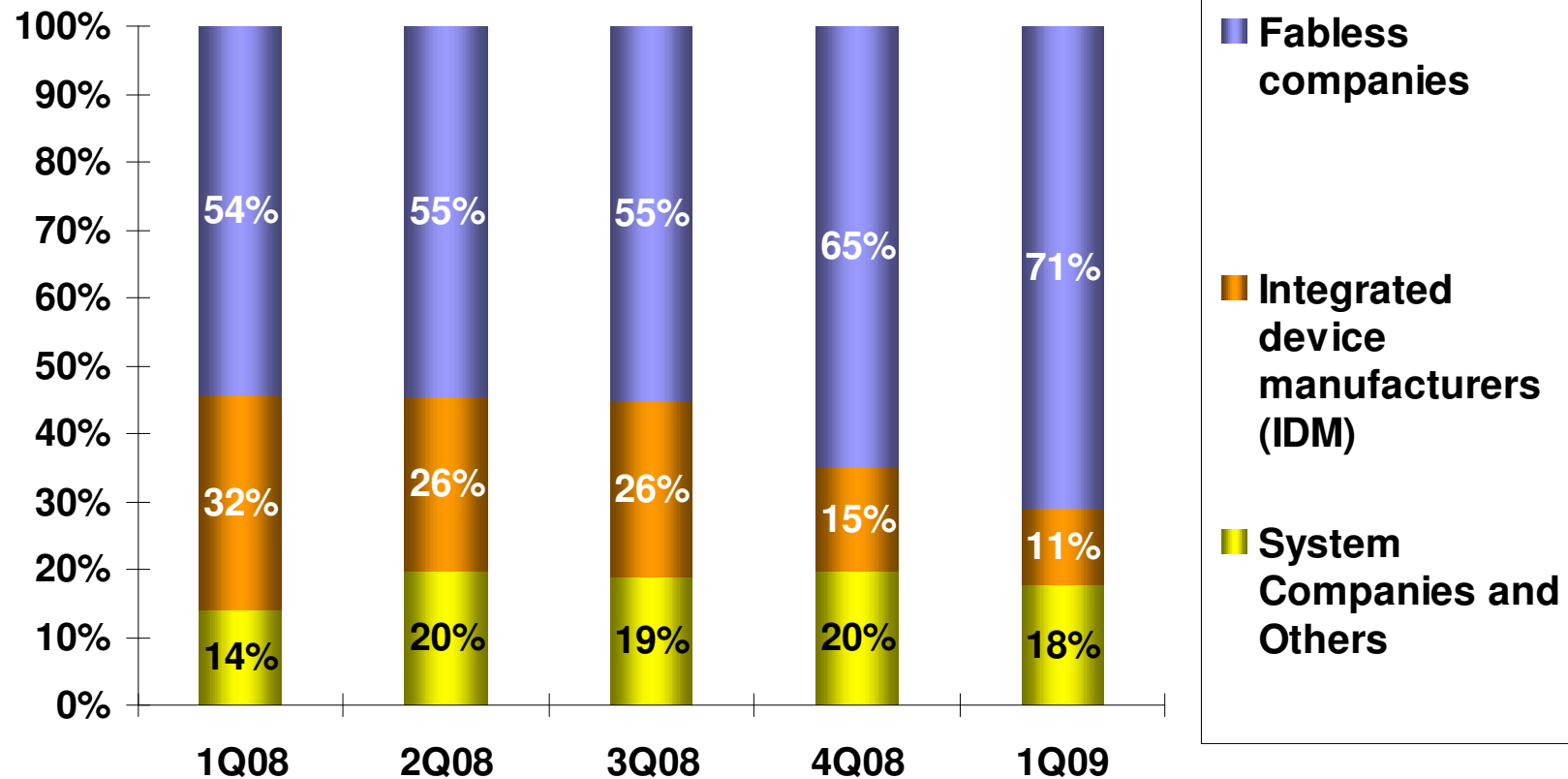
SALES BREAKDOWN BY SERVICES



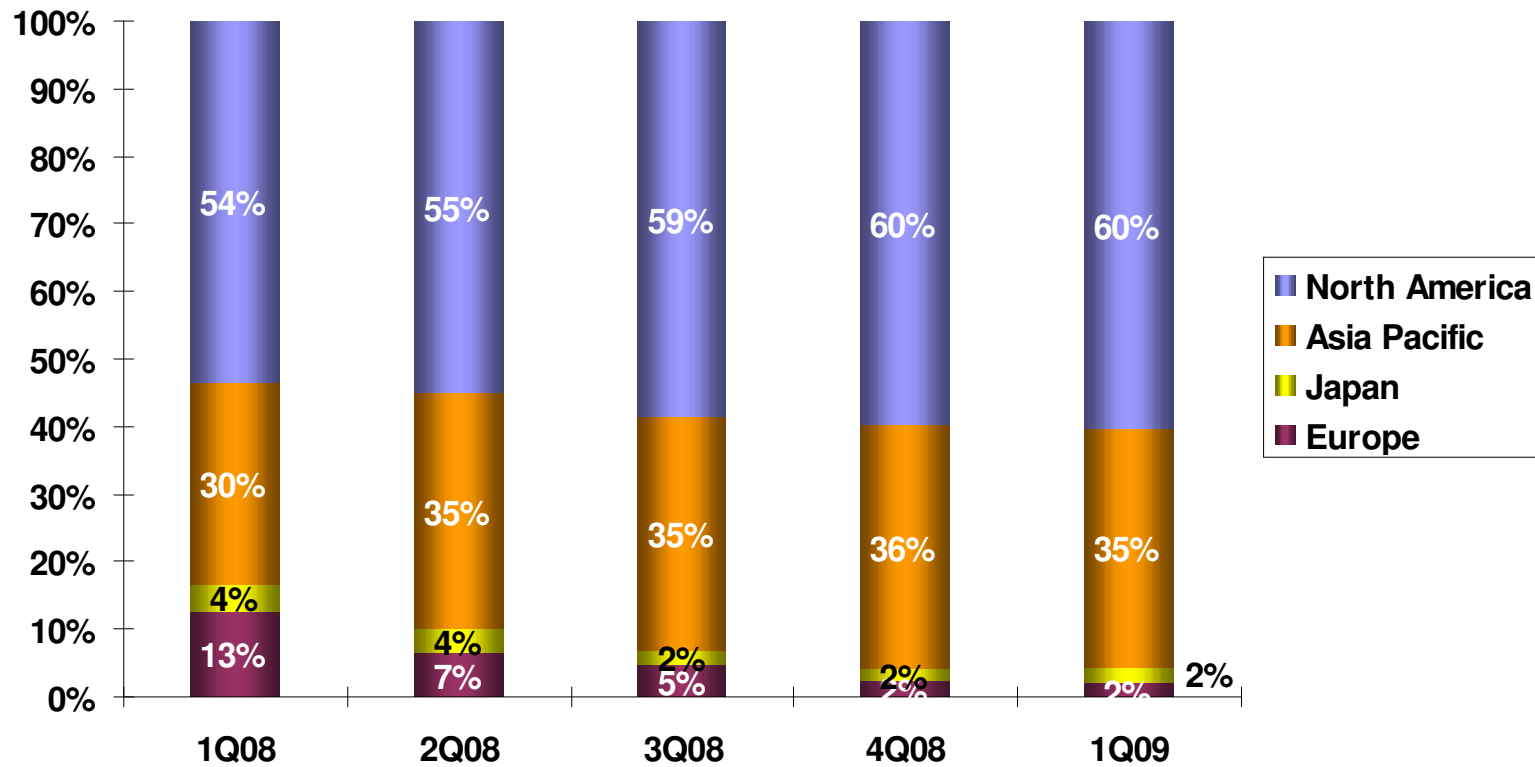
Source: Company financials



SALES BREAKDOWN BY CUSTOMER TYPE



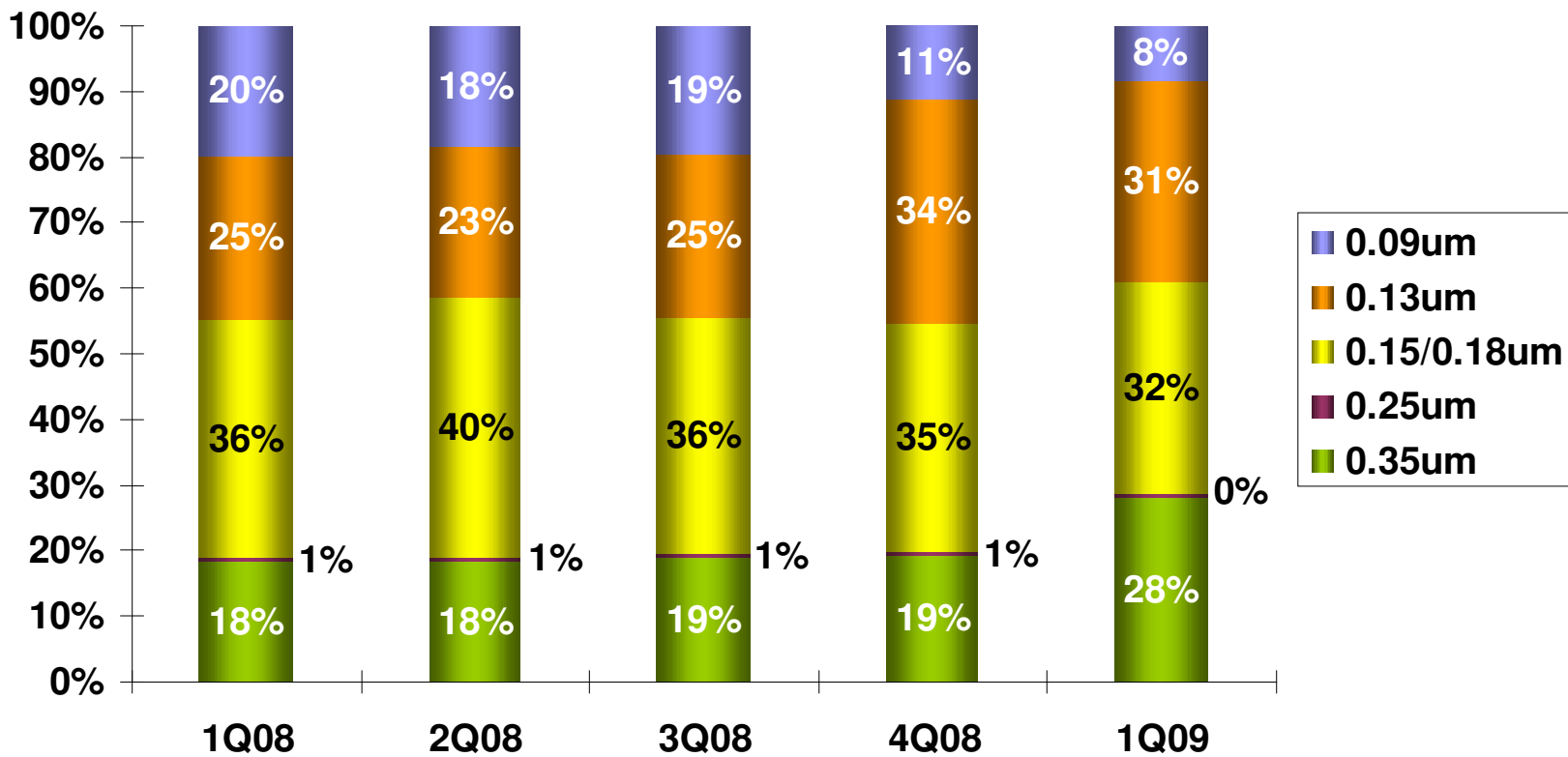
SALES BREAKDOWN BY GEOGRAPHY



Source: Company financials



TOTAL SALES BREAKDOWN BY TECHNOLOGY



Source: Company financials





APPENDIX





2Q 2009 GUIDANCE

<i>US\$ Millions (except opex %)</i>	1Q2009 Actual	2Q2009 Guidance
Sales	US\$ 146.5 M	Increase 58% to 62%
Operating expenses	\$46.7 M	\$79 M to \$83 M excluding forex difference
Capital expenditures	\$24 M	\$38 M - \$43 M
Depreciation & Amortization	\$207.8	\$203 M - \$206 M

Source: Company financials





SUMMARY BALANCE SHEET

Summary Balance Sheet		
<i>(in US\$ thousands)</i>	For the three months ended	
	Mar 31, 2009	Dec 31, 2008
Cash and cash equivalents	502,016	450,230
Current assets	923,664	926,858
Total assets	4,092,220	4,270,622
Current liabilities	908,656	899,773
Total liabilities	1,484,288	1,478,462
Non-Controlling interests	34,041	42,795
Shareholders' equity	2,573,891	2,749,365
Total liability and shareholders' equity	4,092,220	4,270,622

Source: Company financials





SUMMARY INCOME STATEMENT

Summary Income Statement					
<i>(Amounts in US\$ thousands, except for EPS and operating data)</i>	1Q09	4Q08	QoQ	1Q08⁽¹⁾	YoY
Sales	146,519	272,479	(46.2%)	362,369	(59.6%)
Gross profit	(129,381)	(74,635)	73.4%	(32,571)	297.2%
Operating expenses	46,681	46,445	0.5%	170,151	(72.6%)
Income (loss) from operations	(176,062)	(121,080)	45.4%	(202,722)	(13.2%)
Net income (loss)	(178,370)	(139,458)	27.9%	(224,855)	(20.7%)
Net income (loss) per ADS (US\$ diluted)	(0.40)	(0.37)	-	(0.61)	-
Wafers shipped (in 8" wafers)⁽²⁾	168,682	323,175	(47.8%)	454,259	(62.9%)
Capacity utilization	34.9%	67.7%	-	92.1%	-
Simplified ASP	\$869	\$843	3.1%	\$798	8.9%

(1) As restated in "SMIC Reports 2008 Second Quarter Results" issued on July 28, 2008

(2) Including copper interconnects





SUMMARY CASH FLOW STATEMENT

Summary Cash Flow Statement		
<i>(in US\$ thousands)</i>	For the three months ended	
	Mar 31, 2009	Dec 31, 2008
Net loss	(178,111)	(126,064)
Net cash provided by operating activities	78,117	171,213
Net cash used in investing activities	(81,785)	(120,085)
Net cash provided by (used in) financing activities	54,846	6,460
Net increase in cash and cash equivalents	51,786	57,349
Cash and cash equivalents at the beginning of period	450,230	392,881
Cash and cash equivalents at the end of period	502,016	450,230

Source: Company financials





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