



# SMIC Q4 2011 Financial Presentation

NYSE: SMI      HKSE: 981

SMIC Investor Relations

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(Under the Private Securities Litigation Reform Act of 1995)

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## 4Q11 Financial Highlights

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- **Revenue down by 5.6% to \$289.6 million** in 4Q11 from \$306.9 million in 3Q11 and down by 29.1% compared to 4Q10.
- **Gross margin was -7.4%** in 4Q11 compared to 1.4% in 3Q11 primarily due to product mix change and from the settlement with Elpida.
- **Net cash flow from operations decreased to \$80.8 million** in 4Q11 from \$160.9 million in 3Q11 mainly due to operating losses.
- **Loss** attributable to Semiconductor manufacturing International Corporation was **\$165.6 million** in 4Q11, compared to loss of \$88.1 million in 3Q11.
- **Diluted EPS was \$(0.3)** per ADS.

# Summary Income Statement

<i>(Amounts in US\$thousand)</i>	4Q2011	3Q2011	QoQ	4Q2010	YoY
<b>Total Revenue</b>	<b>289,628</b>	<b>306,890</b>	<b>-5.6%</b>	<b>408,600</b>	<b>-29.1%</b>
<b>Gross Profit</b>	<b>(21,311)</b>	<b>4,223</b>	<b>-</b>	<b>96,557</b>	<b>-</b>
<b>Gross margins</b>	<b>-7.4%</b>	<b>1.4%</b>	<b>- 8.8 pts</b>	<b>23.6%</b>	<b>- 31 pts</b>
<b>Operating Expenses:</b>					
Research & Development	38,921	51,479		44,731	
General & Administrative	25,038	21,903		(6,187)	
Selling & Marketing	9,283	7,398	<b>7.1%</b>	8,582	<b>189.7%</b>
Others, net	12,425	(793)		(17,559)	
<b>Operating expenses</b>	<b>85,667</b>	<b>79,987</b>		<b>29,567</b>	
<b>Operating income (loss)</b>	<b>(106,998)</b>	<b>(75,764)</b>	<b>—</b>	<b>66,990</b>	<b>—</b>
<b>Net income (loss) attributable to SMIC</b>	<b>(165,582)</b>	<b>(88,073)</b>	<b>—</b>	<b>68,570</b>	<b>—</b>
<b>Net income (loss) per ADS (US\$ diluted)</b>	<b>(0.30)</b>	<b>(0.16)</b>		<b>0.13</b>	

- Wafer revenue from our managed fab Wuhan Xinxin was \$24.4 million in Q4, contributing 8.4% to our total revenue.
- R&D expense in Q4 was offset by government subsidies of \$22.1 million. G&A expenses in the fourth quarter was up mainly attributable to personnel related reserve. Selling expenses increased mainly due to expenses on sample engineering wafers and masks used to promote sales.

# Summary Balance Sheet

<i>(in US\$ thousands)</i>	For the three months ended	
	Dec 31, 2011	Sept 30, 2011
Cash and cash equivalents	261,615	315,690
Account Receivables	165,234	165,911
Inventories	207,309	207,961
Others	262,444	442,523
<b>Total Current assets</b>	<b>896,602</b>	<b>1,132,085</b>
Fixed Assets	2,516,578	2,619,448
Intangible & Other Assets	1,211,351	382,826
<b>Total assets</b>	<b>3,727,929</b>	<b>4,134,359</b>
Accounts Payable	280,691	338,305
Short Term Loan	795,782	867,899
Others	171,853	173,129
<b>Total Current liabilities</b>	<b>1,248,326</b>	<b>1,379,333</b>
Long Term Payable	155,228	193,144
Long Term Loan	75,361	153,163
<b>Total liabilities</b>	<b>1,478,915</b>	<b>1,725,640</b>
<b>Noncontrolling interest</b>	<b>4,199</b>	<b>3,818</b>
<b>Shareholders' equity</b>	<b>2,244,815</b>	<b>2,404,901</b>
<b>Total liability and shareholders' equity</b>	<b>3,727,929</b>	<b>4,134,359</b>
<b>Debt/Equity Ratio</b>	<b>38.7%</b>	<b>42.4%</b>

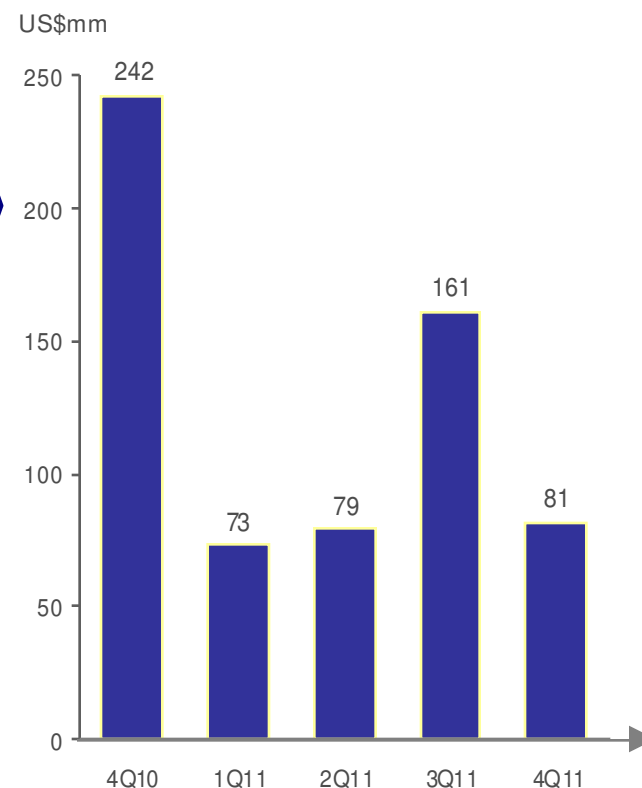


# Cash Flow

## Summary Cash Flow Statement

<i>(in US\$ thousands)</i>	For the three months ended	
	Dec 31, 2011	Sept 30, 2011
<b>Net Profit (loss)</b>	(165,201)	(87,856)
<b>Net cash provided by operating activities</b>	80,813	160,885
<b>Net cash used in investing activities</b>	29,249	(190,376)
<b>Net cash used in financing activities</b>	(164,824)	(65,869)
<b>Effect of exchange rate changes</b>	687	138
<b>Net increase (decrease) in cash and cash equivalents</b>	(54,075)	(95,222)
<b>Cash and cash equivalents at the beginning of period</b>	315,690	410,912
<b>Cash and cash equivalents at the end of period</b>	261,615	315,690

## Cashflow from operations

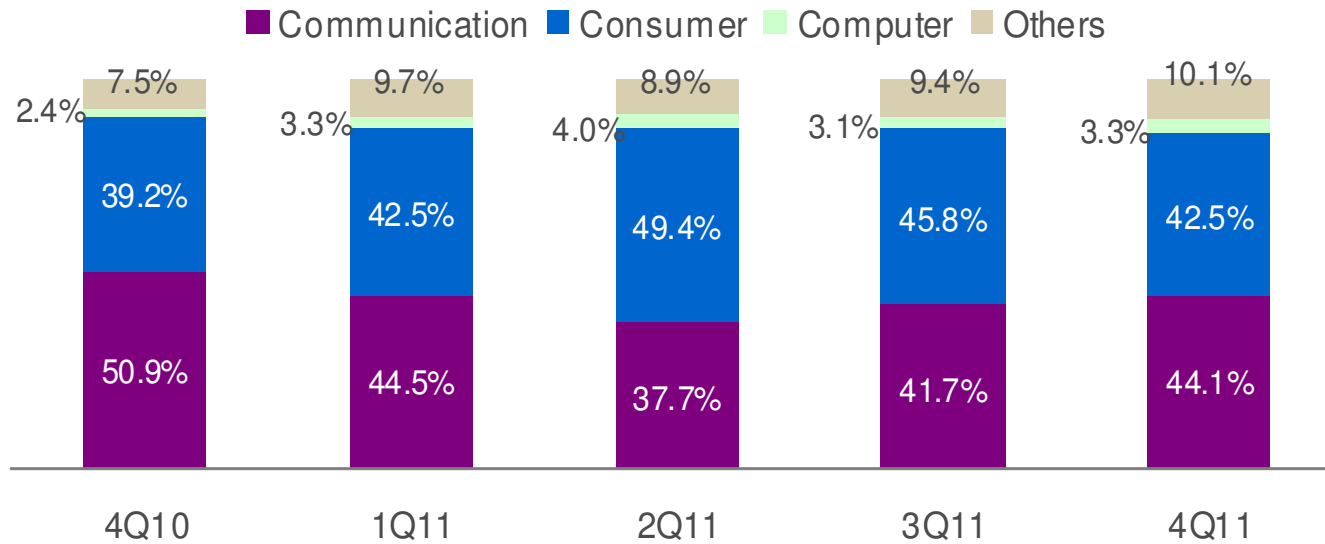


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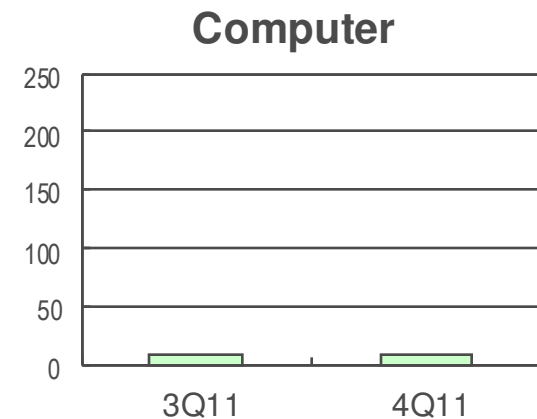
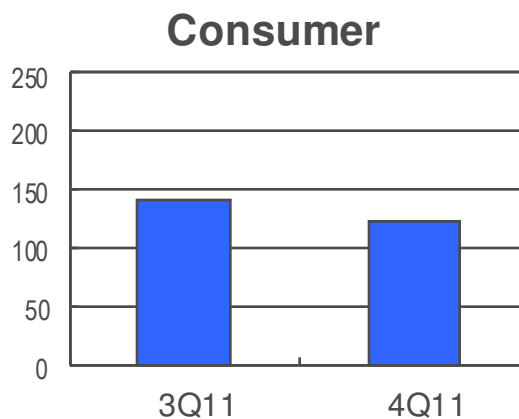
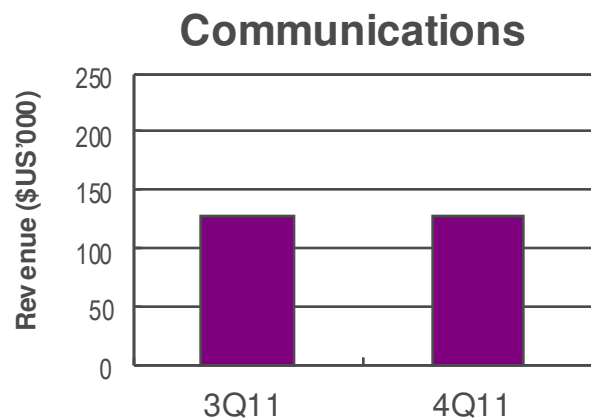
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# Total Sales Breakdown by Applications



## 4Q 11 Vs 3Q 11

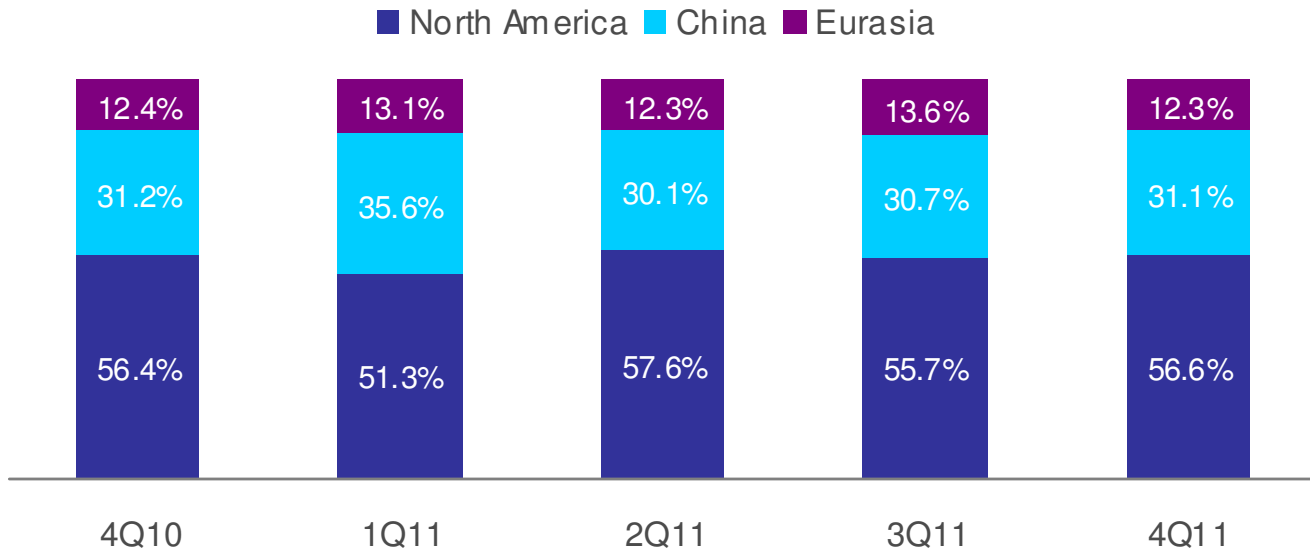


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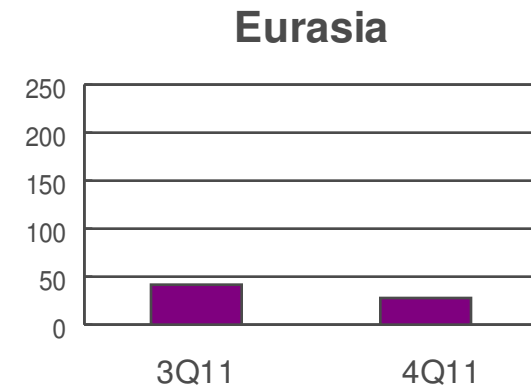
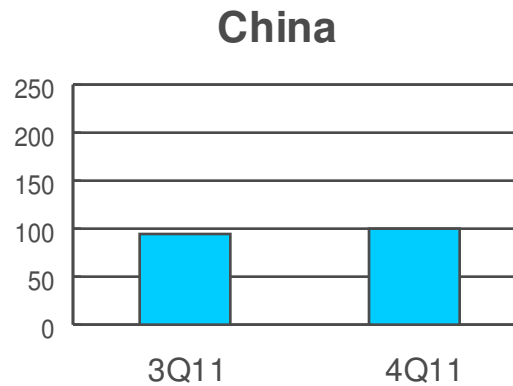
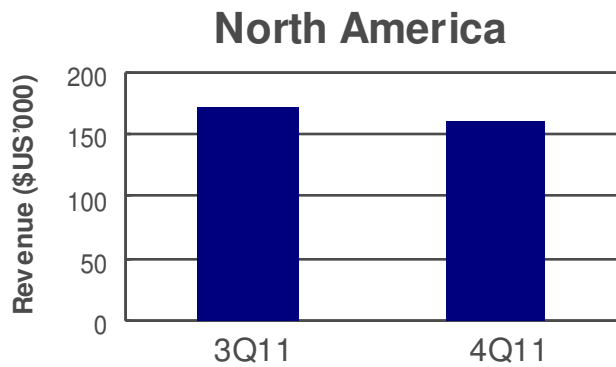
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# Total Sales Breakdown by Geography



## 4Q 11 Vs 3Q 11



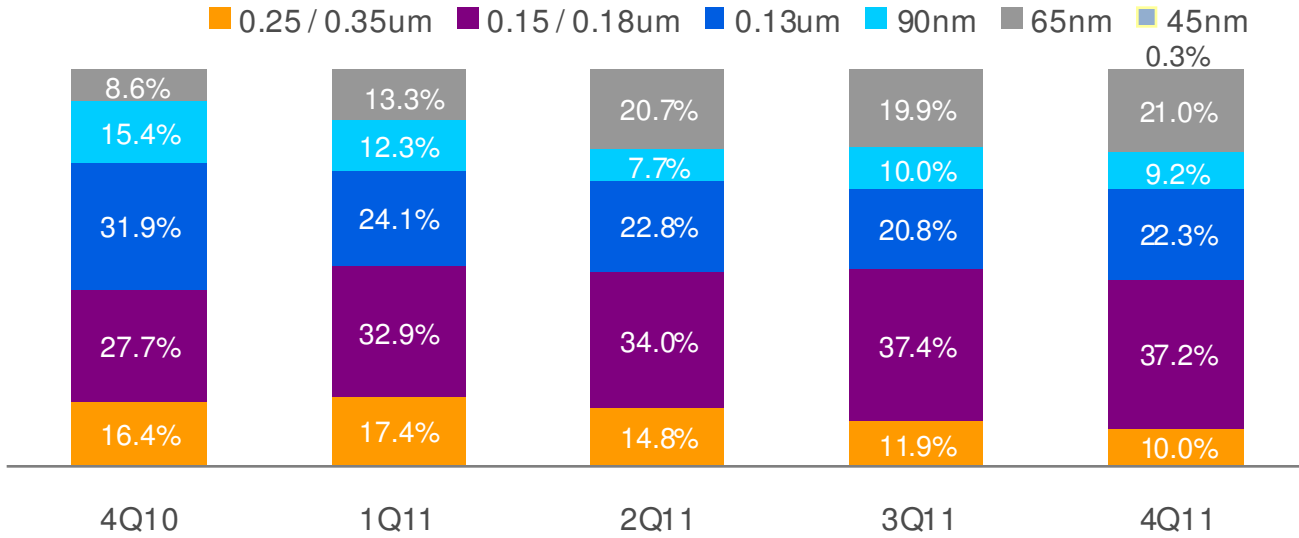
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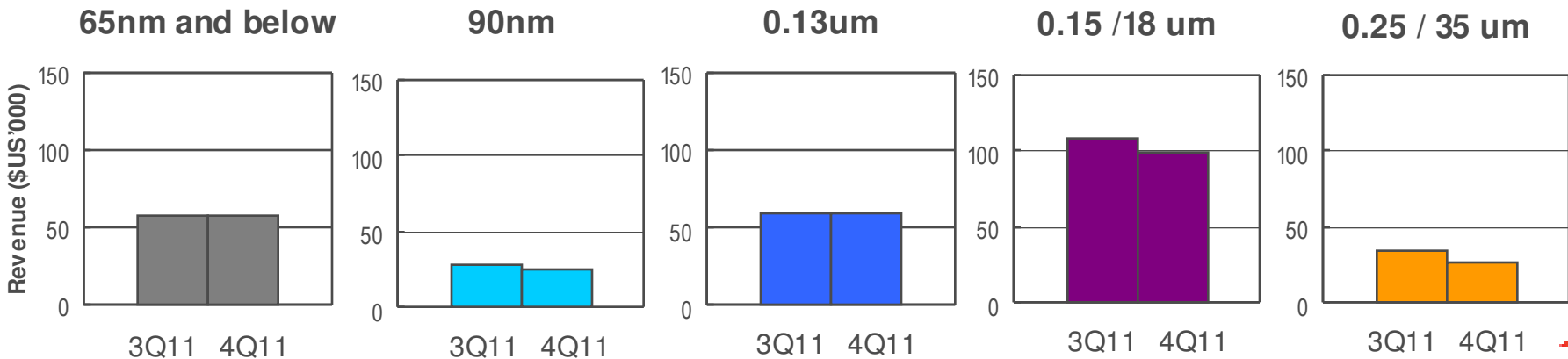




# Wafer Sales Breakdown by Technology



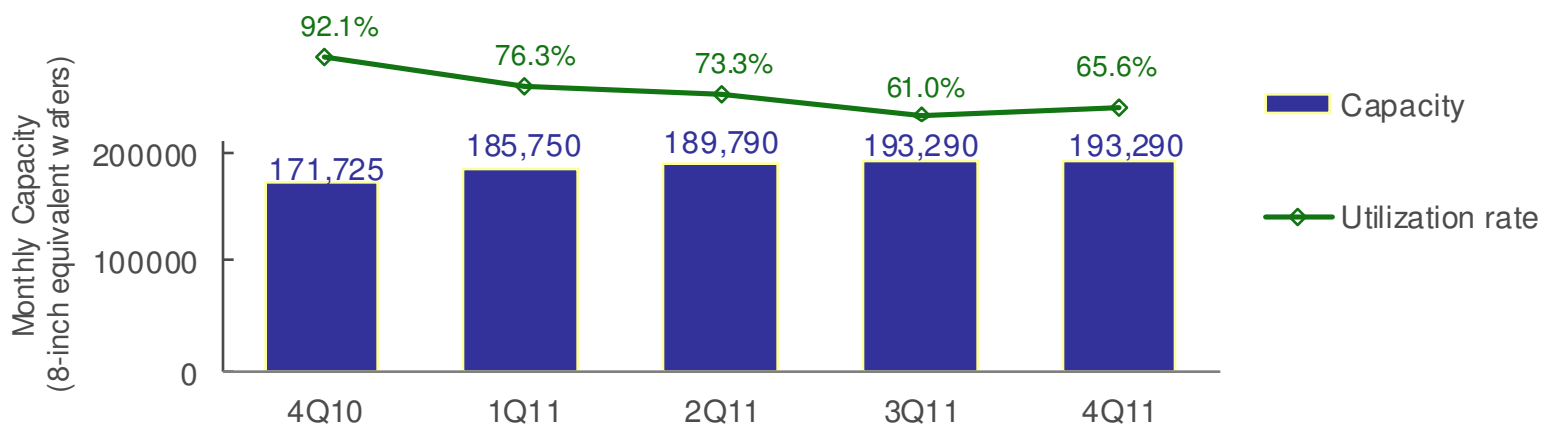
## 4Q 11 Vs 3Q 11



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# Capacity, Utilization and Shipment



	4Q10	1Q11	2Q11	3Q11	4Q11
<b>Shanghai Mega Fab (8")</b>	86,000	90,000	90,000	90,000	90,000
<b>Beijing Mega Fab (12")</b>	23,300	27,800	29,129	29,129	29,129
<b>Tianjin Fab (8")</b>	33,300	33,200	34,250	37,750	37,750
<b>Monthly Capacity (1) (8-inch equivalent wafers)</b>	<b>171,725</b>	<b>185,750</b>	<b>189,790</b>	<b>193,290</b>	<b>193,290</b>
<b>Wafer Shipment (2)</b>	517,404	471,231	451,552	406,715	374,116
<b>Utilization Rate (3)</b>	92.1%	76.3%	73.3%	61.0%	65.6%

(1) Wafers per month at the end of the period in 8" equivalent wafers, calculated on a 30-days basis for comparison purposes

(2) Including copper interconnects and shipment of managed fabs

(3) Capacity utilization rate is reported based on actual equipment usage in manufacturing process. For comparison purpose, capacity is based on a 30-day basis.



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# 2011 Financial Highlights

## 2011 Year-to-date Summary Income Statement (Unaudited)

Amounts in US millions)	2011 (Unaudited)	2010	YoY
<b>Sales</b>	1,319.5	1,554.8	-15.1%
<b>Gross Profit</b>	101.9	310.1	-67.1%
<b>Gross Margin</b>	7.7%	19.9%	-12.2ppts
<b>Operating Income (loss)</b>	(190.7)	43.5	-
<b>Operating Margin</b>	-14.5%	2.8%	-17.3 ppts
<b>Net Income (loss) attributed to SMIC</b>	(247.2)	13.1	-
<b>Net Margin</b>	-18.7%	0.8%	- 19.5 ppts
<b>Wafers Shipped (thousands)</b>	1,704	1,986	-14.2%

- Revenue, down 15.1% year-on-year.
- Gross margin was 7.7%, Operating margin was -14.5% and net margin was -18.7%.
- Wafer shipment decreased 14.2% year-on-year.



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# 1Q 2012 Guidance

	1Q 2012 Guidance
<b>Sales</b> <sup>(1)</sup>	increase 7 to 9%
<b>Gross Margin</b>	4 to 7%
<b>Operating Expenses</b>	\$96 – 99 million
<b>Full Year 2012 Capex</b>	\$430 million

(1) Target revenue from Xinxin will be 5% to 8% of our Q1 2012 total revenue.



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Semiconductor Manufacturing International Corporation

# Appendix



# Q4 11 Results Vs Guidance

	Q4 11 Prior Guidance	Q4 11 Results
<b>Sales</b>	decrease 5 - 8% \$282 - 292 M	Decrease 5.6% \$289.6M
<b>Gross margin</b>	-3% to -6%	-7.4%
<b>Operating expenses</b>	\$89 - 92M (1)	\$85.7M

(1) Exclude foreign exchange differences



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# Capital Expenditures & Depreciation

<i>(in US\$ millions)</i>	1Q10	2Q10	3Q10	4Q10	2010	1Q11	2Q11	3Q11	4Q11	2011
Capex	64	92	297	275	728	333	284	92	56	765
Total Depreciation & Amortization	175	165	148	132	620	131	133	141	145	550