

Semiconductor Manufacturing International Corporation

Q3 2010 Financial Presentation

Nov 2010
NYSE: SMI
HKSE: 0981



SAFE HARBOR

(Under the Private Securities Litigation Reform Act of 1995)

This presentation 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 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 cyclicalities 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 product 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 filed with the SEC on June 22, 2009, 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.



Financial highlights

- **Revenue** up 7.6% to \$410.1M in 3Q10 from \$381.1M in 2Q10
- **Gross margins** significantly improved to 24.5% in 3Q10 compared to 15.6% in 2Q10
- **Net cash flow from operations** was \$125.2 M in 3Q10 from \$167.5M in 2Q10
- **Gain attributable to holders of ordinary shares** was \$30.4 million in the third quarter of 2010, including a gain in the fair value of commitment to grant shares and warrants amounted to US\$10.4 million.
- Fully diluted **EPS** was \$0.06 per ADS

Income Statement

Summary Income Statement

<i>(Amounts in US\$thousand, except for EPS and operating data)</i>	3Q2010	2Q2010	QoQ	3Q2009	YoY
Sales	410,080	381,142	7.6%	323,356	26.8%
Gross Profit	100,640	59,387	69.5%	2,654	3692.0%
Gross margins	24.5%	15.6%	+ 8.9 ppt	0.8%	+ 23.7 ppt
Operating expenses	79,952	71,507	11.8%	99,184	-19.4%
Operating income (loss)	20,688	(12,120)	—	(96,530)	—
Net income (loss) excluding extraordinary items*	20,060	(9,916)	—	—	—
Net income (loss)	30,442	96,037	-68.3%	(69,346)	—
Net income (loss) per ADS (US\$ diluted)	0.06	0.21		(0.16)	

Note: *Extraordinary items includes change in the fair value of commitment to issue shares and warrants in 3Q2010: gain of \$10,382,026 in 2Q2010: gain of \$105,952,415.



Balance Sheet

Summary Balance Sheet Statement

<i>(in US\$ thousands)</i>	For the three months ended	
	Sept 30, 2010	June 30, 2010
Cash and cash equivalents	427,247	506,547
Current assets	1,093,403	1,009,813
Total assets	3,671,335	3,444,105
Current liabilities	1,186,346	1,216,316
Total liabilities	1,639,910	1,691,732
Non-Controlling interests	35,627	35,362
Shareholders' equity	1,995,798	1,717,011
Total liability and shareholders' equity	3,671,335	3,444,105

Source: Company financials

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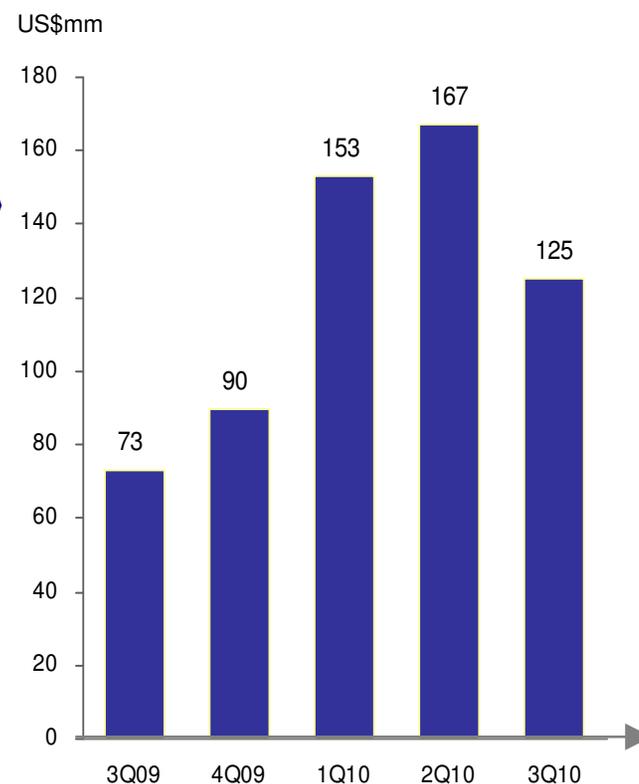


Cash Flow

Summary Cash Flow Statement

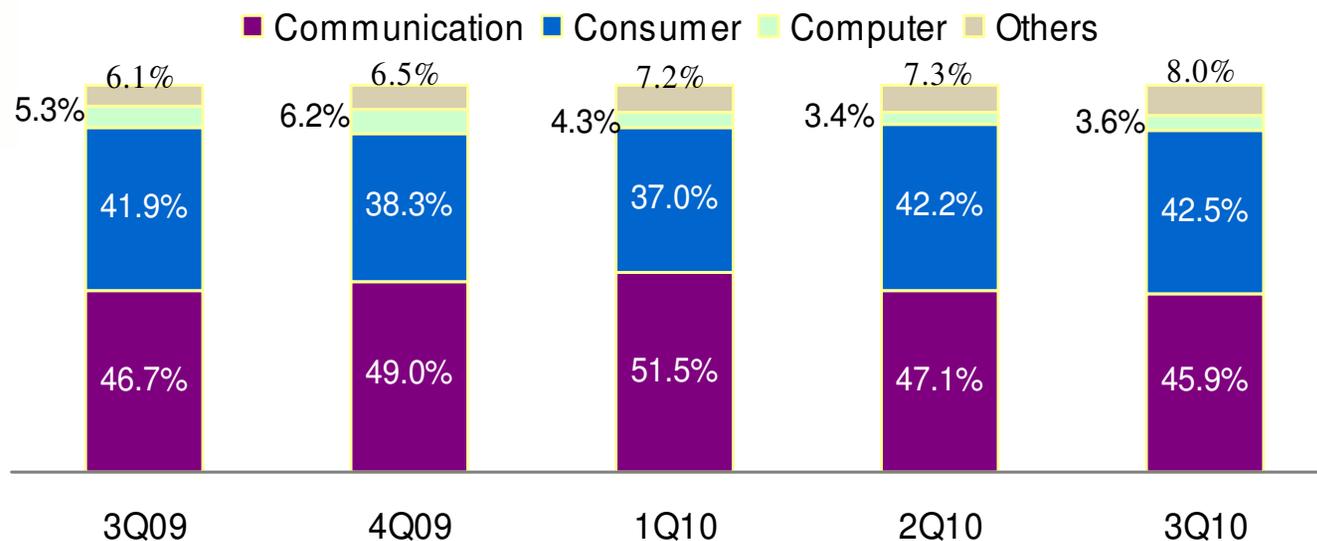
<i>(in US\$ thousands)</i>	For the three months ended	
	Sept 30, 2010	June 30, 2010
Net Profit (loss)	30,707	96,299
Net cash provided by operating activities	125,170	167,495
Net cash used in investing activities	(164,825)	(107,884)
Net cash provided by (used in) financing activities	(5,550)	(75,757)
Net increase (decrease) in cash and cash equivalents	(34,300)	(16,661)
Cash and cash equivalents at the beginning of period	506,547	523,208
Cash and cash equivalents at the end of period	472,247	506,547

Cashflow from operations

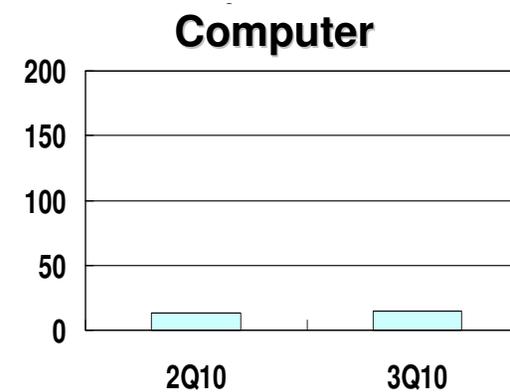
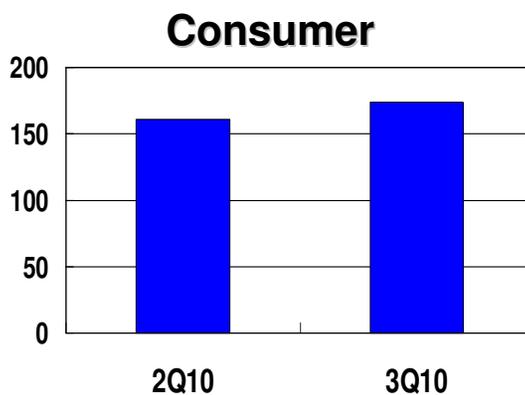
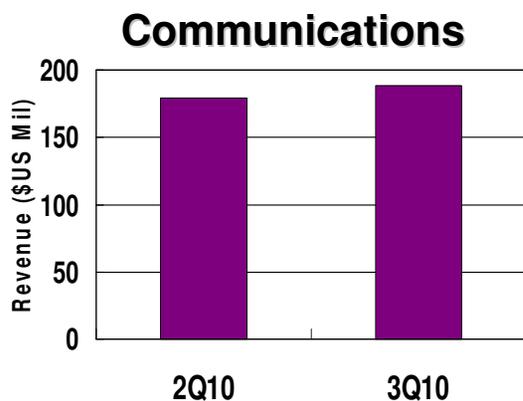


Source: Company financials

Total Sales Breakdown by Applications

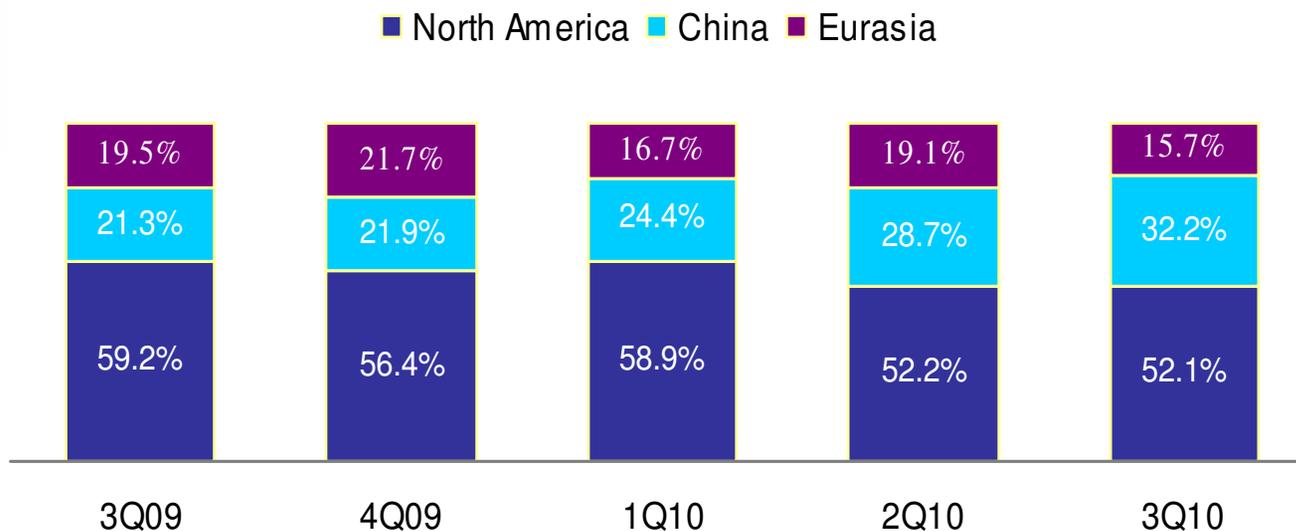


Q2 Vs Q3



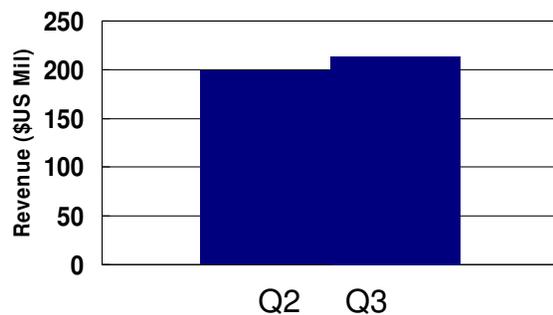
Source: Company financials

Total Sales Breakdown by Geography

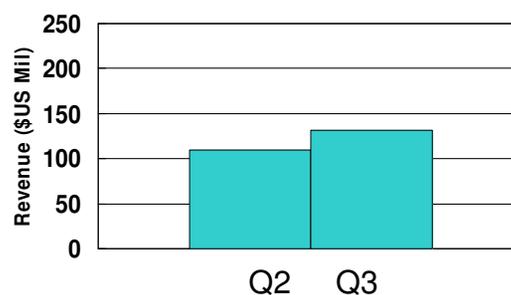


Q2 Vs Q3

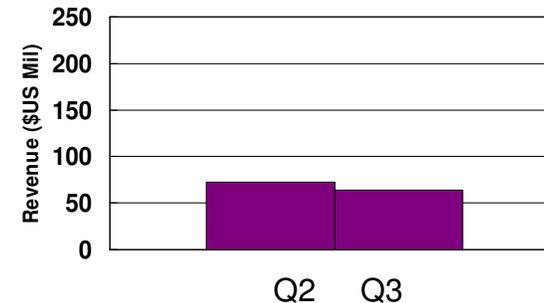
North America



China

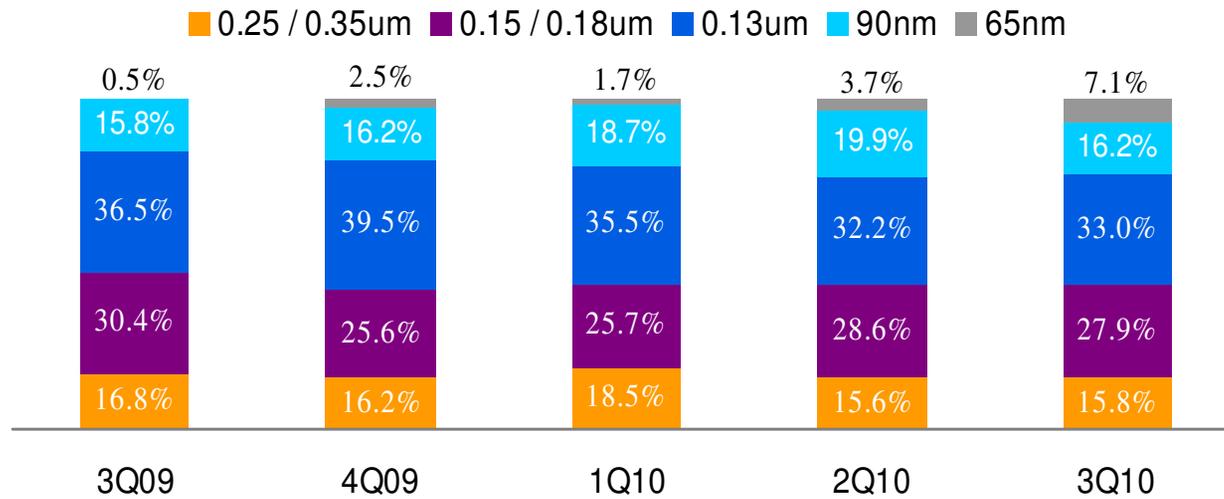


Eurasia

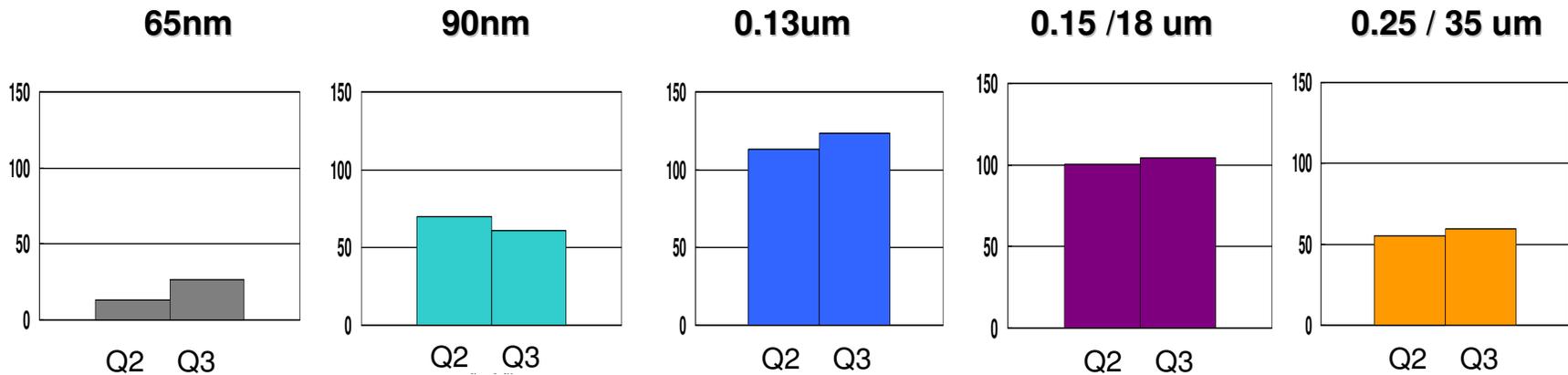


Source: Company financials

Total Sales Breakdown by Technology



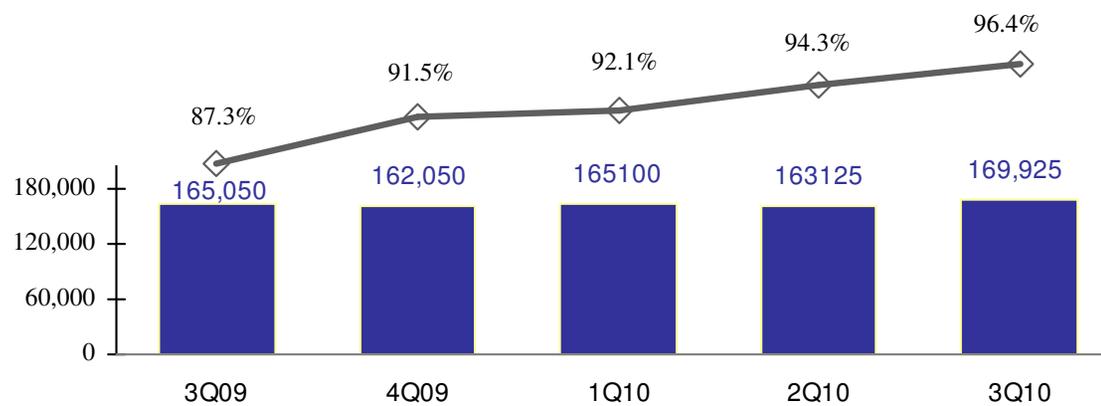
Q2 Vs Q3



Source: Company financials

Capacity, Utilization and Shipment

Capacity and utilization rate



Note: Capacity refers to 8" wafers equivalent per month at the end of the period

(8-inch equivalent wafers)	3Q09	4Q09	1Q10	2Q10	3Q10
Monthly Capacity	165,050	162,050	165,100	163,125	169,925
Utilization Rate (1)	87.3%	91.5%	92.1%	94.3%	96.4%
Wafer Shipment	429,843	436,816	455,010	496,766	516,792

(1) Including copper interconnects

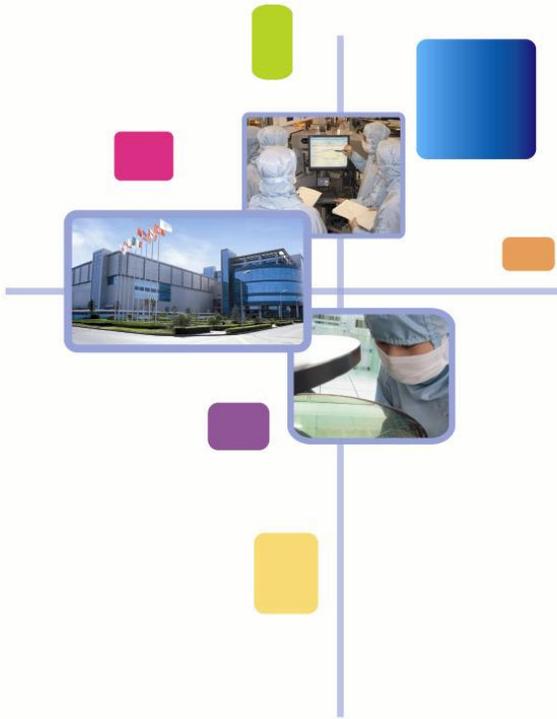


4Q 2010 Guidance

3Q2010 guidance	
<i>US\$mn</i>	4Q 2010 Guidance
Sales*	Flat
Gross Margin	21% – 23%
Operating Expenses **	\$80M – \$84M
2010 Full Year Capex	\$750M – \$800M

*Target revenue from Xinxin and Cension will be 4% to 5% of our Q4 total revenue

**Operating Expenses guidance excludes foreign exchange differences



Thank YOU

Semiconductor Manufacturing International Corporation





Appendix



Q3 10 Results Vs Guidance

US\$ Millions (except opex %)	Q3 10 Prior Guidance	Q3 10 Results
Sales	4% – 6% \$396.3 – \$404M	7.6% \$410.1M
Gross margin	20% – 22%	24.5%
Operating expenses	\$80 – \$84M	\$80M
2010 Full Year Capex	Annual Capex range from \$700M – \$750M	\$ 297M

* Exclude foreign exchange differences



Capital Expenditures & Depreciation

<i>(in US\$ millions)</i>	3Q 09	4Q 09	1Q 10	2Q 10	3Q 10
Capex	\$53M	\$92M	\$64M	\$92M	\$297M
Total Depreciation & Amortization	\$199M	\$184M	\$175M	\$165M	\$148M