

Semiconductor Manufacturing International Corporation

Q4 2010 Financial Presentation

Feb 2011
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.

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2010 Financial Highlights

2010 Year-to-date Summary Income Statement

| (Amounts in US thousands) | 2010 <i>(unaudited)</i> | 2009 <i>(audited)</i> | YoY |
|--|----------------------------|--------------------------|-------|
| Sales | 1,554,789 | 1,070,387 | 45.2% |
| Gross Profit | 310,074 | (114,202) | - |
| Gross Margin | 19.9% | -10.7% | - |
| Operating Income (loss) | 21,859 | (963,917) | - |
| Operating Margin | 1.4% | -90.1% | - |
| Net income (loss) excluding non-recurring items ⁽¹⁾ | 42,915 | (663,798) | - |
| Net Income (loss) | 13,100 | (963,537) | - |
| Net Margin | 1% | -90.0% | - |
| | | | |
| Wafers Shipped (thousands) | 1,986 | 1,377 | 44.3% |

- ❑ Record-high revenue, up 45.2% year-on-year
- ❑ 5-year high gross margin at 19.9%
- ❑ Full year breakeven, both financially and operationally, with net margin of 1%
- ❑ Wafer shipment increased 44.3% year-on-year

(1) Non-recurring items includes litigation settlement in 2009: \$269,637,431 and the change in the fair value of commitment to issue shares and warrants in 2010: loss of \$29,815,452, in 2009: loss of \$30,100,793

Note: 2010 Income includes receipt of cash payment from the Chengdu government amounting \$28,500,000 after a third party's acquisition of the managed fab, Cension



4Q10 Financial highlights

- **Revenue** up 0.4% to \$411.8M in 4Q10 from \$410.1M in 3Q10
- **Gross margins** was 23.9% compared to 24.5% in 3Q10
- **Net cash flow from operations** has increased to 248.6M from \$125.2M in 3Q10
- **Gain attributable to holders of ordinary shares** was \$68.6 million in the fourth quarter of 2010, compared to a gain of \$30.4 million in 3Q10
- Fully diluted **EPS** was \$0.13 per ADS

Income Statement

Summary Income Statement

| <i>(Amounts in US\$thousand, except for EPS and operating data)</i> | 4Q2010 | 3Q2010 | QoQ | 4Q2009 | YoY |
|---|---------|---------|-----------|-----------|------------|
| Sales | 411,842 | 410,080 | 0.4% | 333,090 | 23.6% |
| Gross Profit | 98,594 | 100,640 | - 2.0% | 25,421 | 287.8% |
| Gross margins | 23.9% | 24.5% | - 0.6 pts | 7.6% | + 16.3 pts |
| Operating expenses | 57,260 | 79,952 | - 28.4% | 622,244 | - 90.8% |
| Operating income (loss) | 41,334 | 20,688 | 99.8% | (596,823) | — |
| Net income (loss) excluding non-recurring items ⁽¹⁾ | N/A | 20,060 | — | (317,917) | — |
| Net income (loss) | 68,570 | 30,442 | 125.2% | (617,655) | — |
| Net income (loss) per ADS (US\$ diluted) | 0.13 | 0.06 | | (1.38) | |

(1) Non-recurring items include litigation settlement in 4Q2009: \$269,637,431 and the change in fair value of commitment to issue shares and warrants in 3Q2010: gain of \$10,382,020, in 4Q2009: loss of \$30,100,793

Note: 4Q 2010 income includes receipt of cash payment from the Chengdu government amounting \$28,500,000 after a third party's acquisition of the managed fab, Cension



Balance Sheet

Summary Balance Sheet Statement

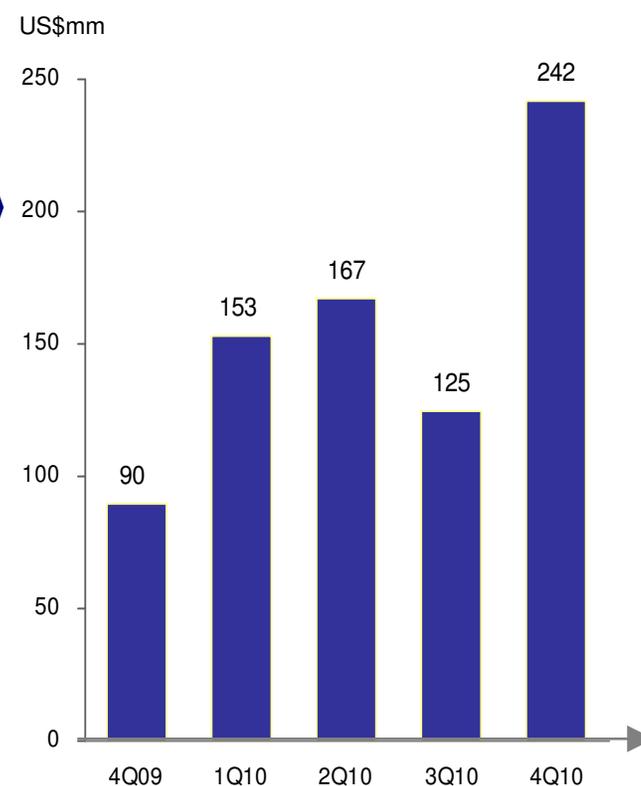
| <i>(in US\$ thousands)</i> | For the three months ended | |
|---|----------------------------|---------------|
| | Dec 31, 2010 | Sept 30, 2010 |
| Cash and cash equivalents | 515,808 | 472,247 |
| Current assets | 1,179,102 | 1,093,403 |
| Total assets | 3,902,693 | 3,671,335 |
| Current liabilities | 1,399,345 | 1,186,346 |
| Total liabilities | 1,694,152 | 1,639,910 |
| Non-Controlling interests | 39,004 | 35,627 |
| Shareholders' equity | 2,169,537 | 1,995,798 |
| Total liability and shareholders' equity | 3,902,693 | 3,671,335 |

Cash Flow

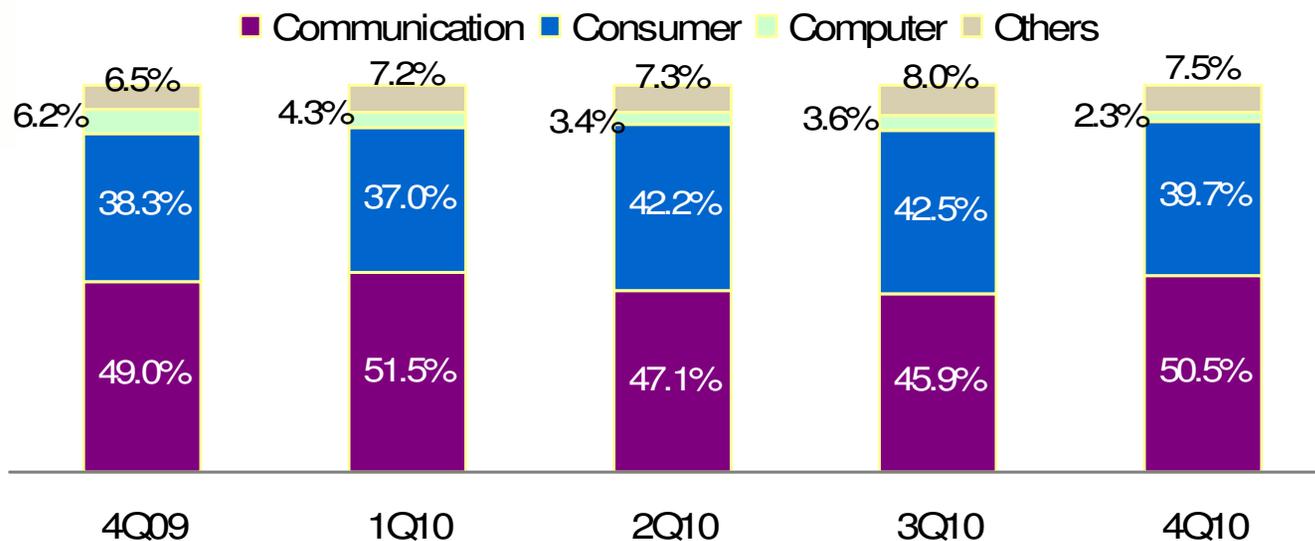
Summary Cash Flow Statement

| <i>(in US\$ thousands)</i> | For the three months ended | |
|--|----------------------------|---------------|
| | Dec 31, 2010 | Sept 30, 2010 |
| Net Profit (loss) | 68,695 | 30,707 |
| Net cash provided by operating activities | 248,632 | 125,170 |
| Net cash used in investing activities | (246,457) | (164,825) |
| Net cash provided by (used in) financing activities | 41,087 | 5,550 |
| Net increase (decrease) in cash and cash equivalents | 43,561 | (34,300) |
| Cash and cash equivalents at the beginning of period | 472,247 | 506,547 |
| Cash and cash equivalents at the end of period | 515,808 | 472,247 |

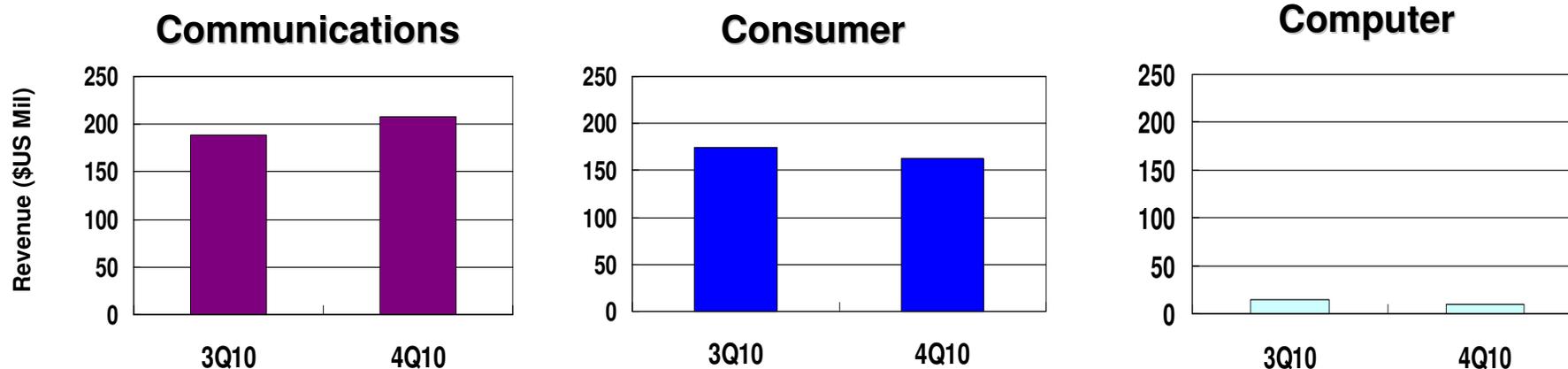
Cashflow from operations



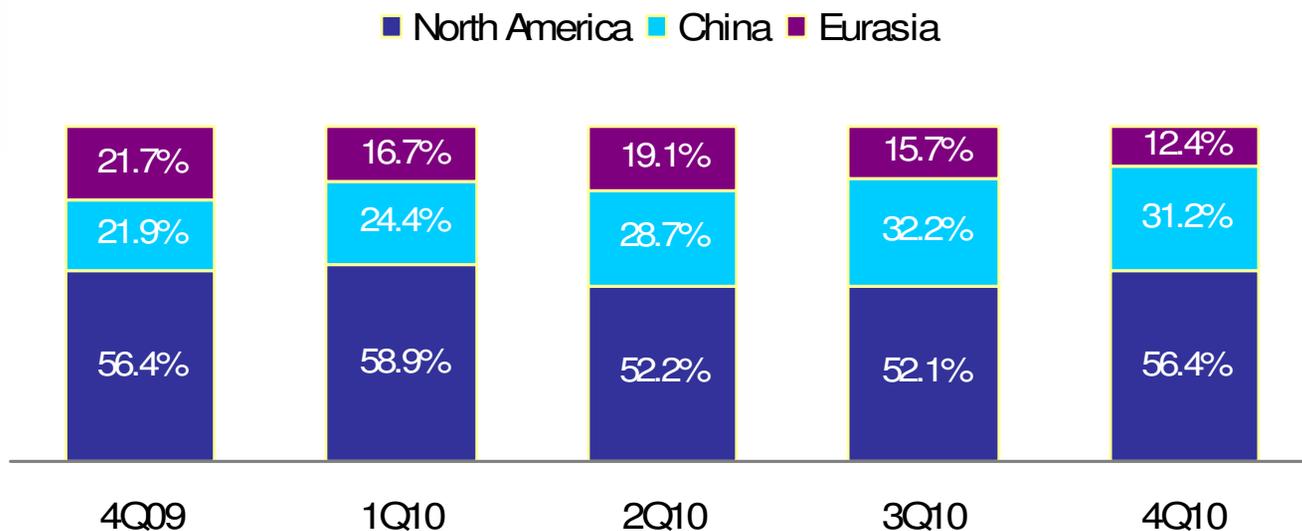
Total Sales Breakdown by Applications



Q3 Vs Q4

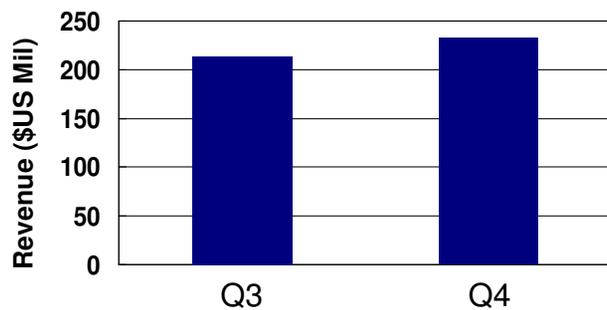


Total Sales Breakdown by Geography

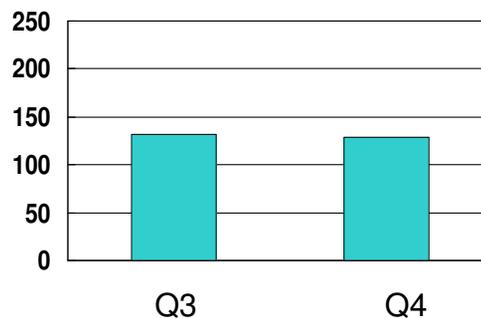


Q3 Vs Q4

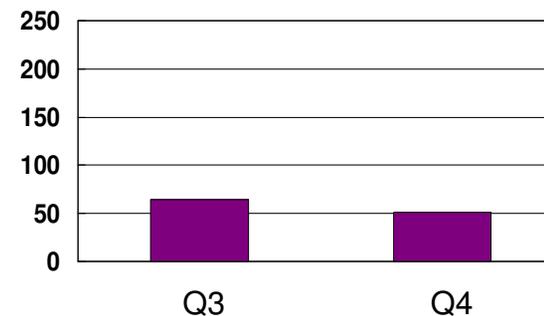
North America



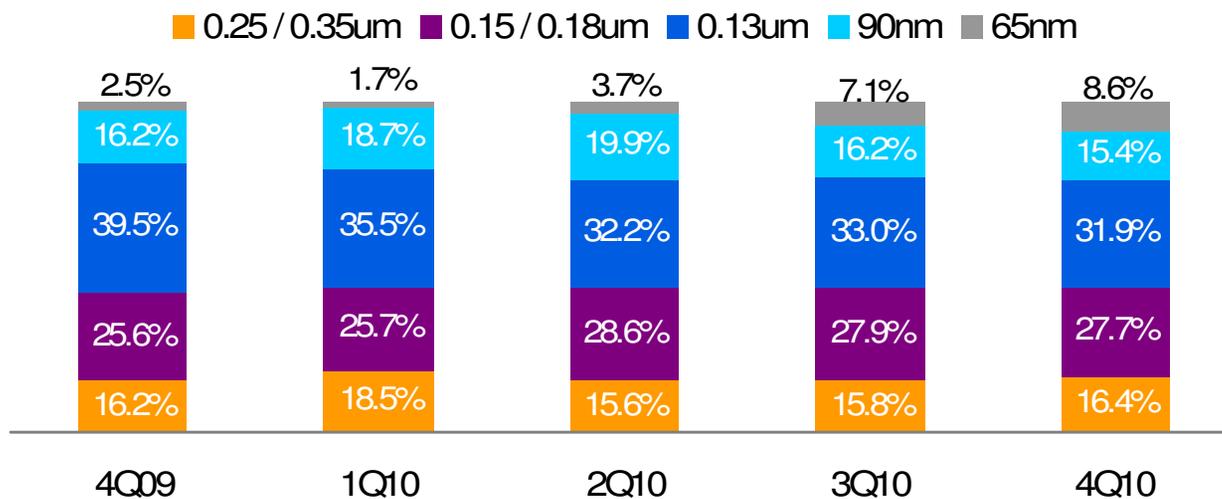
China



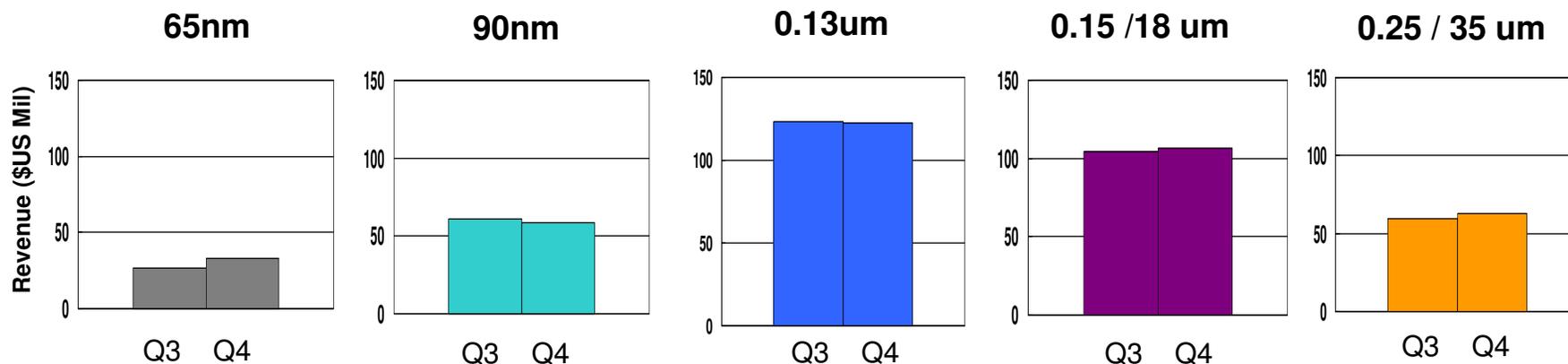
Eurasia



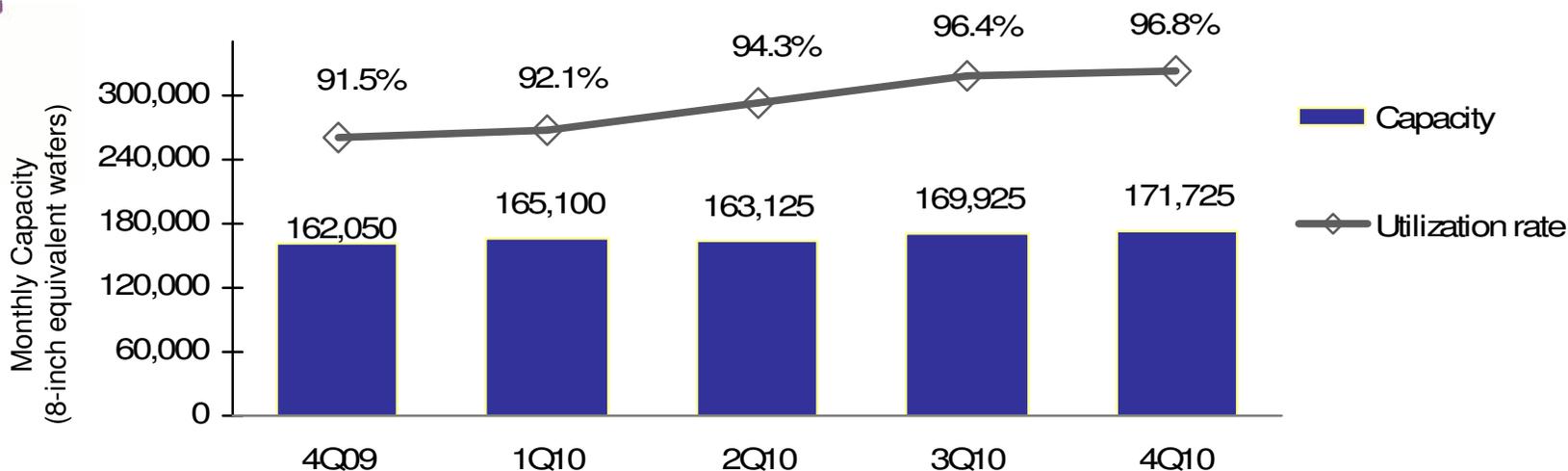
Wafer Sales Breakdown by Technology



Q3 Vs Q4



Capacity, Utilization and Shipment



| | 4Q09 | 1Q10 | 2Q10 | 3Q10 | 4Q10 |
|--|----------------|----------------|----------------|----------------|----------------|
| Shanghai Mega Fab (8") | 85,000 | 84,000 | 84,000 | 86,000 | 86,000 |
| Beijing Mega Fab (12") | 19,000 | 20,800 | 20,500 | 22,500 | 23,300 |
| Tianjin Fab (8") | 34,300 | 34,300 | 33,000 | 33,000 | 33,300 |
| Monthly Capacity (8-inch equivalent wafers) | 162,050 | 165,100 | 163,125 | 169,925 | 171,725 |
| Wafer Shipment (1) | 436,816 | 455,010 | 496,766 | 516,792 | 517,404 |
| Utilization Rate (2) | 91.5% | 92.1% | 94.3% | 96.4% | 96.8% |

(1) Including copper interconnects

(2) Capacity utilization based on total wafer out divided by estimated capacity

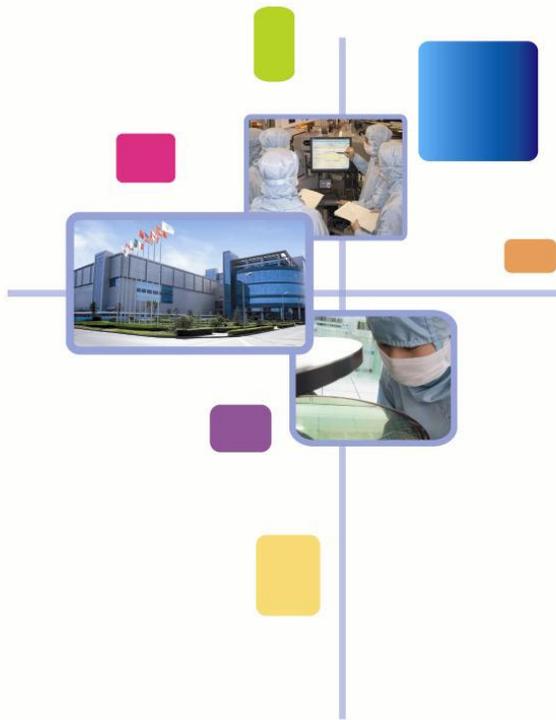


1Q 2011 Guidance

1Q2011 guidance

| | 1Q 2011 Guidance |
|-----------------------------|-------------------------|
| Sales ⁽¹⁾ | decrease 6 - 9% |
| Gross Margin | 18 - 20% |
| Operating Expenses | \$82 - 86 million |
| 2011 Full Year Capex | ~ \$1 billion |

(1) Target revenue from Xinxin will be 5% to 7% of our Q1 2011 total revenue



Thank YOU

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Appendix



Q4 10 Results Vs Guidance

| | Q4 10 Prior Guidance | Q4 10 Results |
|-----------------------------|--|--------------------------------|
| Sales | Flat \$410.1M | +0.4% \$411.8M |
| Gross margin | 21% – 23% | 23.9% |
| Operating expenses | \$80 – \$84M ⁽¹⁾ | \$57.3M |
| 2010 Full Year Capex | Annual Capex range from \$750M – \$800M | Actual Annual Capex \$ 728M |

(1) Exclude foreign exchange differences



Capital Expenditures & Depreciation

| <i>(in US\$ millions)</i> | 1Q 10 | 2Q 10 | 3Q 10 | 4Q 10 | 2010 |
|--|--------|--------|--------|--------|--------|
| Capex | \$64M | \$92M | \$297M | \$275M | \$728M |
| Total Depreciation & Amortization | \$175M | \$165M | \$148M | \$134M | \$622M |