



Semiconductor Manufacturing International Corporation

Q2 2011 Financial Presentation

NYSE: SMI HKSE: 981

SMIC Investor Relations

August 2011





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(Under the Private Securities Litigation Reform Act of 1995)

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2Q11 Financial Highlights

- **Revenue** down by 4.9% to **\$352.4 million** in 2Q11 from \$370.6 million in 1Q11 and down by 5.9% compared to 2Q10.
- **Gross margin** was **14.3%** in 2Q11 compared to 18.6% in 1Q11 primarily due to a decline in decreased wafer starts from weakened demand in the 3Q11.
- **Net cash flow from operations** increased to \$79.4 million in 2Q11 from \$73.4 million in 1Q11.
- **Loss** attributable to holders of ordinary shares was **US\$3.8** million in 2Q11, compared to income of US\$10.2 million in 1Q11.
- Fully diluted **EPS** was (\$0.0066) per ADS.

Summary Income Statement



| <i>(Amounts in US\$thousand, except for EPS and operating data)</i> | 2Q2011 | 1Q2011 | QoQ | 2Q2010 | YoY |
|---|----------------|----------------|------------------|-----------------|------------------|
| Total Revenue | 352,389 | 370,559 | -4.9% | 374,423 | -5.9% |
| Gross Profit | 50,273 | 68,777 | -26.9% | 59,876 | -16.1% |
| Gross margins | 14.3% | 18.6% | - 4.3 pts | 16% | - 1.7 pts |
| Operating Expenses: | | | | | |
| Research & Development | 51,501 | 49,573 | | 43,031 | |
| General & Administrative | (8,933) | 19,427 | | 14,283 | |
| Selling & Marketing | 8,139 | 7,738 | | 6,869 | |
| Others, net | (325) | (115) | | 6,180 | |
| Operating expenses | 50,382 | 76,623 | -34.2% | 70,363 | - 28.4% |
| Operating income (loss) | (109) | (7,846) | — | (10,487) | — |
| Net income (loss) | (3,772) | 10,234 | — | 96,299 | — |

- Wafer revenue from Xinxin and Cension totaled \$29.4 million in the second quarter, contributing 8.3% of our total revenue.
- Opex was \$50.4 million after being offset by a cash receipt of \$6.4 million plus a 13.7 mil account payables forgiven from Chengdu Government for Cension settlement, a government subsidy of 6.6 million, a management income of \$6.1 million of Wuhan fab management and a gain of 3.6 million on disposal from AT from last quarter.

Summary Balance Sheet

| <i>(in US\$ thousands)</i> | For the three months ended | |
|---|----------------------------|------------------|
| | Jun 30, 2011 | Mar 31, 2011 |
| Cash and cash equivalents | 410,912 | 394,062 |
| Account Receivables | 236,738 | 231,015 |
| Inventories | 196,876 | 190,414 |
| Others | 397,255 | 269,355 |
| Total Current assets | 1,241,781 | 1,084,846 |
| Fixed Assets | 2,665,092 | 2,518,710 |
| Intangible & Other Assets | 1,639,702 | 1,484,933 |
| Total assets | 4,304,794 | 4,003,643 |
| Accounts Payable | 448,321 | 434,558 |
| Short Term Loan | 963,909 | 909,790 |
| Others | 168,815 | 175,004 |
| Total Current liabilities | 1,581,045 | 1,519,352 |
| Long Term Payable | 104,481 | 118,965 |
| Long Term Loan | 182,122 | 179,131 |
| Total liabilities | 1,867,648 | 1,817,449 |
| Noncontrolling interest | 3,602 | 3,451 |
| Shareholders' equity | 2,433,544 | 2,182,743 |
| Total liability and shareholders' equity | 4,309,794 | 4,003,643 |
| Debt/Equity Ratio | 47.1% | 49.9% |

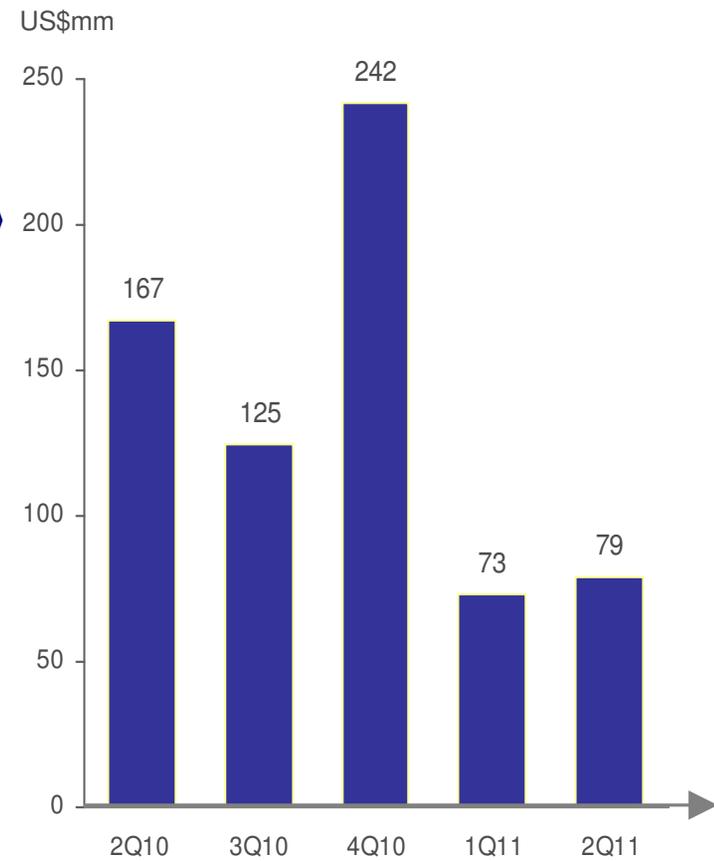


Cash Flow

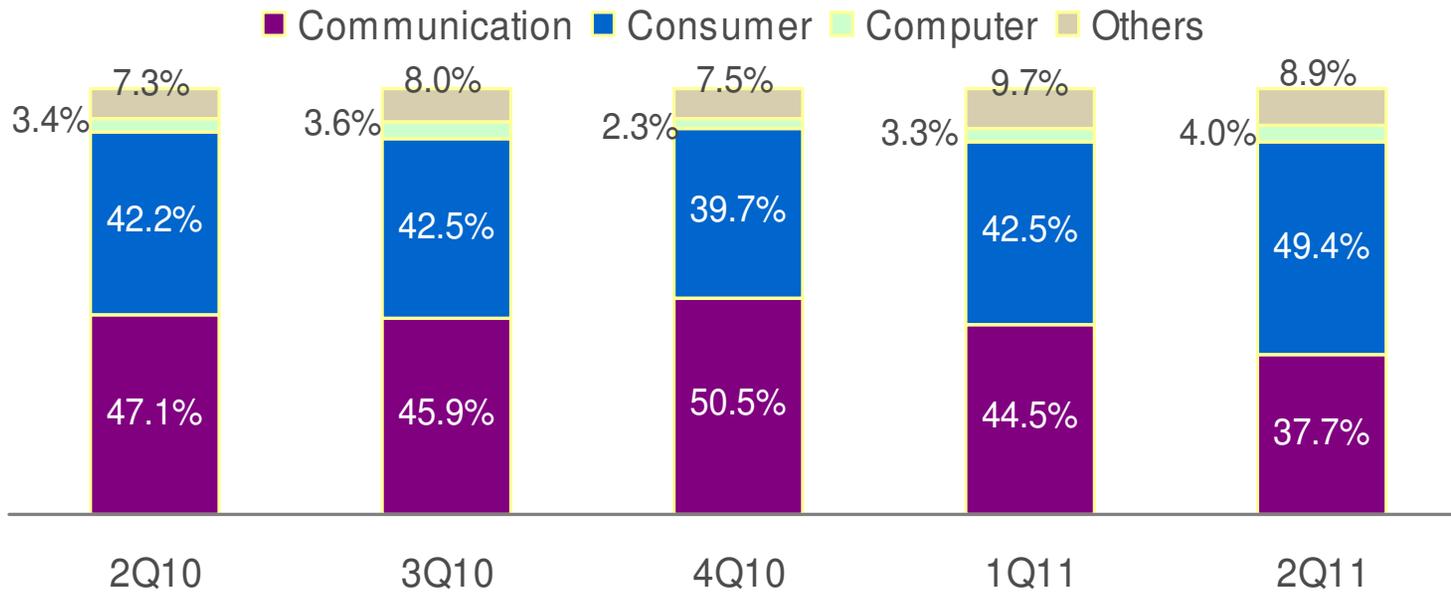
Summary Cash Flow Statement

| <i>(in US\$ thousands)</i> | For the three months ended | |
|--|----------------------------|--------------|
| | Jun 30, 2011 | Mar 31, 2011 |
| Net Profit (loss) | (3,621) | 10,742 |
| Net cash provided by operating activities | 79,371 | 73,439 |
| Net cash used in investing activities | (356,711) | (400,942) |
| Net cash from financing activities | 294,125 | 205,422 |
| Net increase (decrease) in cash and cash equivalents | 16,850 | (121,746) |
| Cash and cash equivalents at the beginning of period | 394,062 | 515,808 |
| Cash and cash equivalents at the end of period | 410,912 | 394,062 |

Cashflow from operations

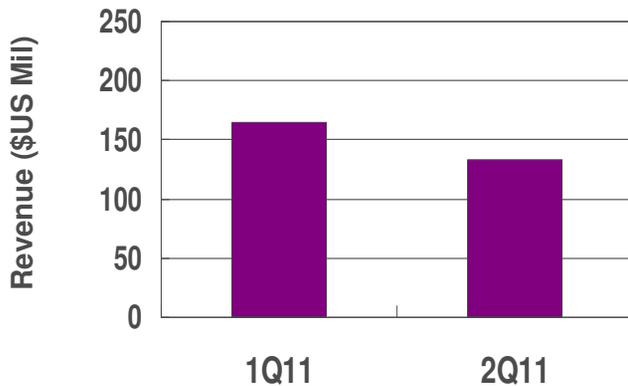


Total Sales Breakdown by Applications

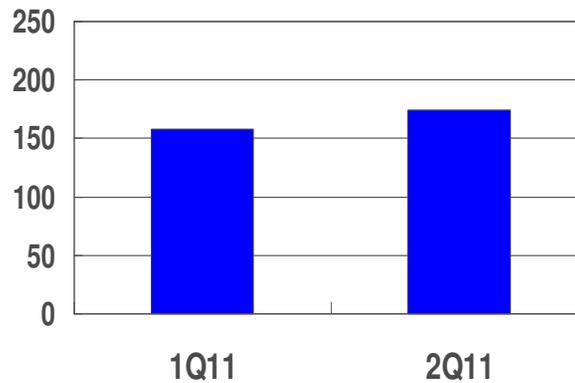


2Q 11 Vs 1Q 11

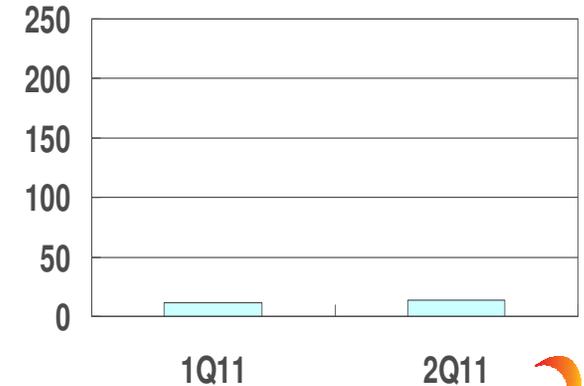
Communications



Consumer



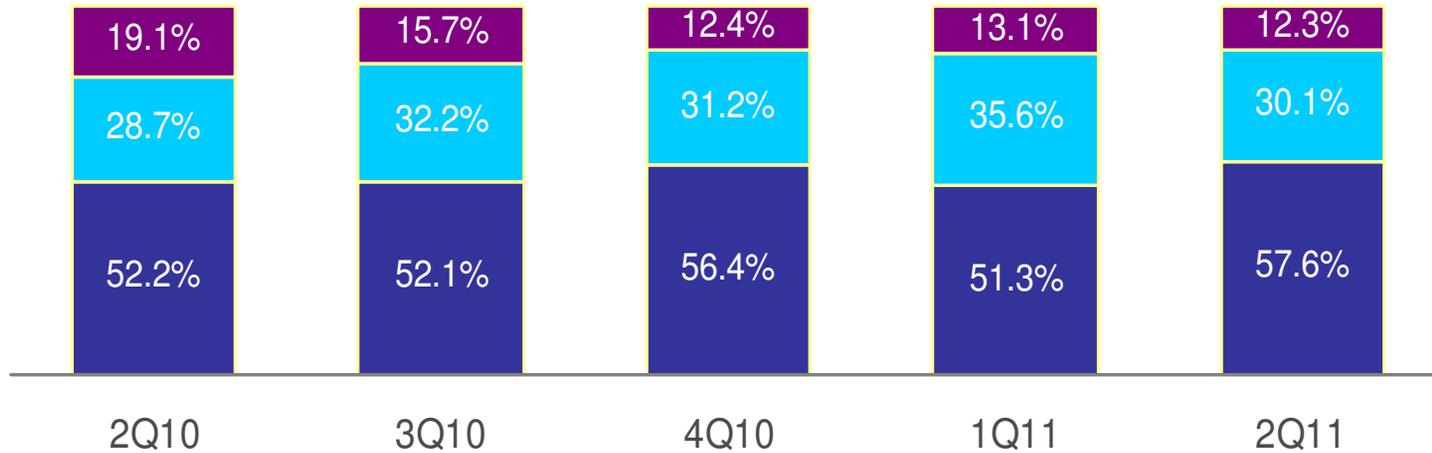
Computer



Total Sales Breakdown by Geography

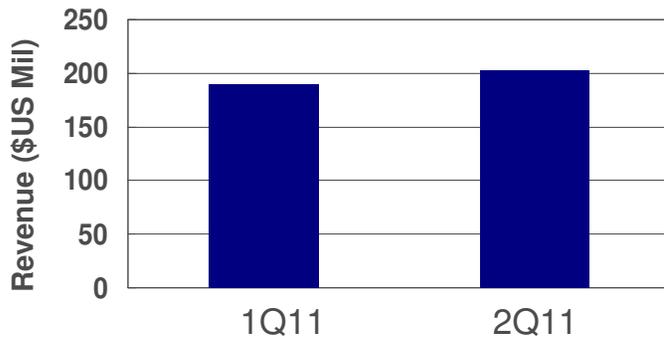


■ North America ■ China ■ Eurasia

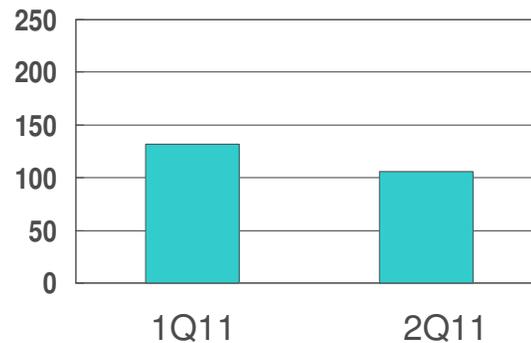


2Q 11 Vs 1Q 11

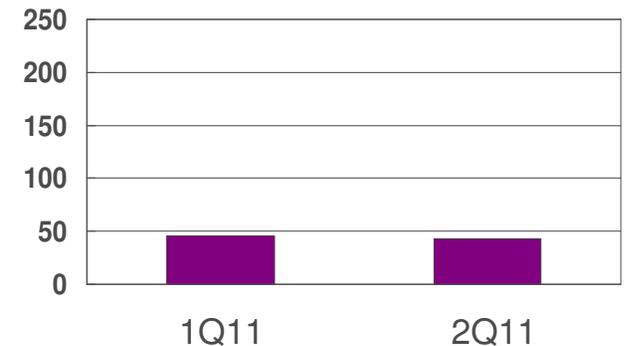
North America



China

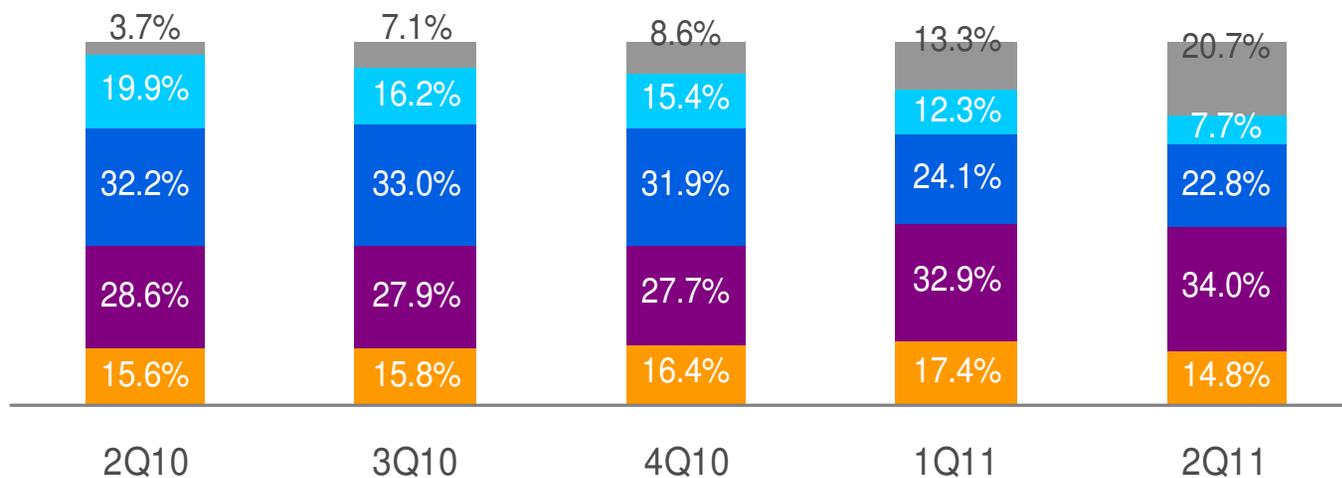


Eurasia



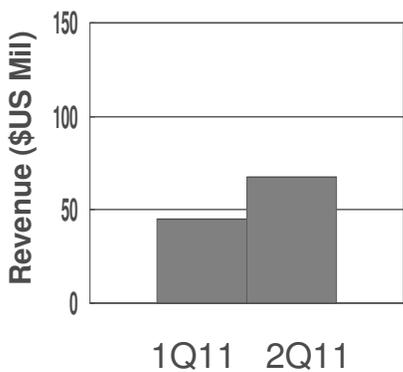
Wafer Sales Breakdown by Technology

■ 0.25 / 0.35um
 ■ 0.15 / 0.18um
 ■ 0.13um
 ■ 90nm
 ■ 65nm

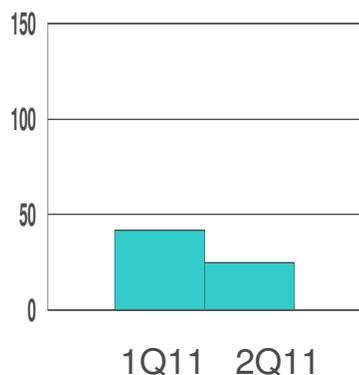


2Q 11 Vs 1Q 11

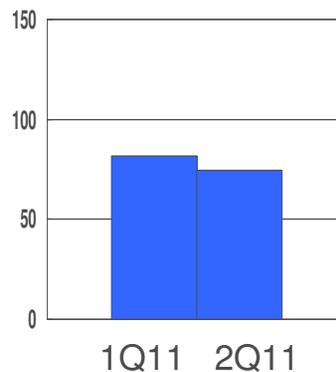
65nm



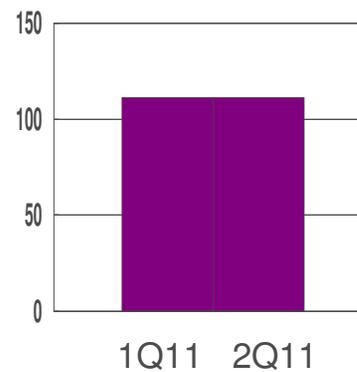
90nm



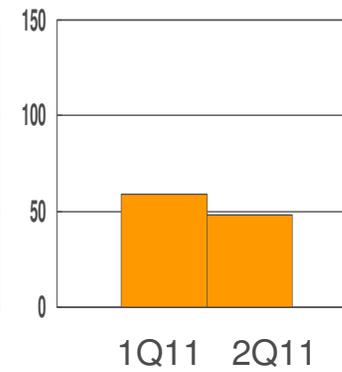
0.13um



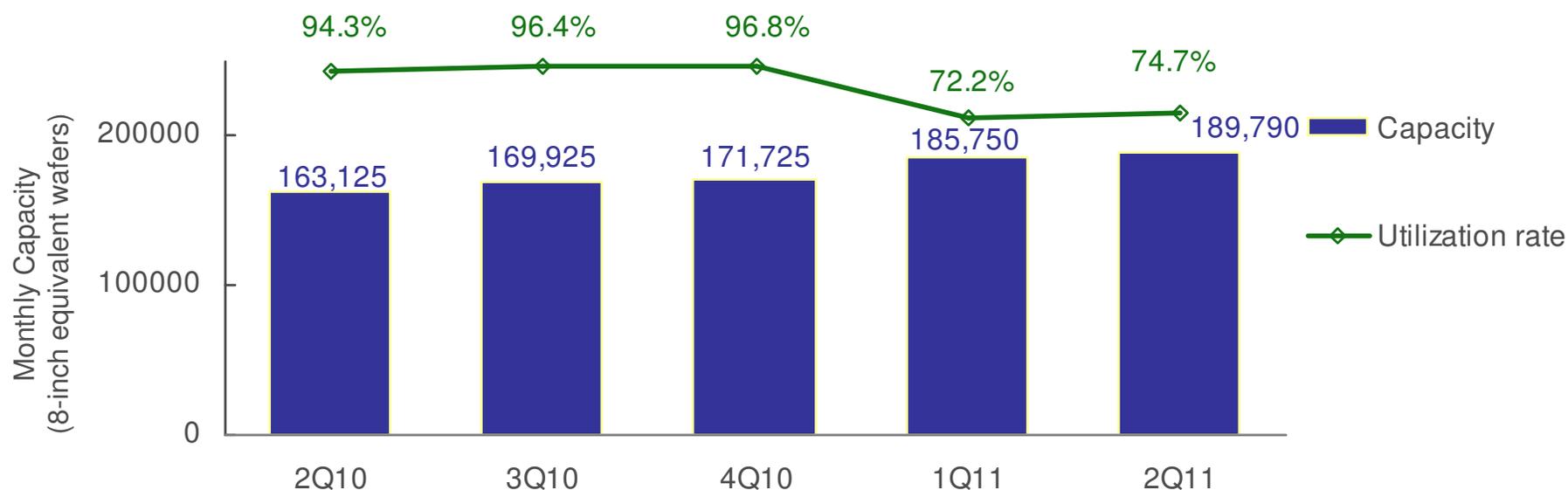
0.15 / 18 um



0.25 / 35 um



Capacity, Utilization and Shipment



| | 2Q10 | 3Q10 | 4Q10 | 1Q11 | 2Q11 |
|--|----------------|----------------|----------------|----------------|----------------|
| Shanghai Mega Fab (8") | 84,000 | 86,000 | 86,000 | 90,000 | 90,000 |
| Beijing Mega Fab (12") | 20,500 | 22,500 | 23,300 | 27,800 | 29,129 |
| Tianjin Fab (8") | 33,000 | 33,000 | 33,300 | 33,200 | 34,250 |
| Monthly Capacity (8-inch equivalent wafers) | 163,125 | 169,925 | 171,725 | 185,750 | 189,790 |
| Wafer Shipment (1) | 496,766 | 516,792 | 517,404 | 471,231 | 451,552 |
| Utilization Rate (2) | 94.3% | 96.4% | 96.8% | 72.2% | 74.7% |

(1) Including copper interconnects and shipment of managed fabs

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



3Q 2011 Guidance

| | 3Q 2011 Guidance |
|-----------------------------|--------------------|
| Sales ⁽¹⁾ | decrease 14% - 17% |
| Gross Margin | 0% - 3% |
| Operating Expenses | \$86 – 89 million |

(1) Target revenue from Xinxin will be 11% to 13% of our Q3 2011 total revenue.



Semiconductor Manufacturing International Corporation

Thank You





Appendix



Q2 11 Results Vs Guidance

| | Q2 11 Prior Guidance | Q2 11 Results |
|---------------------------|-------------------------------------|---------------------------|
| Sales | decrease 3 - 7% \$344.7 – 359.5M | Decrease 4.9% \$352.4M |
| Gross margin | 15% - 18% | 14.3% |
| Operating expenses | \$82 – 86 M (1) | \$50.4M |

(1) Exclude foreign exchange differences



Capital Expenditures & Depreciation

| <i>(in US\$ millions)</i> | 1Q 10 | 2Q 10 | 3Q 10 | 4Q 10 | 2010 | 1Q 11 | 2Q 11 |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Capex | \$64M | \$92M | \$297M | \$275M | \$728M | \$333M | \$284M |
| Total Depreciation & Amortization | \$175M | \$165M | \$148M | \$132M | \$620M | \$131M | \$133M |