



Semiconductor Manufacturing International Corporation

NEWS RELEASE

SMIC reports 2004 second quarter results

Highlights

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- Sales increased to \$221.0 million, up 18.2% from \$186.9 million in 1Q04.
 - Income from operations increased to \$36.4 million, up 35.6% from \$26.8 million in 1Q04.
 - Income attributable to holders of ordinary shares increased to \$34.2 million, up 296.7% from \$8.6 million in 1Q04.
 - Compared to 1Q04, wafer shipments increased by 15.6% to 201,534 8-inch wafers; blended average selling price increased by 2.6% to \$1,034.
 - Basic EPS \$0.0019 (HKD\$0.0149⁽¹⁾) per ordinary share and \$0.0955 per ADS; diluted EPS \$0.0019 (HKD\$0.0147⁽¹⁾) per ordinary share and \$0.0941 per ADS.
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Shanghai, China – July 30, 2004

Note:

(1) Based on the exchange rate of HKD\$7.7996 to USD\$1.00 at the close of July 28, 2004. (Source: Bloomberg)



Conference call / Webcast announcement details

About SMIC

Safe harbor statements



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1. Analysis of revenues

Sales analysis					
<u>By Application</u>	<u>2Q04</u>	<u>1Q04</u>	<u>4Q03</u>	<u>3Q03</u>	<u>2Q03</u>
<u>By Device</u>	<u>2Q04</u>	<u>1Q04</u>	<u>4Q03</u>	<u>3Q03</u>	<u>2Q03</u>
<u>By Customer Type</u>	<u>2Q04</u>	<u>1Q04</u>	<u>4Q03</u>	<u>3Q03</u>	<u>2Q03</u>
<u>By Geography</u>	<u>2Q04</u>	<u>1Q04</u>	<u>4Q03</u>	<u>3Q03</u>	<u>2Q03</u>
Wafer revenue analysis					
<u>By Technology (logic, memory & copper interconnect only)</u>	<u>2Q04</u>	<u>1Q04</u>	<u>4Q03</u>	<u>3Q03</u>	<u>2Q03</u>
μ					
μ					
μ					
μ					
μ					
<u>By Logic Only⁽¹⁾</u>	<u>2Q04</u>	<u>1Q04</u>	<u>4Q03</u>	<u>3Q03</u>	<u>2Q03</u>
μ					
μ					
μ					
μ					
μ					

Note:

(1) Excluding 0.13μm copper interconnects

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-



-
- μ
- μ

Capacity:

wafers per month at the end of the period in 8" wafers

Fab / (Wafer Size)	2Q04	1Q04
Copper Interconnects:		

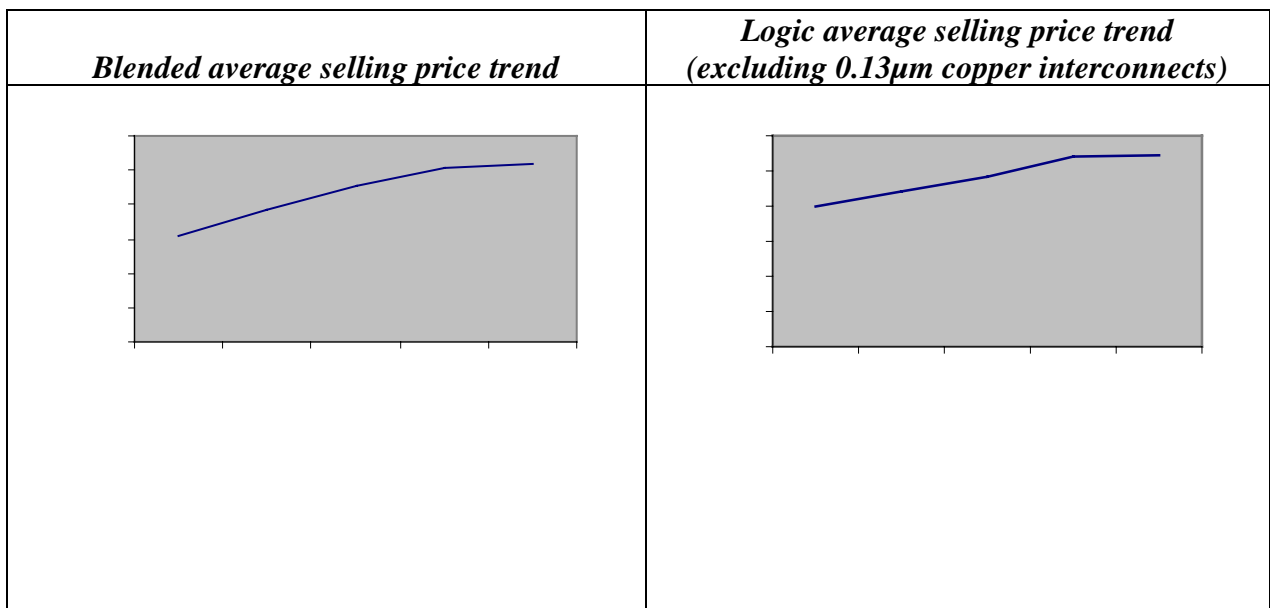
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Shipment and utilization:

8" wafers	2Q04	1Q04	4Q03	3Q03	2Q03

Note:
 (1) Capacity utilization based on total wafer out divided by calculated capacity

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2. Detailed financial analysis

Gross profit analysis

<i>Amounts in US\$ thousands</i>	<u>2Q04</u>	<u>1Q04</u>	<u>QoQ</u>	<u>2Q03</u>	<u>YoY</u>

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Operating expenses analysis

<i>Amounts in US\$ thousands</i>	<u>2Q04</u>	<u>1Q04</u>	<u>QoQ</u>	<u>2Q03</u>	<u>YoY</u>

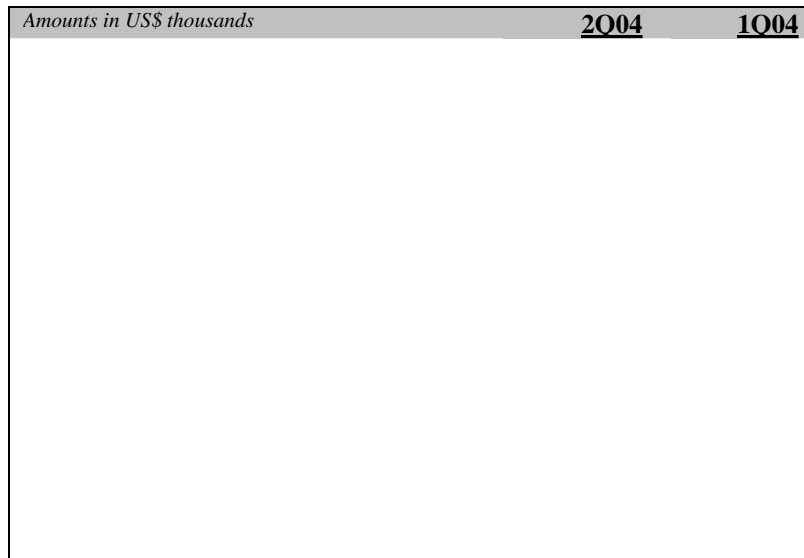
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Other income (expenses)

<i>Amounts in US\$ thousands</i>	<u>2Q04</u>
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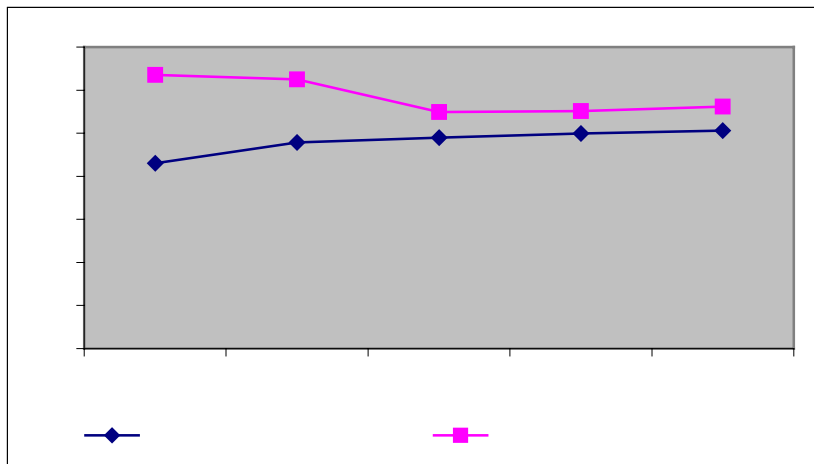


3. Liquidity

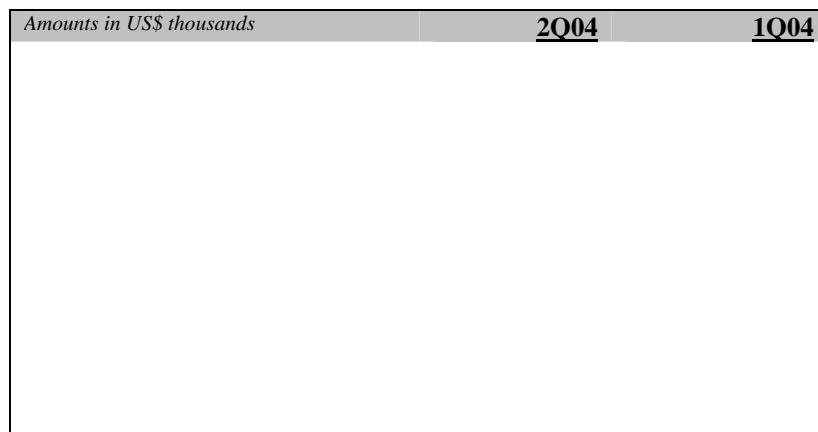


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Receivable/Inventory turnover trends



Capital structure





Semiconductor Manufacturing International Corporation
CONSOLIDATED STATEMENTS OF OPERATIONS
(In US dollars)

	June 30, 2004 (unaudited)	March 31, 2004 (unaudited)
	61,481,552	60,155,983
	(25,091,215)	(33,312,758)
	36,390,337	26,843,225
	(2,224,939)	608,922
	34,165,398	27,452,147
Income attributable to holders of ordinary shares	34,165,398	8,612,721

(1)

(1)



Semiconductor Manufacturing International Corporation
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In US dollars)

June 30, 2004
(unaudited)

March 31, 2004
(unaudited)

Operating activities:

,54.6E.156 0 0 8.156134,541,6 0\$.156 0 0 8.156 338.7643

Net cash provided by operating activities