

**Semiconductor Manufacturing International Corporation** 

**NEWS RELEASE** 

## SMIC reports 2004 second quarter results

## **Highlights**

- 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<sup>(1)</sup>) per ordinary share and \$0.0955 per ADS; diluted EPS \$0.0019 (HKD\$0.0147<sup>(1)</sup>) per ordinary share and \$0.0941 per ADS.

Shanghai, China - July 30, 2004



## Conference call / Webcast announcement details

About SMIC	
Safe harbor statements	
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## **Summary:**

Amounts in US\$ thousands, except for EPS				
Note:			. 1004	
(1) Based on weighted average ordinary shares or	f 17.897 million in 200	)4 and 2.641 millio	าก เก 1004	
<ul><li>(1) Based on weighted average ordinary shares of</li><li>(2) Including copper interconnects</li></ul>	f 17,897 million in 2Q0	94 and 2,641 millio	n in 1Q04	
<ol> <li>Based on weighted average ordinary shares of</li> <li>Including copper interconnects</li> <li>Excluding copper interconnects</li> </ol>	f 17,897 million in 2Q0	)4 and 2,641 millio	on in 1Q04	
(2) Including copper interconnects	f 17,897 million in 2Q0	14 and 2,641 millio	n in 1Q04	
(2) Including copper interconnects	f 17,897 million in 2Q0	44 and 2,641 millio	m in 1Q04	
<ul> <li>(2) Including copper interconnects</li> <li>(3) Excluding copper interconnects</li> </ul>	f 17,897 million in 2Q0	44 and 2,641 millio	m in 1 <u>Q</u> 04	
<ul> <li>(2) Including copper interconnects</li> <li>(3) Excluding copper interconnects</li> </ul>	f 17,897 million in 2Q0	44 and 2,641 millio	m in 1Q04	
<ul> <li>(2) Including copper interconnects</li> <li>(3) Excluding copper interconnects</li> </ul>	f 17,897 million in 2Q0	44 and 2,641 millio	m in 1Q04	
<ul> <li>(2) Including copper interconnects</li> <li>(3) Excluding copper interconnects</li> </ul>	f 17,897 million in 2QC	44 and 2,641 millio	m in 1Q04	
<ul> <li>(2) Including copper interconnects</li> <li>(3) Excluding copper interconnects</li> </ul>	f 17,897 million in 2Q0	44 and 2,641 millio	m in 1Q04	
<ul> <li>(2) Including copper interconnects</li> <li>(3) Excluding copper interconnects</li> </ul>	f 17,897 million in 2Q0	44 and 2,641 millio	m in 1Q04	
(2) Including copper interconnects (3) Excluding copper interconnects	f 17,897 million in 2Q0	44 and 2,641 millio	m in 1Q04	
(2) Including copper interconnects (3) Excluding copper interconnects  • • • • • • • • • • • • • • • • • •	f 17,897 million in 2Q0	44 and 2,641 millio	m in 1Q04	
(2) Including copper interconnects (3) Excluding copper interconnects	f 17,897 million in 2Q0	44 and 2,641 millio	m in 1Q04	
(2) Including copper interconnects (3) Excluding copper interconnects  • • • • • • • • • • • • • • • • • •	f 17,897 million in 2Q0	44 and 2,641 millio	m in 1Q04	
(2) Including copper interconnects (3) Excluding copper interconnects  • • • • • • • • • • • • • • • • • •	f 17,897 million in 2QC	44 and 2,641 millio	m in 1Q04	
(2) Including copper interconnects (3) Excluding copper interconnects  • • • • • • • • • • • • • • • • • •	f 17,897 million in 2QC	44 and 2,641 millio	m in 1Q04	
(2) Including copper interconnects (3) Excluding copper interconnects  • • • • • • • • • • • • • • • • • •	f 17,897 million in 2Q0	44 and 2,641 millio	m in 1Q04	
(2) Including copper interconnects (3) Excluding copper interconnects  • • • • • • • • • • • • • • • • • •	f 17,897 million in 2QC	44 and 2,641 millio	m in 1Q04	
(2) Including copper interconnects (3) Excluding copper interconnects  • • • • • • • • • • • • • • • • • •	f 17,897 million in 2QC	4 and 2,641 millio	m in 1Q04	
(2) Including copper interconnects (3) Excluding copper interconnects  • • • • • • • • • • • • • • • • • •	f 17,897 million in 2QC	44 and 2,641 millio	m in 1Q04	
(2) Including copper interconnects (3) Excluding copper interconnects  • • • • • • • • • • • • • • • • • •	f 17,897 million in 2Q6	44 and 2,641 millio	m in 1Q04	
(2) Including copper interconnects (3) Excluding copper interconnects  • • • • • • • • • • • • • • • • • •	f 17,897 million in 2QC	44 and 2,641 millio	m in 1Q04	



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# 1. Analysis of revenues

Sales analysis					
By Application	<b>2Q04</b>	<u>1004</u>	<u>4Q03</u>	<u>3Q03</u>	2Q03
By Device	<u>2Q04</u>	<u>1004</u>	<u>4Q03</u>	<u>3Q03</u>	<u>2Q03</u>
By Bevice	2004	1004	<del>1</del>	3005	2005
By Customer Type	<u>2Q04</u>	<u>1Q04</u>	4Q03	3Q03	<u>2Q03</u>
By Geography	<u>2Q04</u>	<u>1Q04</u>	<u>4Q03</u>	<u>3Q03</u>	<u>2Q03</u>
Wafer revenue analysis					
By Technology (logic, memory & copper	<u>2Q04</u>	<u>1Q04</u>	<u>4Q03</u>	<u>3Q03</u>	2Q03
interconnect only)	<u>2004</u>	1004	<del>1003</del>	<u>3Q03</u>	<u> 2003</u>
μ					
μ					
_ μ					
μ					
μ					
By Logic Only <sup>(1)</sup>	<u>2Q04</u>	<u>1Q04</u>	<u>4Q03</u>	<u>3Q03</u>	<u>2Q03</u>
μ					
μ					
μ					
μ					
μ					

Note

(1) Excluding 0.13 µm copper interconnects

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## Capacity:

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

<u>2Q04</u>	<u>1Q04</u>
	2004

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## Shipment and utilization:

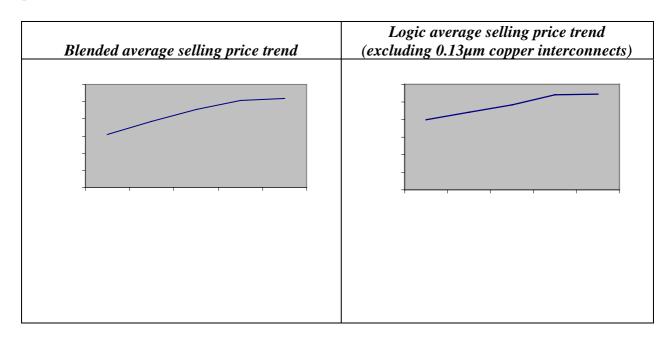
8" wafers	<u>2Q04</u>	<u>1004</u>	<u>4Q03</u>	<u>3Q03</u>	<u>2Q03</u>

Note:

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

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## 2. Detailed financial analysis

## Gross profit analysis

Amounts in US\$ thousands

Amounts in US\$ thousands	2Q04	1Q04	QoQ	2Q03	YoY
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Operating expenses analysis					
Amounts in US\$ thousands	<u>2Q04</u>	<u>1004</u>	<u>QoQ</u>	<u>2Q03</u>	<u>YoY</u>
•					
•					
•					
-					
•					

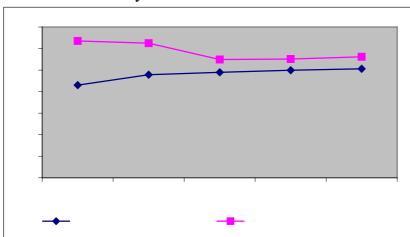


# 3. Liquidity

Amounts in US\$ thousands	<u>2Q04</u>	<u>1Q04</u>

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# Receivable/Inventory turnover trends



# Capital structure

Amounts in US\$ thousands	<u>2Q04</u>	<u>1Q04</u>



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## 4. Cash flow & Capex

Amounts in US\$ thousands	<u>2Q04</u>	<u>1Q04</u>

Capex plans

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# 5. 3Q04 outlook and guidance

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# 6. Recent announcements

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 ${\it Please\ visit\ SMIC's\ website\ \underline{www.smics.com\ for\ further\ details\ regarding\ the\ above\ announcements.}}$ 



## **Semiconductor Manufacturing International Corporation** CONSOLIDATED BALANCE SHEETS (In US dollars)

As of the end of June 30, 2004 March 31, 2004

	(unaudited)	(unaudited)
ASSETS		
	<del></del>	
	1,574,785,559	1,653,052,153
TOTAL ASSETS	4,329,494,31	3,867,343,584
TOTAL ASSETS	4,329,494,313	3,007,343,304
LIABILITIES AND STOCKHOLDERS' EQUITY		
	850,021,930	575,014,221
	650,021,930	373,014,221
	413,965,135	397,898,517

3,065,507,250	2,894,430,846
4,329,494,315	3,867,343,584

1,263,987,065

972,912,738

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY



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

June 30, 2004	March 31, 2004
(unaudited)	(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	March 31, 2004
(unaudited)	(unaudited)

Operating activities:

Net cash proble