



Semiconductor Manufacturing International Corporation

# Q2 2010 Financial Presentation

Aug 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.

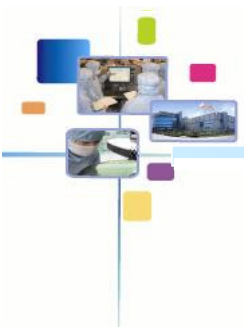
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## Financial highlights

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- **Revenue** up 8.4% to \$381.1M in 2Q10 from \$351.7M in 1Q10
- **Gross margins** improved to 15.6% in 2Q10 compared to 14.6% in 1Q10
- **Net cash flow from operations** increased to \$167.5 M in 2Q10 from \$153.3M in 1Q10
- **Gain attributable to holders of ordinary shares** was US\$96.0M in 2Q10, compared to loss of US\$181.9 million in 1Q10, driven by a change in fair value of US\$105.9 million gain of commitment to grant shares and warrants
- Fully diluted **EPS** was \$0.20 per ADS



<i>(Amounts in US\$thousand, except for EPS and operating data)</i>	2Q2010	1Q2010	QoQ	2Q2009	YoY
<b>Sales</b>	<b>381,142</b>	<b>351,724</b>	<b>8.4%</b>	<b>267,422</b>	<b>42.5%</b>
<b>Gross Profit</b>	<b>59,387</b>	<b>51,454</b>	<b>15.4%</b>	<b>(12,896)</b>	<b>—</b>



# Balance Sheet

## Summary Balance Sheet Statement

<i>(in US\$ thousands)</i>	For the three months ended	
	June 30, 2010	March 31, 2010
<b>Cash and cash equivalents</b>	506,547	523,208
<b>Current assets</b>	1,009,813	1,005,768
<b>Total assets</b>	3,444,105	3,498,264
<b>Current liabilities</b>	1,216,316	1,217,850
<b>Total liabilities</b>	1,691,732	1,845,125
<b>Non-Controlling interests</b>	35,362	35,100
<b>Shareholders equity</b>	1,717,011	1,618,083
<b>Total liability and shareholders equity</b>	3,444,105	3,498,264

Source: Company financials

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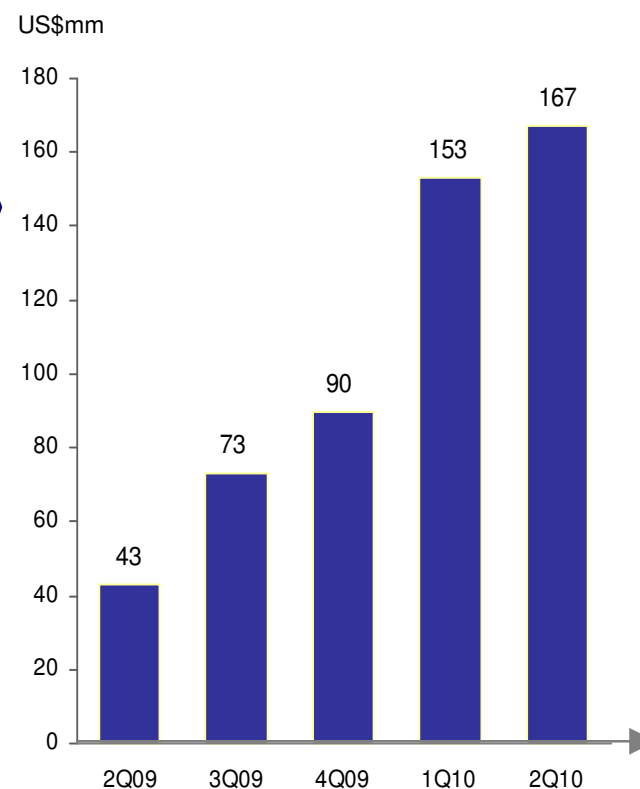


# Cash Flow

## Summary Cash Flow Statement

<i>(in US\$ thousands)</i>	For the three months ended	
	June 30, 2010	March 31, 2010
<b>Net Profit (loss)</b>	<b>96,299</b>	<b>(181,690)</b>
<b>Net cash provided by operating activities</b>	<b>167,495</b>	<b>153,316</b>
<b>Net cash used in investing activities</b>	<b>(107,884)</b>	<b>(64,545)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>(75,757)</b>	<b>(8,763)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>( 16,661)</b>	<b>79,745</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>523,208</b>	<b>443,463</b>
<b>Cash and cash equivalents at the end of period</b>	<b>506,547</b>	<b>523,208</b>

## Cashflow from operations

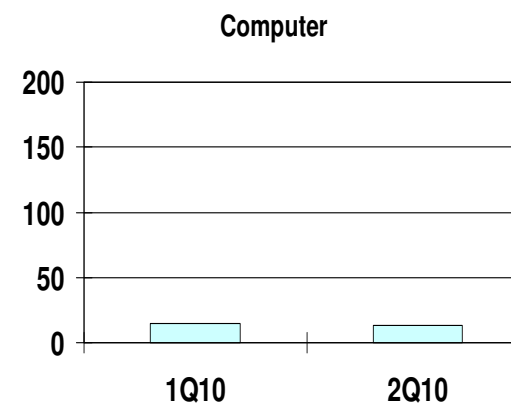
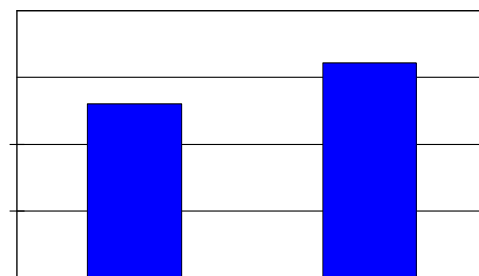
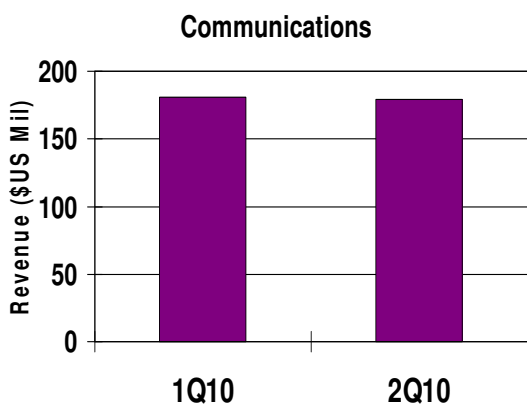


Source: Company financials

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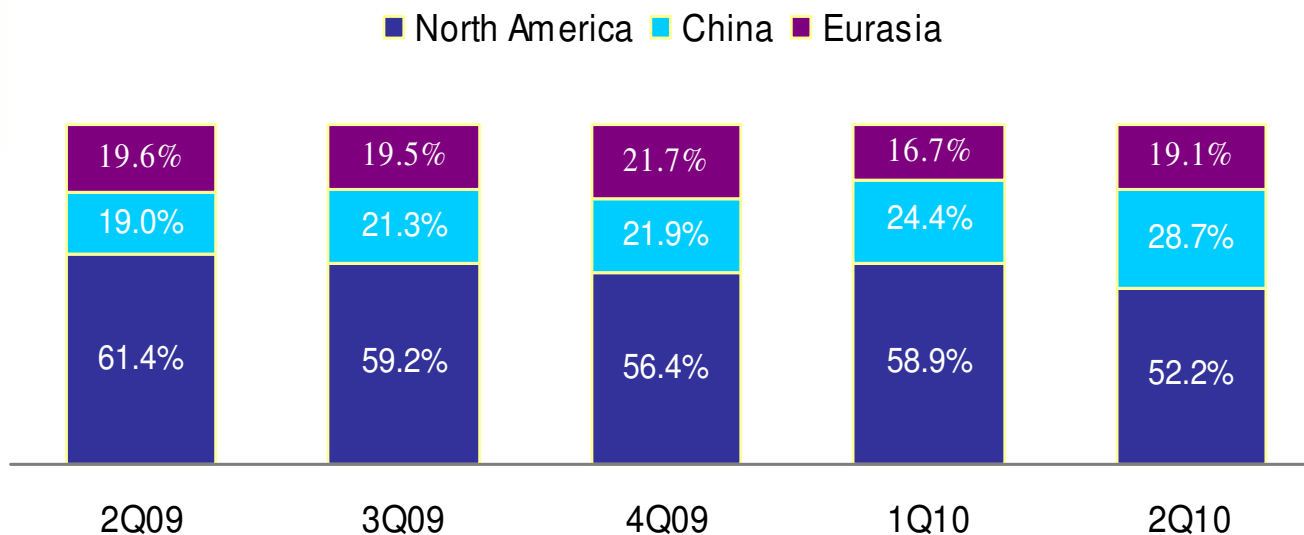


# Total Sales Breakdown by Applications



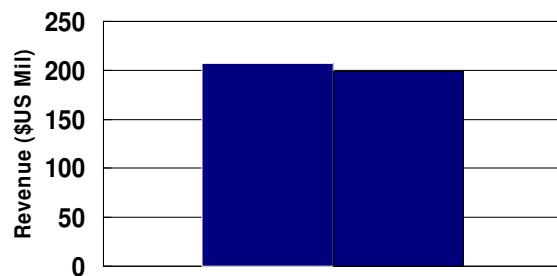
Source: Company financials

# Total Sales Breakdown by Geography



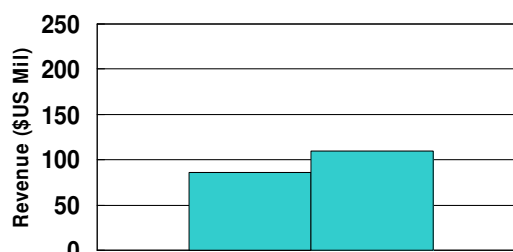
## Q1 Vs Q2

### North America



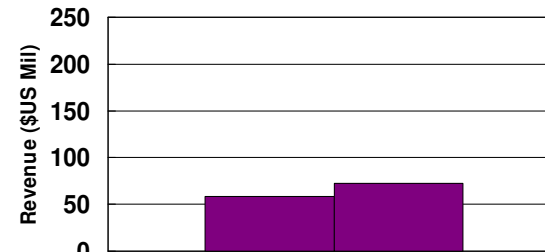
Q1 Vs Q2

### China



Q1 Vs Q2

### Eurasia



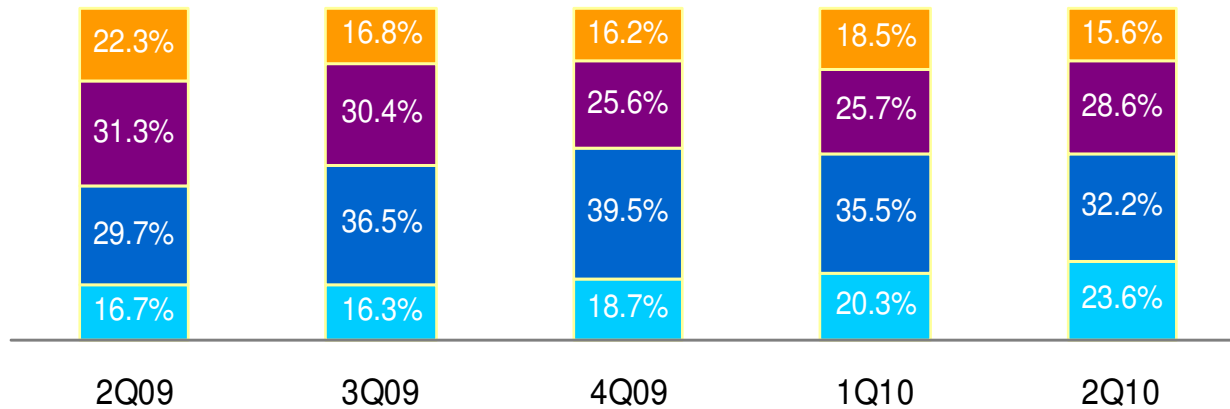
Q1 Vs Q2

Source: Company financials



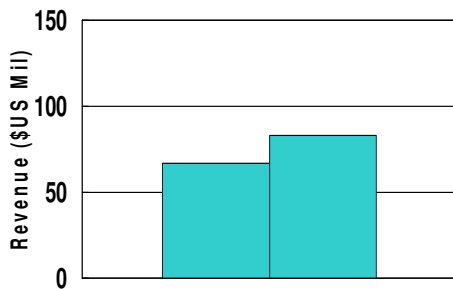
# Total Sales Breakdown by Technology

90nm and below 0.13um 0.15 / 0.18um 0.25 / 0.35um



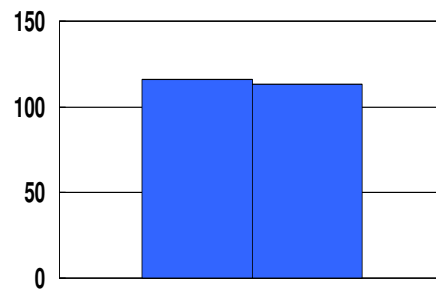
## Q1 Vs Q2

### 90nm & below



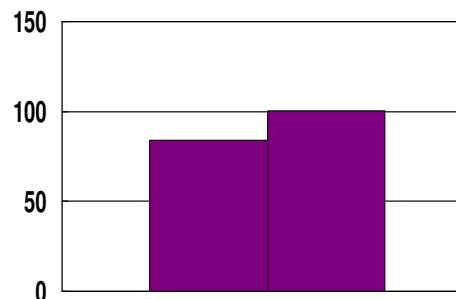
Q1 Vs Q2

### 0.13um



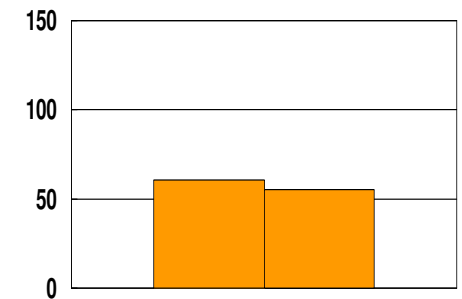
Q1 Vs Q2

### 0.15 / 18 um



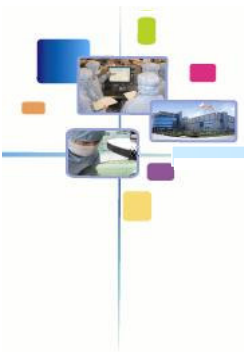
Q1 Vs Q2

### 0.25 / 35 um

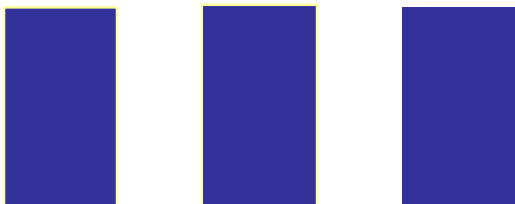


Q1 Vs Q2

Source: Company financials



## Capacity and utilization rate



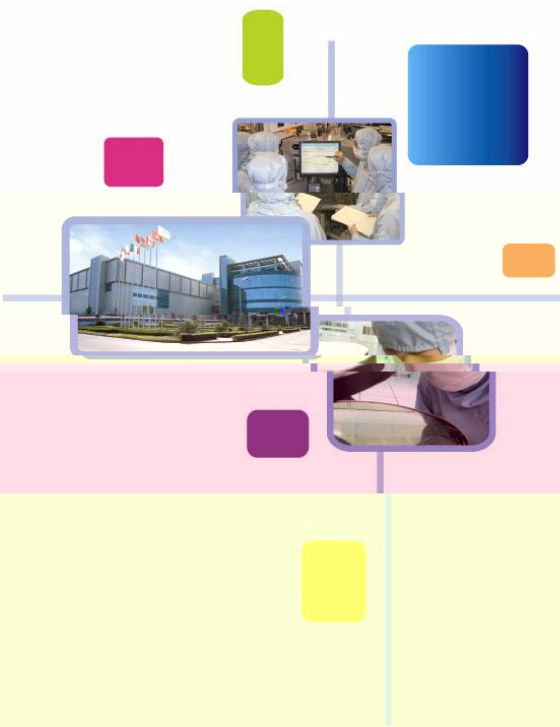


## 3Q 2010 Guidance

3Q2010 guidance	
<i>US\$mn</i>	3Q 2010 Guidance
<b>Sales*</b>	4% – 6%
<b>Gross Margin</b>	20% – 22%
<b>Operating Expenses **</b>	\$80M – \$84M
<b>2010 Full Year Capex</b>	\$700M – \$750M

\*Revenue from Xinxin and Cension will be 4% to 5% of our Q3 total revenue

\*\*Operating Expenses guidance excludes foreign exchange differences



# Thank YOU

Semiconductor Manufacturing International Corporation





# Appendix



## Q2 10 Results Vs Guidance

<b><i>US\$ Millions (except opex %)</i></b>	<b>Q2 10 Prior Guidance</b>	<b>Q2 10 Results</b>
<b>Sales</b>	<b>\$362.3 – 369.3M</b>	<b>\$381.1M</b>
<b>Operating expenses</b>	<b>\$84 – 88M</b>	<b>\$71.5M</b>
<b>Capital expenditures</b>	<b>\$150 – 200M</b>	<b>\$ 92M</b>

\* Exclude foreign exchange differences



## Capital Expenditures & Depreciation

<i>(in US\$ millions)</i>	2Q 09	3Q 09	4Q 09	1Q 10	2Q 10
<b>Capex</b>	<b>\$21M</b>	<b>\$53M</b>	<b>\$92M</b>	<b>\$64M</b>	<b>\$92M</b>
<b>Total Depreciation &amp; Amortization</b>	<b>\$203M</b>	<b>\$199M</b>	<b>\$184M</b>	<b>\$175M</b>	<b>\$165M</b>