



Semiconductor Manufacturing International Corporation

# Q3 2010 Financial Presentation

Nov 2010  
NYSE: SMI  
HKSE: 0981



(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.

Investors should consider the information contained in SMIC’s filings with the U.S. Securities and Exchange Commission (SEC), including its annual report on 20-F filed with the SEC on June 22, 2009, especially in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections, and such other documents that SMIC may file with the SEC or SEHK from time to time, including on Form 6-K. Other unknown or unpredictable factors also could have material adverse effects on SMIC’s future results, performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this press release may not occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this press release. Except as required by law, SMIC undertakes no obligation and does not intend to update any forward-looking statement, whether as a result of new information, future events or otherwise.





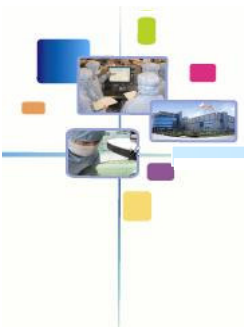
**Revenue** up 7.6% to \$410.1M in 3Q10 from \$381.1M in 2Q10

**Gross margins** significantly improved to 24.5% in 3Q10 compared to 15.6% in 2Q10

**Net cash flow from operations** was \$125.2 M in 3Q10 from \$167.5M in 2Q10

**Gain attributable to holders of ordinary shares** was \$30.4 million in the third quarter of 2010, including a gain in the fair value of commitment to grant shares and warrants amounted to US\$10.4 million.

Fully diluted **EPS** was \$0.06 per ADS



<i>(Amounts in US\$thousand, except for EPS and operating data)</i>	3Q2010	2Q2010	QoQ	3Q2009	YoY
<b>Sales</b>	410,080	381,142	7.6%	323,356	26.8%
<b>Gross Profit</b>	100,640	59,387	69.5%	2,654	3692.0%
<b>Gross margins</b>	24.5%	15.6%	+ 8.9 ppt	0.8%	+ 23.7 ppt
<b>Operating expenses</b>	79,952	71,507	11.8%	99,184	-19.4%
<b>Operating income (loss)</b>	20,688	(12,120)	—	(96,530)	—
<b>Net income (loss) excluding extraord</b>					



## Summary Balance Sheet Statement

<i>(in US\$ thousands)</i>	For the three months ended	
	Sept 30, 2010	June 30, 2010
<b>Cash and cash equivalents</b>	<b>427,247</b>	<b>506,547</b>
<b>Current assets</b>	<b>1,093,403</b>	<b>1,009,813</b>
<b>Total assets</b>	<b>3,671,335</b>	<b>3,444,105</b>
<b>Current liabilities</b>	<b>1,186,346</b>	<b>1,216,316</b>
<b>Total liabilities</b>	<b>1,639,910</b>	<b>1,691,732</b>
<b>Non-Controlling interests</b>	<b>35,627</b>	<b>35,362</b>
<b>Shareholders' equity</b>	<b>1,995,798</b>	<b>1,717,011</b>
<b>Total liability and shareholders' equity</b>	<b>3,671,335</b>	<b>3,444,105</b>

Source: Company financials

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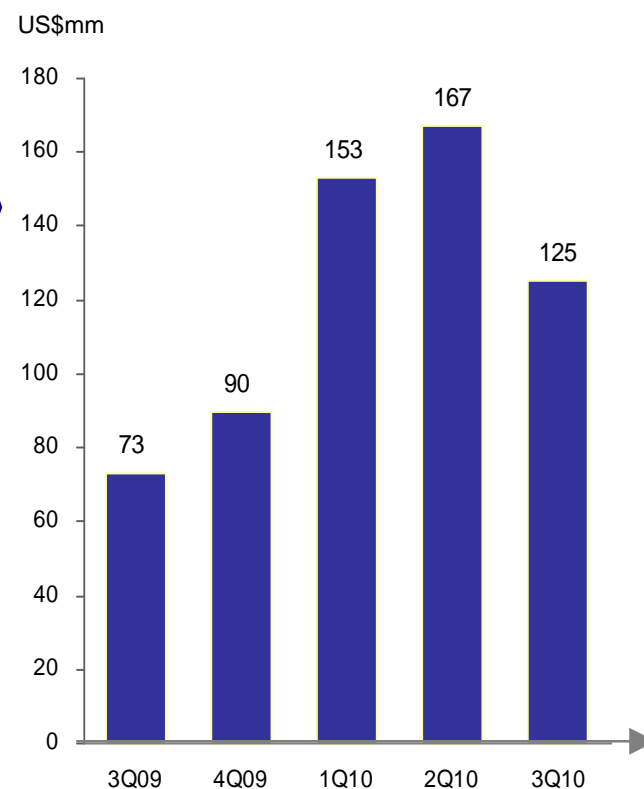




## Summary Cash Flow Statement

<i>(in US\$ thousands)</i>	For the three months ended	
	Sept 30, 2010	June 30, 2010
<b>Net Profit (loss)</b>	<b>30,707</b>	<b>96,299</b>
<b>Net cash provided by operating activities</b>	<b>125,170</b>	<b>167,495</b>
<b>Net cash used in investing activities</b>	<b>(164,825)</b>	<b>(107,884)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>(5,550)</b>	<b>(75,757)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>( 34,300)</b>	<b>( 16,661)</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>506,547</b>	<b>523,208</b>
<b>Cash and cash equivalents at the end of period</b>	<b>472,247</b>	<b>506,547</b>

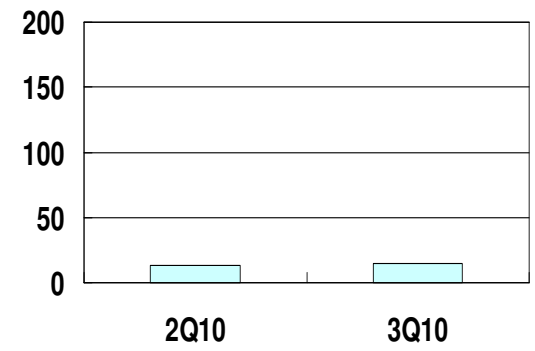
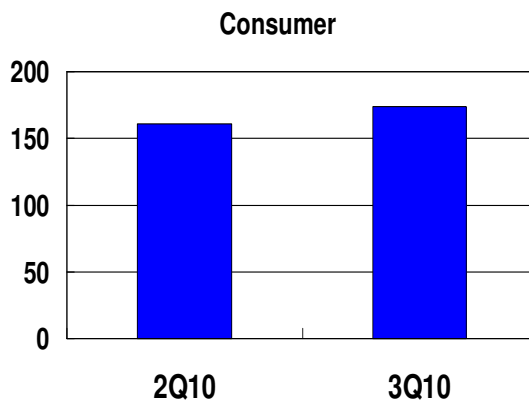
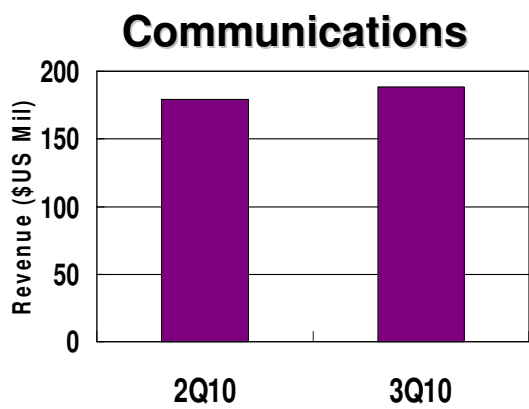
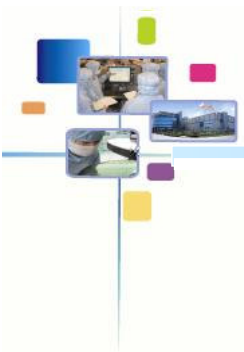
## Cashflow from operations



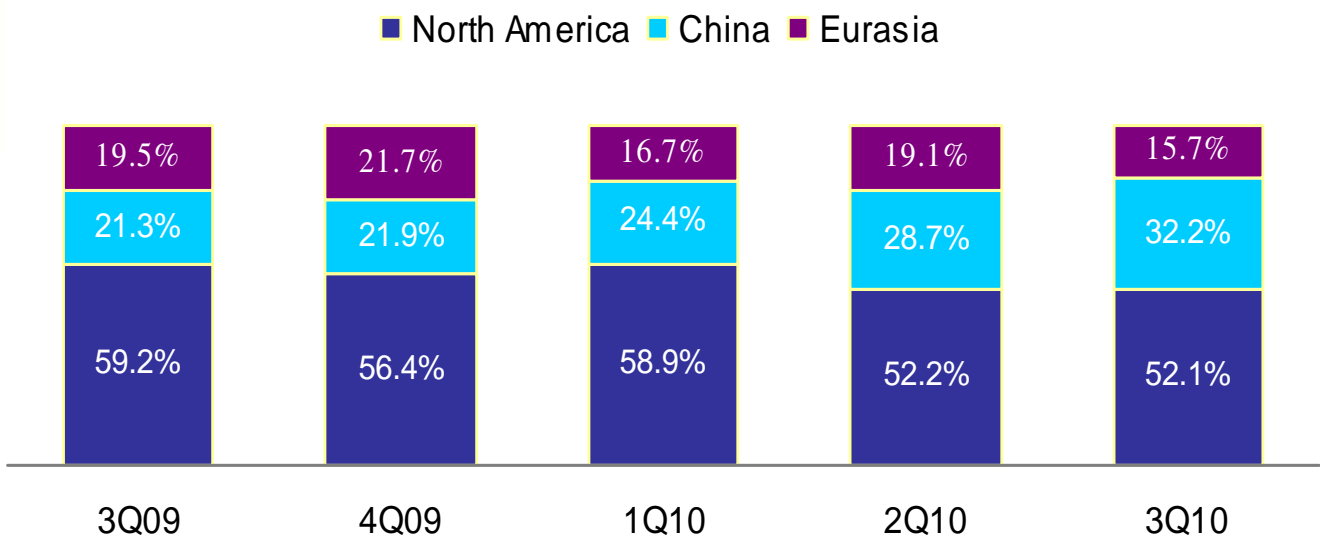
Source: Company financials

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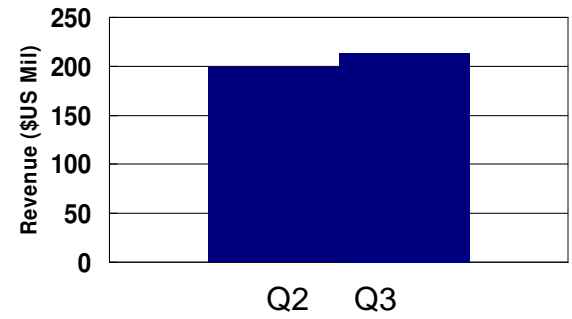


Source: Company financials

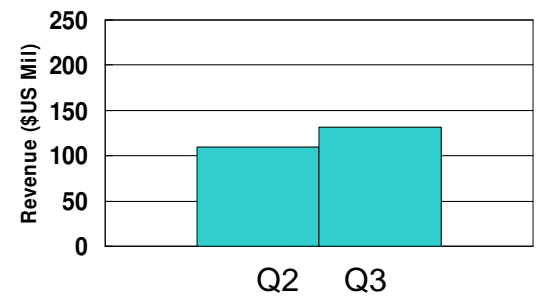


### Q2 Vs Q3

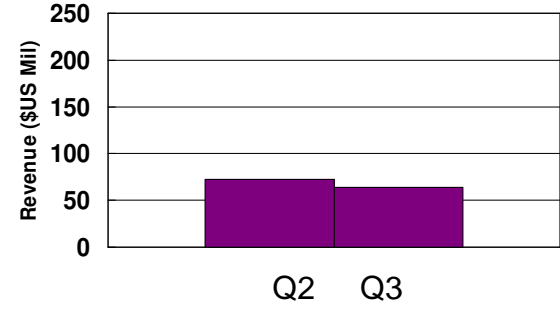
#### North America



#### China



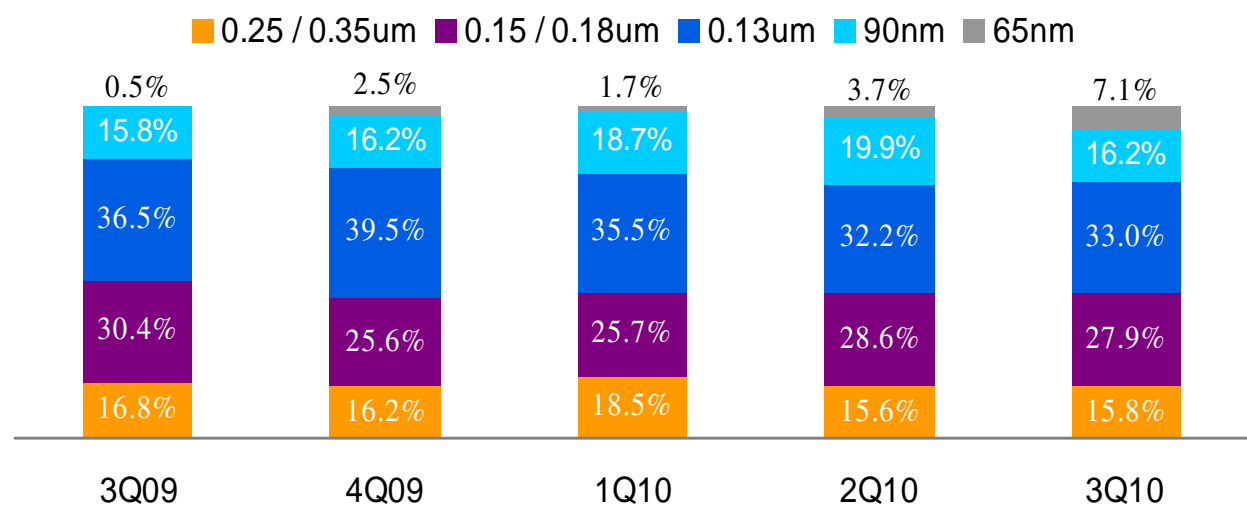
#### Eurasia



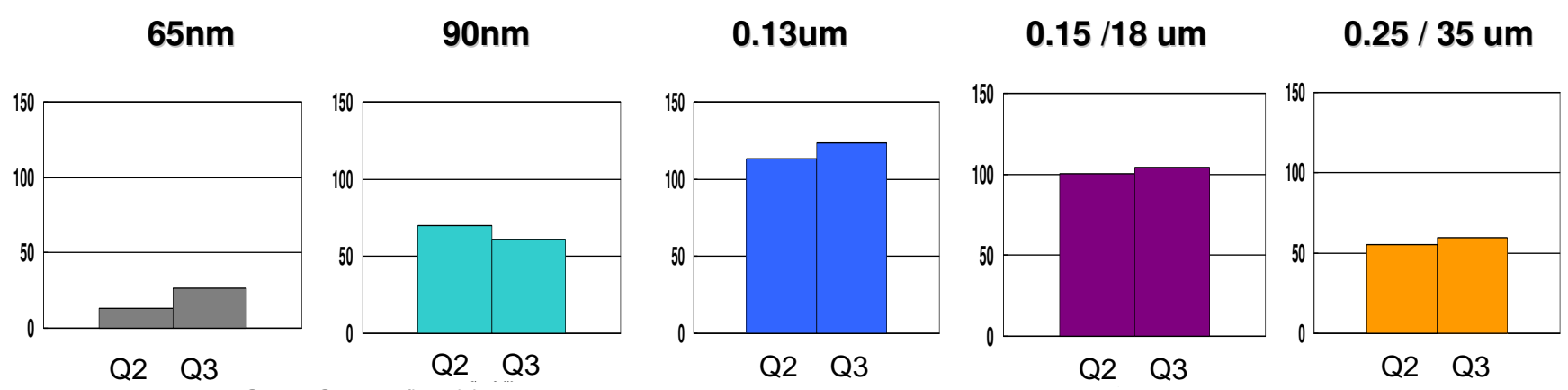
Source: Company financials







### Q2 Vs Q3

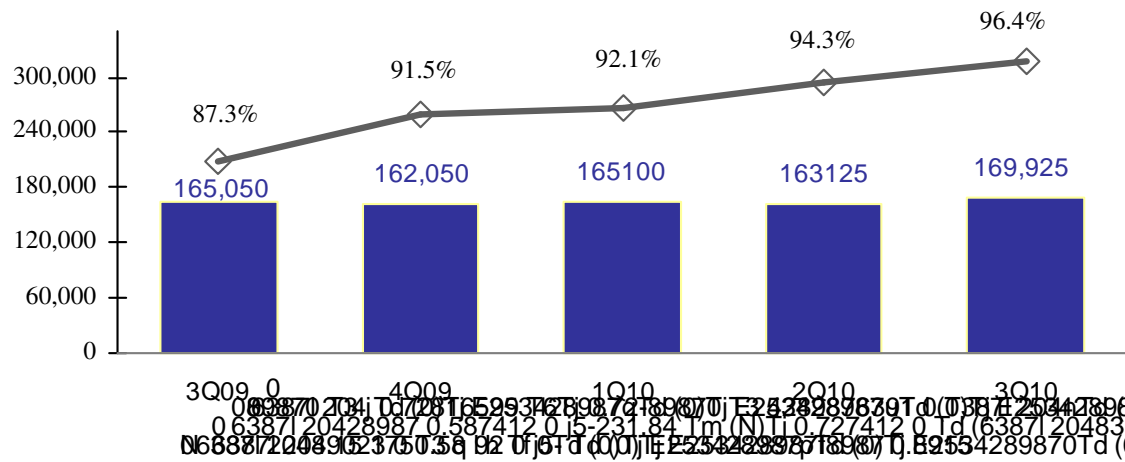


Source: Company financials





## Capacity and utilization rate





\$% &' ( ' )

3Q2010 guidance	
<i>US\$mn</i>	4Q 2010 Guidance
<b>Sales*</b>	<b>Flat</b>
<b>Gross Margin</b>	<b>21% – 23%</b>
<b>Operating Expenses **</b>	<b>\$80M – \$84M</b>
<b>2010 Full Year Capex</b>	<b>\$750M – \$800M</b>

\*Target revenue from Xinxin and Cension will be 4% to 5% of our Q4 total revenue

\*\*Operating Expenses guidance excludes foreign exchange differences



*Thank YOU*

Semiconductor Manufacturing International Corporation







<b>US\$ Millions (except opex %)</b>	<b>Q3 10 Prior Guidance</b>	<b>Q3 10 Results</b>
<b>Sales</b>	<b>4% – 6%</b> <b>\$396.3 – \$404M</b>	<b>7.6%</b> <b>\$410.1M</b>
<b>Gross margin</b>	<b>20% – 22%</b>	<b>24.5%</b>
<b>Operating expenses</b>	<b>\$80 – \$84M</b>	<b>\$80M</b>
<b>2010 Full Year Capex</b>	<b>Annual Capex range from</b> <b>\$700M – \$750M</b>	<b>\$ 297M</b>

\* Exclude foreign exchange differences



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<i>(in US\$ millions)</i>	3Q 09	4Q 09	1Q 10	2Q 10	3Q 10
<b>Capex</b>	<b>\$53M</b>	<b>\$92M</b>	<b>\$64M</b>	<b>\$92M</b>	<b>\$297M</b>
<b>Total Depreciation &amp; Amortization</b>	<b>\$199M</b>	<b>\$184M</b>	<b>\$175M</b>	<b>\$165M</b>	<b>\$148M</b>