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NEWS RELEASE

SMIC Reports 2014 Fourth Quarter Results

All currency figures stated in this report are in US Dollars unless stated otherwise.

The consolidated financial statements are prepared in accordance with International Financial
/ /

Shanghai, China February 9, 2015. Semiconductor Manufacturing International Corporation (NYSE: today announced its consolidated results of operations for the three months ended December 31, 2014.

Fourth Quarter 2014 Highlights

- Revenue was \$485.9 million in 4Q14, compared to \$521.6 million in 3Q14 and \$491.8 million in 4Q13.
- Gross profit was \$109.3 million in 4Q14, compared to \$134.9 million in 3Q14 and \$92.9 million in 4Q13.
- Gross margin was 22.5% in 4Q14, compared to 25.9% in 3Q14 and 18.9% in 4Q13.
- Profit for the period attributable to SMIC was \$28.4 million in 4Q14, compared to \$47.5 million in 3Q14 and \$14.7 million in 4Q13.
- China-region revenue grew to 45.6% of overall revenue as the largest contributor by region to revenue in 4Q14.

First Quarter 2015 Guidance:

The following statements are forward looking statements which are based on current expectations and

Revenue is expected to increase by 2% to 5% quarter over quarter.

Gross margin is expected to range from 27% to 29%.

Non-GAAP operating expenses excluding the effect of employee bonus accrual, government funding and gain from the disposal of living quarters are expected to range from \$123 million to \$128 million.

Dr. Tzu- As a management team, our first target had been to bring SMIC into sustainable profitability, and we have accomplished that. In Q4 2014, we achieved our eleventh consecutive profitable quarter and maintained a healthy utilization of 93%. We continue to aim for sustained profit as we enter our next stage of growth. 2014 was marked with achievements in development of technology and operations in preparation for growth in 2015 and beyond. We made progress in 28nm development, differentiated technology development, the development of new fab operations, and various new partnerships to expand business and opportunities in China and internationally.

role in the strengthening China semiconductor ecosystem.

Revenue from China has continued to be over 40% of our total revenue in the past 6 quarters and accounts for more than 45% of our total revenue in Q4 2014. As the largest and most advanced foundry in China, we are looking forward to benefiting from an overall growing IC ecosystem in China.

With a better than expected guidance for Q1 and encouraging feedback on 28nm, we continue to be optimistic about the future as we ramp up new 8-inch capacity in Shenzhen and 28nm capacity in both Shanghai and Beijing. We continue to have confidence in the China market, mobile products, smart consumer products, coming IoT(Internet of Things), and our strategy to capture growth opportunities in China. We stay committed to sustainable profitability and building value for all stakeholders.

Conference Call / Webcast Announcement

Date: February 10, 2015

Time: 8:30 a.m. Shanghai time

Dial-in numbers and pass code:

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The call will be webcast live with audio at http://www.smics.com/eng/investors/ir_presentations.php or [- 2 -](http://edge.media-</p></div><div data-bbox=)

About SMIC

Semiconductor Manufacturing International Corporation ("SMIC"; NYSE: SMI; SEHK: 981) is one of the leading semiconductor foundries in the world and the largest and most advanced foundry in mainland China. SMIC provides integrated circuit (IC) foundry and technology services at 0.35-micron to 28-nanometer. Headquartered in Shanghai, China, SMIC has a 300mm wafer fabrication facility (fab) and a 200mm mega-fab in Shanghai; a 300mm mega-fab and a second majority owned 300mm fab under development for advance nodes in Beijing; and 200mm fabs in Tianjin and Shenzhen. SMIC also has marketing and customer service offices in the U.S., Europe, Japan, and Taiwan, and a representative office in Hong Kong.

For more information, please visit www.smics.com.

Safe Harbor Statements

(Under the Private Securities Litigation Reform Act of 1995)

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About Non-Generally Accepted Accounting Principles (Non-GAAP) Financial Measures

in this press release non-GAAP operating expenses which consists of total operating expenses as adjusted to exclude the effect of employee bonus accrual, government funding and gain from the disposal of living quarters. This earnings release also includes first quarter 2015 guidance for non-GAAP operating expenses. The presentation of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS.

SMIC believes that use of these non-

uses these non-GAAP financial measures to understand, manage and evaluate the Company's business and make financial and operational decisions.

The accompanying table has more information and reconciliations of each non-GAAP financial

Summary of Fourth Quarter 2014 Operating Results

Amounts in US\$ thousands, except for EPS and operating data

	4Q14	3Q14	QoQ	4Q13	YoY
Revenue	485,893	521,646	-6.9%	491,797	-1.2%
Cost of sales	(376,554)	(386,704)	-2.6%	(398,858)	-5.6%
Gross profit	109,339	134,942	-19.0%	92,939	17.6%
Operating expenses	(107,691)	(94,122)	14.4%	(84,840)	26.9%
Profit from operations	1,648	40,820	-96.0%	8,099	-79.7%
Other income (expense), net	10,259	7,840	30.9%	7,756	32.3%
Profit before tax	11,907	48,660	-75.5%	15,855	-24.9%
Income tax benefit (expense)	(10,446)	18	-	(170)	6044.7%
Profit for the period	1,461	48,678	-97.0%	15,685	-90.7%
Other comprehensive income:					
Exchange differences on translating foreign operations	309	1,320	-76.6%	333	-7.2%
Total comprehensive income for the period	1,770	49,998	-96.5%	16,018	-88.9%
Profit for the period attributable to:					
Attributable to SMIC	28,387	47,520	-40.3%	14,681	93.4%
Non-controlling interests	(26,926)	1,158	-	1,004	-
Profit for the period	1,461	48,678	-97.0%	15,685	-90.7%
Gross margin	22.5%	25.9%	-	18.9%	-
Earnings per ordinary share ⁽¹⁾					
Basic	0.00	0.00		0.00	
Diluted	0.00	0.00		0.00	
Earnings per ADS ⁽²⁾					
Basic	0.04	0.07		0.02	
Diluted	0.04	0.07		0.02	
equivalent wafers)	660,049	668,811	-1.3%	601,602	9.7%
Capacity utilization ⁽³⁾	93.0%	91.9%	-	87.4%	-

Note:

(1) Based on weighted average ordinary shares of 35,449 million (basic) and 36,701 million (diluted) in 4Q14, 34,846 million (basic) and 38,904 million (diluted) in 3Q14, and 32,102 million (basic) and 33,693 million (diluted) in 4Q13.

(2) Each ADS represents 50 ordinary shares.

(3) Based on total equivalent wafers out divided by estimated total quarterly capacity.

Revenue decreased 6.9% QoQ from \$521.6 million in 3Q14 to \$485.9 million in 4Q14 mainly due to a one-time adjustment relating to the turnkey services.

Cost of sales decreased to \$376.6 million in 4Q14, down 2.6% QoQ from \$386.7 million in 3Q14. Gross profit was \$109.3 million in 4Q14, a decrease of 19.0% QoQ from \$134.9 million in 3Q14.

Gross margin was 22.5% in 4Q14, down from 25.9% in 3Q14. The change was mainly due to a one-time adjustment relating to the turnkey services. Excluding the above adjustment, the gross margin in 4Q14 stayed relatively flat compared to 3Q14.

Operating expenses were \$107.7 million in 4Q14, an increase of 14.4% QoQ from \$94.1 million in 3Q14, mainly due to the reasons stated in Operating Expenses (Income) Analysis below.

The change in income tax benefit (expense) was mainly due to the payment of land value-added tax.

The change in non-controlling interests was mainly because Semiconductor Manufacturing North China

shared part of SMIC group s advance-technology R&D expenses in 4Q14.

Analysis of Revenue

Revenue Analysis			
By Application	4Q14	3Q14	4Q13
Computer	2.5%	2.3%	1.9%
Communications	42.7%	44.6%	39.8%
Consumer	43.0%	44.3%	48.3%
Others	11.8%	8.8%	10.0%
By Service Type	4Q14	3Q14	4Q13
Wafers	95.2%	94.6%	93.2%
Mask making, testing, others	4.8%	5.4%	6.8%
By Customer Type	4Q14	3Q14	4Q13
Fabless semiconductor companies	85.6%	86.8%	86.7%
Integrated device manufacturers (IDM)	3.0%	3.3%	6.0%
System companies and others	11.4%	9.9%	7.3%
By Geography	4Q14	3Q14	4Q13
North America	41.8%	43.7%	48.3%
China ⁽¹⁾	45.6%	42.2%	40.0%
Eurasia ⁽²⁾	12.6%	14.1%	11.7%
Wafer Revenue Analysis			
By Technology	4Q14	3Q14	4Q13
40/45 nm	10.9%	10.4%	16.3%
55/65 nm	24.7%	24.3%	21.1%
90 nm	4.2%	3.5%	3.5%
0.13 μ m	9.9%	11.5%	12.2%
0.15/0.18 μ m	45.5%	45.7%	41.5%
0.25/0.35 μ m	4.8%	4.6%	5.4%

Note:

(1) Including Hong Kong, but excluding Taiwan

(2) Excluding China

Capacity*

Fab / (Wafer Size)	4Q14	3Q14
	96,000	96,000
Shanghai 12-	31,500	31,500
Beijing Mega Fab (12")	81,000	81,000
Tianjin Fab (8")	39,000	39,000
Total monthly wafer fabrication capacity**	247,500	247,500

Note:

* Wafers per month at the end of the period in 8" equivalent wafers, calculated on a 30-day basis for comparison purposes

**Our 8-inch fab in Shenzhen has reached an installed capacity of 10,000 wafers per month but not entered into mass production at the end of 2014.

Monthly capacity was 247,500 8-inch equivalent wafers in 4Q14, which was the same as 3Q14.

Shipment and Utilization

	4Q14	3Q14	QoQ	4Q13	YoY
Wafer shipments	660,049	668,811	-1.3%	601,602	9.7%
Utilization rate ⁽¹⁾	93.0%	91.9%	-	87.4%	-

Note:

(1) Based on total equivalent wafers out divided by estimated total quarterly capacity.

Detailed Financial Analysis

Gross Profit Analysis

Amounts in US\$ thousands	4Q14	3Q14	QoQ	4Q13	YoY
Cost of sales	376,554	386,704	-2.6%	398,858	-5.6%
Depreciation	110,352	108,623	1.6%	113,289	-2.6%
Other manufacturing costs	262,607	277,278	-5.3%	284,327	-7.6%
Share-based compensation	3,595	803	347.7%	1,242	189.5%
Gross profit	109,339	134,942	-19.0%	92,939	17.6%
Gross margin	22.5%	25.9%	-	18.9%	-

Cost of sales was \$376.6 million in 4Q14, down 2.6% QoQ from \$386.7 million in 3Q14.

Other manufacturing costs within the cost of sales decreased to \$262.6 million in 4Q14, compared to \$277.3 million in 3Q14.

Share-based compensation was \$3.6 million in 4Q14, up 347.7% QoQ from \$0.8 million in 3Q14. The increase was mainly due to additional stock incentives granted to employees in 4Q14.

Gross profit was \$109.3 million in 4Q14, a decrease of 19.0% QoQ from \$134.9 million in 3Q14.

Gross margin was 22.5% in 4Q14, down from 25.9% in 3Q14. The change was mainly due to a one-time adjustment relating to the turnkey services. Excluding the above adjustment, gross margin in 4Q14 stayed relatively flat compared to 3Q14.

Operating Expenses (Income) Analysis

<i>Amounts in US\$ thousands</i>	4Q14	3Q14	QoQ	4Q13	YoY
Operating expenses	107,691	94,122	14.4%	84,840	26.9%
Research and development, net	53,113	54,887	-3.2%	46,256	14.8%
General and administrative	46,039	34,668	32.8%	36,610	25.8%
Selling and marketing	9,436	10,090	-6.5%	8,385	12.5%
Other operating income	(897)	(5,523)	-83.8%	(6,411)	-86.0%

R&D expenses decreased to \$53.1 million in 4Q14, compared to \$54.9 million in 3Q14.

Excluding the funding of R&D contracts from the government, R&D expenses increased by \$4.8 million QoQ to \$65.5 million in 4Q14 due to higher R&D activities. Funding of R&D contracts from the government was \$12.4 million in 4Q14, compared to \$5.8 million in 3Q14.

General and administrative expenses increased to \$46.0 million in 4Q14, up 32.8% QoQ from \$34.7 million in 3Q14, mainly because of 1) the start-up costs relating to the two new fab projects the 8-inch fab in Shenzhen and the 12-inch fab in Beijing and 2) accrued employee bonus increased in 4Q14.

Other operating income decreased 83.8% QoQ from \$5.5 million in 3Q14 to \$0.9 million in 4Q14, mainly because of lower gain realized from the disposal of part of the living quarters in 4Q14.

Other Income (expense), Net

<i>Amounts in US\$ thousands</i>	4Q14	3Q14	QoQ	4Q13	YoY
Other income (expense), net	10,259	7,840	30.9%	7,756	32.3%
Interest income	6,403	2,968	115.7%	2,206	190.3%
Finance costs	(5,315)	(2,539)	109.3%	(5,789)	-8.2%
Foreign exchange gains or losses	1,623	6,838	-76.3%	6,228	-73.9%
Other gains or losses, net	7,235	264	2640.5%	4,607	57.0%
Share of profits of associates	313	309	1.3%	504	-37.9%

The change in foreign exchange gains or losses was mainly due to an appreciation of RMB against USD in 3Q14.

The change in other gains or losses, net was mainly caused by the lower revenue from our schools in 3Q14 due to summer vacation.

Depreciation and Amortization

<i>Amounts in US\$ thousands</i>	4Q14	3Q14	QoQ	4Q13	YoY
Depreciation and amortization	135,245	138,889	-2.6%	138,721	-2.5%

Liquidity

<i>Amounts in US\$ thousands</i>	4Q14	3Q14
Cash and cash equivalent	603,036	362,239
Restricted cash	238,051	159,118
Other financial assets	644,071	336,793
Trade and other receivables	456,388	490,910
Prepayment and prepaid operating expenses	40,628	43,736
Inventories	316,041	315,364

Cash Flow

<i>Amounts in US\$ thousands</i>	4Q14	3Q14
Net cash from operating activities	195,218	134,210
Net cash used in investing activities	(644,783)	(144,006)
Net cash from (used in)		

Recent Highlights and Announcements

Notification of Board Meeting (2015-01-19)
List of Directors and Their Roles and Functions (2015-01-09)
Resignation of Non-executive Director and Authorised Representative and Cessation of Office of an Alternate Director (2015-01-09)
MEMSensing Launches the World's Smallest Commercial 3-Axis Accelerometer MSA330 with SMIC (2015-01-05)
Voluntary Announcement - Update on the Proposed Acquisition (2014-12-31)
Inside Information Announcement - Co-investment Agreement and Investment Exit Agreement in Relation to Proposed Acquisition (2014-12-22)
SMIC Successfully Produces Qualcomm Snapdragon 410 processor in 28nm Process (2014-12-18)
SMIC's Shenzhen Fab Goes into Operation - The first 8-inch wafer production line in Southern China (2014-12-16)
Overseas Regulatory Announcement (2014-12-09)
Grant of Options (2014-11-18)
SMIC Reports Unaudited Results for the Three Months Ended September 30, 2014 (2014-11-05)
Poll Results of Extraordinary General Meeting Held on 5 November 2014 (2014-11-05)
SMIC and ASML sign a Volume Purchase Agreement worth 450 million Euros (2014-10-27)
SMIC and Maxscend Collaborate on 55nm RF IP Platform (2014-10-23)
Notification of Board Meeting (2014-10-21)

Semiconductor Manufacturing International Corporation
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(In US\$ thousands except share data)

	For the three months ended	
	December 31, 2014 (Unaudited)	September 30, 2014 (Unaudited)
Revenue	485,893	521,646
Cost of sales	(376,554)	(386,704)
Gross profit	109,339	134,942
Research and development expenses, net	(53,113)	(54,887)
General and administration expenses	(46,039)	(34,668)
Sales and marketing expenses	(9,436)	(10,090)
Other operating income	897	5,523
Operating expenses	(107,691)	(94,122)
Profit from operation	1,648	40,820
Other income (expense), net	10,259	7,840
Profit before tax	11,907	48,660
Income tax (expense) benefit	(10,446)	18
Profit for the period	1,461	48,678
Other comprehensive income		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	309	1,320
Total comprehensive income for the period	1,770	49,998
Profit for the period attributable to:		
Owners of the Company	28,387	47,520
Non-controlling interests	(26,926)	1,158
	1,461	48,678
Total comprehensive income for the period attributable to:		
Owners of the Company	28,696	48,840
Non-controlling interests	(26,926)	1,158
	1,770	49,998
Earnings per share attributable to Semiconductor Manufacturing International Corporation ordinary shareholders		
Basic	0.00	0.00
Diluted	0.00	0.00
Earnings per ADS attributable to Semiconductor Manufacturing International Corporation ordinary ADS holders		
Basic	0.04	0.07
Diluted	0.04	0.07

Shares used in calculating basic earnings per share

Semiconductor Manufacturing International Corporation
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(In US\$ thousands)

In light of the foregoing limitations, you should not consider the non-GAAP operating expenses in isolation from or as an alternative to operating expenses prepared in accordance with IFRS.

The following table sets forth the reconciliation of the non-GAAP operating expenses to its most directly comparable financial measure presented in accordance with IFRS, for the periods indicated.

For the three months ended

December 31, 2014

Semiconductor Manufacturing International Corporation
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In US\$ thousands)

	As of	
	December 31, 2014	September 30, 2014
	(Unaudited)	(Unaudited)
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	2,995,086	2,646,870
Prepaid land use right	135,331	136,000
Intangible assets	207,822	210,699
Investments in associates	57,631	31,433
Deferred tax assets	44,383	44,275
Other assets	30,867	9,918
Total non-current assets	3,471,120	

Semiconductor Manufacturing International Corporation
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(In \$US thousands)

	For the three months ended	
	December 31, 2014	September 30, 2014
	(Unaudited)	(Unaudited)
Cash flow from operating activities		
Profit for the period	1,461	48,678
Depreciation and amortization	135,245	138,889
Share of profits of associates	(313)	(309)
Changes in working capital and others	58,825	(53,048)
Net cash from operating activities	195,218	134,210
Cash flow from investing activities:		
Payments for property, plant and equipment	(213,571)	(212,317)
Payments for intangible assets	(23,291)	(14,682)
Proceeds from disposal of property, plant and equipment	27,383	9,526
Changes in restricted cash relating to investing activities	(89,298)	54,418
Payments to acquire financial assets	(852,848)	(434,075)
Proceeds on sale of financial assets	554,208	455,712
Net cash outflow from deconsolidation of subsidiaries	(936)	-
Payment to acquire long-term investment	(46,430)	(2,588)
Net cash used in investing activities	(644,783)	(144,006)
Cash flow from financing activities:		
Proceeds from borrowings	129,442	96,314
Repayment of borrowings	(305,166)	(302,124)
Proceeds from issuance of ordinary shares	72,576	-
Proceeds from issuance of convertible bonds	22,533	-
Proceeds from issuance of corporate bonds	492,315	-
Proceeds from exercise of employee stock options	1,937	3,498
Proceeds from non-controlling interest - capital contribution	276,526	-
Net cash from (used in) financing activities	690,163	(202,312)
Effects of exchange rate changes on the balance of cash held in foreign currencies	199	1,015
Net increase (decrease) in cash and cash equivalent	240,797	(211,093)
Cash and cash equivalent, beginning of period	362,239	573,332
Cash and cash equivalent, end of period	603,036	