



SMIC Q1 2012 Financial Presentation

NYSE: SMI HKSE: 981

SMIC Investor Relations

May 2012





Safe Harbor

(Under the Private Securities Litigation Reform Act of 1995)

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1Q12 Financial Highlights

- **Revenue up by 14.9%** to \$332.7 million in 1Q12 from \$289.6 million in 4Q11 and down by 10.2% compared to 1Q11.
- **Gross margin was 12.0%** in 1Q12 compared to -7.4% in 4Q11 primarily due to higher utilization and cost saving actions in 1Q12.
- **Net cash flow from operations** decreased to **\$35.8 million** in 1Q12 from \$84.7 million in 4Q12 mainly due to VAT refund in 2011 Q4.
- **Loss** attributable to Semiconductor manufacturing International Corporation was **\$ 42.8 million** in 1Q12, compared to loss of \$165.2 million in 4Q11.
- **Diluted EPS** was **\$(0.08)** per ADS.

Summary Income Statement

<i>(Amounts in US\$thousand)</i>	1Q2012	4Q2011	QoQ	1Q2011	YoY
Total Revenue	332,711	289,628	14.9%	370,559	-10.2%
Gross Profit	39,844	(21,331)	-	68,777	-42.1%
Gross margins	12.0%	-7.4%	-	23.6%	-11.6 pts
Operating Expenses:					
Research & Development	59,311	38,921		49,573	
General & Administrative	23,924	25,038		19,427	
Selling & Marketing	6,892	9,283		7,738	
Others, net	1	12,425		(115)	
Operating expenses	90,128	85,667	5.2%	76,623	17.6%
Operating income (loss)	(50,284)	(106,998)	—	(7,846)	—
Net income (loss) attributable to SMIC	(42,825)	(165,205)	—	10,234	—
Net income (loss) per ADS	(0.08)	(0.30)	—	0.02	—

- Wafer revenue from our managed fab Wuhan Xinxin was \$22.4 million in Q1, contributing 6.7% to our total revenue.
- R&D expense in Q1 was offset by government subsidies of \$3.8 million.

Summary Balance Sheet

<i>(in US\$ thousands)</i>	For the three months ended	
	Mar 31, 2012	Dec 31, 2011
Cash and cash equivalents	300,641	261,615
Account Receivables	196,749	165,234
Inventories	211,353	207,309
Others	312,375	230,629
Total Current assets	1,021,118	864,787
Fixed Assets	2,493,732	2,516,578
Intangible & Other Assets	1,444,469	1,211,351
Total assets	3,938,021	3,727,929
Accounts Payable	307,206	280,691
Short Term Loan	658,688	798,782
Others	171,938	171,853
Total Current liabilities	1,137,832	1,251,326
Long Term Payable	165,057	155,228
Long Term Loan	427,293	72,361
Total liabilities	1,730,182	1,478,915
Noncontrolling interest	4,463	4,200
Shareholders' equity	2,203,556	2,244,814
Total liability and shareholders' equity	3,938,201	3,727,929
Debt/Equity Ratio	49.3%	38.8%

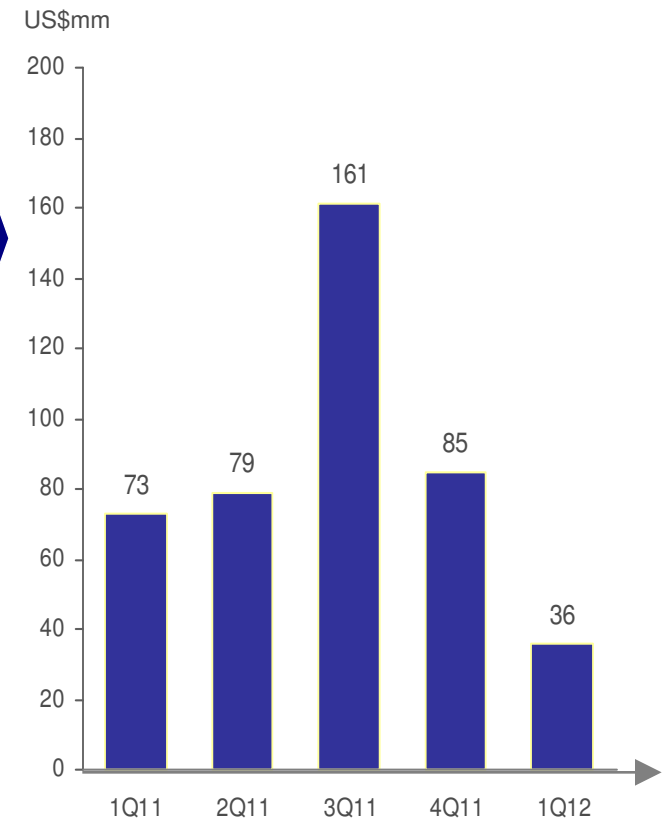


Cash Flow

Summary Cash Flow Statement

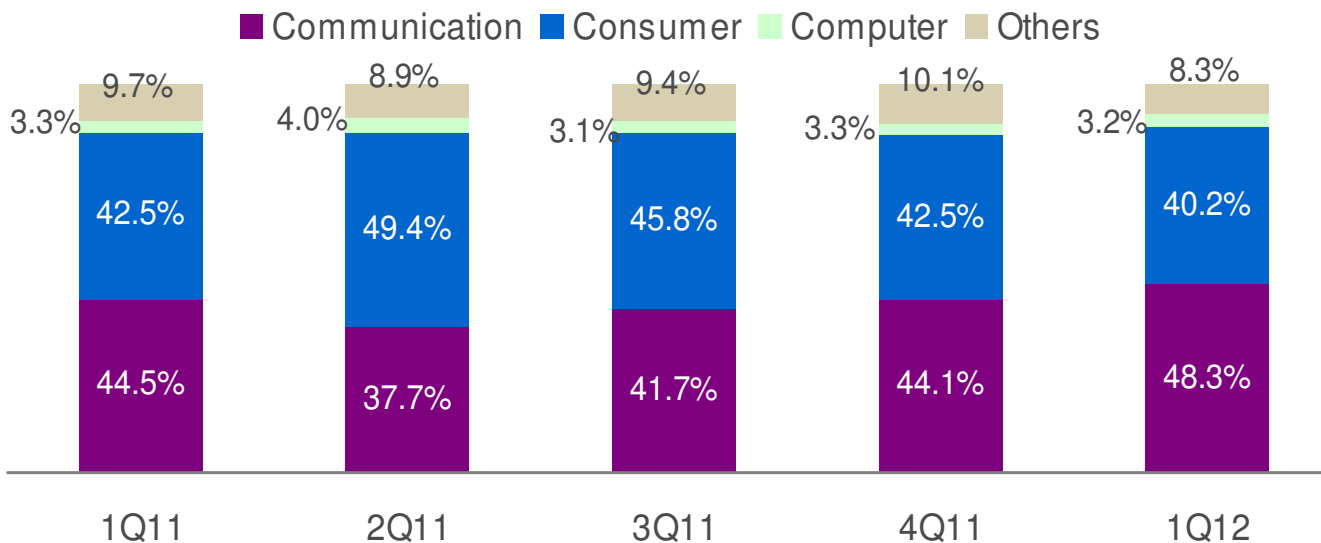
<i>(in US\$ thousands)</i>	For the three months ended	
	Mar 31, 2012	Dec 31, 2011
Net Profit (loss)	(42,562)	(164,824)
Net cash provided by operating activities	35,808	84,659
Net cash used in investing activities	(205,805)	25,403
Net cash used in financing activities	208,978	(164,824)
Effect of exchange rate changes	44	687
Net increase (decrease) in cash and cash equivalents	39,025	(54,075)
Cash and cash equivalents at the beginning of period	261,615	315,690
Cash and cash equivalents at the end of period	300,641	261,615

Cashflow from operations

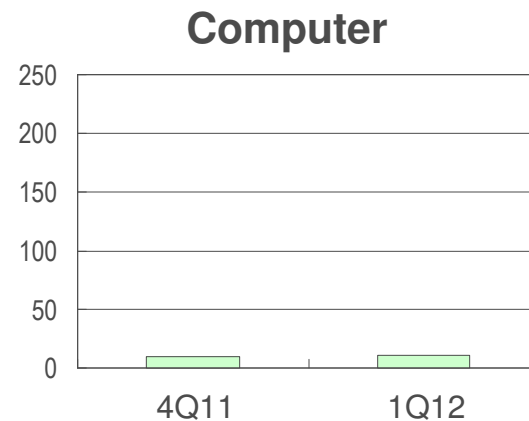
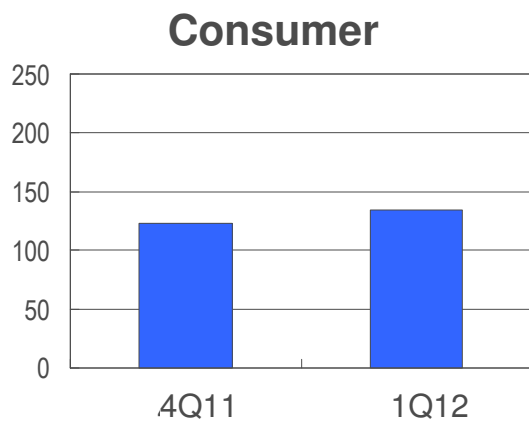
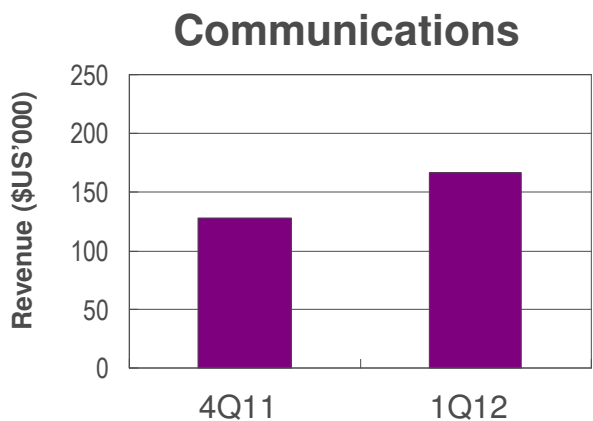




Total Sales Breakdown by Applications

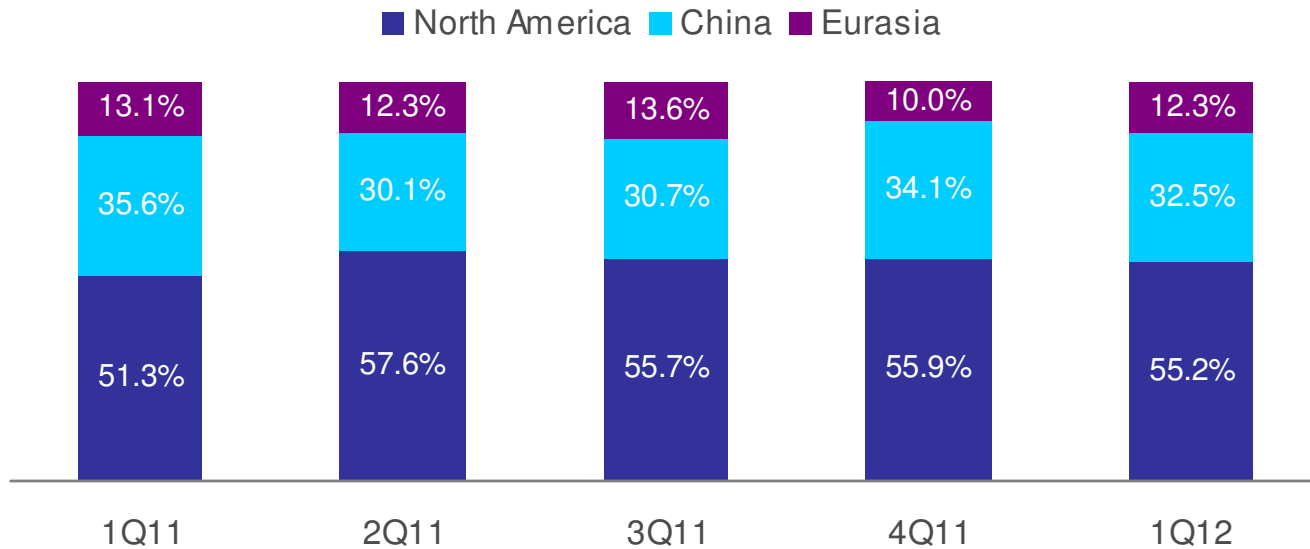


1Q 12 Vs 4Q 11

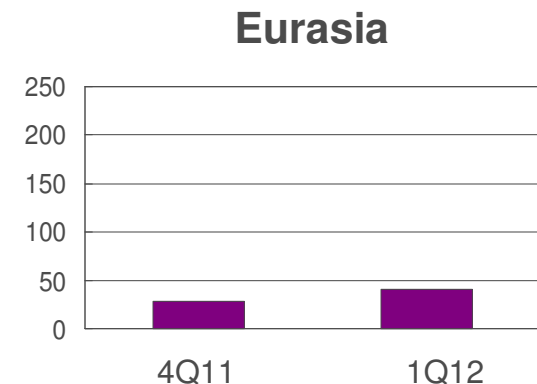
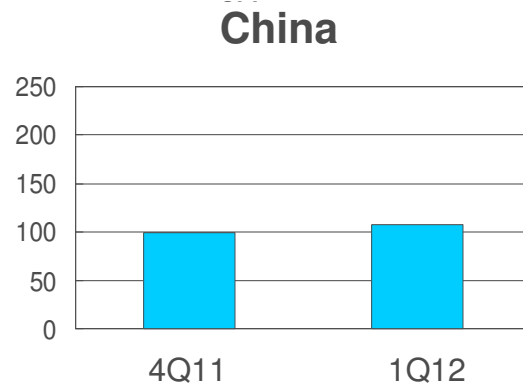
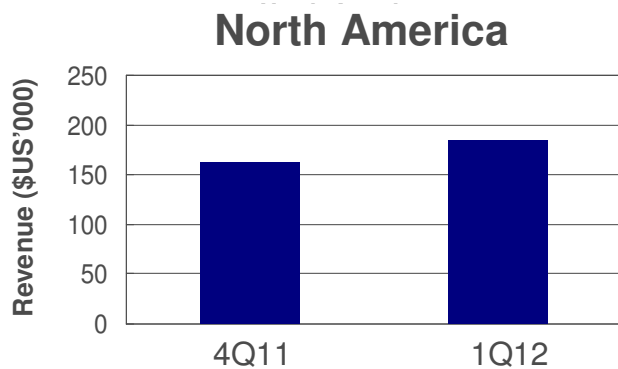




Total Sales Breakdown by Geography

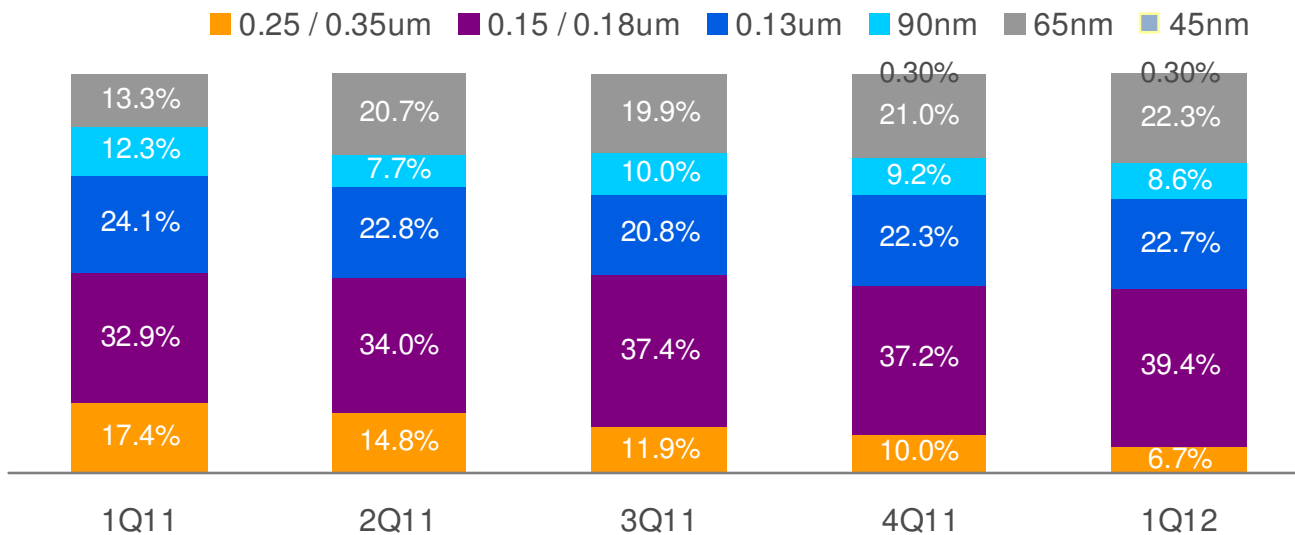


1Q 12 Vs 4Q 11

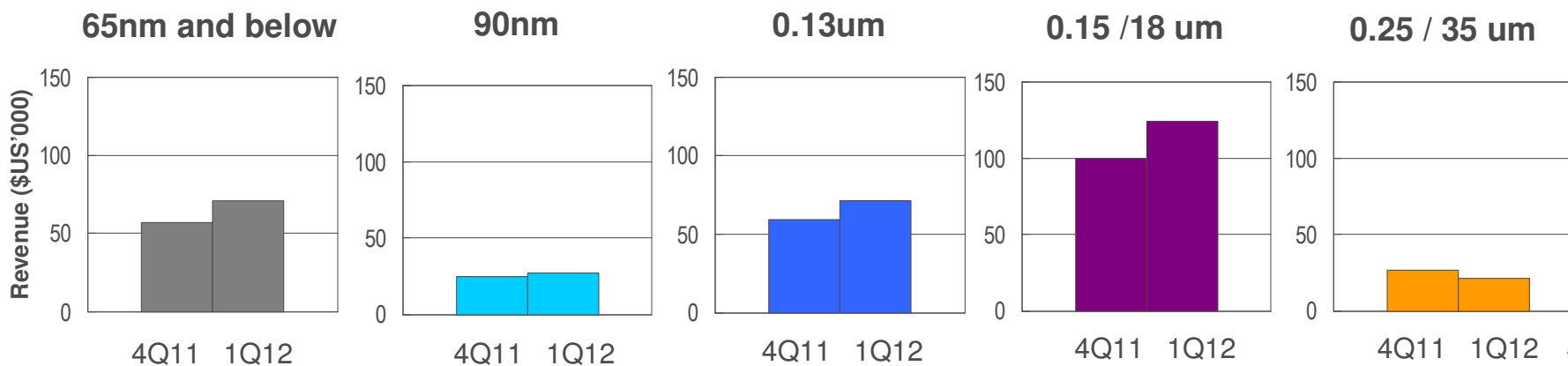




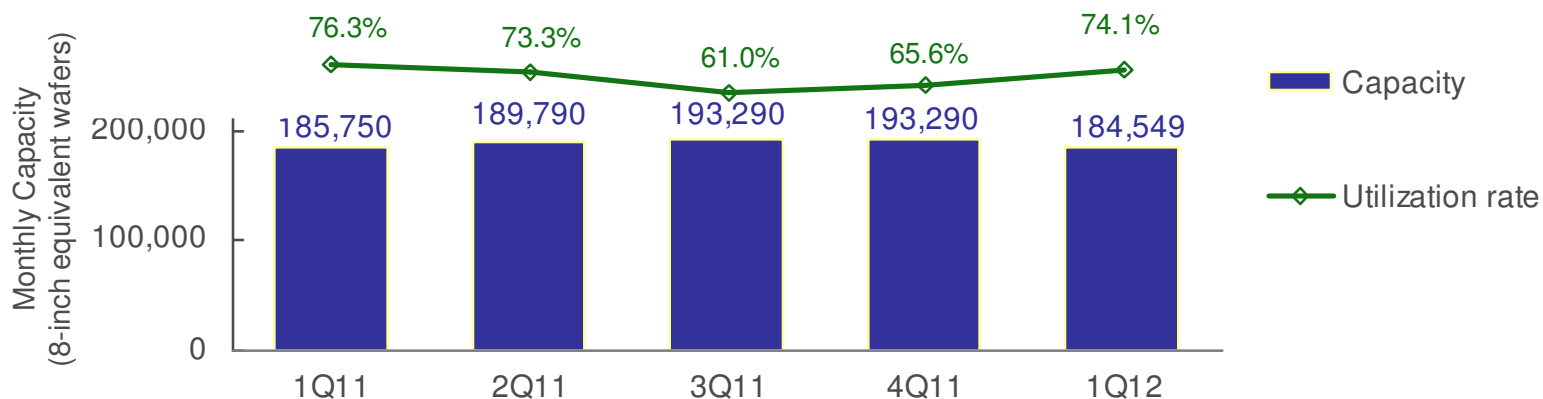
Wafer Sales Breakdown by Technology



1Q 12 Vs 4Q 11



Capacity, Utilization and Shipment



	1Q11	2Q11	3Q11	4Q11	1Q12
Shanghai Mega Fab (8")	90,000	90,000	90,000	90,000	79,210
Beijing Mega Fab (12")	27,800	29,129	29,129	29,129	30,000
Tianjin Fab (8")	33,200	34,250	37,750	37,750	37,839
Monthly Capacity (8-inch equivalent wafers)	185,750	189,790	193,290	193,290	184,549
Wafer Shipment (1)	471,231	451,552	406,715	374,116	445,689
Utilization Rate (2)	76.3%	73.3%	61.0%	65.6%	74.1%

(1) Including copper interconnects and shipment of managed fabs

(2) Capacity utilization rate is reported based on actual equipment usage in manufacturing process. For comparison purpose, capacity is based on a 30-day basis.



2Q 2012 Guidance

	2Q 2012 Guidance
Sales ⁽¹⁾	increase 19% to 21%
Gross Margin	19% to 22%
Operating Expenses	\$101 – \$104 million

(1) Target revenue from Xinxin will be 9% to 12% of our Q2 2012 total revenue.



Semiconductor Manufacturing International Corporation

Appendix



Q1 12 Results Vs Guidance

	Q1 12 Prior Guidance	Q1 12 Revised Guidance	Q1 12 Results
Sales	increase 7% - 9% \$310 M - 316 M	increase 14% - 15% \$330 M - \$333 M	Increase 14.9% \$332.7M
Gross margin	4% to 7%	10% to 12%	12.0%
Operating expenses	\$96 - 99M (1)	-	\$90.1M

(1) Exclude foreign exchange differences



Capital Expenditures & Depreciation

<i>(in US\$ millions)</i>	1Q11	2Q11	3Q11	4Q11	2011	1Q12
Capex	333	284	92	56	765	183
Total Depreciation & Amortization	131	133	141	145	550	143