



SMIC Investor Presentation

NYSE: SMI HKSE: 981

SMIC Investor Relations

November 2012



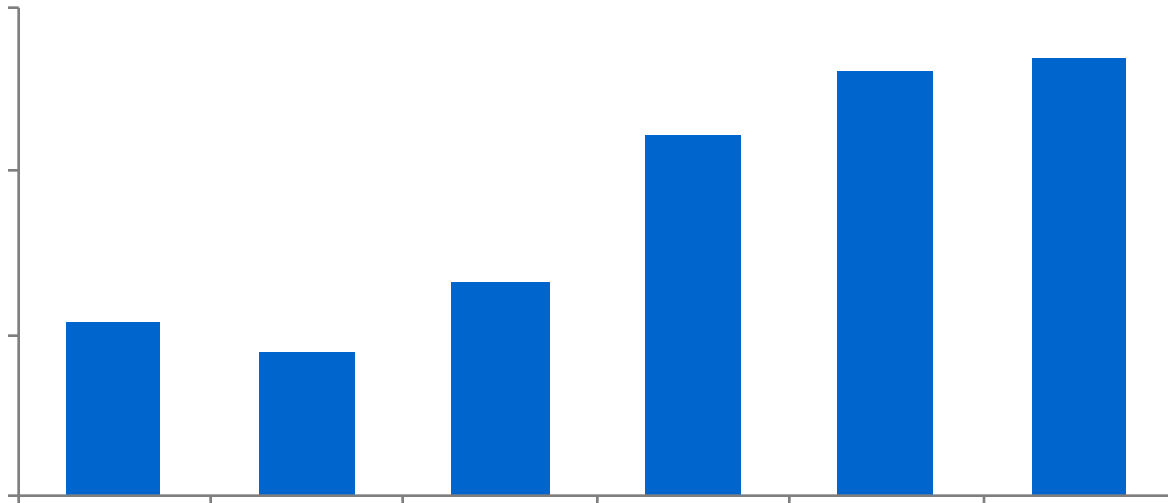
Safe Harbor Statements

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 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 the presentation, the current global financial crisis, orders or judgments from pending litigation and financial stability in end markets.

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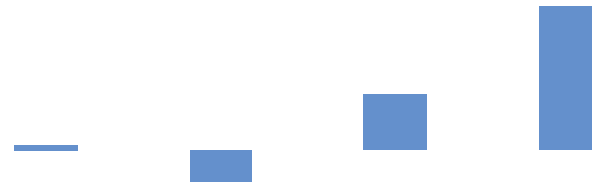






Quarterly Gross Profit and Net Income

Gross profit, gross margin, and net profit





4Q 2012 Guidance

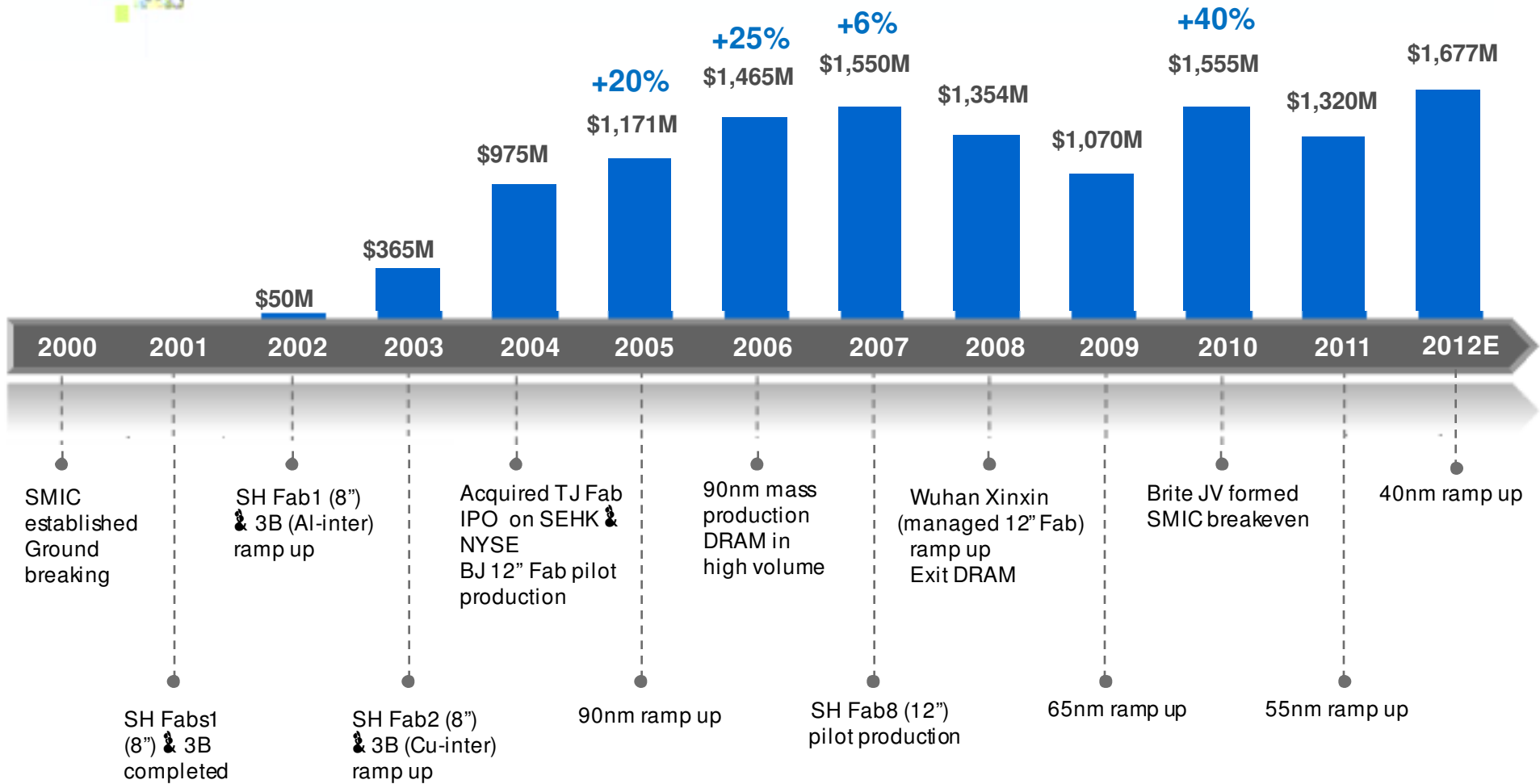
	Q4' 2012 Guidance
Revenue \$461.2M ~ 470.4M	Flat to + 2%
Gross Margin \$83.0M ~ 94.1M	18% to 20%
Operating Expenses ⁽¹⁾	\$70 – \$74 million

(1) Exclude foreign exchange differences and government grants





History of SMIC

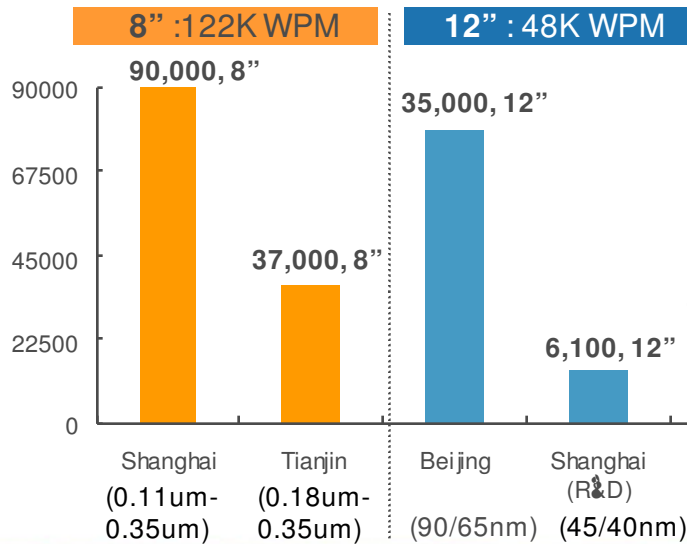


SMIC, the Largest and Most Advanced Semiconductor Foundry in China

China Ranking: No. 1



Servicing Globally

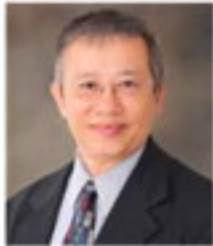


Executive Management Team



Chairman
Wenyi Zhang

- 1997-2009 Hua Hong Group Chairman - first 8" foundry in China
- 1995-1998 China, Ministry of Electronics Vice Minister
- 1983-1995 IRICO CEO - largest TV CRT manufacturer in China



CEO
Dr. Tzu-Yin Chiu

- 2010-2011 HLMC COO - foundry
- 2009-2011 HHNEC President & CEO - foundry
- 2007-2009 Silterra Malaysia President/COO - foundry
- 2005-2006 Hua Hong COO - foundry
- 2001-2005 SMIC Senior VP - foundry
- 1996-2001 TSMC Senior Director - foundry
- 1984-1996 AT&T Bell Labs - semiconductor R&D

CFO
Gareth Kung



CBO
Chris Chi



Worldwide Sales
Mike Rekuc



Technology R&D
Dr. Shiuh-Wuu Lee



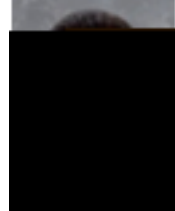
Central Operations/ Engineering & Services
Dr. John Liu



Northern Operations
Dr. Haijun Zhao



Admin & Public Affairs
Dong Cui



Direction and focus on 45nm and 40nm

Continued effort towards sustainable profitability and being the preferred foundry provider in China via partnerships with international and domestic partners

Near term

Boost overall utilization & efficiency to improve profitability

- Shorten project cycles
- Maintain tech advancement & pursue value added differentiation
- Leverage investments made to date

Align investment & technology with customer expectations

- Collaborate closely with customers on enhancing each fab's technology flexibility
- Execute accurately on 45nm & 40nm ramp

Continue to emphasize production & customer service improvement

- Instituted comprehensive systems & controls
- Continue operational improvement on a daily basis

Long term

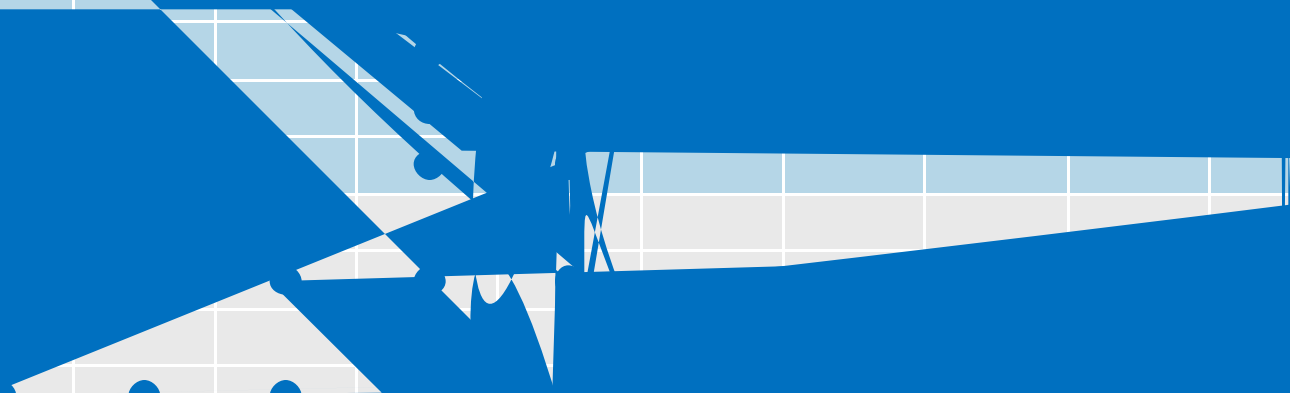
**Our current priority is technology development, not expansion.
We invest based on customer demand and technology readiness.**



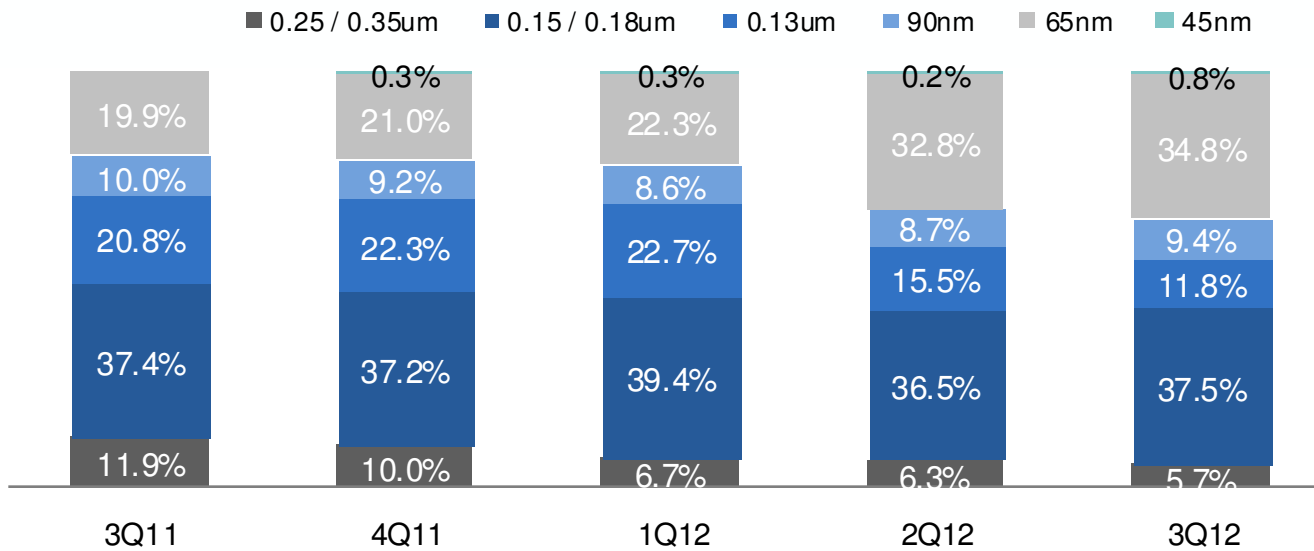
20nm

28nm

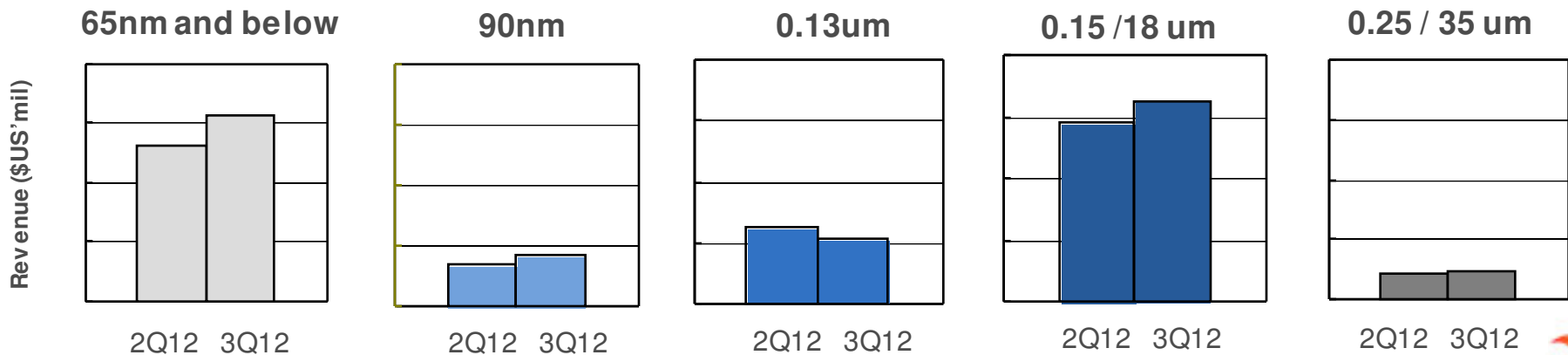
40/45nm

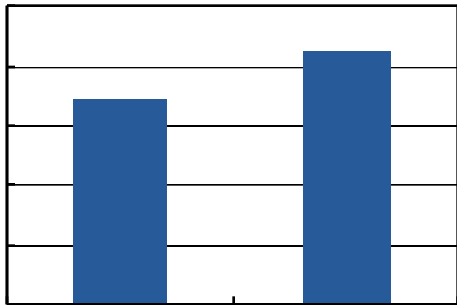


Wafer Revenue Breakdown by Technology



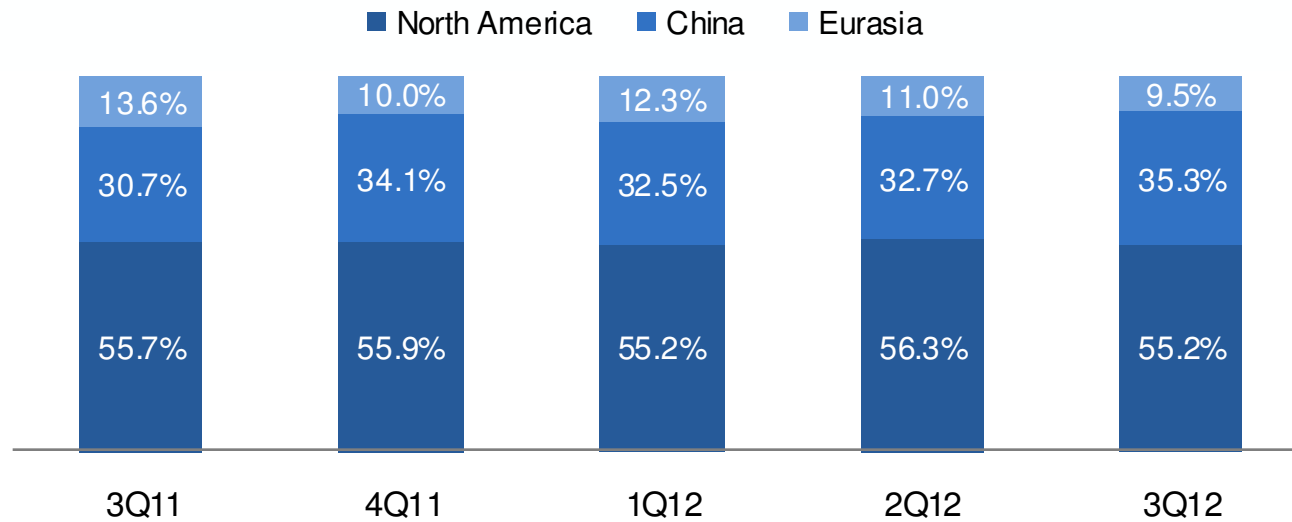
3Q 12 vs 2Q 12



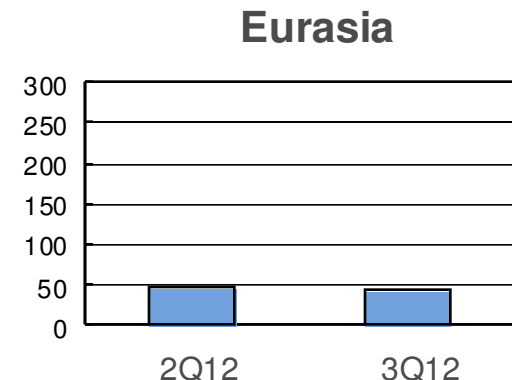
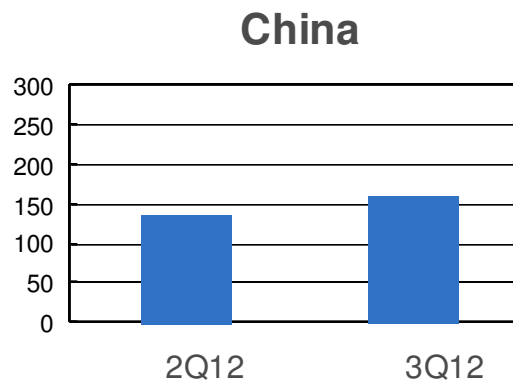
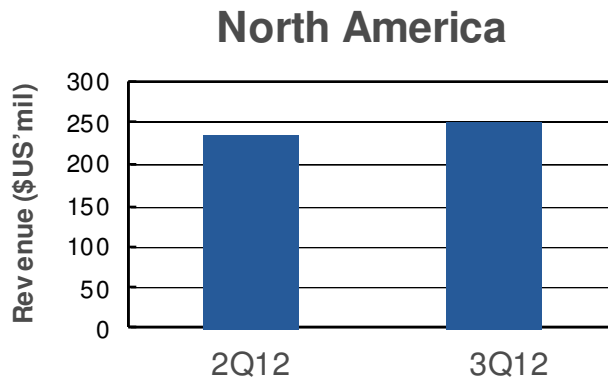




Total Revenue Breakdown by Geography



3Q 12 vs 2Q 12



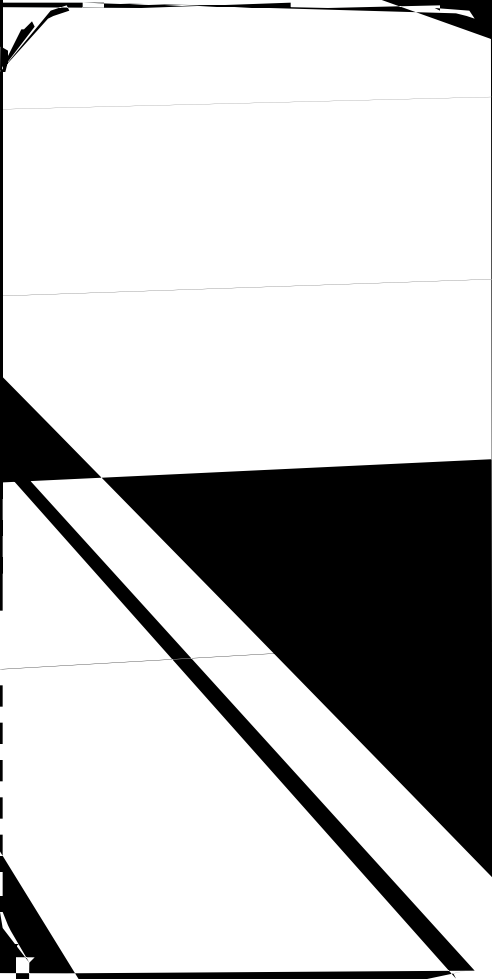


Income Statement Highlights



Wafer revenue from managed fab Wuhan Xinxin was \$47.4 million in Q3, contributing 10.3% to total revenue, vs. \$41.6M in Q2

Operating expense in Q3 was offset by government grants of \$2.2 million compared to \$16 million of in Q2.



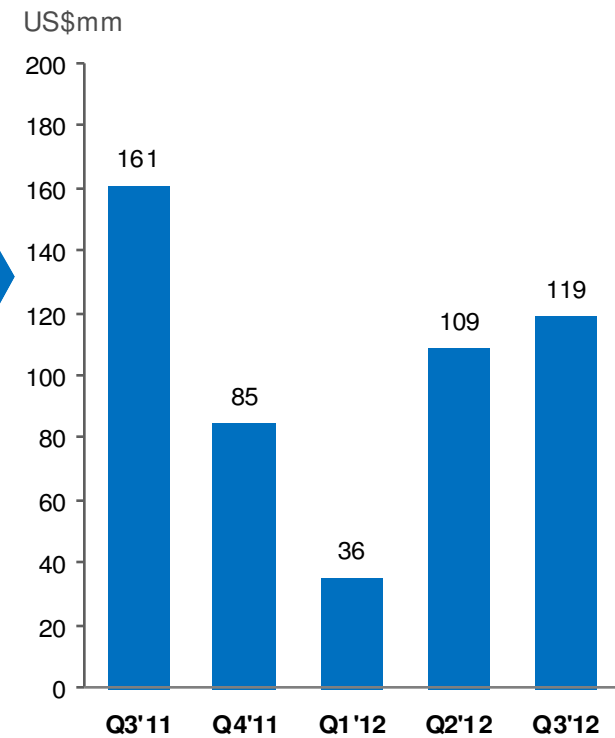


Cash Flow Highlights

(US\$ thousands) For the three months ended

	Sept 30, 2012	Jun 30, 2012
Cash and cash equivalents at the beginning of period	290,694	300,641
Net cash provided by operating activities	119,023	109,425
Net cash used in investing activities	(128,349)	(126,293)
Net cash used in financing activities	(49,712)	6,999
Net increase (decrease) in cash and cash equivalents	(58,909)	(9,947)
Cash and cash equivalents at the end of period	231,785	290,694

Cash Flow from Operations



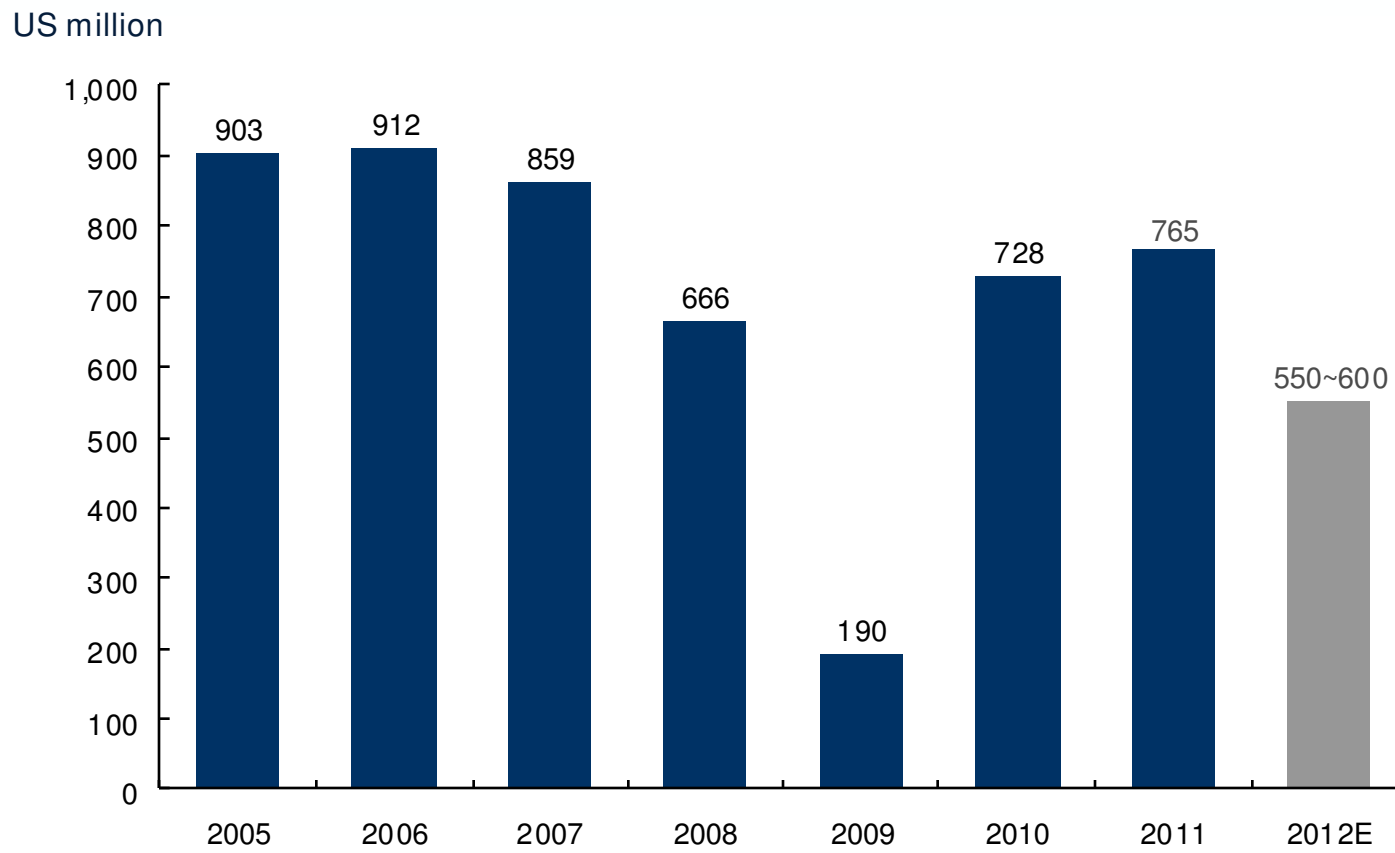


Capital Expenditures & Depreciation

<i>(US\$millions)</i>	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12
Capex	92	56	183	84	130
Total Depreciation & Amortization	141	145	143	140	143

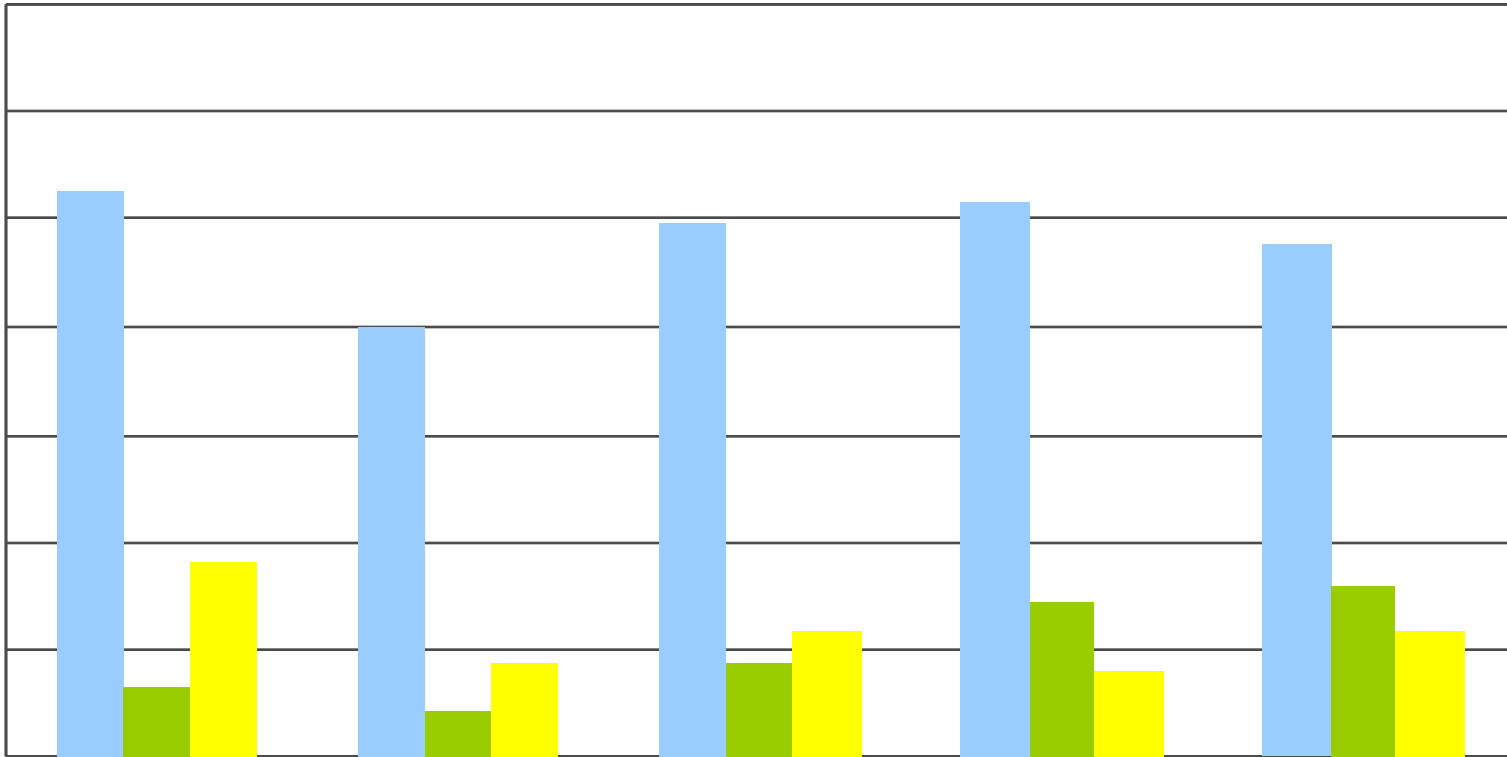


Capex Trend





Cash Position





Thank You

Contact us: ir@smics.com

