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NEWS RELEASE

SMIC Reports 2010 Fourth Quarter Results

*All currency figures stated in this report are in US Dollars unless stated otherwise.
The financial statement amounts in this report are determined in accordance with US GAAP.*

Shanghai, China – February 17, 2011. Semiconductor Manufacturing International Corporation (NYSE: SMIC, HKEX: 1135) (SMIC or the Company) one of the leading Semiconductor foundries in the world today announces its consolidated results of operation for the three month period ending December 31, 2010.

Fourth Quarter 2010 Highlights:

- Revenue up by 0.4% to \$411.8 million in 4Q10 from \$410.1 million in 3Q10 and up by 23.6% compared to 4Q09.
- Gross margin was 23.9% in 4Q10 compared to 24.5% in 3Q10 primarily due to an increase in other manufacturing costs.
- Net cash flow from operations has increased to \$248.6 million in 4Q10 from \$125.2 million in 3Q10.
- Income attributable to holders of ordinary shares was US\$68.6 million in 4Q10, compared to income of US\$30.4 million in 3Q10.
- Diluted EPS was \$0.13 per ADS.

First Quarter 2011 Guidance:

The following statements are forward looking statements which are based on current expectation and which involve risk and uncertainties. Some of which are set forth under Risk Factors below.

Revenue is expected to decline between 1% to 3% compared to 4Q10.
Gross margin is expected to range from 23.5% to 24.5% in 1Q11.
Operating expenses excluding foreign exchange differences are expected to range from \$125 million to \$135 million.
Capital expenditures to be around \$1 billion.

Commenting on the quarterly results Dr. David NK Wang, President and Chief Executive Officer of SMIC remarks, "2010 was a year of achievement for SMIC. For Q4, I am pleased to report that SMIC continues to be profitable for the third consecutive quarter and has achieved its first profitable year at both operational and net income levels after 3 years of losses. I would like to thank SMIC employees for their efforts which results in enhanced customer relations, successful advanced technology ramp up and overall effective execution. Given we record a historical high annual revenue of more than \$4 billion for 2010 representing a year over year growth of 43%. Fourth quarter gross margin of 23.9% exceeds our guidance. This was achieved by 23.9% gross margin for the full year of 2010 which is the highest gross margin performance achieved since after the year of IPO. Furthermore, we received various awards recognizing our high level of performance and service quality and improvement of the company came from our top customers. We are gaining momentum in working with key customers on both legacy and advanced technology. All of this shows we have made significant progress compared to 2009. We have confidence that our momentum will continue through 2011 and onward."



Global economy and the impact on China's economy intensify competition timely wafer acceptance by SMIC customer timely introduction of new technologies SMIC ability to capture growth opportunities in China Supply and demand for semiconductor foundry services in industry overcapacity Shortage in equipment component and raw material or order fulfillment from pending litigation availability of manufacturing capacity and financial stability in an market

Investors should consider the information contained in SMIC filings with the U.S. Securities and Exchange Commission (SEC) including its annual report on Form 10-K filed with the SEC on June 29, 2022, especially in the Risk Factor and Management Discussion and Analysis of Financial Condition and Results of Operations Section and such other documents that SMIC may file with the SEC or The Hong Kong Stock Exchange Limited (SEHK) from time to time including on Form 10-K. Other unknown or unpredictable factors also could have material adverse effect on SMIC future results performance or achievement. In light of the risk uncertainty assumption and factor the forward looking event discussed in this prospectus may not occur. You are cautioned not to place undue reliance on these forward looking statements which speak only as of the date hereof or if no date is stated as of the date of this prospectus. Except as required by law SMIC undertakes no obligation and does not intend to update any forward looking statements whether as a result of new information future events or otherwise.



Summary of Fourth Quarter 2010 Operating Results

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

	4Q10	3Q10	QoQ	4Q09	YoY
Revenue	4 4	4 4 4	4	4 4	4
QoQ of QoQ	4	4 4 4	4	4	
Gross profit	4 4	4 4 4	4	4 4	4
Operating expense	4 4	4 4	4	4 4 4	4
Income loss from operation	4 4	4 4	4	4 4	
Other income expense net	4 4 4	4	4 4	4	
Income tax expense benefit)	4)		4	
Net income loss after income tax		4 4	4	4	
Gain loss from equity investment	4	4 4		4)	
Net income loss	4	4 4	4	4)	
Accretion of interest to noncontrolling interest	4 4)	4 4)	4 4	4 4)	
Loss attributable to noncontrolling interest	4 4				
Earnings loss attributable to Smiconuctor Manufacturing International Corporation	4 4	4 4 4	4 4 4	4 4)	
Gross margin	4	4 4 4			
Operating margin	4 4	4 4		4	
Earnings loss per ordinary share basic	4 4 4	4 4 4		4 4)	
Earnings loss per ADS basic	4	4 4)	
Earnings loss per ordinary share diluted	4 4 4	4 4 4		4 4)	
Net income loss per ADS diluted	4	4 4)	
Wafer chips in wafer ⁽²⁾	4 4 4	4 4	4	4	4
Capacity utilization		4		4	

Note:

(1) Based on weighted average ordinary shares of 26,547 million (basic) and 26,749 million (diluted) in 4Q10, 25,567 million (basic) and 25,747 million (diluted) in 3Q10 and 22,370 million (basic) and 22,370 million (diluted) in 4Q09

(2) Including copper interconnects



Revenue increased to 4 million in 4Q up 4 QoQ from 4 million in Q due to a increase in wafer shipment

CoQ of QsQ increased to 4 million in 4Q up 4 QoQ from 4 million in Q primarily due to an increase in other manufacturing coQ

Gross profit was 4 million in 4Q compared to a gross profit of 4 million in Q an gross profit of 4 million in 4Q

Gross margin was 4 in 4Q from 4 in Q primarily due to an increase in other manufacturing coQ

Total operating expenses increased to 4 million in 4Q from 4 million in Q a increase of 4 QoQ driven by recovery from bad debt write off

R&D expenses increased to 4 million in 4Q down 4 QoQ from 4 million in Q due to a decrease in R&D experiment

GA expenses were 4 million in 4Q compared to an expense of 4 million in Q due to a 4 million recovery from bad debt write off

Selling marketing expenses increased to 4 million in 4Q up 4 QoQ from 4 million in Q primarily due to an increase in selling activities and related fees



Analysis of Revenues

Sales Analysis



Capacity*

Fab / Wafer size	4Q10	3Q10
Shanghai 300mm Fab (mm)	111	111
Tianjin 300mm Fab (mm)	111	111
Tianjin 200mm Fab (mm)	111	111
Total monthly wafer fabrication capacity	333	333

Note:

* Wafers per month at the end of the period in 8" equivalent wafers

Shipment and Utilization

8" equivalent wafers	4Q10	3Q10	4Q09
Wafer Shipment (including copper interconnect)	111	111	111
Utilization rate (%)		100	100

Note:

(1) Capacity utilization based on total wafer out divided by estimated capacity

Wafer Shipment increased QoQ to 111 units of 8" equivalent wafers in 4Q from 111 units of 8" equivalent wafers in 3Q, an increase of 4% YoY from 111 units of 8" equivalent wafers in 4Q.



Detailed Financial Analysis

Gross Profit Analysis

<i>Amounts in US\$ thousands</i>	4Q10	3Q10	QoQ	4Q09	YoY
QoQ of QoQ D	4	44			



Other Income (Expenses)

Amounts in US\$ thousands	4Q10	3Q10	QoQ	4Q09	YoY
Other income expense net	\$ 44	\$ 1	\$ 43	\$)	
Interest income	\$ 4	\$)	\$)		\$)
Interest expense	\$ (4)	\$)	\$ 4	\$ (4)	\$)
Change in the fair value of commitment to issue shares warrant		\$)	\$)	\$)	
Foreign currency exchange gain		\$)	\$ 4		\$)
Other net	\$)	\$)		\$)	

Other income increased to \$ 4 million in 4Q from \$ 1 million in 3Q primarily due to receiving a \$ 4 million utility subsidy from government. The company recorded an overall foreign exchange gain of \$ 4 million in 4Q compared to an exchange gain of \$ 4 million in 3Q.

Depreciation and Amortization

Total depreciation and amortization in 4Q was \$ 4 million compared to \$ 4 million in 3Q due to depreciated production equipment.

Liquidity

Amounts in US\$ thousands	4Q10	3Q10
Cash and cash equivalents	\$ 4	\$ 4
Restricted cash	\$)	\$)
Accounts receivable	\$)	\$ 4
Inventories	\$ 4	\$ 4
Other	\$)	\$)
Total current assets	\$)	\$ 4
Accounts payable	\$)	\$ 4
Short term borrowings	\$)	\$ 4
Current portion of long term debt	\$)	\$)
Other	\$)	\$)
Total current liabilities	\$)	\$ 4
Cash ratio	1.4x	1.4x
Quick ratio	1.3x	1.3x
Current ratio	1.4x	1.4x



Capital Structure

Amounts in US\$ thousands	4Q10	3Q10
Cash and cash equivalents	4,224	4,224
Restricted cash	5	5
Current portion of promissory notes	4	4
Non-current portion of promissory notes	5	4
Short term borrowings	4,224	4,224
Current portion of long term debt	4	5
Long term debt	5	4
Total debt	4	5
Equity	5	5
Total debt to equity ratio	4	4

Cash Flow

Amounts in US\$ thousands	4Q10	3Q10
Net cash from operating activities	4	5
Net cash from investing activities	4	4
Net cash from financing activities	4	5
Effect of exchange rate changes	5	5
Net changes in cash	4	4

Capex Summary

Capital expenditures for 4Q were 5 million



Recent Highlights and Announcements

- Re-nomination of Alternate Director (2020/04/24)
- Notification of Board Meeting (2020/04/24)
- SMIC Adopted Advanced DFM and Low power Silicon Realization Technology for 7nm Nanometer Reference Flow (2020/04/24)
- Rockchip and SMIC in commercial production of 7nm multimedia chip (2020/04/24)
- SMIC and Intel Silicon Partner Collaborate to Provide Integrated IC Design and Manufacturing Services (2020/04/24)
- Group and SMIC Team to Deliver Proven SoC Design Solution for 7nm to 4nm Process Nodes (2020/04/24)
- Grant of Option (2020/04/24)
- SMIC report Q1-Q3 for the three months ending September 2020 (2020/09/24)
- SMIC to invest in Wuhan Xinxin, writing a new chapter in Scientific Development (2020/09/24)
- Notification of Board Meeting (2020/09/24)
- ARM and SMIC Extend Comprehensive Product Portfolio of Free Libraries of Physical IP to 7nm and 4nm II Process Technology (2020/09/24)

Please visit SMIC's website at http://www.smics.com/website/enVersion/Press_Center/newsRelease.ftl for further details regarding the recent announcements.



Smicon Semiconductor Manufacturing International Corporation
CONDENSED BALANCE SHEET
 In U.S. dollars except per share data

As of

	December 31, 2010 (Unaudited)	September 30, 2010 (Unaudited)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,333	\$ 4,333
Restricted cash	\$ 43	\$ 43
Short term investment	\$ 4,333	\$ 4,333
Accounts receivable, net of allowances of \$ 4,333 at December and \$ 4,333 at September 30, 2010 respectively	\$ 4,333	\$ 4,333
Inventories	\$ 4,333	\$ 4,333
Prepaid expenses and other current assets	\$ 4,333	\$ 4,333
Accruals for taxes	\$ 4,333	\$ 4,333
Current portion of deferred tax assets	\$ 4,333	\$ 4,333
Total current assets	1,179,102,487	1,093,403,244
Prepaid long term right	\$ 4,333	\$ 4,333
Plant and equipment, net	\$ 4,333	\$ 4,333
Acquired intangible assets, net	\$ 4,333	\$ 4,333
Equity investment	\$ 4,333	\$ 4,333
Other long term assets	\$ 4,333	\$ 4,333
Deferred tax assets	\$ 4,333	\$ 4,333
TOTAL ASSETS	3,902,693,214	3,671,334,676
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 4,333	\$ 4,333
Accrued expenses and other current liabilities	\$ 4,333	\$ 4,333
Short term borrowings	\$ 4,333	\$ 4,333
Current portion of promissory notes	\$ 4,333	\$ 4,333
Current portion of long term debt	\$ 4,333	\$ 4,333
Income tax payable	\$ 4,333	\$ 4,333
Total current liabilities	1,399,345,332	1,186,345,802
Long term liabilities		
Non current portion of promissory notes	\$ 4,333	\$ 4,333
Long term debt	\$ 4,333	\$ 4,333
Long term payables relating to license agreement	\$ 4,333	\$ 4,333
Other long term liabilities	\$ 4,333	\$ 4,333
Deferred tax liabilities	\$ 4,333	\$ 4,333
Total long term liabilities	294,806,339	453,564,423
Total liabilities	1,694,151,671	1,639,910,225
Noncontrolling interests	\$ 4,333	\$ 4,333
Equity		
Ordinary shares, \$ 4 par value, 4,333,333,333 shares authorized, 4,333,333,333 and 4,333,333,333 shares issued and outstanding at December and September 30, 2010 respectively	\$ 4,333,333,333	\$ 4,333,333,333
Additional paid in capital	\$ 4,333,333,333	\$ 4,333,333,333
Accumulated other comprehensive income	\$ 4,333,333,333	\$ 4,333,333,333
Accumulated deficit	\$ 4,333,333,333	\$ 4,333,333,333
Total equity	2,169,537,375	1,995,797,603
TOTAL LIABILITIES, NONCONTROLLING INTEREST AND EQUITY	3,902,693,214	3,671,334,677



Smicon Semiconductor Manufacturing International Corporation
CONDENSED CONSOLIDATED STATEMENT OF INCOME
 (In U.S. dollars except share data)

	For the three months ended	
	December 31, 2010 (Unaudited)	September 30, 2010 (Unaudited)
Revenue	4,443,333	4,443,333
Cost of Sales	4,443,333	4,443,333
Gross profit	98,593,585	100,640,153
Operating expenses		
Research and development	4,443,333	4,443,333
General and administrative	4,443,333	4,443,333
Selling and marketing	4,443,333	4,443,333
Amortization of acquired intangible assets	4,443,333	4,443,333
Impairment loss of long-lived assets	4,443,333	4,443,333
Gain) loss) from sales of equipment and other fixed assets	4,443,333	4,443,333
Total operating expenses net	57,259,831	79,952,398
Income from operations	4,443,333	4,443,333
Other income (expenses)		
Interest income	4,443,333	4,443,333
Interest expense	4,443,333	4,443,333
Changes in the fair value of commitment to issue shares and warrant	4,443,333	4,443,333
Foreign currency exchange gain (loss)	4,443,333	4,443,333

Semiconductor Manufacturing International Corporation
CONSOLIDATED STATEMENT OF CASH FLOWS
In U.S. Dollars



Smicon Semiconductor Manufacturing International Corporation
CONSOLIDATED STATEMENT OF CASH FLOWS
In U.S. dollars (except per share data)

Net cash provided by financing activities	<u>41,087,352</u>	<u>5,549,927</u>
Effect of exchange rate changes	<u>4</u>	<u>(4)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	43,561,167	(34,300,113)
CASH AND CASH EQUIVALENTS, beginning of period	4,334	4,334
CASH AND CASH EQUIVALENTS, end of period	<u>515,808,333</u>	<u>472,247,166</u>