



NYSE: SMI HKSE: 981

SMIC Investor Relations

November 2012



Safe Harbor Statements

Under the Private Securities Litigation Reform Act of 1995

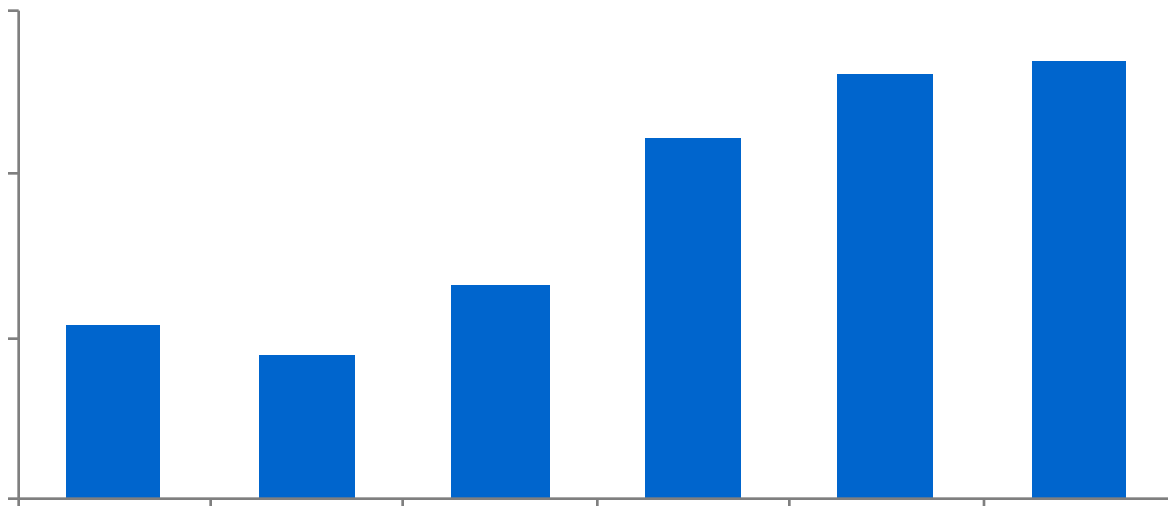
This presentation contains, in addition to historical information, “forward-looking statements” within the meaning of the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on SMIC’s current assumptions, expectations and projections 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.

Investors should consider the information contained in SMIC’s filings with the U.S. Securities and Exchange Commission (SEC), including its Annual Report on Form 20-F filed with the SEC on April 27, 2012, 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 presentation 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 presentation. Except as may be 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.





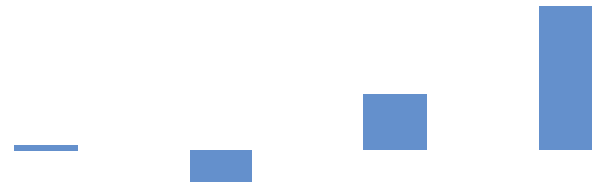
S





Quarterly Gross Profit and Net Income

Gross profit, gross margin, and net profit



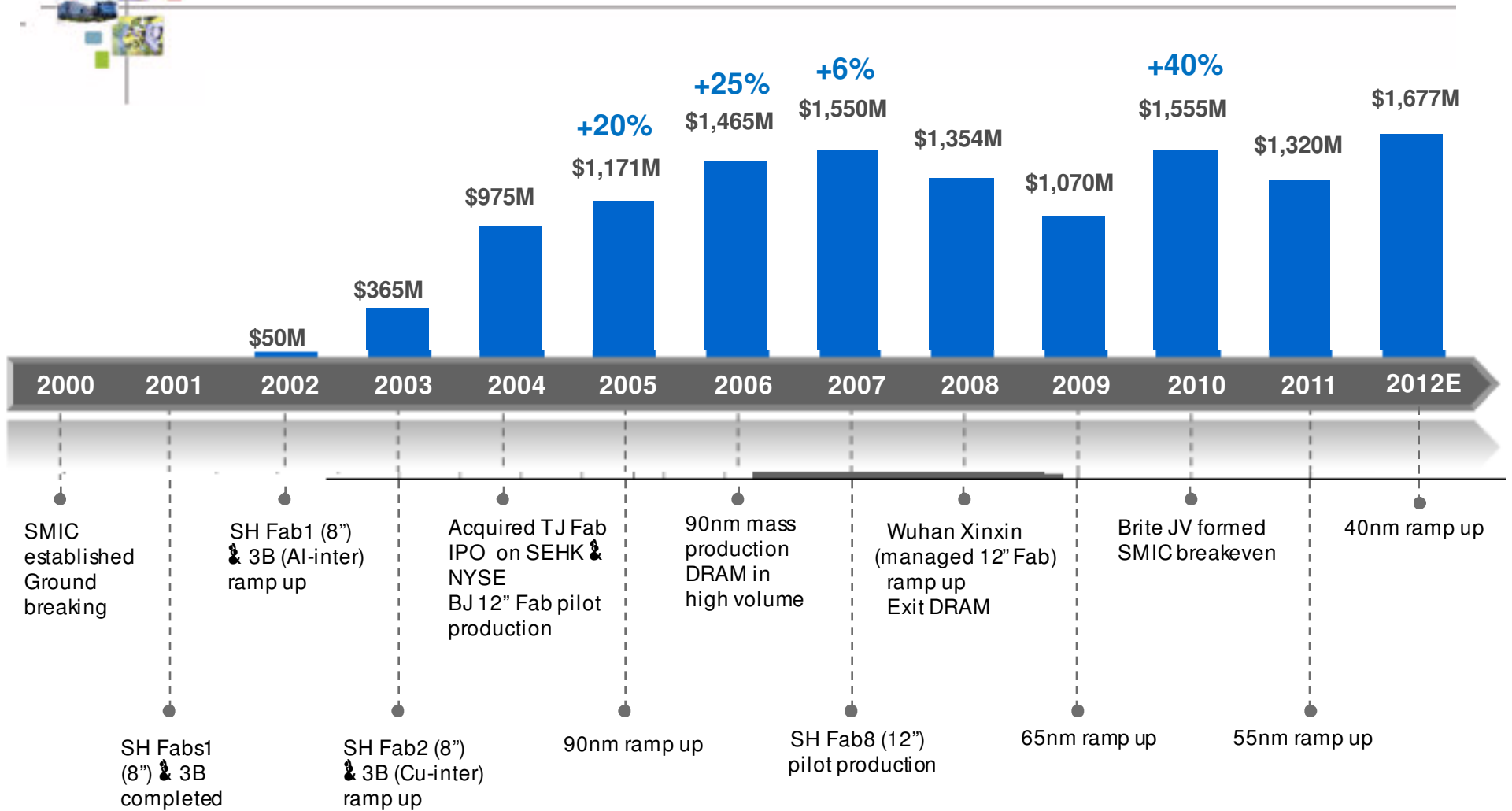


4Q 2012 Guidance

	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

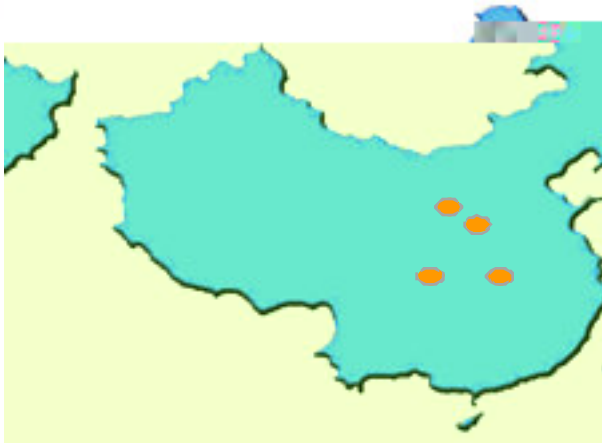
(1) Exclude foreign exchange differences and government grants

History of SMIC

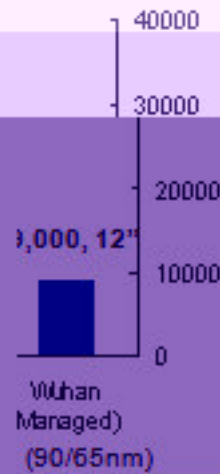
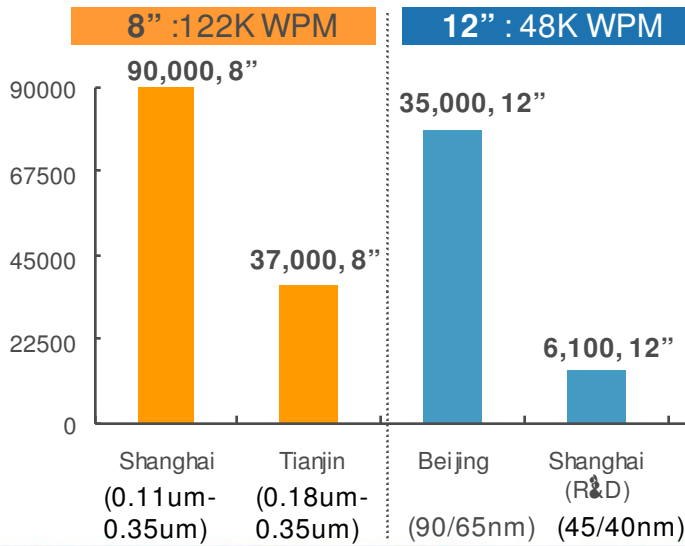
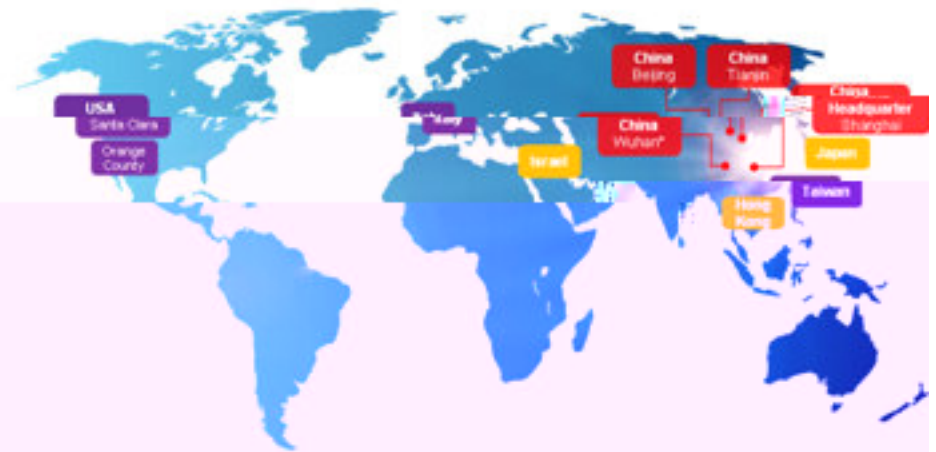


SMIC, the Largest and Most Advanced Semiconductor Foundry in China

China Ranking: No. 1



Servicing Globally

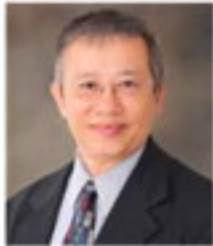


Executive Management Team



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. Shiu-Wuu Lee



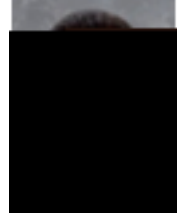
Central Operations/ Engineering & Services
Dr. John Liu



Northern Operations
Dr. Haijun Zhao



Admin & Public Affairs
Dong Cui





Direction and

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

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

Long term

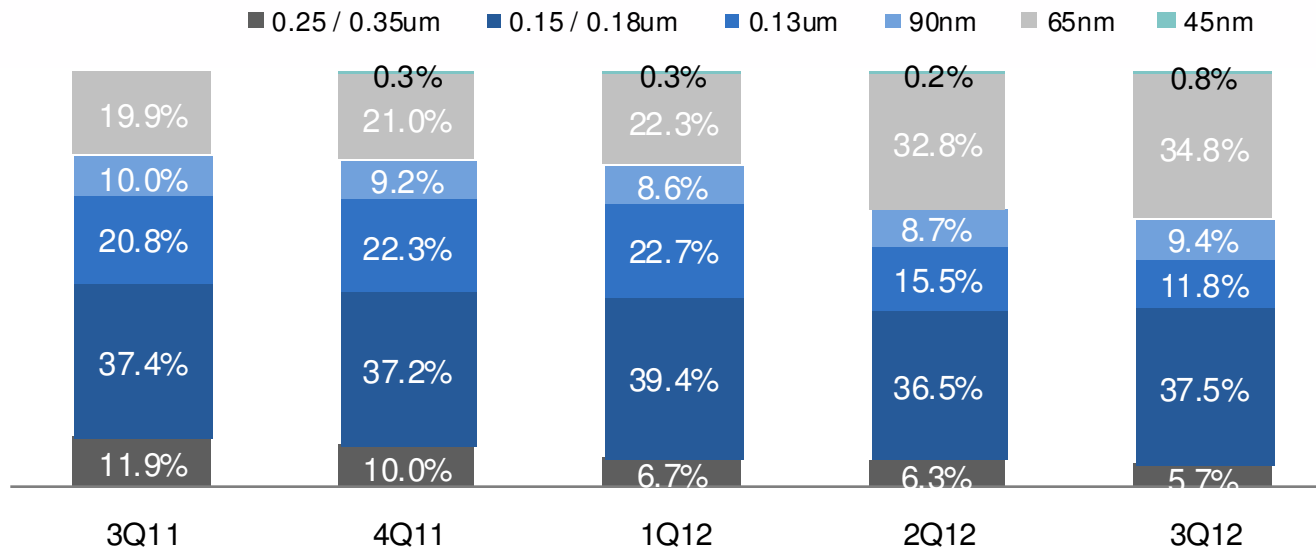
**Our current priority is technology development, not expansion.
We invest based on customer demand and technology readiness.**



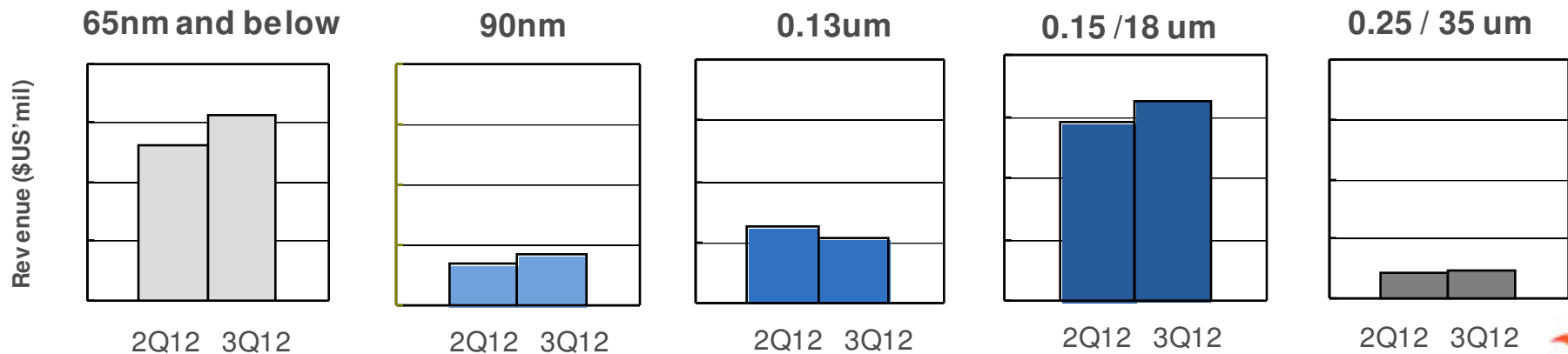
Technologies

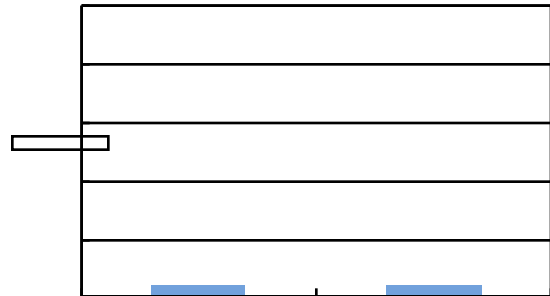
40nm	
55nm	
65nm	
90nm	
0.11 μ m	
0.13 μ m	
0.15/0.153 μ m	●
0.18 μ m	●
0.25 μ m	
0.35 μ m	

Wafer Revenue Breakdown by Technology

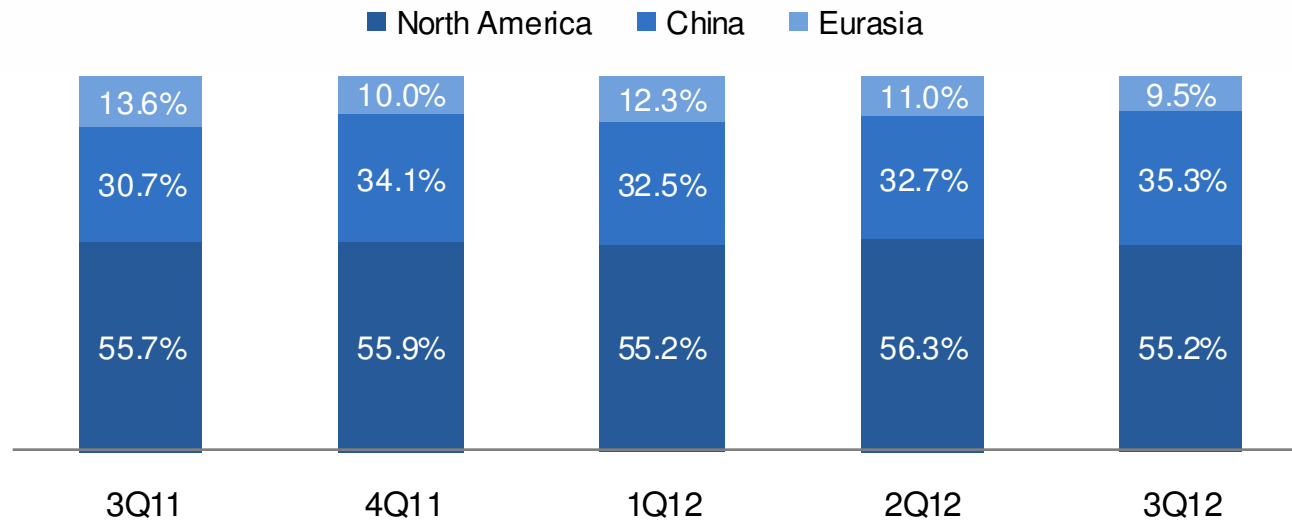


3Q 12 vs 2Q 12

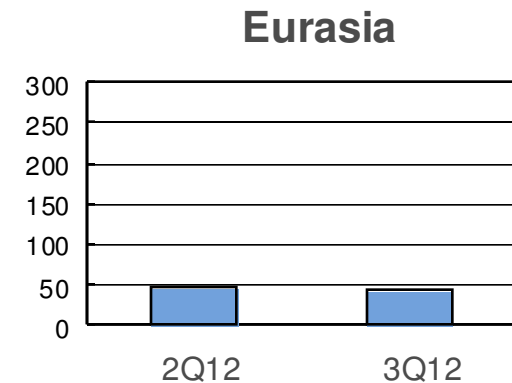
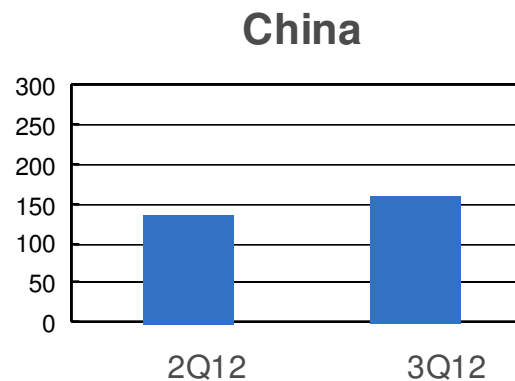
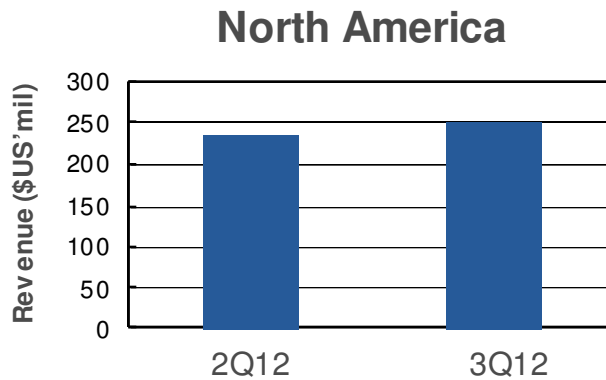




Total Revenue Breakdown by Geography



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.



756357143 76 756U36 756 4I857576 756S36 756 4I857576 756\$36 756 71429 76 756 36 756357143 76 756i36 75

Cash Flow Highlights

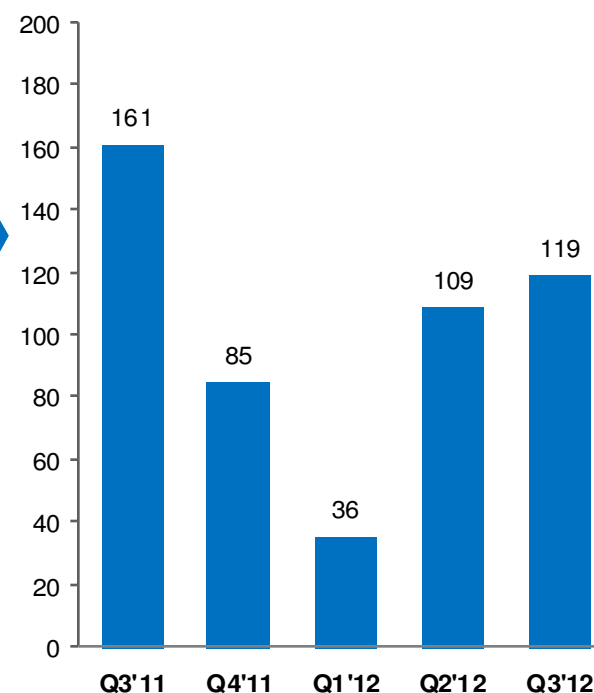
(US\$ thousands)

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

US\$mm

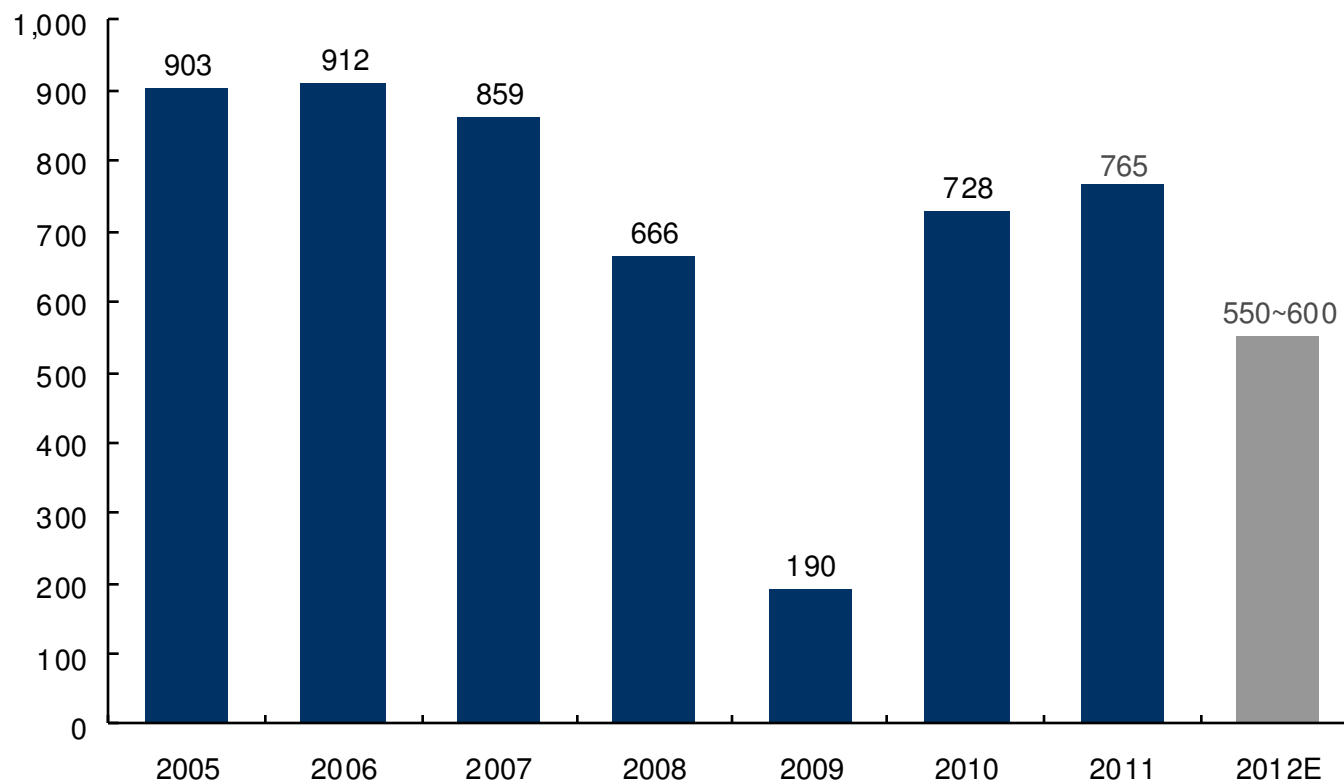


Capital Expenditures & Depreciation

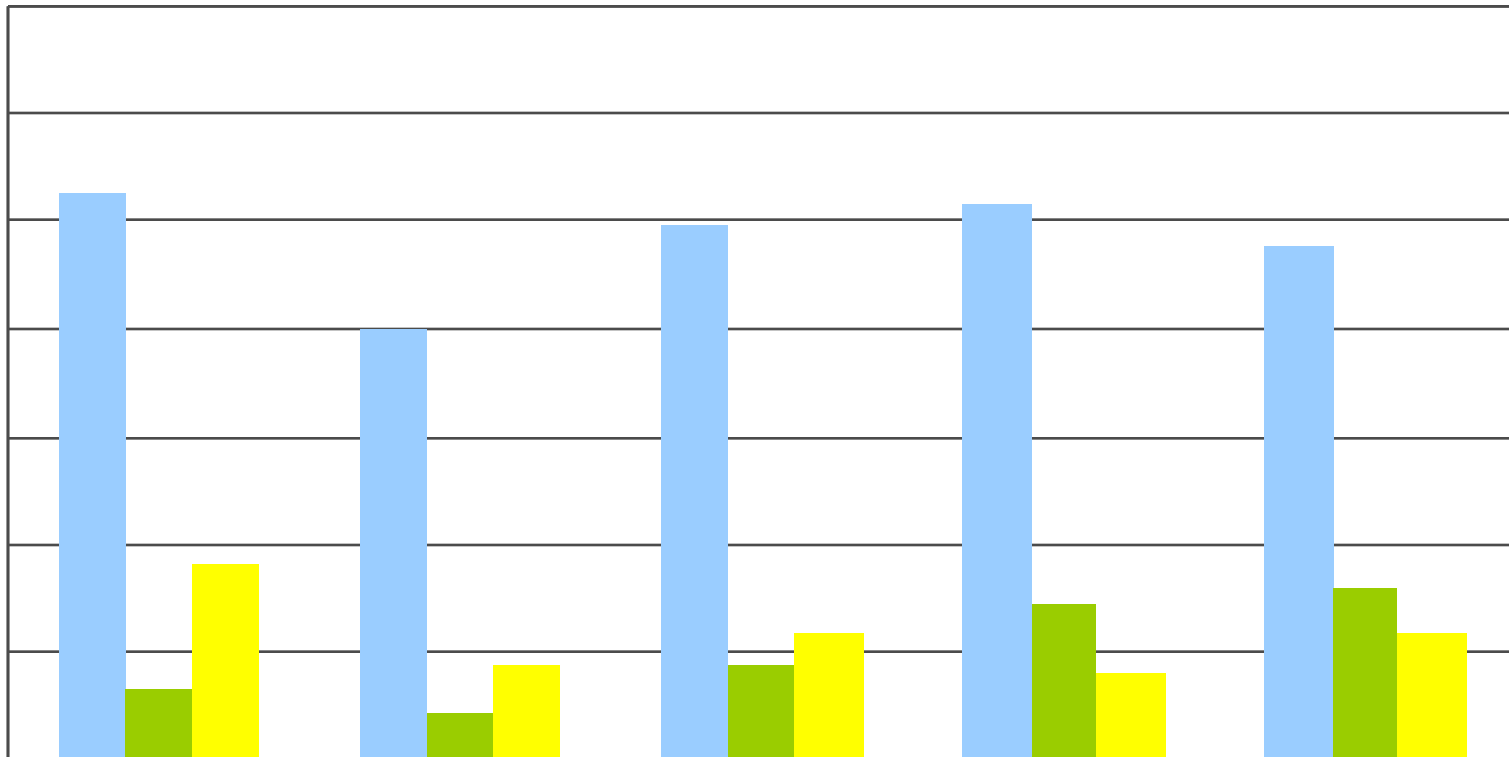
<i>(US\$millions)</i>	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12
Capex	92	56	183	84	130
Total Depreciation & Amortization	141	145	143	140	143

Capex Trend

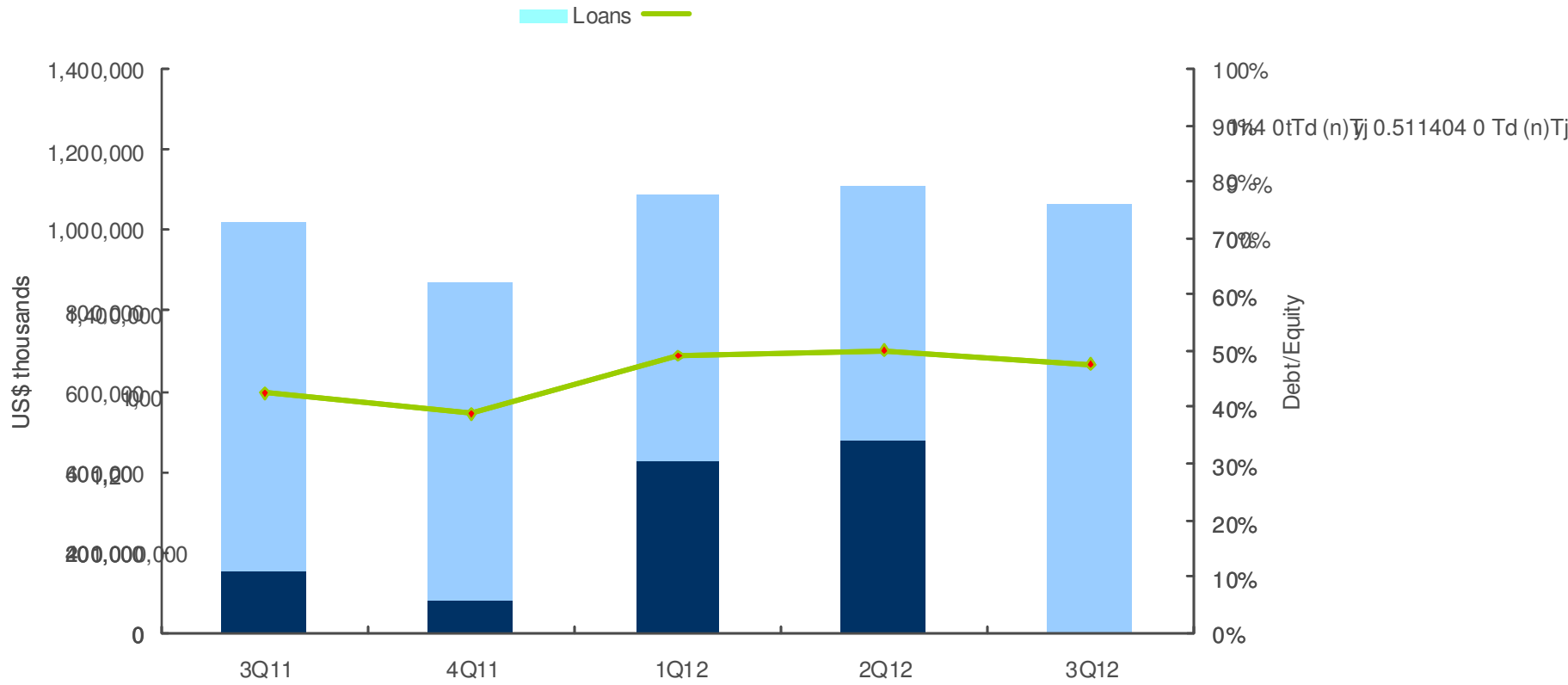
US million



Cash Position



Debt Status





Thank You

Contact us: ir@smics.com

