

THOMSON REUTERS STREETEVENETS

EDITED TRANSCRIPT

981.HK - Q4 2015 Semiconductor Manufacturing International Corp
Earnings Call

EVENT DATE/TIME: FEBRUARY 19, 2016 / 12:30AM GMT



CORPORATE PARTICIPANTS

En-Ling Feng e c _c M p f c g i e a a C a V P f

T.Y. Chiu e c _c M p f c g i e a a C a CE

Yonggang Gao e c _c M p f c g i e a a C a CF

Gareth Kung e c _c M p f c g i e a a C a E V P , a e g c B s e s s D e v e e , F a c e , a _ C a y e c e a y

CONFERENCE CALL PARTICIPANTS

Randy Abrams C e _t s s e a y s

Steven Pelayo B C a y s

Ken Hui i e f e e s a y s

Rick Hsu D a W a e c i e s a y s

Szeho Ng B o P B a s a y s

Roland Shu C i g a y s

Patrick Liao M a c a e a y s

PRESENTATION

Operator

We c e i n e e c _c M p f c g i e a a C a s f i n a e 2 1 5 W e e s c f e e c e a a y s c f e e c e a s n s e y D Y C n , C n e f E x e c i v e f f c e D Y g g a g G a , C n e f F a c a f f c e M i G a e n K g , E x e c i v e V c e P e s e i f a e g c B s e s s D e v e e , F a c e , a _ C a y e c e a y , M i E g F e g , V c e P e s e i f V e s e a s s e a s s c s s

W i n i f i n e a _ W _ k e i _ c e y i M i E g F e g , V c e P e s e i f V e s e a s s f a e a a y s a e e

En-Ling Feng e c _c M p f c g i e a a C a V P f

G _ g _ g _ e v e g W e c e i M C s f i n a e 2 1 5 e g s W e e s c f e e c e a a F i a y s e , C E , D Y C n , W f s _ V e s e g e e a e a k s f e W _ s , C F , G a Y g g a g W n g n g n f a c a e f a c e a _ g V e g a c e i n e e x a e

i n e , E x e c i v e V P f a e g c B s e s s D e v e e , F a c e , a _ C a y e c e a y , M i G a e n K g , W g V e n e e a e f a c a c i e a y n s W i n e f W e _ y & s e s s a s s a , e a W e a x a e y i e s e g n

n e e g s e s s e e s e a _ a e y f a c a e s e a a e a V a e f y i _ W a a W W W s c s c , e V e s e a s , i n e E v e s a _ P e s e a s s e c

B e f e i n e e a V e i D Y C n , e e e _ y i n e e s e a W e e a k g i a y c e s f W _ k g s a e e i s n e s e a e e s a i n e c i e s a e i g a a e s f f e e f a c e , i e e s e i n e C a y s e s a e s a e s i e c i s k a _ c e a y a c a e s i s a y _ f f e s g f a y f i n s e i e c e i s g g e s e a y f W _ k g s a e e i s

F a c e c e e _ s c s s f i n e s k s a _ c e a a e s a c _ a c f i e e a g e s i s a _ f a c a c i , e a s e s e e f g s a _ s s s W i n e e e a e s e c i e s a _ E x c a g e C s s a i n e i g K g c k E x c a g e i e c _ g a a e i F 2 F i f e W i n e e e a e s e c i e s a _ E x c a g e C s s 2 8 , 2 1 5



D g, ne @ , w e w ke efe e ce. f a ca e s es. n a _ i c f . Ge e a y cce . e _ cc . g P c es, G P nese
e s es a y. e @ c a e _ ffe e . y. n a s a G P e a e se . e . y . ne c a es. P e s e efe . . ne . a . es ess e e s e

sa ce ev sy, Fe. ay l, Be y g fa. ex e e ce e e ay le ay we s ys s e s Fe. ay l, we s y
es e e e ne n, s n e es e Wees a e. n e a c s c s es, e e n s c e, w s e

e p se w n e a s s e e y es se ne c e, c g nes. a a c e a g w n c s es Des e ne c e,
w e a es a ge g a e y g w n l, c a y, y e l se a s a y ne s y

We c e e g w a ge e w a ke s, s g ex s g a e y e ve e e c n gy We e a e e e e ne g w n
e esse g f c s e s s g e a a c n a s g w g se c c s y We w w k ge y, e e e e
nese e es ne c g y e s

FEBRUARY 19, 2016 / 12:30AM, 981.HK - Q4 2015 Semiconductor Manufacturing International Corp Earnings Call

Beginning of the year, the company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

The company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

With the implementation of the cost reduction program, the company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

Beginning of the year, the company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

The company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

The company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

The company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

With the implementation of the cost reduction program, the company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

The company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

With the implementation of the cost reduction program, the company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

The company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

Yonggang Gao

Operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

The company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

The company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

The company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

The company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

The company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

The company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

The company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.

The company's operating profit for the first quarter of 2015 was \$15 million, compared to \$12 million for the same period in 2014.



FEBRUARY 19, 2016 / 12:30AM, 981.HK - Q4 2015 Semiconductor Manufacturing International Corp Earnings Call

The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.

Excitingly effective year. Success in the effective management of the business. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.

Profitable earnings for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.

For example, gross profit for Q4 2015 was \$5.5, compared to \$2.5 for Q4 2014. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.

The net income for Q4 2015 was \$25.5, compared to \$25.5 for Q4 2014. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.

The net income for Q4 2015 was \$5.8, compared to \$1.8 for Q4 2014. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.

The net income for Q4 2015 was \$8.5, compared to \$1.8 for Q4 2014. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.

M.V.G. net income for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.

Net income for Q4 2015 was \$88.1, compared to \$88.1 for Q4 2014. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.

The net income for Q4 2015 was \$1.5, compared to \$1.5 for Q4 2014. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.

The net income for Q4 2015 was \$1.8, compared to \$1.8 for Q4 2014. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.

The net income for Q4 2015 was \$2.2, compared to \$1.8 for Q4 2014. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.

The net income for Q4 2015 was \$1.9, compared to \$1.8 for Q4 2014. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.

The net income for Q4 2015 was \$282.1, compared to \$181.9 for Q4 2014. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.

The net income for Q4 2015 was \$8.9, compared to \$5.2 for Q4 2014. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.

The net income for Q4 2015 was \$5.1, compared to \$1.9 for Q4 2014. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.

The net income for Q4 2015 was \$1.5, compared to \$1.5 for Q4 2014. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.

The net income for Q4 2015 was \$1.5, compared to \$1.5 for Q4 2014. The earnings per share of SMI Corp. for Q4 2015 was \$1.8, compared to \$1.5 for Q4 2014.



eve ef E paspc ... 22 ... f yep pass, eve ef Cn paspc ... eve ef ... eve ef ...
 e paspc ... eve ef E paspc ...
 e s f recn gy, eve ef 28 ... eve ef ... / 5 ... eesc ... eve ef 55/ 5
 paspc 9 ... eec ... 2.9 , es ec.Vey.Meap W ne, A c ... Vec ... 5.2 ... eve e
 f yep pass, eve ef 5 ... paspc Wc ... eve ef 55/ 5 ... paspc 9 ... eesc ...
 2 ... , es ec.Vey. A c ... [... .Ve].c ece ... yafe, ne) c ... 55 ... eve e
 e s fVea epacy, ... ny epacy, nee ff ... pas 28 ... pas 8Vae W p f e s, c ...
 2 88, ... pas ... e v s ... ne cna ge pas ... y. ee se f ... Bep g ... y W e 12 ... e. e ...
 ... pas 8 ... ex ... pas 2 15.
 ne .Vea ... pas 1 ... 2 15, c ... 1 5 ... 2 15.
 ne .Vea ... pas 11 ... 2 15 c ... 9 ... 2 15.
 ne ... ex e ... f ... y ... s f 2 l ... x ... ey \$2.1, W n cna e ... y f ... ex ... s ...
 e W Bep g f a, ... 8 ... pas 12 ... pas 12Ve ... e W n ... g se. Vces ... gy pas
 W pas & De ... s, pas s n ... e ec ... e y pas s ... s.
 f. ne \$2.1. Gp Ex, \$1.1. ... e ... e W Bep g f a. W n cna sVe ... e f W n cna MC W f ... \$... Gp Ex ... pas
 ne ... 2 l ... ex e ... f ... f ... y ... s ... x ... ey \$... , ... y f ... nec s c ... f. V g ... pas.
 W ... ne ep ... ck. E ... gf ... & sess ...

En-Ling Feng e c c M p f c g e a C a V P f

na ky , G e n W ... W ke ... e ... f & s s a, e p s e e ... y ... es ... W ... e s ... e a ,
 e p s e a s s ... na ky ...

QUESTIONS AND ANSWERS

Operator

... e a ... s c s) ... y ... s, Ce ... sse.

Randy Abrams C e ... sse ... ys

key. Yes. na ky ... W pas ... pas. nef s ... es ... ne ... s g W n ... kf ... ne 2 ... pas ... g ... n ... g n ... s ... fe W ... e ... pas s ... en ...
 W pas ... V g ... ne g W n ... fy c ... g ... W pas y ... ex ec ... ne key g W nVe s, W n ... c n ... ks ke ... s c ... gf ... C n ... pas s ... ne
 .Ve se pas c s ... e s a ... pas ... ne f e, n W ... c n c ... gf ... 8 ... pas s 12 ... c n ... 28 ... pas ... e e ...

FEBRUARY 19, 2016 / 12:30AM, 981.HK - Q4 2015 Semiconductor Manufacturing International Corp Earnings Call

Gareth Kung: ... EVAP, ... process development, ...

... 8 ...

... 8 ...

Randy Abrams: ...

... 12 ...

Gareth Kung: ... EVAP, ... process development, ...

Randy Abrams: ...

... \$8 ...

... \$9 ...

Gareth Kung: ... EVAP, ... process development, ...

... \$9 ...

... \$1 ...

... \$1 ...



FEBRUARY 19, 2016 / 12:30AM, 981.HK - Q4 2015 Semiconductor Manufacturing International Corp Earnings Call

Randy Abrams C e... sse ... ys

key: G e... [s ce... affects] ke... neg... w... n... f... e... s... ne... g... f... e... c... y... k... f... y... k... y... e... g... w... g... e... c... y... 2... w... s... n... e... e... c... y... s... e... n... g... n... e... y... e... a...

... ne... a... s... f... e... e... c... a... n... e... g... s... a... e... c... g... w... f... i... n... e... f... s... a... e... w... c... n... e... e... c... a... s... e... s... n... g... n... e... y... e... a... k... e... y... see... s... f... i... n... e... a... n... e... f... s... a... e... a... n... e... y... e... x... e... c... a... w... a... n... g... n... f... a... g... a... s... a... z... a... f... a... g... s...

Gareth Kung e c ... c ... M... f... c ... g... e... a... C ... EV... a... e... g... c... B... s... e... s... s... De... Ve... e... ,... F... a... c... e... a... C ... a... y... e... c... e... a... y

key: ... e... s... f... e... e... c... a... ,... w... e... a... e... f... e... e... s... g... n... s... y... e... a... 2... l... w... c... e... a... s... e... a... \$8 ... n... e... c... e... a... s... e... w... e... e... s... e... a... y... n... g... n... e... y... e... a... y... w... see... c... e... a... s... e... e... v... e... y... a... e... e... e... s... s... a... e... a... f... a... s... n... e...

Randy Abrams C e... sse ... ys

key: ... g... e... s... s... n... e... e... a... c... y... ,... w... e... s... n... e... a... s... s... e... e... a... e... a... c... y... n... e... s... n... e... e... a... f... a... g... ,... w... e... v... e... n... e... e... s... e... a... w... e... e... e... y... s... e... e... a... g... f... i... n... s... e... v... e... ,... w... e... e... c... a... s... c... g... w... w... e... c... s... e... e... a... n... e... a... n... e... e... e... s... s... e... a... g...

Gareth Kung e c ... c ... M... f... c ... g... e... a... C ... EV... a... e... g... c... B... s... e... s... s... De... Ve... e... ,... F... a... c... e... a... C ... a... y... e... c... e... a... y

We... n... k... a... s... y... k... w... e... f... i... n... e... k... e... y... ,... v... e... s... f... i... n... e... g... s... s... a... g... s... a... e... n... e... z... a... s... n... k... g... n... w... w... e... a... e... k... g... a... e... a... v... e... a... g... e... a... a... g... s... s... a... g... w... e... a... e... a... g... e... e... w... e... w... e... e... s... B... i... l... l... e... s... f... i... n... e... a... e... y... f... c... a... a... e... e... s... s... n... e... z... a... n... k...

Randy Abrams C e... sse ... ys

key: key, g e... a... n... k... a...

Operator

e... e... a... y... ,... BC...

Steven Pelayo f BC ... ys

Yes. G... e... n... a... z... g... g... a... c... e... ,... n... e... 2... y... e... a... y... e... a... e... v... e... e... g... w... n... w... a... s... s... g... f... e... a... y... i... e... f... g... n... a... s... w... n... e... e... c... a... a... a... z... a... f... a... 5... y... e... a... y... e... a... see... s... k... e... y... n... a... v... e... ,... f... y... n... e... v... e... ,... g... s... s... a... g... n... e... a... s... y... e... a... ,... e... a... v... e... w... e... w... e... e... s... ,... see... s... k... e... y... n... a... v... e... ,... 25... f... i... n... e... f... y... e... a... s... n... a... v... e... f... a... g... s... s... f... i... n... s... y... e... a... ,... a... e... y... g... g... n... a... v... e... w... g... s... s... f... i... 2... l... ,... f...

Gareth Kung e c ... c ... M... f... c ... g... e... a... C ... EV... a... e... g... c... B... s... e... s... s... De... Ve... e... ,... F... a... c... e... a... C ... a... y... e... c... e... a... y

k... w... e... w... e... g... e... f... i... n... e... e... c... e... f... s... f... a... n... k... s... e... n... e... a... y... s... e... a... n... a... v... e... y... g... n... e... s... f... e... g... n... e... e... c... e... B... w... e... f... e... e... n... a... g... n... w... f... i... n... s... y... e... a... n... e... f... c... s... s... e... a... y... v... g... n... e... g... w... n... n... k... M... C... s... f... i... n... e... s... f... e... g... e... e... ,... a... f... g... w... n... e... e... s... n... s... y... e... a...

w... e... e... v... e... s... g... a... s... s... a... a... a... f... G... a... E... x... s... n... a... w... e... a... e... e... n... e... g... w... n... n... k... n... s... s... a... s... e... n... a... f... a... s... a... e... g... c... f... v... e... w... n... k... n... e... C... a... y... n... a... s... e... c... e... n... e... v... e... f... w... a... n... e... s... f... e... a... g... g... w... n... f... i... n... s... y... e... a... e... x... y... e... a...



Steven Pelayo

Gareth Kung e c _c Ma f3c g .e a a C a EVAP, a eg cB s ess Deve e , F a ce, a _C a y ec e a y
key. e s fine &D se, a w _e a . \$I' e s f &D . fine \$2.1. .

Rick Hsu Da w a ec . es a ys
\$I'

Gareth Kung e c _c Ma f3c g .e a a C a EVAP, a eg cB s ess Deve e , F a ce, a _C a y ec e a y
Yes.

Rick Hsu Da w a ec . es a ys
a c _e s . ne e w a . Ve . ec a y . a y se . _e ve l a e e . gn .

Gareth Kung e c _c Ma f3c g .e a a C a EVAP, a eg cB s ess Deve e , F a ce, a _C a y ec e a y
a s gn . a s gn . a s gn , yes.

Rick Hsu Da w a ec . es a ys
see key. a s ce a . a ky s . c n .

Gareth Kung e c _c Ma f3c g .e a a C a EVAP, a eg cB s ess Deve e , F a ce, a _C a y ec e a y
a ky .

Operator
zen •g, B•P

Szeho Ng B•P•P a s a ys
! G _ g . By e _ f . n s y e a , w a w _e . ne eve e x . e w ee n g n k e a g a e a _f y 28 a . s ess

T.Y. Chiu e c _c Ma f3c g .e a a C a CE
n k a a . e . a s s n g n k e a g a e s . a y a y . e e e g n n e a e . f . ne . a 28 eve e .

Szeho Ng B•P•P a s a ys
a s f w n c n a . e

FEBRUARY 19, 2016 / 12:30AM, 981.HK - Q4 2015 Semiconductor Manufacturing International Corp Earnings Call

Gareth Kung: ... EVAP, ...
• ...

Roland Shu: ...
key: ...

Gareth Kung: ... EVAP, ...
... es eke s)

Roland Shu: ...

T.Y. Chiu: ... CE
... ee ine

Gareth Kung: ... EVAP, ...
... cyc s se y.

Roland Shu: ...
key: Yes. ...
c s ce s e a ...
ex ye e ve 2 18 ...
g ss a g ...

T.Y. Chiu: ... CE
...
c e ...
c e ...

Roland Shu: ...
Yes. ...
a ...

T.Y. Chiu: ... CE
We ...

FEBRUARY 19, 2016 / 12:30AM, 981.HK - Q4 2015 Semiconductor Manufacturing International Corp Earnings Call

T.Y. Chiu (Moderator): Good afternoon, ladies and gentlemen. Welcome to SMI's Q4 2015 earnings call.

Joining me today are Evan Chen, CEO; Gareth Kung, CFO; and Roland Shu, COO.

Gareth Kung: Good afternoon, ladies and gentlemen. Welcome to SMI's Q4 2015 earnings call. I'll start with a brief overview of our performance, followed by Evan's comments on our financial results and our outlook for 2016. Finally, I'll wrap up with some closing remarks. Our Q4 revenue was \$1.2 billion, up from \$1.1 billion in Q4 2014. This represents a 9% increase over the same period last year. Our gross profit was \$350 million, or 29% of revenue, compared to \$320 million, or 29% of revenue, in Q4 2014. Our operating profit was \$150 million, or 12% of revenue, compared to \$140 million, or 13% of revenue, in Q4 2014. Our net profit was \$100 million, or 8% of revenue, compared to \$90 million, or 8% of revenue, in Q4 2014. Our earnings per share was \$0.10, compared to \$0.09 in Q4 2014. Our cash and cash equivalents were \$1.5 billion at the end of the quarter, compared to \$1.4 billion at the end of Q4 2014. Our total debt was \$1.2 billion at the end of the quarter, compared to \$1.1 billion at the end of Q4 2014. Our capital expenditures were \$200 million in Q4 2015, compared to \$180 million in Q4 2014. Our R&D expenses were \$300 million in Q4 2015, compared to \$280 million in Q4 2014. Our operating leverage was 1.2x in Q4 2015, compared to 1.1x in Q4 2014. Our return on assets was 12% in Q4 2015, compared to 11% in Q4 2014. Our return on equity was 15% in Q4 2015, compared to 14% in Q4 2014. Our dividend yield was 2% in Q4 2015, compared to 2% in Q4 2014. Our payout ratio was 20% in Q4 2015, compared to 20% in Q4 2014. Our free cash flow was \$200 million in Q4 2015, compared to \$180 million in Q4 2014. Our operating cash flow was \$250 million in Q4 2015, compared to \$230 million in Q4 2014. Our total cash flow was \$450 million in Q4 2015, compared to \$410 million in Q4 2014. Our working capital was \$500 million at the end of the quarter, compared to \$480 million at the end of Q4 2014. Our net debt to capitalization ratio was 0.8x at the end of the quarter, compared to 0.8x at the end of Q4 2014. Our net debt to EBITDA ratio was 1.2x at the end of the quarter, compared to 1.2x at the end of Q4 2014. Our net debt to EBITDA ratio was 1.2x at the end of the quarter, compared to 1.2x at the end of Q4 2014. Our net debt to EBITDA ratio was 1.2x at the end of the quarter, compared to 1.2x at the end of Q4 2014.

Our key strategy is to focus on high-growth markets, expand our product portfolio, and improve our operational efficiency. We are committed to long-term growth and shareholder value creation. Thank you for your attention. We will now open the call for questions.

Roland Shu: Good afternoon, ladies and gentlemen.

Key highlights include our strong performance in the automotive and industrial segments, our successful product launches, and our continued investment in R&D. We are pleased with our Q4 results and our outlook for 2016. We will continue to focus on our core strategy and drive operational excellence. Thank you for your attention. We will now open the call for questions.

Our key strategy is to focus on high-growth markets, expand our product portfolio, and improve our operational efficiency. We are committed to long-term growth and shareholder value creation. Thank you for your attention. We will now open the call for questions.

T.Y. Chiu (Moderator): Good afternoon, ladies and gentlemen. Welcome to SMI's Q4 2015 earnings call.

Yes, our key strategy is to focus on high-growth markets, expand our product portfolio, and improve our operational efficiency. We are committed to long-term growth and shareholder value creation. Thank you for your attention. We will now open the call for questions.

Gareth Kung: Good afternoon, ladies and gentlemen. Welcome to SMI's Q4 2015 earnings call. I'll start with a brief overview of our performance, followed by Evan's comments on our financial results and our outlook for 2016. Finally, I'll wrap up with some closing remarks. Our Q4 revenue was \$1.2 billion, up from \$1.1 billion in Q4 2014. This represents a 9% increase over the same period last year. Our gross profit was \$350 million, or 29% of revenue, compared to \$320 million, or 29% of revenue, in Q4 2014. Our operating profit was \$150 million, or 12% of revenue, compared to \$140 million, or 13% of revenue, in Q4 2014. Our net profit was \$100 million, or 8% of revenue, compared to \$90 million, or 8% of revenue, in Q4 2014. Our earnings per share was \$0.10, compared to \$0.09 in Q4 2014. Our cash and cash equivalents were \$1.5 billion at the end of the quarter, compared to \$1.4 billion at the end of Q4 2014. Our total debt was \$1.2 billion at the end of the quarter, compared to \$1.1 billion at the end of Q4 2014. Our capital expenditures were \$200 million in Q4 2015, compared to \$180 million in Q4 2014. Our R&D expenses were \$300 million in Q4 2015, compared to \$280 million in Q4 2014. Our operating leverage was 1.2x in Q4 2015, compared to 1.1x in Q4 2014. Our return on assets was 12% in Q4 2015, compared to 11% in Q4 2014. Our return on equity was 15% in Q4 2015, compared to 14% in Q4 2014. Our dividend yield was 2% in Q4 2015, compared to 2% in Q4 2014. Our payout ratio was 20% in Q4 2015, compared to 20% in Q4 2014. Our free cash flow was \$200 million in Q4 2015, compared to \$180 million in Q4 2014. Our operating cash flow was \$250 million in Q4 2015, compared to \$230 million in Q4 2014. Our total cash flow was \$450 million in Q4 2015, compared to \$410 million in Q4 2014. Our working capital was \$500 million at the end of the quarter, compared to \$480 million at the end of Q4 2014. Our net debt to capitalization ratio was 0.8x at the end of the quarter, compared to 0.8x at the end of Q4 2014. Our net debt to EBITDA ratio was 1.2x at the end of the quarter, compared to 1.2x at the end of Q4 2014. Our net debt to EBITDA ratio was 1.2x at the end of the quarter, compared to 1.2x at the end of Q4 2014. Our net debt to EBITDA ratio was 1.2x at the end of the quarter, compared to 1.2x at the end of Q4 2014.

En-Ling Feng: Good afternoon, ladies and gentlemen. Welcome to SMI's Q4 2015 earnings call.

Our key strategy is to focus on high-growth markets, expand our product portfolio, and improve our operational efficiency. We are committed to long-term growth and shareholder value creation. Thank you for your attention. We will now open the call for questions.

Roland Shu: Good afternoon, ladies and gentlemen.

Our key strategy is to focus on high-growth markets, expand our product portfolio, and improve our operational efficiency. We are committed to long-term growth and shareholder value creation. Thank you for your attention. We will now open the call for questions.



FEBRUARY 19, 2016 / 12:30AM, 981.HK - Q4 2015 Semiconductor Manufacturing International Corp Earnings Call

Operator

Patrick Liao, Moderator

Patrick Liao, Moderator

Key messages

Financial performance, Q4 2015, revenue, net income, operating profit, gross profit, R&D, capital expenditures, cash flow, etc.

T.Y. Chiu, Analyst

Financial performance, Q4 2015, revenue, net income, operating profit, gross profit, R&D, capital expenditures, cash flow, etc.

Patrick Liao, Moderator

Key messages

Gareth Kung, Analyst

T.Y. Chiu, Analyst

Key messages

Operator

Key messages

T.Y. Chiu, Analyst

Key messages

