



Contact:

## NEWS RELEASE

### SMIC Reports 2012 Fourth Quarter Results

*A c r r e n c y f g r e e d n r e p o r r e n D o r n e e d o e r e  
e f n n c e e n o n n r e p o r r e d e e r n e d n c c o r d n c e A A P*

Shanghai, China –February 6, 2013. Semiconductor Manufacturing International Corporation (NYSE: SMI; SEHK: 981) (“SMIC” or the “Company”), one of the leading semiconductor foundries in the world, today announced its consolidated results of operations for the three months ended December 31, 2012.

#### Fourth Quarter 2012 Highlights:

**Record high quarterly revenue of \$485.9 million in 4Q12, an increase of 5.4% quarter over quarter, and up 67.8% year over year.**

**\$189.8 million net cash generated from operations in 4Q12, \$70.8 million more than 3Q12.**

**Net income of \$39.7 million attributable to Semiconductor Manufacturing International Corporation in 4Q12, compared to \$12.0 million in 3Q12.**

**Diluted EPS was \$0.06 per ADS.**

#### First Quarter 2013 Guidance:

The following statements are forward looking statements which are based on current expectations and which involve risks and uncertainties, some of which are set forth under “Safe Harbor Statements” below.

Revenue is expected to be up 1% to down 2%.

Gross margin is expected to range from 17.5% to 19.5%.

Operating expenses excluding the effect of foreign exchange, government R&D grants and assets disposal are expected to range from \$74 million to \$77 million.

2013 capital expenditure for foundry operations is expected to be approximately \$600 million.

Dr. Tzu-Yin Chiu, SMIC’s Chief Executive Officer and Executive Director, commented, “I am

customers grew 34.1% in 2012 over 2011, while employing our full spectrum of technology from 0.35-micron to 40nm.

“Our 45/40nm process commenced volume shipment in the fourth quarter, and its contribution more than tripled quarter-over-quarter to 2.6% of revenue. Our 28nm offering is on track and both HKMG and PolySiON processes are targeted to be ready by the fourth quarter of 2013.

“As the leading and most advanced foundry provider in China, we have upgraded our technology portfolio, services and quality to help all of our customers participate in the rapidly growing China semiconductor market. The latest survey published by the Ministry of Industry and Information Technology's China Software and Integrated Circuit Promotion Center (CSIP) in November 2012 specifies that approximately 75% of Chinese fabless companies choose SMIC as their preferred foundry partner in 2012, a noticeable and significant improvement as compared to 59% in 2011.

“I am very pleased with SMIC’s achievements in 2012, and we are starting 2013 with both excitement and caution. I believe we have the right strategy, the right focus and the right team. We will continue to focus on sustainable profitability, growth, and shareholder value.”

---

## Conference Call / Webcast Announcement

Date: February 7, 2013

Time: 8:30 a.m. Shanghai time

Dial-in numbers and pass code:

|               |                 |                   |
|---------------|-----------------|-------------------|
| United States | 1-718-354-1231  | (Pass code: SMIC) |
| Hong Kong     | 852-2475-0994   | (Pass code: SMIC) |
| China         | 86-80-0819-0121 | (Pass code: SMIC) |
| Taiwan        | 886-2-2650-7825 | (Pass code: SMIC) |

The call will be webcast live with audio at [http://www.smics.com/eng/investors/ir\\_presentations.php](http://www.smics.com/eng/investors/ir_presentations.php), or at <http://www.media-server.com/m/p/d532va5f>

An archived version of the webcast, along with an electronic copy of this news release will be available on the SMIC website for a period of 12 months following the webcast.

---

## About SMIC

Semiconductor Manufacturing International Corporation (“SMIC”; NYSE: SMI; SEHK: 981) is one of the leading semiconductor foundries in the world and the largest and most advanced foundry in mainland China, providing integrated circuit (IC) foundry and technology services at 0.35-micron to 40-nanometer. Headquartered in Shanghai, China, SMIC has a 300mm wafer fabrication facility (fab) and a 200mm mega-fab in Shanghai, a 300mm mega-fab in Beijing, a 200mm fab in Tianjin, and a 200mm fab project under development in Shenzhen. SMIC also has customer service and marketing offices in the U.S., Europe, Japan, and Taiwan, and a representative office in Hong Kong. In addition, SMIC manages and operates a 300mm wafer fab in Wuhan owned by Wuhan Xinxin Semiconductor Manufacturing Corporation.

For more information, please visit [www.smics.com](http://www.smics.com).

---

## Safe Harbor Statements

(Under the Private Securities Litigation Reform Act of 1995)

This press release contains, in addition to historical information, "forward-looking statements" w



---

## **Summary of Fourth Quarter 2012 Operating Results**

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

|               | <b>4Q12</b> | <b>3Q12</b> | <b>QoQ</b> | <b>4Q11</b> | <b>YoY</b> |
|---------------|-------------|-------------|------------|-------------|------------|
| Sales         | 485,894     | 461,168     | 5.4%       | 289,628     | 67.8%      |
| Cost of sales | 389,127     | 334,348     |            |             |            |



## Analysis of Revenue

| <b>Revenue Analysis</b>   |             |             |             |  |
|---|-------------|-------------|-------------|--|
| <b>By Application</b>   | <b>4Q12</b> | <b>3Q12</b> | <b>4Q11</b> |  |
| Computer  | 1.0%        | 1.5%        | 3.3%        |  |
| Communications  | 47.4%       | 46.7%       | 44.1%       |  |
| Consumer  | 42.6%       | 43.1%       | 42.5%       |  |
| Others  | 9.0%        | 8.7%        | 10.1%       |  |
| <b>By Service Type</b>  | <b>4Q12</b> | <b>3Q12</b> | <b>4Q11</b> |  |
| Wafers <sup>(1)</sup>   | 94.0%       | 94.9%       | 92.2%       |  |
| Mask making, testing, others  | 6.0%        | 5.1%        | 7.8%        |  |
| <b>By Customer Type</b>   | <b>4Q12</b> | <b>3Q12</b> | <b>4Q11</b> |  |
| Fabless semiconductor companies                                     | 86.6%       | 86.8%       | 88.5%       |  |
| Integrated device manufacturers (IDM)                               | 9.3%        | 8.8%        | 8.2%        |  |
| System companies and others   | 4.1%        | 4.4%        | 3.3%        |  |
| <b>By Geography</b>   | <b>4Q12</b> | <b>3Q12</b> | <b>4Q11</b> |  |
| North America   | 54.4%       | 55.2%       | 55.9%       |  |
| China <sup>(2)</sup>  | 34.8%       | 35.3%       | 34.1%       |  |
| Eurasia <sup>(3)</sup>  | 10.8%       | 9.5%        | 10.0%       |  |
| <b>Wafer Revenue Analysis</b>                                       |             |             |             |  |
| <b>By Technology (logic, memory &amp; copper interconnect only)</b> | <b>4Q12</b> | <b>3Q12</b> | <b>4Q11</b> |  |
| 40/45 nm  | 2.6%        | 0.8%        | 0.3%        |  |
| 55/65 nm  | 35.3%       | 34.8%       | 21.0%       |  |
| 90 nm   | 8.0%        | 9.4%        | 9.2%        |  |
| 0.13 $\mu\text{m}$  | 10.2%       | 11.8%       | 22.3%       |  |
| 0.15/0.18 $\mu\text{m}$   | 39.9%       | 37.5%       | 37.2%       |  |
| 0.25/0.35 $\mu\text{m}$   | 4.0%        | 5.7%        | 10.0%       |  |

Note:

(1) Including 0.13  $\mu\text{m}$  copper interconnects

(2) Including Hong Kong, but excluding Taiwan

(3) Excluding mainland China

**Capacity\***

**Operating Expenses** **Income** **Analysis**  
*Amounts in US\$ thousands*



**C p r c re**

| <i>Amounts in US\$ thousands</i>          | <b>4Q12</b> | <b>3Q12</b> |
|---|-------------|-------------|
| Cash and cash equivalents                 | 358,490     | 231,785     |
| Restricted cash                           | 217,603     | 244,151     |
| .   |             |             |
| Current portion of promissory notes       | 29,374      | 29,582      |
| Non-current portion of promissory notes   | -           | 14,482      |
| .   |             |             |
| Short-term borrowings                     | 383,225     | 410,870     |
| Current portion of long-term debt         | 184,579     | 249,404     |
| Long-term debt                            | 528,612     | 401,000     |
| Total debt                                | 1,096,416   | 1,061,274   |
| .   |             |             |
| Equity <sup>(1)</sup>                     | 2,269,535   | 2,228,166   |
| .   |             |             |
| Total debt to equity ratio <sup>(2)</sup> | 48.3%       | 47.6%       |



Semiconductor Manufacturing International Corporation  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(In US\$ thousands except share data)

|                            | <b>For the three months ended</b> |                           |
|----------------------------|-----------------------------------|---------------------------|
|                            | <b>December 31, 2012</b>          | <b>September 30, 2012</b> |
|                            | <b>(Unaudited)</b>                | <b>(Unaudited)</b>        |
| Sales                      | 485,894                           | 461,168                   |
| Cost of sales              | 389,127                           | 334,348                   |
| Gross profit               | <u>96,767</u>                     | <u>126,820</u>            |
| Operating expenses:        |                                   |                           |
| Research and development   | 26,676                            | 72,945                    |
| General and administrative | 29,437                            | 24,857                    |
| Selling and marketing      | 8,                                |                           |

Semiconductor Manufacturing International Corporation  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
(In US\$ thousands)

|  | As of                            |                                   |
|--|----------------------------------|-----------------------------------|
|  | December 31, 2012<br>(Unaudited) | September 30, 2012<br>(Unaudited) |
| <b>ASSETS</b>  |                                  |                                   |
| Current assets:  |                                  |                                   |
| Cash and cash equivalents  | 358,490                          | 231,785                           |
| Restricted cash  | 217,603                          | 244,151                           |
| Accounts receivable, net of allowances of \$45,340 and \$45,099 at<br>December 31, 2012 and September 30, 2012, respectively | 278,111                          | 289,117                           |
| Inventories  | 295,728                          | 262,242                           |
| Prepaid expense and other current assets   | 124,107                          | 105,873                           |
| Total current assets   | <b>1,274,039</b>                 | <b>1,133,168</b>                  |
| Prepaid land use rights  | 73,962                           | 75,854                            |
| Plant and equipment, net   | 2,385,435                        | 2,434,508                         |
| Acquired intangible assets, net  | 235,378                          | 231,455                           |
| Other long-term assets   | 104,344                          | 103,809                           |
| <b>TOTAL ASSETS</b>  | <b>4,073,158</b>                 | <b>3,978,794</b>                  |
| <b>LIABILITIES, NONCONTROLLING INTEREST AND EQUITY</b>   |                                  |                                   |
| Current liabilities:   |                                  |                                   |
| Accounts payable   | 331,394                          | 343,810                           |
| Accrued expenses and other current liabilities   | 186,429                          | 163,507                           |

Semiconductor Manufacturing International Corporation  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(In \$US thousands)