

A collage of four photographs showing different views of SMIC industrial buildings. The top-left photo shows a modern glass and steel building. The bottom-left photo shows a large brick building with a red roof. The top-right photo shows a building with a blue sky and a flag. The bottom-right photo shows a building with a blue sky and a flag.

SMIC

4Q 2009 Earnings Presentation

February 9, 2010

SEHK: 981

NYSE: SMI





SAFE HARBOR

(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, including statements concerning, our belief that 2010 will be a good year for the semiconductor industry and an important step on our journey toward sustained profitability, and statements under “First Quarter 2010 Guidance” 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 are necessarily estimates reflecting the best judgment of SMIC’s senior management and 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 cyclical and market conditions in the semiconductor industry, the downturn in the global economy and the impact on China’s economy, intense competition, timely wafer acceptance by SMIC’s customers, timely introduction of new technologies, SMIC’s ability to capture growth opportunities in China, supply and demand for semiconductor foundry services, industry overcapacity, shortages in equipment, components and raw materials, orders or judgments from pending litigation, availability of manufacturing capacity 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 20-F filed with the SEC on June 22, 2009, 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 The Hong Kong Stock Exchange Limited (“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 press release 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 press release. Except as 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.





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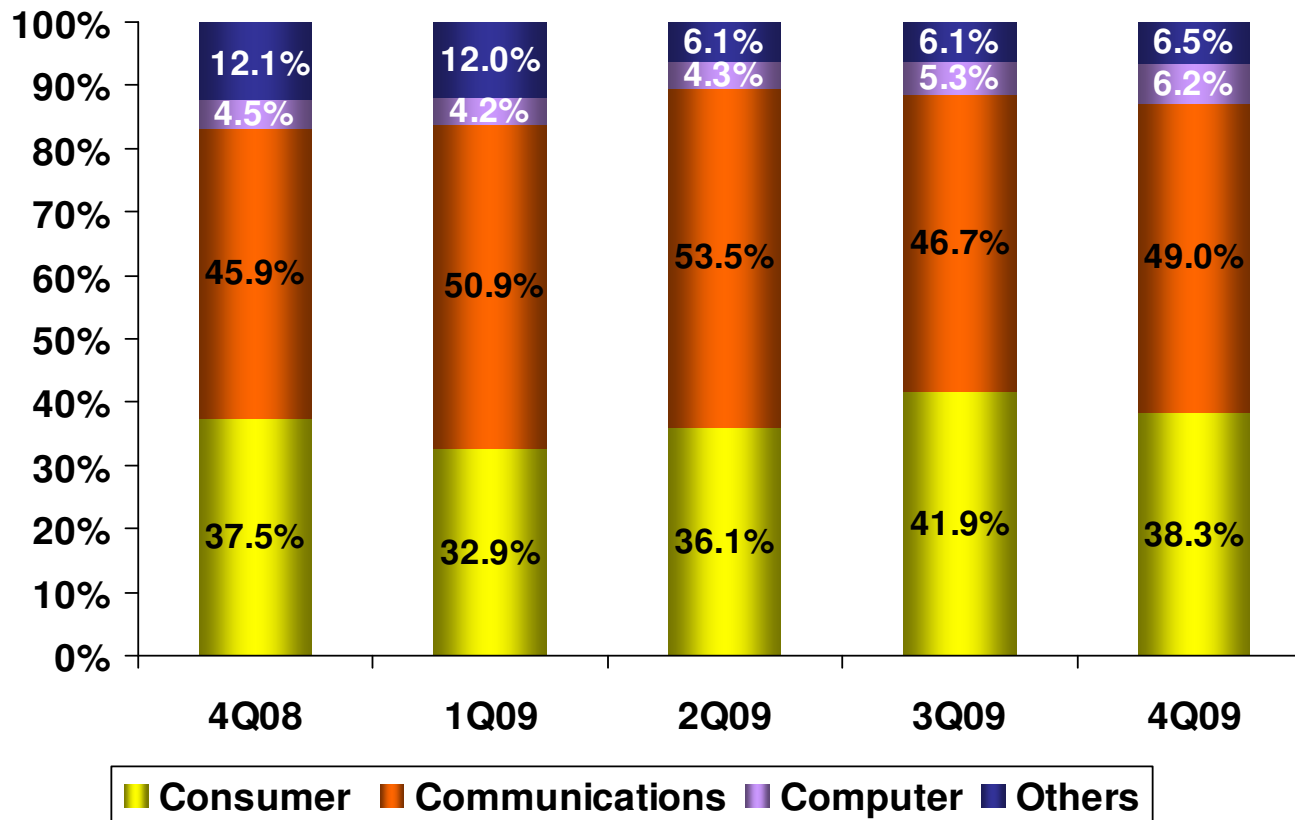


FINANCIAL HIGHLIGHTS

Financial Highlights					
<i>(Amounts in US\$ million, except for EPS and operating data)</i>	4Q09	3Q09	QoQ	4Q08	YoY
Sales	333.1	323.4	3.0%	272.5	22.2%
Gross margins	10.6%	0.8%	-	-27.4%	-
Net income(loss)	(482.0)	(69.1)	597.7%	(126.1)	282.3%
Operating expenses	496.8	99.2	400.9%	46.4	969.7%
Capital expenditures	92	52.6	74.9%	56	64.3%
Net income (loss) per ADS (US\$ diluted)	(1.08)	(0.16)	-	(0.37)	-



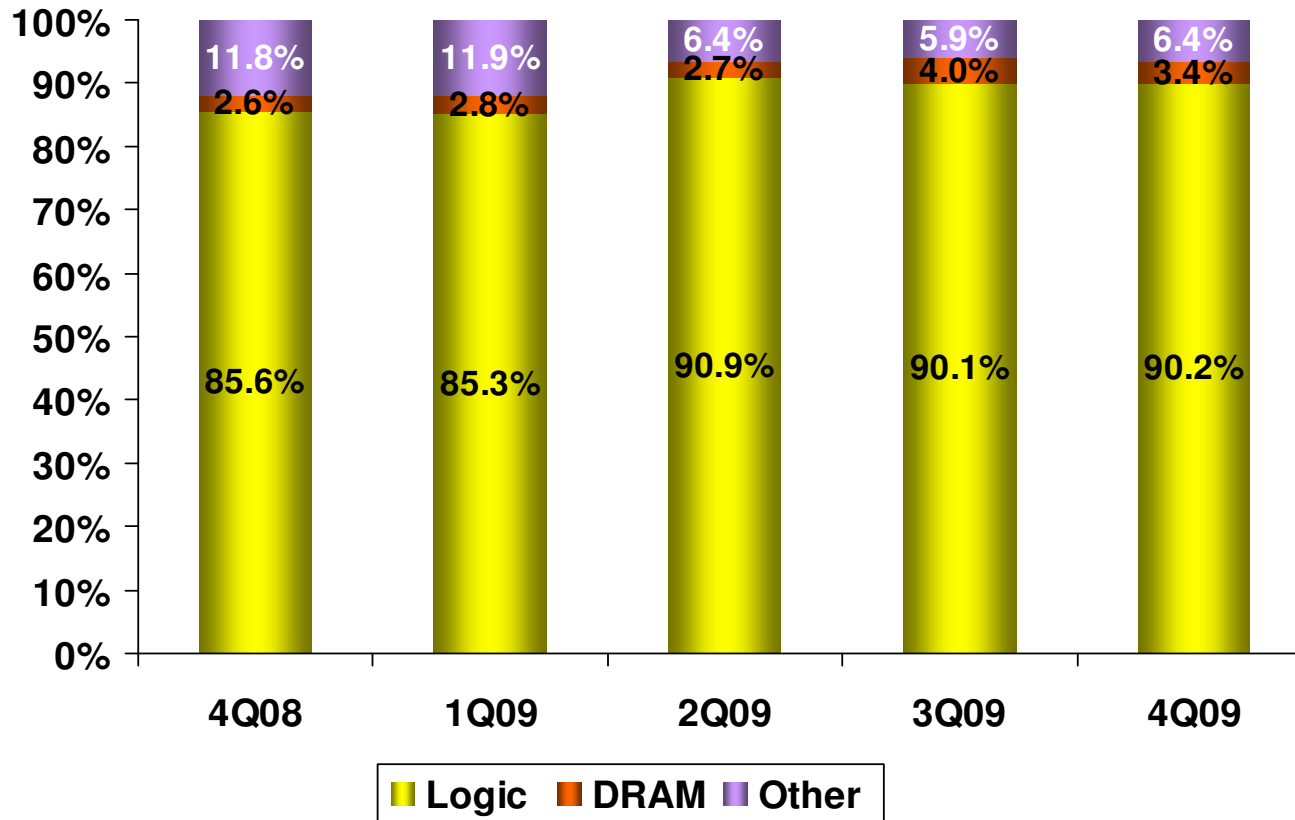
TOTAL SALES BREAKDOWN BY APPLICATION



Source: Company financials



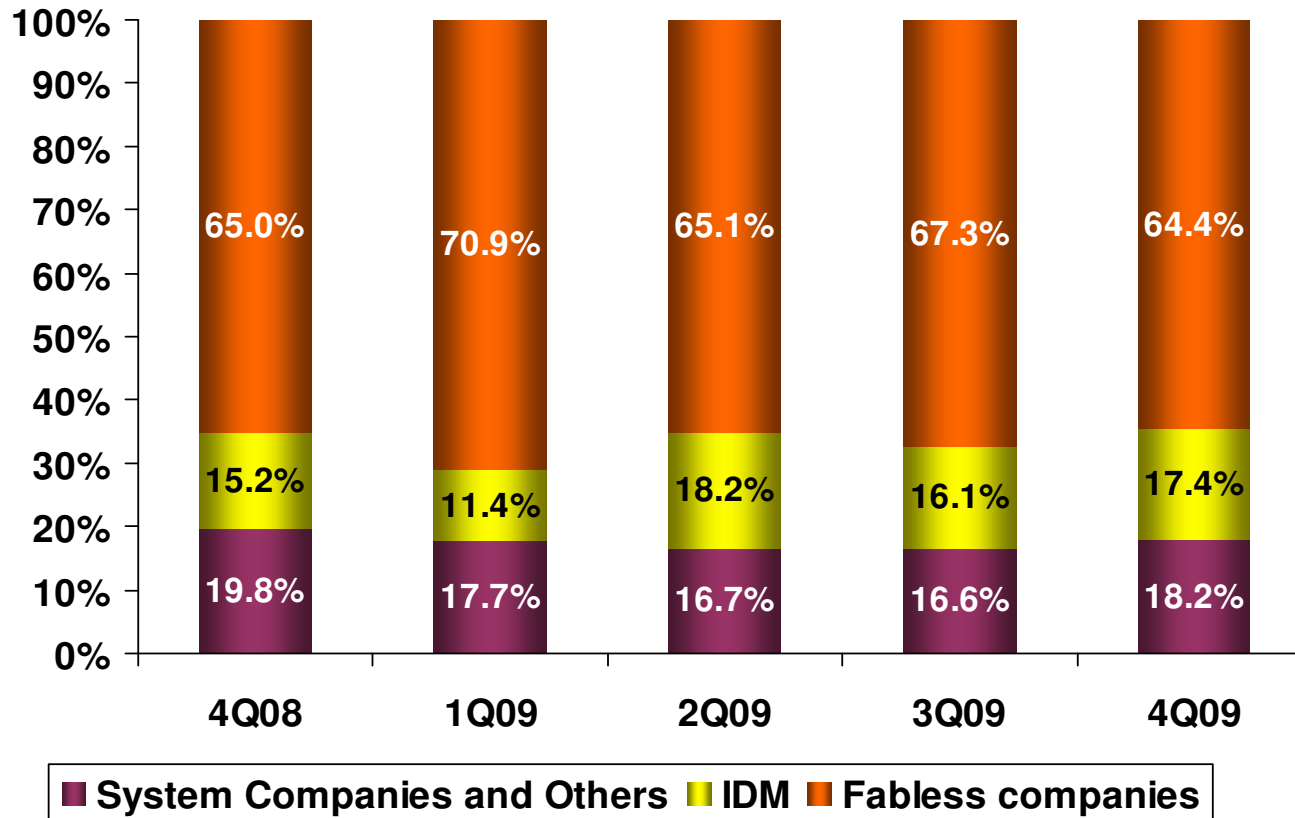
TOTAL SALES BREAKDOWN BY SERVICE TYPE



Source: Company financials



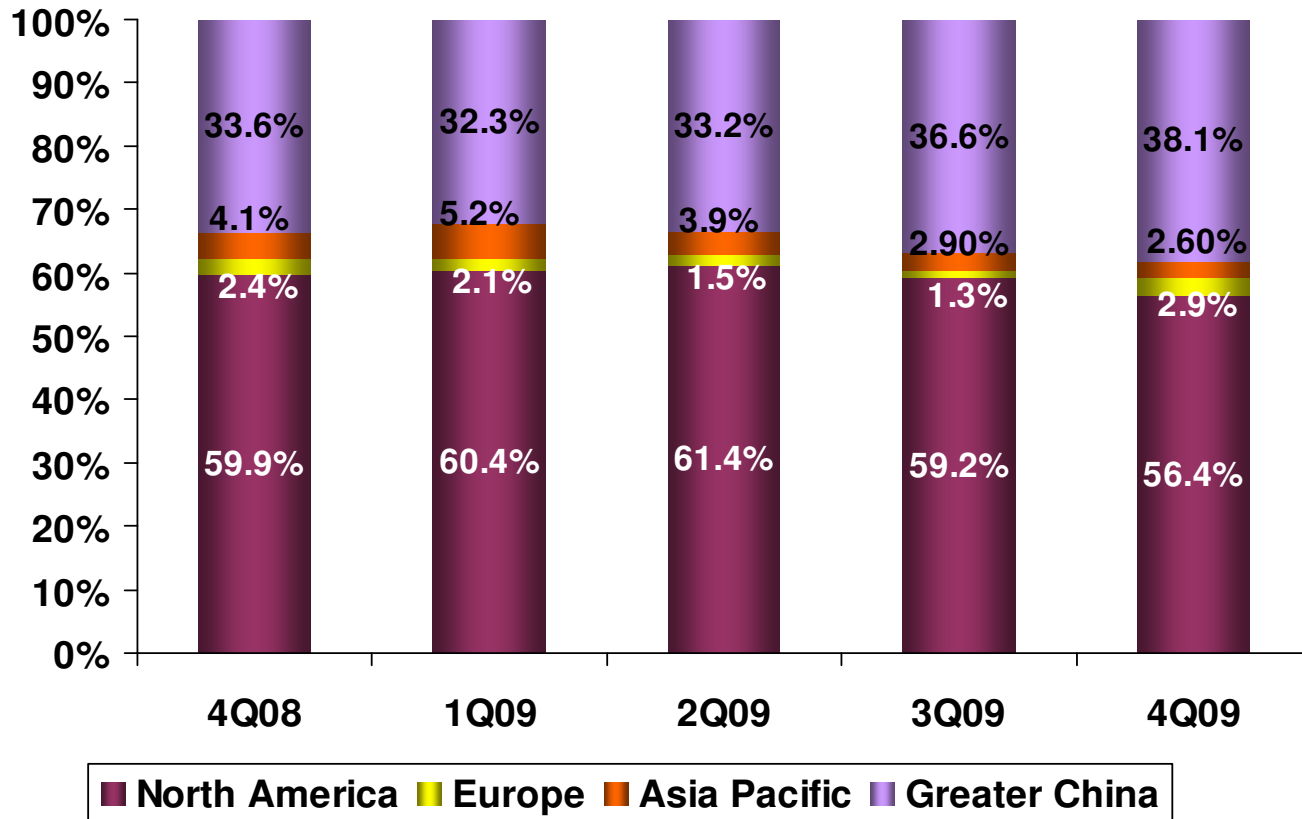
TOTAL SALES BREAKDOWN BY CUSTOMER TYPE



Source: Company financials



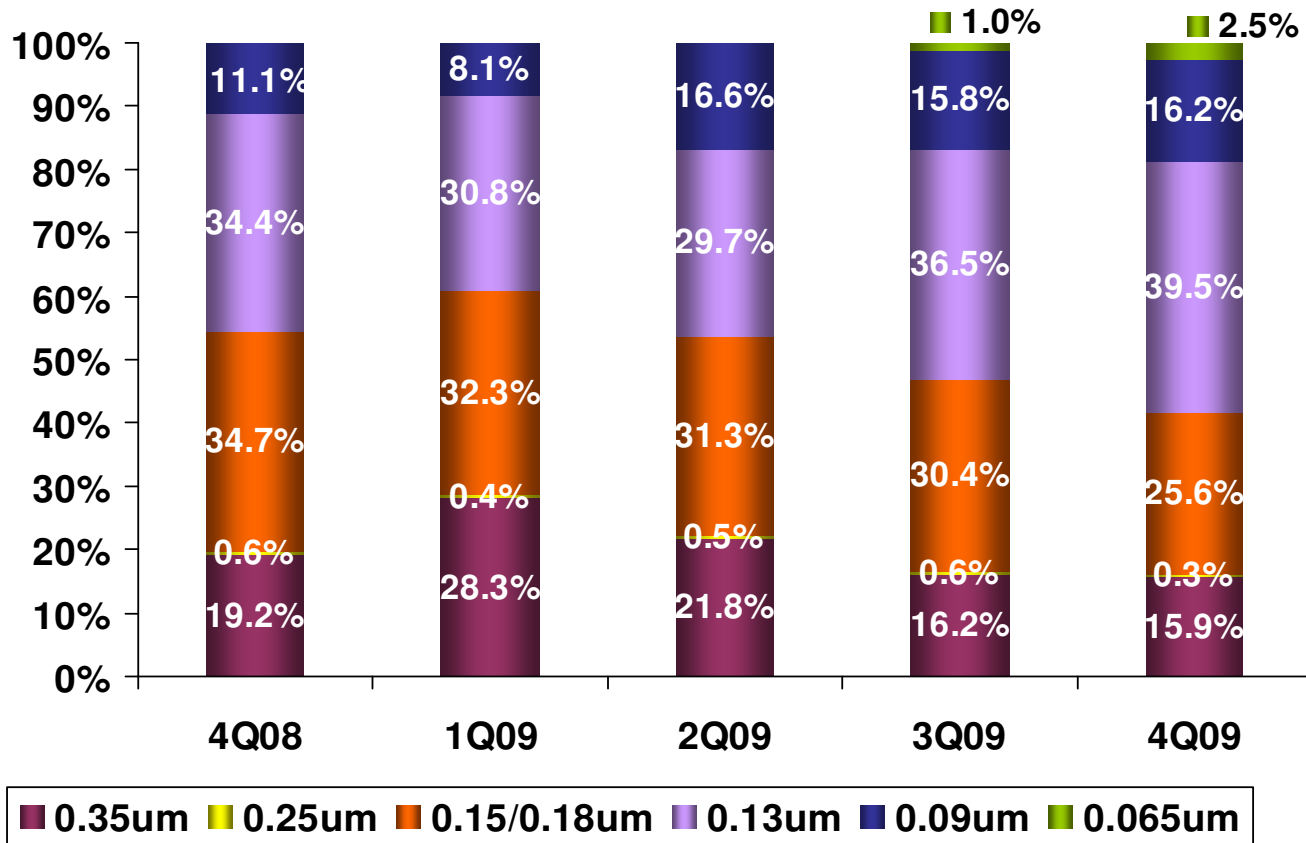
TOTAL SALES BREAKDOWN BY GEOGRAPHY



Source: Company financials



TOTAL SALES BREAKDOWN BY TECHNOLOGY



Source: Company financials





APPENDIX



1Q 2010 GUIDANCE

<i>US\$ Millions (except opex %)</i>	4Q2009 Actual	1Q2010 Guidance
Sales	US\$ 333.1 M	Flat to Increase 2%
Operating expenses	\$497 M	\$84 M to \$88 M excluding forex difference
Capital expenditures	\$92 M	\$95 M - \$100 M

Source: Company financials





SUMMARY BALANCE SHEET

Summary Balance Sheet		
<i>(in US\$ thousands)</i>	For the three months ended	
	December 31, 2009	September 30, 2009
Cash and cash equivalents	443,463	453,285
Current assets	890,052	886,403
Total assets	3,647,074	3,900,934
Current liabilities	1,074,334	848,404
Total liabilities	1,680,606	1,454,810
Non-Controlling interests	34,841	34,567
Shareholders' equity	1,931,627	2,478,322
Total liability and shareholders' equity	3,647,074	3,900,934

Source: Company financials





SUMMARY INCOME STATEMENT

Summary Income Statement					
<i>(Amounts in US\$ thousands, except for EPS and operating data)</i>	4Q09	3Q09	QoQ	4Q08	YoY
Sales	333,090	323,356	3%	272,479	22.2%
Gross profit	35,280	2,654	1229.3%	(74,635)	-
Operating expenses	496,823	99,184	400.9%	46,445	969.7%
Income (loss) from operations	(461,543)	(96,530)	378.1%	(121,080)	281.2%
Net income (loss)	(481,994)	(69,081)	597.7%	(126,064)	282.3%
Net income (loss) per ADS (US\$ diluted)	(1.08)	(0.16)	-	(0.37)	-
Wafers shipped (in 8" wafers)⁽¹⁾	436,816	429,843	1.6%	323,175	35.2%
Capacity utilization	91.5%	87.3%	-	67.7%	-

(1) Including copper interconnects





SUMMARY CASH FLOW STATEMENT

Summary Cash Flow Statement		
<i>(in US\$ thousands)</i>	For the three months ended	
	December 31, 2009	September 30, 2009
Net loss	(481,994)	(69,081)
Net cash provided by operating activities	89,767	72,954
Net cash used in investing activities	(38,274)	(64,555)
Net cash provided by (used in) financing activities	(60,941)	9,380
Net increase in cash and cash equivalents	(9,822)	17,672
Cash and cash equivalents at the beginning of period	453,285	435,613
Cash and cash equivalents at the end of period	443,463	453,285

Source: Company financials





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