

A collage of four photographs showing different views of SMIC industrial buildings. One photo shows a large blue cylindrical structure, another shows a multi-story brick building, and two others show modern glass-fronted buildings. The photos are arranged in a grid-like fashion with overlapping borders.

SMIC

1Q 2010 Earnings Presentation

May 11, 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, are based on SMIC’s current assumptions, expectations and projections about future events. SMIC uses words like “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project,” “confident” 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 cyclicity and market conditions in the semiconductor industry, intense competition, timely wafer acceptance by SMIC’s customers, timely introduction of new technologies, SMIC’s ability to ramp new products into volume, supply and demand for semiconductor foundry services, industry overcapacity, shortages in equipment, components and raw materials, availability of manufacturing capacity, financial stability in end markets, future fluctuations of the share price of SMIC and possible future litigation and claims.

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 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 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 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.





CONTENTS

- Financial Highlights
- Sales Breakdowns
- 2Q 2010 Guidance
- Financial Summaries



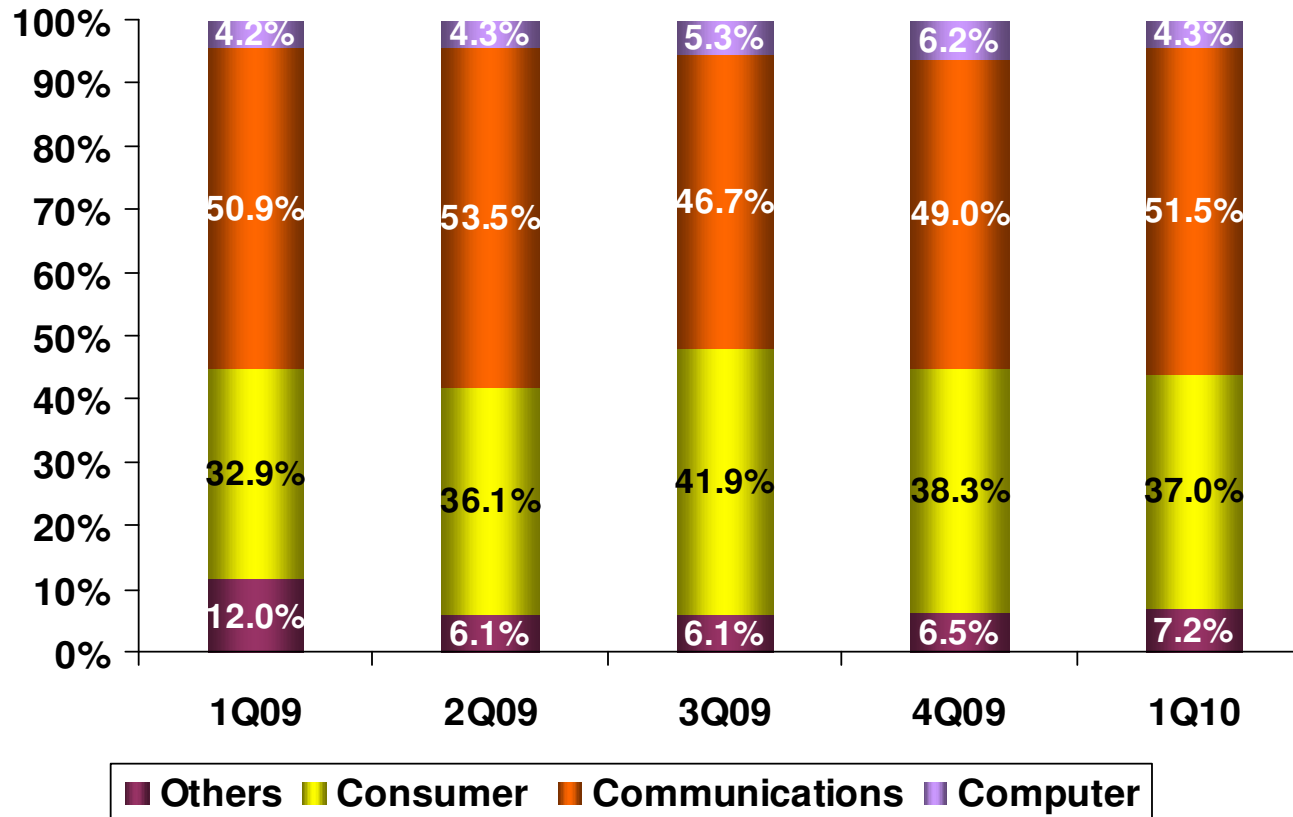


FINANCIAL HIGHLIGHTS

| Financial Highlights | | | | | |
|---|----------------|----------------|---------------|----------------|---------------|
| <i>(Amounts in US\$ million, except for EPS and operating data)</i> | 1Q10 | 4Q09 | QoQ | 1Q09 | YoY |
| Sales | 351.7 | 333.1 | 5.6% | 146.5 | 140.1% |
| Gross margins | 14.6% | 7.6% | - | -88.3% | - |
| Net income (loss) | (181.9) | (617.7) | -70.5% | (178.4) | 2.0% |
| Operating expenses | 79.5 | 622.2 | -87.2% | 46.7 | 70.3% |
| Capital expenditures | 64 | 92 | -30.4% | 24 | 166.7% |
| Net income (loss) per ADS (US\$ diluted) | (0.41) | (1.38) | - | (0.40) | - |



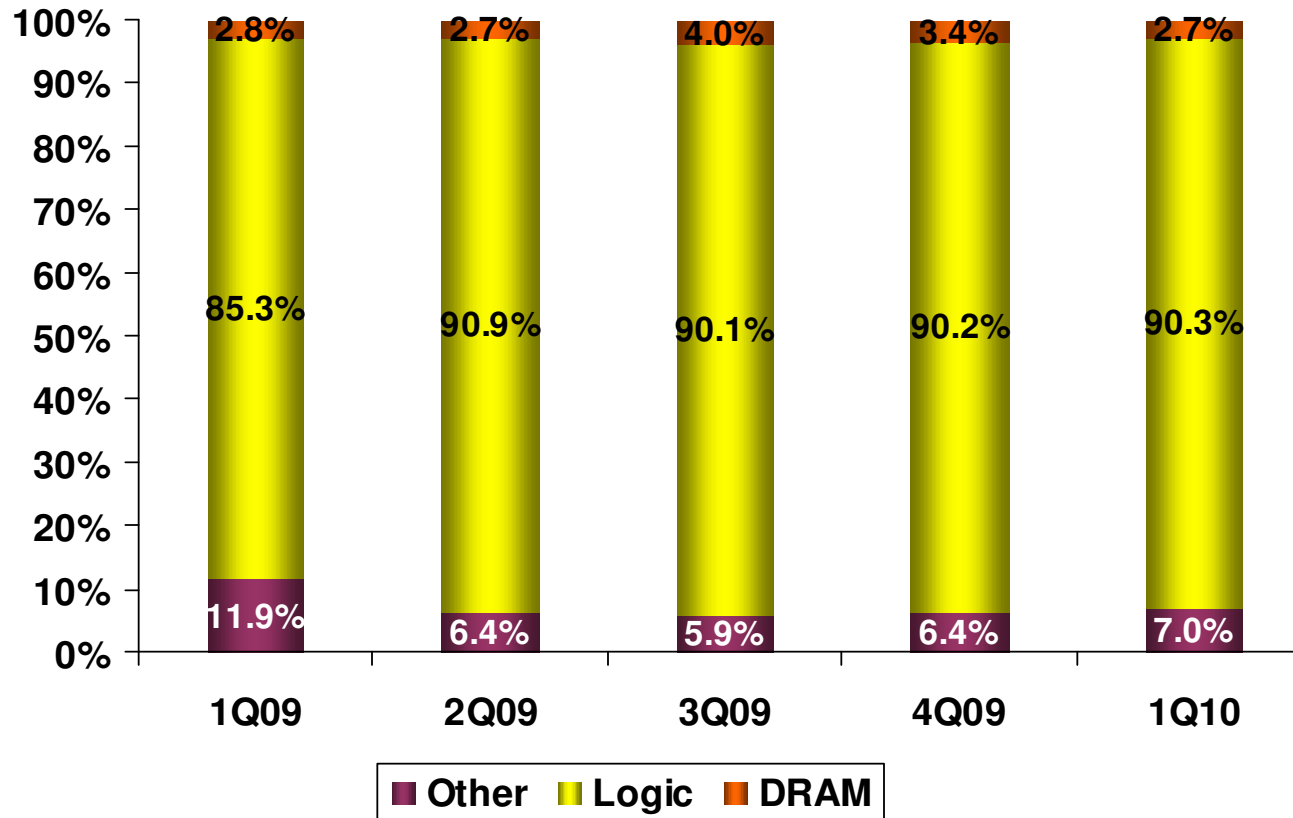
TOTAL SALES BREAKDOWN BY APPLICATION



Source: Company financials



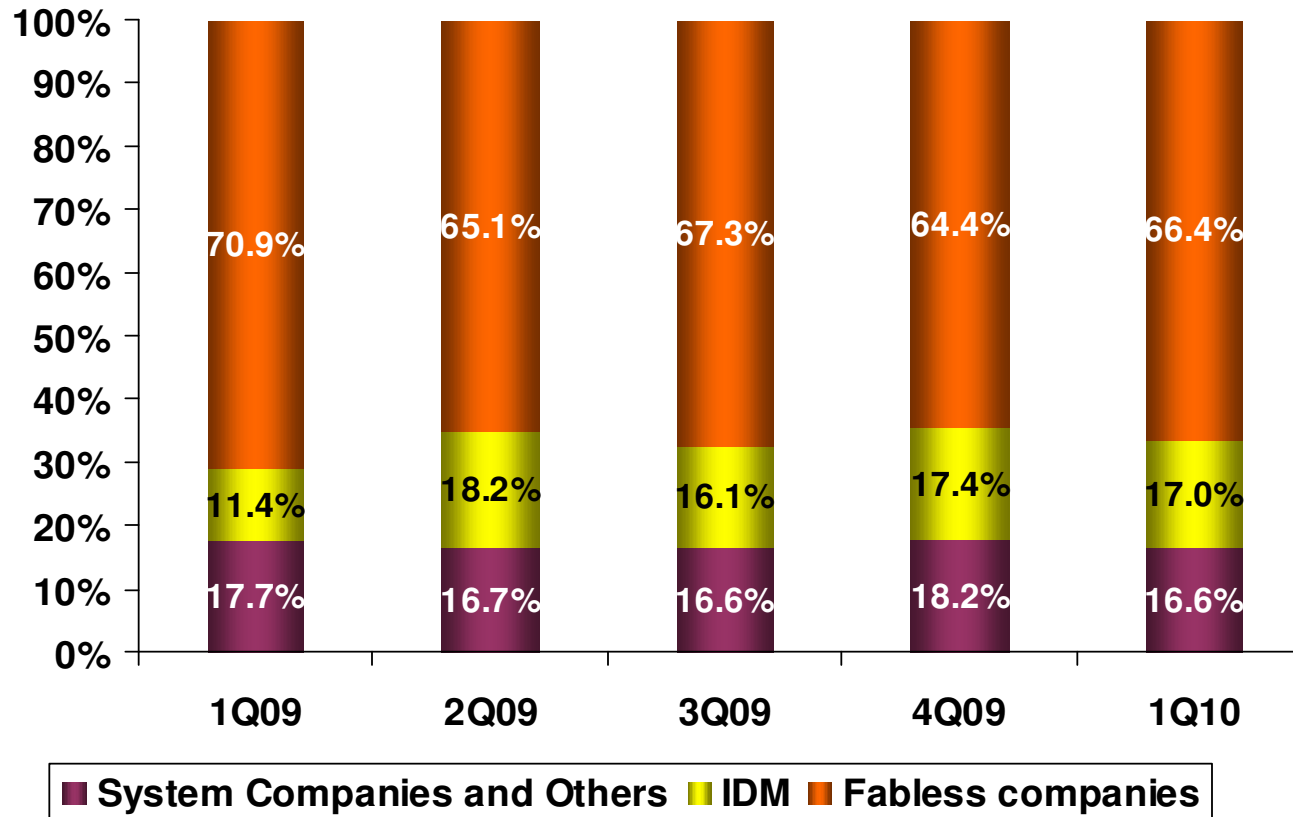
TOTAL SALES BREAKDOWN BY SERVICE TYPE



Source: Company financials



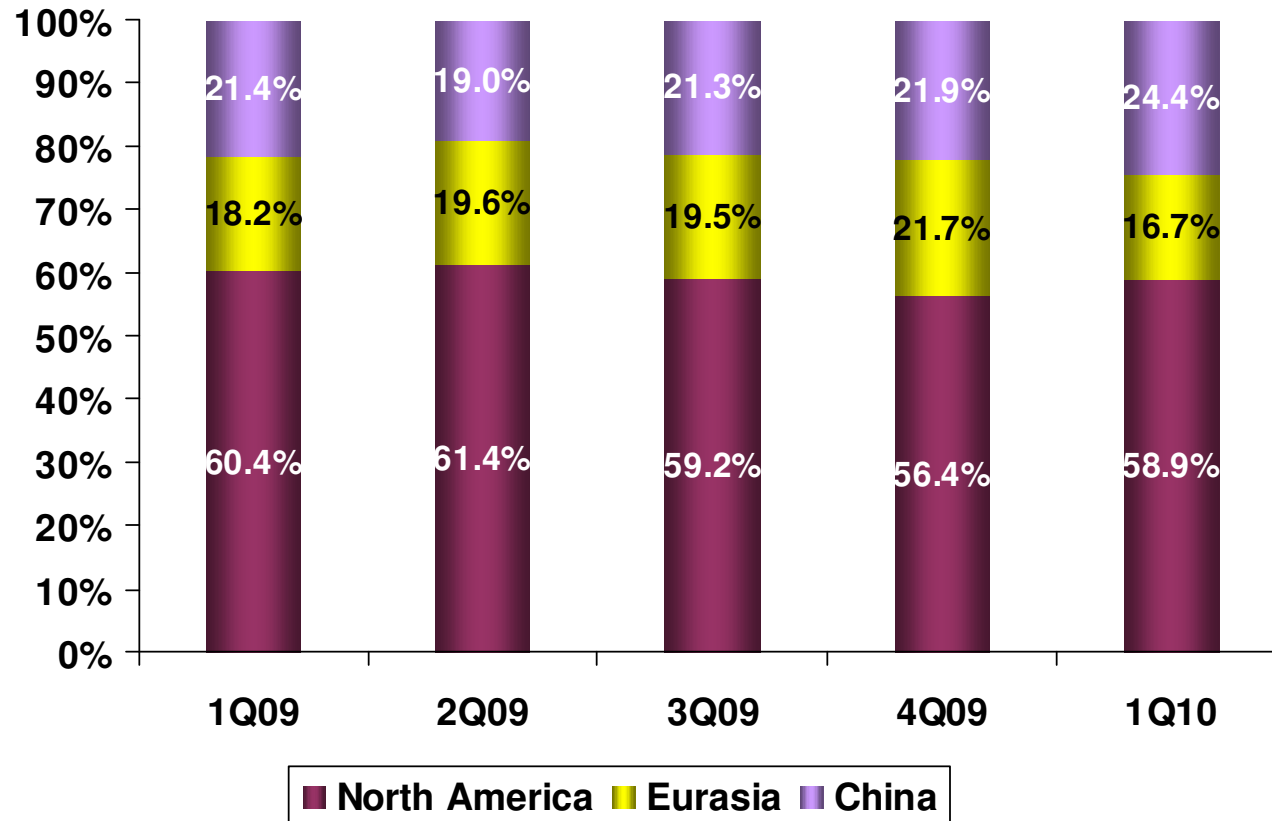
TOTAL SALES BREAKDOWN BY CUSTOMER TYPE



Source: Company financials



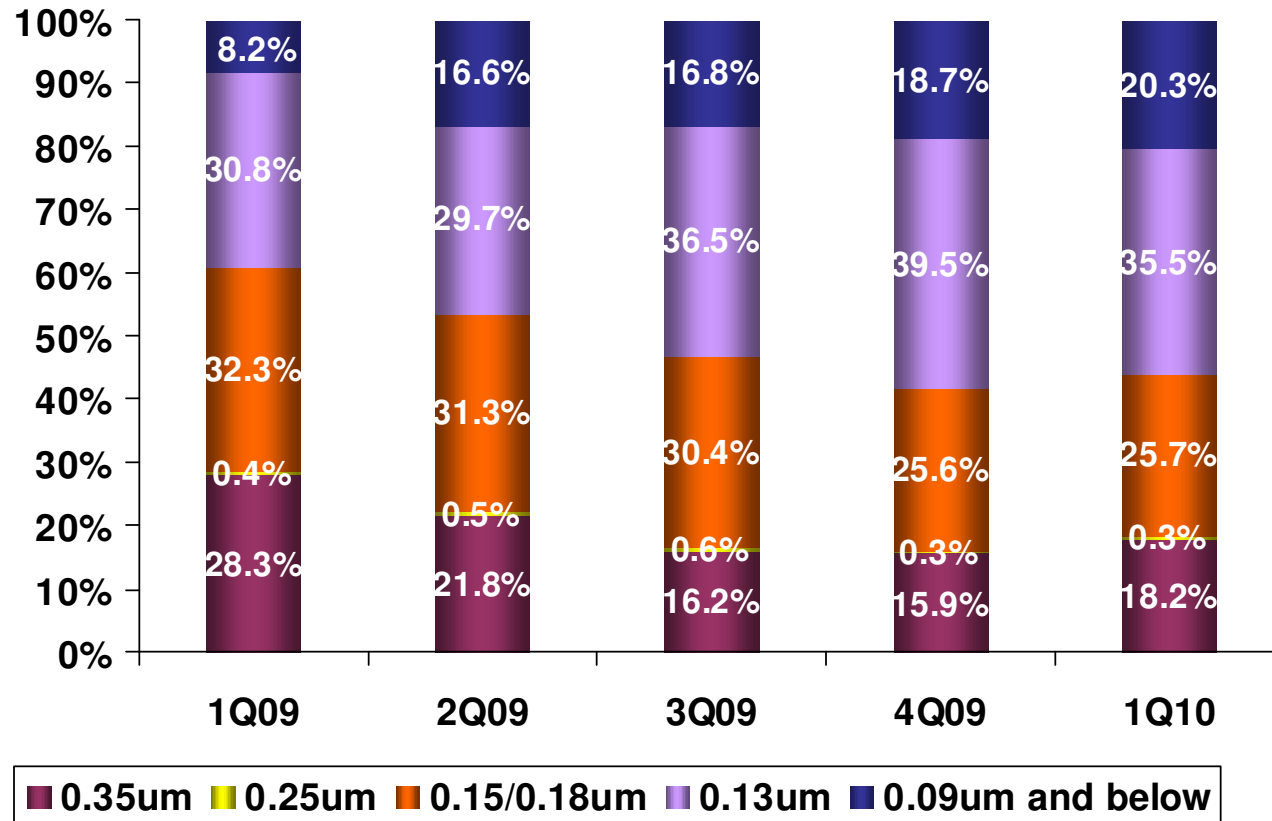
TOTAL SALES BREAKDOWN BY GEOGRAPHY



Source: Company financials



TOTAL SALES BREAKDOWN BY TECHNOLOGY



Source: Company financials





APPENDIX



2Q 2010 GUIDANCE

| <i>US\$ Millions (except opex %)</i> | 1Q2010 Actual | 2Q2010 Guidance |
|--------------------------------------|----------------------|--|
| Sales | US\$ 351.7 M | increase 3% to 5% |
| Operating expenses | \$79.5 M | \$80 M to \$84 M Excluding foreign exchange difference |
| Capital expenditures | \$64 M | \$150 M - \$200 M |





SUMMARY BALANCE SHEET

| Summary Balance Sheet | | |
|---|-----------------------------------|--------------------------|
| <i>(in US\$ thousands)</i> | For the three months ended | |
| | March 31, 2010 | December 31, 2009 |
| Cash and cash equivalents | 523,208 | 443,463 |
| Current assets | 1,005,769 | 907,058 |
| Total assets | 3,498,264 | 3,524,077 |
| Current liabilities | 1,217,850 | 1,031,523 |
| Total liabilities | 1,845,125 | 1,692,995 |
| Non-Controlling interests | 35,100 | 34,842 |
| Shareholders' equity | 1,618,038 | 1,796,240 |
| Total liability and shareholders' equity | 3,498,264 | 3,524,077 |

Source : Company financials





SUMMARY INCOME STATEMENT

| Summary Income Statement | | | | | |
|---|------------------|------------------|----------------|------------------|---------------|
| <i>(Amounts in US\$ thousands, except for EPS and operating data)</i> | 1Q10 | 4Q09 | QoQ | 1Q09 | YoY |
| Sales | 351,724 | 333,090 | 5.6% | 146,519 | 140.1% |
| Gross profit | 51,454 | 25,421 | 102.4% | (129,381) | - |
| Operating expenses | 79,496 | 622,244 | -87.2% | 46,681 | 70.3% |
| Income (loss) from operations | (28,042) | (596,823) | (95.3%) | (176,062) | -84.1% |
| Net income (loss) | (181,949) | (617,655) | -70.5% | (178,370) | 2.0% |
| Net income (loss) per ADS (US\$ diluted) | (0.41) | (1.38) | - | (0.40) | - |
| Wafers shipped (in 8" wafers)⁽¹⁾ | 455,010 | 436,816 | 4.2% | 168,743 | 169.6% |
| Capacity utilization | 92.1% | 91.5% | - | 34.9% | - |

(1) Including copper interconnects





SUMMARY CASH FLOW STATEMENT

| Summary Cash Flow Statement | | |
|---|-----------------------------------|--------------------------|
| <i>(in US\$ thousands)</i> | For the three months ended | |
| | March 31, 2010 | December 31, 2009 |
| Net loss | (181,690) | (617,380) |
| Net cash provided by operating activities | 153,094 | 89,297 |
| Net cash used in investing activities | (64,323) | (37,804) |
| Net cash provided by (used in) financing activities | (8,763) | (60,937) |
| Net increase in cash and cash equivalents | 79,745 | (9,822) |
| Cash and cash equivalents at the beginning of period | 443,463 | 453,285 |
| Cash and cash equivalents at the end of period | 523,208 | 443,463 |

Source: Company financials





SEHK: 981

NYSE: SMI

www.smics.com
email: IR@smics.com