

C 4 2013

: : 981
SMIC Investor Relations

February 2014

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 under “First Quarter 2014 Guidance”, statements regarding future 2014 capital expenditures are based on SMIC’s current assumptions, expectations and projections about future events. SMIC uses words like “believe”, “anticipate”, “intend”, “estimate”, “expect”, “project”, “target”, “plan” 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 global economic slowdown, 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 20-F filed with the SEC on April 15, 2013, as amended on December 19, 2013, especially the consolidated financial

2013

()

\$2.07

—

21.6%

■

C

\$173.2

—

\$22.8

2012

■

40/45

12.1%

—

1.1%

2012

■

\$738

—

69.6%



2013

()

■ C \$462.5

— \$104.0

■ C \$770

— C \$499 2012

■ C - 40.4% , -

— C 33.9% 2012

■ 45.2%

— C 48.3% 2012

4 13

\$491.8

- 1.2%
- 7.9%

- - AA

\$483.6

- 10.6%
- 4.0%

-

18.9%

- 19.9% 4 12
- 21.0% 3 13

- - AA

19.2%

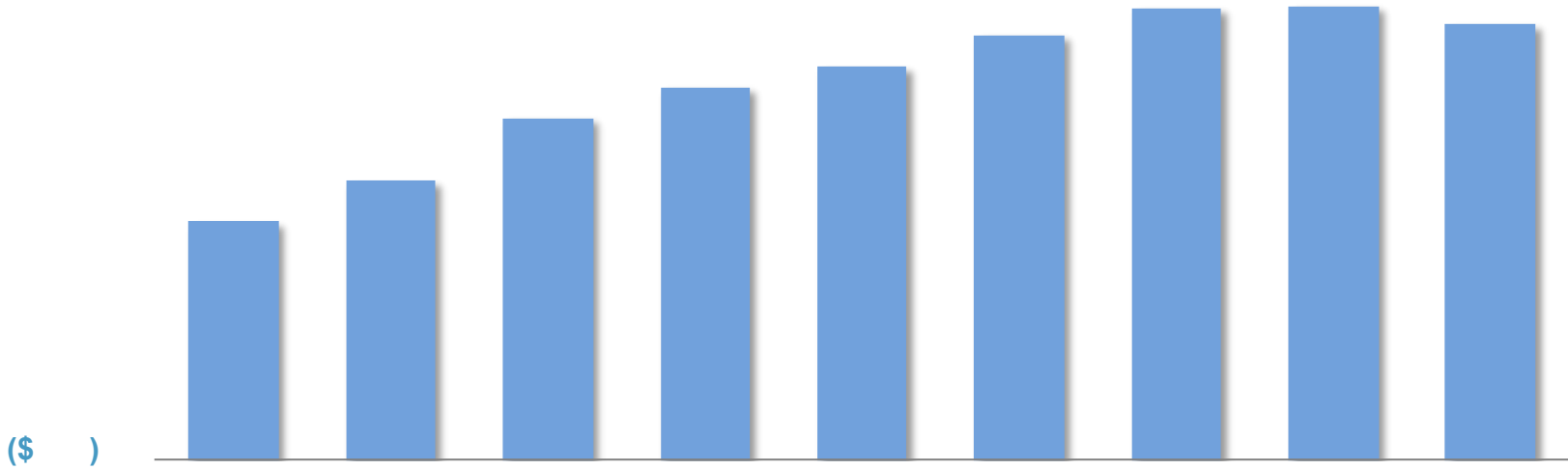
- 21.9% 4 12
- 22.1% 3 13

(\$)	4 13	3 13		4 12	
	491,797	534,256	-7.9%	485,894	1.2%
Gross Profit	92,939	111,982	-17.0%	96,767	-4.0%
	18.9%	21.0%	-		

- & increased to \$46.3 million in 4Q13, compared to \$37.6 million in 3Q13. The increase was primarily due to increase in R&D expenses associated with higher R&D activities from quarter to quarter and a decrease in funding of R&D contracts from the government in 4Q13 of \$4.3 million compared to 3Q13.
- increased to \$36.6 million in 4Q13, up 48.1 % QoQ from \$24.7 million in 3Q13, mainly due to 1) increased bad debt expense recognized in 4Q13 and 2) a bonus accrual relating to an increase in employee productivity in 4Q13.
- was \$6.4 million in 4Q13, compared to \$8.2 million in 3Q13. The change was mainly due to 1) a decrease of gain arising from the disposal of part of the Company-owned living quarters in Shanghai, and 2) gain arising from the deconsolidation of Brite Semiconductor Corporation and its subsidiaries due to loss of control.



- AA



- Revenue from wafer shipments from Wuhan Xinxin from 1Q14 onwards. was **\$8.2** in 4Q13. There will not be any wafer shipments from Wuhan Xinxin from 1Q14 onwards.

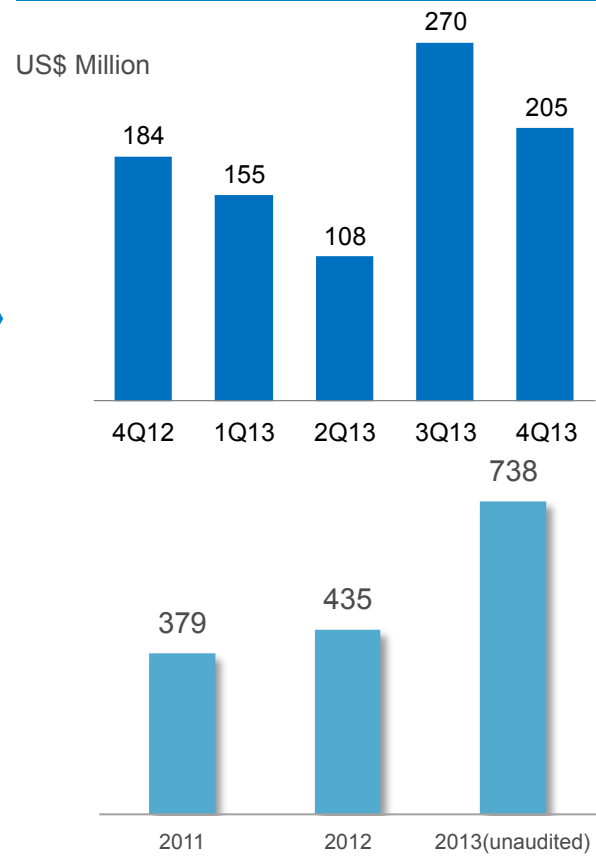
B

z0966.17 0 8 20.m2.90 10 10.375 10140.362/TT1 1

(US\$ thousands)

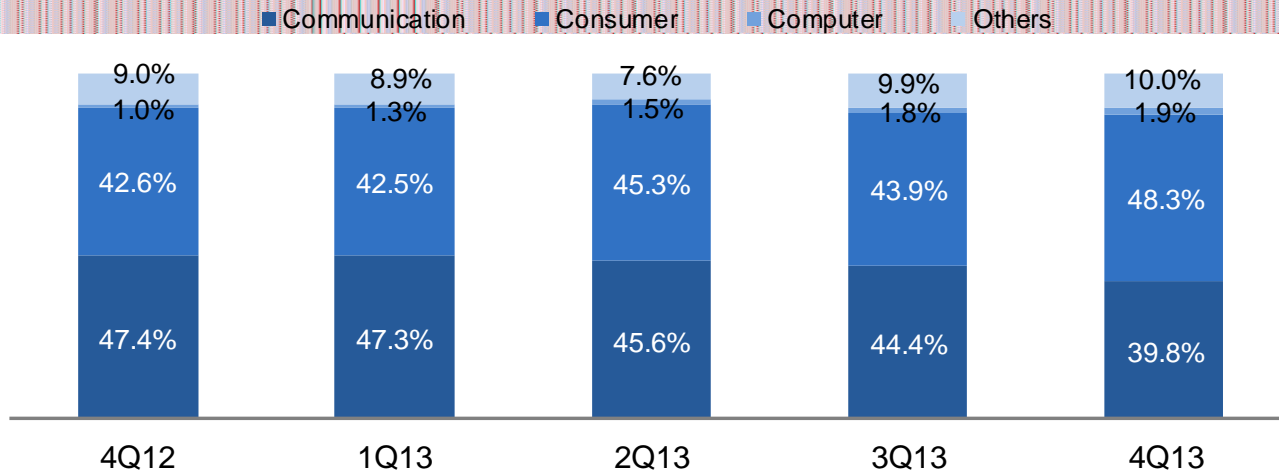
	31, 2013	30, 2013
C	473,507	262,955
	205,437	269,581
	(269,147)	(213,133)
()	52,749	154,045
()	(11,024)	210,552
C	462,483	473,507

C



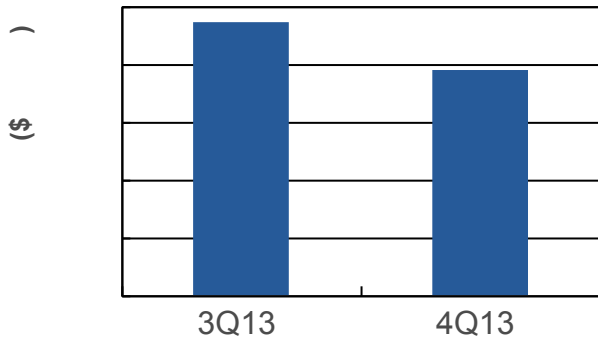
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A

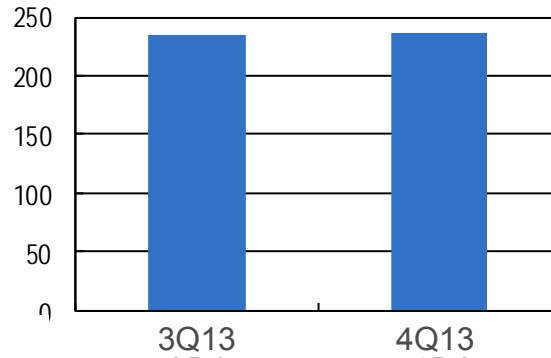


4 13 . 3 13

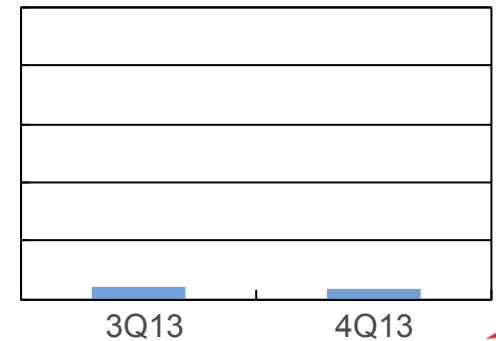
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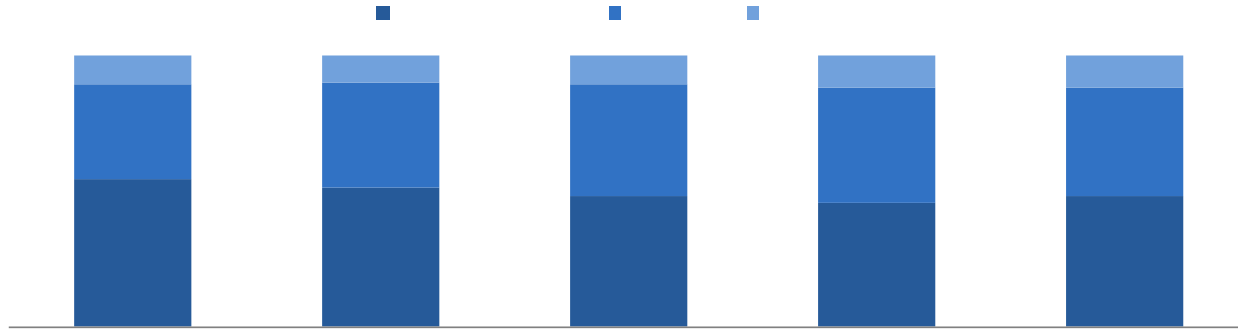
C



C

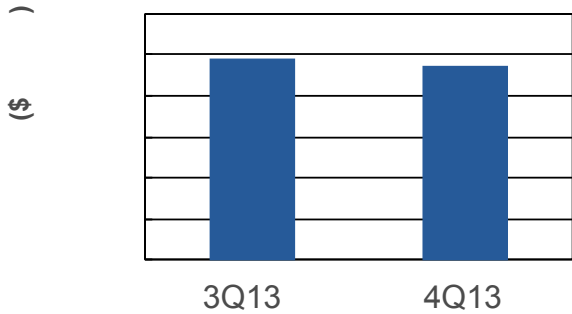


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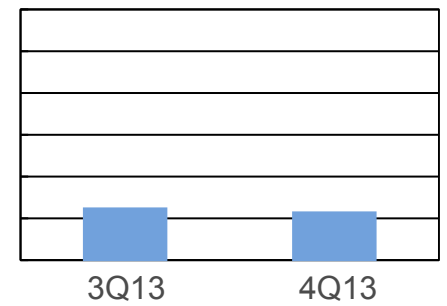
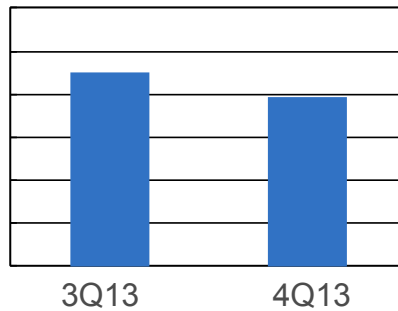


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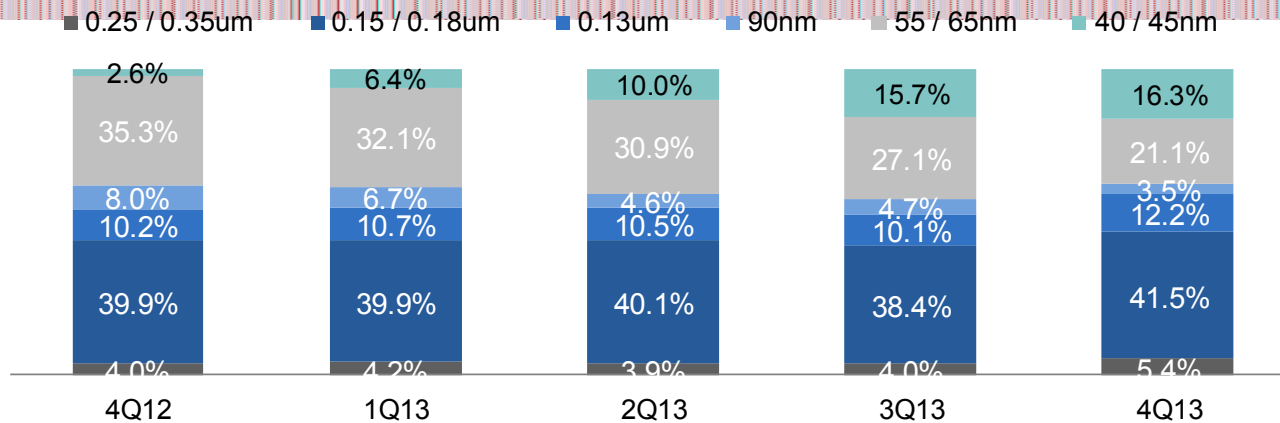
A



C



B



4 13 . 3 13

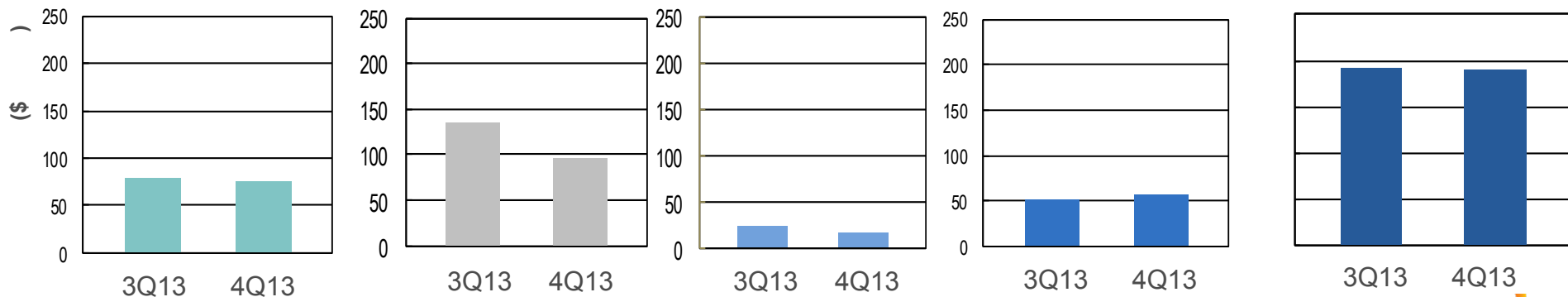
40/45

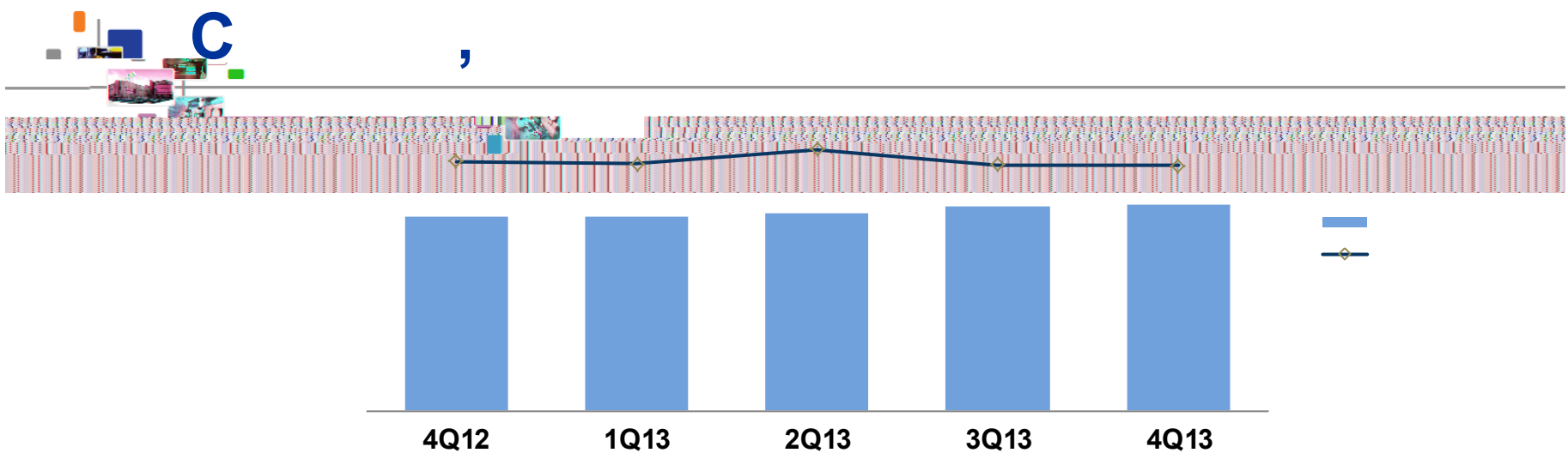
55/65

90

0.13

0.15 / 18





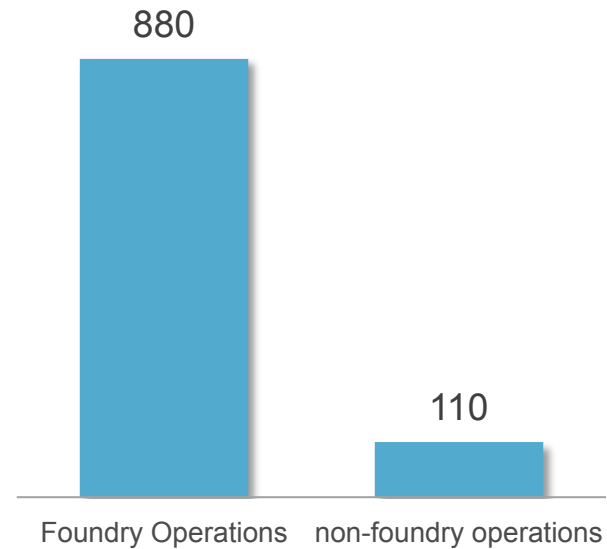
(1) Capacity utilization rate is reported based on total equivalent wafers out divided by estimated total quarterly capacity

1 2014)

2014 C

	1 2014	
(1)	\$440	\$460
	-9	-5%
	16%	19%
(2) - AA	\$88	\$92

2014 C (\$) (3)(4)



- (1) This revenue guidance is given in relation to the revenue without wafer shipments from Wuhan Xinxin in 4Q13.
- (2) Exclude the effect of foreign exchange, employee bonus accrual, funding of R&D contracts from the government and gain from the disposal of living quarters.
- (3) The planned 2014 capital expenditure for our foundry operation is approximately \$880 million of which around \$570 million is for our new Beijing project, which is 55% funded by SMIC and 45% funded by the other shareholders of the project.
- (4) In addition, we have budgeted 2014 capital expenditures for non-foundry operations of approximately \$110 million mainly for the construction of living quarters.



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	4 2013			4 2013
Revenue including wafer shipments from Wuhan Xinxin	-9% to -4.5%			-7.9%
- AA excluding wafer shipments from Wuhan Xinxin	-4.5%			-4.0%
Gross Margin including wafer shipments from Wuhan Xinxin	18.5% to 21.5%			18.9%
- AA excluding wafer shipments from Wuhan Xinxin	19%	22%		19.2%
- AA	(1)	\$80.0	\$84.0	\$ 84.8

(1) Exclude the effect of foreign exchange, funding of R&D contracts from the government, gain arising from the disposal of living quarters and employee bonus accrual.

2013 C

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<i>(US\$ millions)</i>	1 13	2 13	3 13	4 13	2013
C	185	302	169	114	770
A &	136	136	137	139	547



Contact us: ir@smics.com