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NEWS RELEASE

SMIC Reports 2012 Third Quarter Results

*All currency figures stated in this report are in US Dollars unless stated otherwise.
 The financial statement amounts in this report are determined in accordance with US GAAP.*

SMIC (NYSE:SMI) has reported its financial results for the third quarter of 2012. The company's revenue for the quarter was \$1.5 billion, compared to \$1.4 billion in the same quarter of 2011. Net income was \$300 million, or 20 cents per share, compared to \$280 million, or 18 cents per share, in the third quarter of 2011. The company's operating margin for the quarter was 20%, compared to 19% in the third quarter of 2011.

Third Quarter 2012 Highlights:

- Revenue increased 7% year-over-year to \$1.5 billion.
- Operating margin improved to 20% from 19% in the third quarter of 2011.
- Net income per share was 20 cents, up from 18 cents in the third quarter of 2011.
- The company's operating margin for the quarter was 20%, compared to 19% in the third quarter of 2011.
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Fourth Quarter 2012 Guidance:

- Revenue for the fourth quarter of 2012 is expected to be between \$1.5 billion and \$1.6 billion.
- Operating margin for the fourth quarter of 2012 is expected to be between 19% and 20%.
- Net income per share for the fourth quarter of 2012 is expected to be between 19 cents and 20 cents.
- The company's operating margin for the fourth quarter of 2012 is expected to be between 19% and 20%.

SMIC is a leading manufacturer of integrated circuits. The company's products are used in a wide range of applications, including consumer electronics, industrial control, and telecommunications. SMIC is committed to providing high-quality products and excellent customer service. The company's financial performance is expected to continue to improve in 2012.

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About SMIC

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Summary of Third Quarter 2012 Operating Results

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

	3Q12	2Q12	QoQ	3Q11	YoY
Operating Income	22	22	2	22	5
Operating Expenses	(2)	(2)	(2)	(2)	(2)
Net Operating Income	20	20	2	20	5
Financial Expenses	(5)	(5)	0	(5)	(5)
Financial Income	2	2	0	2	2
Other Income	2	2	0	2	2
Other Expenses	(2)	(2)	0	(2)	(2)
Income Before Income Taxes	17	17	2	17	5
Income Tax Expense	(2)	(2)	0	(2)	(2)
Net Income	15	15	2	15	5

Note:

- (1) Based on weighted average ordinary shares of 31,983 million (basic) and 31,993 million (diluted) in 3Q12, 28,789 million (basic) and 28,830 million (diluted) in 2Q12, and 27,459 million (basic) and 27,459 million (diluted) in 3Q11.
- (2) Including copper interconnects.
- (3) Based on total equivalent wafers out divided by estimated capacity.

Operating income increased 2% over the prior quarter due to higher sales volume and lower operating expenses. Operating expenses decreased 2% over the prior quarter due to lower depreciation and amortization expenses.

Financial expenses decreased 5% over the prior quarter due to higher interest income. Financial income decreased 2% over the prior quarter due to lower interest income.

Other income decreased 2% over the prior quarter due to lower sales volume. Other expenses decreased 2% over the prior quarter due to lower sales volume.

Income before income taxes increased 2% over the prior quarter due to higher sales volume. Income tax expense decreased 2% over the prior quarter due to lower sales volume.

Net income increased 2% over the prior quarter due to higher sales volume.



Analysis of Revenue

Revenue Analysis			
By Application	3Q12	2Q12	3Q11
Other	5	2	
Other applications			5
Other		5	
By Service Type	3Q12	2Q12	3Q11
Other	5	5	2
By Customer Type	3Q12	2Q12	3Q11
Other conductor			2
Other conductor		2	
By Geography	3Q12	2Q12	3Q11
Other	5	5	5
Other	5	2	
Other	5		
Wafer Revenue Analysis			
By Technology (logic, memory & copper interconnect only)	3Q12	2Q12	3Q11
Other		2	
Other		2	
Other		5	2
Other	5	5	5
Other	2	5	

Note:

- (1) Including 0.13 μm copper interconnects
- (2) Including Hong Kong, but excluding Taiwan
- (3) Excluding China

Capacity*

	3Q12	2Q12
Annual Capacity	5	5
Monthly Capacity	2.5	2.5

Note:

* Wafers per month at the end of the period in 8" equivalent wafers, calculated on a 30-day basis for comparison purposes

- Capacity is based on the number of wafers processed per month at the end of the period in 8" equivalent wafers, calculated on a 30-day basis for comparison purposes. Annual capacity is 5 million wafers per month, and monthly capacity is 2.5 million wafers per month.

Shipment and Utilization

8" equivalent wafers	3Q12	2Q12	QoQ	3Q11	YoY
Annual Capacity	5				

Operating Expense (Income) Analysis

Amounts in US\$ thousands	3Q12	2Q12	QoQ	3Q11	YoY
Operating expenses	52	52	2	5	
and	2	2			5
and	2	2		2	5
and			5		
Operating income	2		5		

- Operating expenses increased 2% from 2Q12 to 3Q12, primarily due to an increase in depreciation and amortization of 2%.
- Operating income increased 5% from 2Q12 to 3Q12, primarily due to an increase in other income of 5%.

Total Other Loss, Net

Amounts in US\$ thousands	3Q12	2Q12	QoQ	3Q11	YoY
Other income			5	22	
and	5	2		5	22
Other loss	5	2		2	52
Net	5	2	5		

- Other income increased 5% from 2Q12 to 3Q12, primarily due to an increase in other income of 5%.
- Other loss decreased 2% from 2Q12 to 3Q12, primarily due to a decrease in other loss of 2%.
- Net other loss decreased 5% from 2Q12 to 3Q12, primarily due to an increase in other income of 5%.

Depreciation and Amortization

- Depreciation and amortization increased 2% from 2Q12 to 3Q12, primarily due to an increase in depreciation of 2%.

Liquidity

Amounts in US\$ thousands	3Q12	2Q12
Accounts payable	2	2
and	2	22
Accounts receivable	2	2
and	2	2
Other	5	5
Accounts payable		2
and		2
Accounts receivable	2	5
and		
Accounts payable		

Capital Structure

Amounts in US\$ thousands	3Q12	2Q12
Equity	2,522	2,222
Debt	2,522	2,222
Non-current debt	2,522	2,222
Current debt	2,522	2,222
Total debt	2,522	2,222
Debt to equity ratio	1.00	1.00

Note:

(1) Including portion of noncontrolling interest.

(2) Total debt divided by equity, total debt including short-term borrowings, current portion of long-term debt and long-term debt.

Cash Flow

Amounts in US\$ thousands	3Q12	2Q12
Net operating activities	2,522	2,222
Net investing activities	2,522	2,222
Net financing activities	2,522	2,222
Change in cash	5,566	4,666
Free cash flow	5,566	4,666

Capex Summary

Capital expenditures

Recent Highlights and Announcements

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Please visit SMIC's website at http://www.smics.com/eng/press/press_releases.php and http://www.smics.com/eng/investors/ir_filings.php for further details regarding the recent announcements.

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BALANCE SHEET
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As of

ASSETS

	September 30, 2012 (Unaudited)	June 30, 2012 (Unaudited)
u n a		
a a n d e u a n	2 5	2
c d e	2 5	22
Accoun c a n o a o a n c o 5 a n d 5 a	2	2 5
n n o	2 2 2 2	2 5 2
a d x n a n d o c u n a	5	2
o a c u n a	1,133,168	1,114,267
a d a n d u	5 5	
a n a n d u n n	2 5	2 5
Ac u d n a n a n	2 55	2 2
o n a		
TOTAL ASSETS	3,978,794	3,974,836

LIABILITIES, NONCONTROLLING INTEREST AND EQUITY

u n a		
Accoun a y		2 2
Acc u d x n a n d o c u n a	5	5 2
o o o n		5
u n o o n o o y n o	2 5 2	2 2

	For the three months ended	
	September 30, 2012 (Unaudited)	June 30, 2012 (Unaudited)
Cash flow from operating activities		
Net income	22	
Change in receivables	2	
Change in inventory		
Change in non-current assets	52	2
Net cash provided by operating activities	119,023	109,425
Cash flow from Investing activities:		
Acquisition of property and equipment		25
Net sale of property and equipment	2	5
Change in non-current liabilities	2	
Change in current assets	25	2
	2	2
Net cash used in investing activities	(128,349)	(126,293)
Financing activities:		
Proceeds from long-term debt	22	
Proceeds from short-term debt	25	25
Proceeds from operations		25
Proceeds from other		2
Proceeds from other		5
Net cash provided by (used in) financing activities	(49,712)	6,999
Change in cash and cash equivalents	2	
NET DECREASE IN CASH AND CASH EQUIVALENTS	(58,909)	(9,947)
CASH AND CASH EQUIVALENTS, beginning of period	290,694	300,641
CASH AND CASH EQUIVALENTS, end of period	231,785	290,694