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SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION

中芯國際集成電路製造有限公司*

(Incorporated in the Cayman Islands with limited liability)

(STOCK CODE: 0981)

SMIC REPORTS RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2010

- **Revenue exceeded our original guidance and was up by 5.6% to \$351.7 million in 1Q10 from \$333.1 million in 4Q09 and up by 140.1% compared to 1Q09.**
- **Gross margins improved to 14.6% in 1Q10 compared to 7.6% in 4Q09 primarily due to an increase in wafer shipments and higher ASP.**
- **Net cash flow from operations has increased to \$153.1 million in 1Q10 from \$89.3 million in 4Q09.**
- **Loss attributable to holders of ordinary shares narrowed to US\$181.9 million in 1Q10, compared to loss of US\$617.7 million in 4Q09.**
- **Fully diluted EPS was (\$0.41) per ADS.**

Set out below is a copy of the full text of the press release by the Company on May 11, 2010, in relation to its results for the three months ended March 31, 2010.

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.

Shanghai, China – May 11, 2010. 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 March 31, 2010.

First Quarter 2010 Highlights:

- Revenue exceeded our original guidance and was up by 5.6% to \$351.7 million in 1Q10 from \$333.1 million in 4Q09 and up by 140.1% compared to 1Q09.
- Gross margins improved to 14.6% in 1Q10 compared to 7.6% in 4Q09 primarily due to an increase in wafer shipments and higher ASP.
- Net cash flow from operations has increased to \$153.1 million in 1Q10 from \$89.3 million in 4Q09.
- Loss attributable to holders of ordinary shares narrowed to US\$181.9 million in 1Q10, compared to loss of US\$617.7 million in 4Q09.
- Fully diluted EPS was (\$0.41) per ADS.

Second Quarter 2010 Guidance:

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

- Revenue is expected to range from 3% to 5% increase.
- Operating expenses excluding foreign exchange differences are expected to range from \$80 million to \$84 million.
- Capital expenditures expected to range from \$150 million to \$200 million.

Commenting on the quarterly results, Dr. David NK Wang, President and Chief Executive Officer of SMIC remarked, "In the first quarter of 2010, our ASP improved due to better product mix, our utilization improved to 92.1%, and our gross margin improved to 14.6%. Regionally, the North America and China continue to account for most of revenues and quarter-over-quarter growth. North America contributed more than half of revenues and 10.2% of growth, and China contributed almost one-fourth of revenues and 17.6% of growth. We saw revenue for our 90-nanometer and below technologies improve by 14.3% and we anticipate steadily improving gross margins."

"The foundry market looks positive. We continue to see uptrend in the second quarter and remain cautiously optimistic about the third and fourth quarters. We will continue our organizational and business enhancements and look forward to updating the investment community regularly. We appreciate your support. Our top priority of sustainable profitability remains unchanged and we will strive to enhance SMIC's fundamentals for further profitable expansion."

This announcement is made pursuant to the disclosure obligations under Rule 13.09(1) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited on May 11, 2010.

Conference Call / Webcast Announcement

Date: Wednesday, May 12, 2010
 Time: 8:30 a.m. Shanghai time
 Dial-in numbers and pass code:

| | | |
|----|----------------|-------------------|
| US | 1-617-614-3672 | (Pass code: SMIC) |
| HK | 852-3002-1672 | (Pass code: SMIC) |

A live webcast of the 2010 first quarter announcement will be available at <http://www.smics.com> under the "Investor Relations" section, or at

URL: <http://phx.corporate-ir.net/playerlink.zhtml?c=176474&s=wm&e=3029260>.

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 45-nanometer. Headquartered in Shanghai, China, SMIC has a 300mm wafer fabrication facility (fab) and three 200mm wafer fabs in its Shanghai mega-fab, two 300mm wafer fabs in its Beijing mega-fab, a 200mm wafer fab in Tianjin, a 200mm fab under construction in Shenzhen, and an in-house assembly and testing facility in Chengdu. SMIC also has customer service and marketing offices in the U.S., Europe, and Japan, and a representative office in Hong Kong. In addition, SMIC manages and operates a 200mm wafer fab in Chengdu owned by Cension Semiconductor Manufacturing Corporation, and a 300mm wafer fab in Wuhan owned by Wuhan Xinxin Semiconductor Manufacturing Corporation.

For more information, please visit 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” 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, the Company continues to see uptrend in the second quarter and remain cautiously optimistic about the second half of 2010; the Company’s goal of sustainable profitability and statements under “Second 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,” “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 cyclicalities 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.

Material Litigation

The Company settled all pending litigation with TSMC on November 9, 2009, including the legal action filed in California for which a verdict was returned by the jury against SMIC on November 4, 2009, with a Settlement Agreement (the “2009 Settlement Agreement”) which replaced the 2005 Settlement Agreement. The 2009 Settlement Agreement resolved all pending lawsuits between the parties and the parties have since dismissed all pending litigation between them. The terms of the 2009 Settlement Agreement include the following:

- 1) Entry of judgment and mutual release of all claims that were or could have been brought in the pending lawsuits;
- 2) Termination of SMIC’s obligation to make remaining payments under the 2005 Settlement Agreement between the parties (approximately US\$40 million);
- 3) Payment to TSMC of an aggregate of US\$200 million (with US\$15 million paid upon execution, funded from SMIC’s existing cash balances, and the remainder to be paid in installments over a period of four years);
- 4) Commitment to grant to TSMC of 1,789,493,218 shares of SMIC (representing approximately 8% of SMIC’s issued share capital as of October 31, 2009) and a warrant exercisable within three years of issuance to subscribe for 695,914,030 shares of SMIC, at a purchase price of HK\$1.30 per share. Both the shares and the warrant would allow TSMC to obtain total

ownership of approximately 10% of SMIC's issued share capital after giving effect to the share issuances and are subject to receipt of required government and regulatory approvals; and

5) Certain remedies in the event of breach of this settlement.

Contingent Liability

In 2008, the Company entered into equipment purchase and cooperative manufacturing arrangements (the "Arrangements") with an unrelated semiconductor manufacturer (the "Counterparty"). Such cooperative manufacturing arrangements ended in 2008 as scheduled. In 2009, the Company received notifications from the Counterparty that the Company was responsible for additional equipment relocation expenses and a portion of the losses incurred during the term of the cooperative manufacturing arrangement. The Company has contested the claims and demanded further information supporting the Counterparty's claims. The Counterparty also filed a demand for dispute arbitration in late 2009 for a portion of the claims. The Company plans to continue its investigations and negotiations with the Counterparty. The total amount of the claims is approximately US\$45 million. The Company recorded its best estimate of the probable amount of its liability on the claims in the consolidated financial statements as of and during the year ended December 31, 2009.

The Company continues to assess contingent liability and maintains its estimate of the probable amount of its liability on the claims in the consolidated financial statements as of the date of this report.

Summary of First Quarter 2010 Operating Results

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

| | 1Q10 | 4Q09 | QoQ | 1Q09 | YoY |
|--|------------------|------------------|---------------|------------------|-------------|
| Revenue | 351,724 | 333,090 | 5.6% | 146,519 | 140.1% |
| Cost of sales | 300,270 | 307,669 | -2.4% | 275,900 | 8.8% |
| Gross profit (loss) | 51,454 | 25,421 | 102.4% | (129,381) | - |
| Operating expenses | 79,496 | 622,244 | -87.2% | 46,681 | 70.3% |
| Loss from operations | (28,042) | (596,823) | -95.3% | (176,062) | -84.1% |
| Other expenses, net | (155,567) | (29,178) | 433.2% | (4,480) | 3372.5% |
| Income tax benefit | 2,374 | 8,735 | -72.8% | 3,305 | -28.2% |
| Net loss after income taxes | (181,235) | (617,266) | -70.6% | (177,238) | 2.3% |
| Loss from equity investment | (455) | (114) | 299.1% | (874) | -47.9% |
| Net loss | (181,690) | (617,380) | -70.6% | (178,111) | 2.0% |
| Accretion of interest to noncontrolling interest | (259) | (274) | -5.5% | (259) | 0.0% |
| Loss attributable to Semiconductor Manufacturing International Corporation | (181,949) | (617,655) | -70.5% | (178,370) | 2.0% |
| Gross margin | 14.6% | 7.6% | | -88.3% | |
| Operating margin | -8.0% | -179.2% | | -120.2% | |
| Net loss per ordinary share (basic) ⁽¹⁾ | (0.01) | (0.03) | | (0.01) | |
| Net loss per ADS (basic) | (0.41) | (1.38) | | (0.40) | |
| Net loss per ordinary share (diluted) ⁽¹⁾ | (0.01) | (0.03) | | (0.01) | |
| Net loss per ADS (diluted) | (0.41) | (1.38) | | (0.40) | |
| Wafers shipped (in 8" wafers) ⁽²⁾ | 455,010 | 436,816 | 4.2% | 168,743 | 169.6% |
| Capacity utilization | 92.1% | 91.5% | | 34.9% | |

Note:

(1) Based on weighted average ordinary shares of 22,397 million (basic) and 22,397 million (diluted) in 1Q10, 22,370 million (basic) and 22,370 million (diluted) in 4Q09 and 22,344 million (basic) and 22,344 million (diluted) in 1Q09

(2) Including copper interconnects

- Revenue increased to \$351.7 million in 1Q10, up 5.6% QoQ from \$333.1 million in 4Q09 due to a 4.2% increase in wafer shipments.
- Cost of sales decreased to \$300.3 million in 1Q10, down 2.4% QoQ from \$307.7 million in 4Q09.
- Gross profit of \$51.5 million in 1Q10, compared to a gross profit of \$25.4 million in 4Q09 and gross loss of \$129.4 million in 1Q09.
- Gross margins improved to 14.6% in 1Q10 from 7.6% in 4Q09 primarily due to an increase in wafer shipments and higher ASP.

- Total operating expenses decreased to \$79.5 million in 1Q10 from \$622.2 million in 4Q09, a decrease of 87.2% QoQ primarily due to a decrease in G&A related expenses, larger impairment loss of long-lived assets, and litigation settlement expenses associated with 4Q09.
- R&D expenses decreased to \$43.6 million in 1Q10, down 0.5% QoQ from \$43.8 million in 4Q09.
- G&A expenses decreased to \$17.6 million in 1Q10 from \$151.5 million in 4Q09 due to decreased legal expenses and bad debt expenses.
- Selling & marketing expenses decreased to \$6.0 million in 1Q10, down 22.1% QoQ from \$7.8 million in 4Q09.

Analysis of Revenues

| Sales Analysis | | | |
|---|-------------|-------------|-------------|
| By Application | 1Q10 | 4Q09 | 1Q09 |
| Computer | 4.3% | 6.2% | 4.2% |
| Communications | 51.5% | 49.0% | 50.9% |
| Consumer | 37.0% | 38.3% | 32.9% |
| Others | 7.2% | 6.5% | 12.0% |
| By Service Type | 1Q10 | 4Q09 | 1Q09 |
| Logic ⁽¹⁾ | 90.3% | 90.2% | 85.3% |
| Memory | 2.7% | 3.4% | 2.8% |
| Mask Making, testing, others | 7.0% | 6.4% | 11.9% |
| By Customer Type | 1Q10 | 4Q09 | 1Q09 |
| Fabless semiconductor companies | 66.4% | 64.4% | 70.9% |
| Integrated device manufacturers (IDM) | 17.0% | 17.4% | 11.4% |
| System companies and others | 16.6% | 18.2% | 17.7% |
| By Geography | 1Q10 | 4Q09 | 1Q09 |
| North America | 58.9% | 56.4% | 60.4% |
| China ⁽²⁾ | 24.4% | 21.9% | 21.4% |
| Eurasia ⁽³⁾ | 16.7% | 21.7% | 18.2% |
| Wafer Revenue Analysis | | | |
| By Technology (logic, memory & copper interconnect only) | 1Q10 | 4Q09 | 1Q09 |
| 0.09μm and below | 20.3% | 18.7% | 8.2% |
| 0.13μm | 35.5% | 39.5% | 30.8% |
| 0.15μm | 1.5% | 2.7% | 0.8% |
| 0.18μm | 24.2% | 22.9% | 31.5% |
| 0.25μm | 0.3% | 0.3% | 0.4% |
| 0.35μm | 18.2% | 15.9% | 28.3% |

Note:

(1) Including 0.13μm copper interconnects

(2) Including Hong Kong

(3) Excluding China

- Shipment comprising 0.09μm and below made up 20.3% of overall wafer revenue in 1Q10 as compared to 18.7% in 4Q09.

Capacity*

| Fab / (Wafer Size) | 1Q10 | 4Q09 |
|--|---------|---------|
| Shanghai Mega Fab (8") | 84,000 | 85,000 |
| Beijing Mega Fab (12") | 46,800 | 42,750 |
| Tianjin Fab (8") | 34,300 | 34,300 |
| Total monthly wafer fabrication capacity | 165,100 | 162,050 |

Note:

* Wafers per month at the end of the period in 8" equivalent wafers

Shipment and Utilization

| 8" equivalent wafers | 1Q10 | 4Q09 | 1Q09 |
|--|---------|---------|---------|
| Wafer shipments including copper interconnects | 455,010 | 436,816 | 168,743 |
| Utilization rate ⁽¹⁾ | 92.1% | 91.5% | 34.9% |

Note:

(1) Capacity utilization based on total wafer out divided by estimated capacity

- Wafer shipments increased 4.2% QoQ to 455,010 units of 8-inch equivalent wafers in 1Q10 from 436,816 units of 8-inch equivalent wafers in 4Q09, and up 169.6% YoY from 168,743 8-inch equivalent wafers in 1Q09.

Detailed Financial Analysis

Gross Profit Analysis

| <i>Amounts in US\$ thousands</i> | 1Q10 | 4Q09 | QoQ | 1Q09 | YoY |
|----------------------------------|-------------|-------------|------------|-------------|------------|
| Cost of sales | 300,270 | 307,669 | -2.4% | 275,900 | 8.8% |
| Depreciation | 143,919 | 142,196 | 1.2% | 158,000 | -8.9% |
| Other manufacturing costs | 155,119 | 162,501 | -4.5% | 111,166 | 39.5% |
| Deferred cost amortization | - | 1,962 | - | 5,886 | - |
| Share-based compensation | 1,232 | 1,010 | 22.0% | 848 | 45.3% |
| Gross profit (loss) | 51,454 | 25,421 | 102.4% | (129,381) | - |
| Gross margin | 14.6% | 7.6% | | -88.3% | |

- Cost of sales decreased to \$300.3 million in 1Q10, down 2.4% QoQ from \$307.7 million in 4Q09.
- Gross profit of \$51.5 million in 1Q10, compared to a gross profit of \$25.4 million in 4Q09 and gross loss of \$129.4 million in 1Q09.
- Gross margins improved to 14.6% in 1Q10 from 7.6% in 4Q09 primarily due to an increase in wafer shipments and higher ASP.

Operating Expense Analysis

| <i>Amounts in US\$ thousands</i> | 1Q10 | 4Q09 | QoQ | 1Q09 | YoY |
|--------------------------------------|-------------|-------------|------------|-------------|------------|
| Total operating expenses | 79,496 | 622,244 | -87.2% | 46,681 | 70.3% |
| Research and development | 43,592 | 43,806 | -0.5% | 18,494 | 135.7% |
| General and administrative | 17,601 | 151,520 | -88.4% | 14,928 | 17.9% |
| Selling and marketing | 6,045 | 7,760 | -22.1% | 4,208 | 43.7% |
| Amortization of intangible assets | 6,886 | 7,641 | -9.9% | 9,031 | -23.7% |
| Loss from disposal of properties | 233 | 3,585 | -93.5% | 20 | 1065.0% |
| Impairment loss of long-lived assets | 5,138 | 138,295 | -96.3% | - | - |
| Litigation settlement | - | 269,637 | - | - | - |

- Total operating expenses decreased to \$79.5 million in 1Q10 from \$622.2 million in 4Q09, a decrease of 87.2% QoQ primarily due to a decrease in G&A related expenses, larger impairment loss of long-lived assets, and litigation settlement expenses associated with 4Q09.
- R&D expenses decreased to \$43.6 million in 1Q10, down 0.5% QoQ from \$43.8 million in 4Q09.
- G&A expenses decreased to \$17.6 million in 1Q10 from \$151.5 million in 4Q09 due to a decrease in legal fees and bad debt expenses.
- Selling & marketing expenses decreased to \$6.0 million in 1Q10, down 22.1% QoQ from \$7.8 million in 4Q09.

Other Income (Expenses)

| <i>Amounts in US\$ thousands</i> | 1Q10 | 4Q09 | QoQ | 1Q09 | YoY |
|---|-------------|-------------|------------|-------------|------------|
| Other income (expenses) | (155,567) | (29,178) | 433.1% | (4,480) | 3372.5% |
| Interest income | 878 | 886 | -0.9% | 436 | 101.2% |
| Interest expense | (7,784) | (2,874) | 170.8% | (5,498) | 41.6% |
| Change in the fair value of commitment to issue shares and warrants | (146,561) | (30,100) | 386.9% | - | - |
| Foreign currency exchange gain (loss) | (3,241) | 1,876 | - | (357) | 807.8% |
| Other, net | 1,141 | 1,033 | 10.5% | 939 | 21.5% |

- Combined with the foreign exchange difference arising from operating activities, the Company recorded an overall foreign exchange loss of \$1.7 million in 1Q10 as compared to a foreign exchange gain of \$3.1 million in 4Q09.
- Other non-operating expenses in 1Q10 included a change in the fair value of the commitment to grant shares and warrants in connection with the litigation settlement in an amount of \$146.6 million.

Depreciation and Amortization

- Total depreciation and amortization in 1Q10 was \$174.7 million compared to \$183.8 million in 4Q09.

Liquidity

| <i>Amounts in US\$ thousands</i> | 1Q10 | 4Q09 |
|-----------------------------------|-------------|-------------|
| Cash and cash equivalents | 523,208 | 443,463 |
| Restricted cash | 29,286 | 20,360 |
| Accounts receivable | 204,983 | 204,290 |
| Inventories | 194,604 | 193,705 |
| Others | 53,687 | 45,240 |
| Total current assets | 1,005,769 | 907,058 |
| Accounts payable | 237,075 | 228,883 |
| Short-term borrowings | 333,795 | 286,864 |
| Current portion of long-term debt | 204,442 | 205,784 |
| Others | 442,538 | 309,992 |
| Total current liabilities | 1,217,850 | 1,031,523 |
| Cash Ratio | 0.4x | 0.4x |
| Quick Ratio | 0.6x | 0.6x |
| Current Ratio | 0.8x | 0.8x |

Capital Structure

| <i>Amounts in US\$ thousands</i> | 1Q10 | 4Q09 |
|------------------------------------|-------------|-------------|
| Cash and cash equivalents | 523,208 | 443,463 |
| Restricted cash | 29,286 | 20,360 |
| Current portion of promissory note | 59,163 | 78,608 |
| Promissory note | 83,913 | 83,325 |
| Short-term borrowings | 333,795 | 286,864 |
| Current portion of long-term debt | 204,442 | 205,784 |
| Long-term debt | 515,876 | 550,653 |
| Total debt | 1,054,113 | 1,043,301 |
| Shareholders' equity | 1,618,038 | 1,796,240 |
| Total debt to equity ratio | 65.1% | 58.1% |

Cash Flow

| <i>Amounts in US\$ thousands</i> | 1Q10 | 4Q09 |
|------------------------------------|-------------|-------------|
| Net cash from operating activities | 153,094 | 89,297 |
| Net cash from investing activities | (64,323) | (37,804) |
| Net cash from financing activities | (8,762) | (60,937) |
| Net change in cash | 79,745 | (9,822) |

Capex Summary

Capital expenditures for 1Q10 were \$64 million.

Recent Highlights and Announcements

- 2009 Annual Report (2010-04-29)
- Circular - (1) Notice of AGM (2) Re-Election of Directors (3) Proposed General Mandates to Issue and Repurchase Shares (4) Proposed Special Mandate for Increasing The Limit On The Grant Of Equity Awards under The 2004 Equity Incentive Plan (5) Proposed Amendments To The 2004 Equity Incentive Plan (2010-04-29)
- Notification Letter and Change Request Form (2010-04-29)
- Notice of Annual General Meeting (2010-04-29)
- Notification of Board Meeting (2010-04-28)
- Announcement of 2009 Annual Results (2010-04-26)
- SMIC Issues Updates on First Quarter 2010 Financial Results and 2009 Annual Results (2010-04-19)
- Notification of Approval of the publication of 2009 Annual Results by the Board (2010-04-13)
- Price Sensitive Information - SMIC 45LL Technology Has Successfully Completed Process Qualification and SRAM Product Qualification (2010-03-30)
- Grant of Option (2010-02-24)
- GalaxyCore Announces New Milestone: Shipment Of 100K 8" Wafers Using SMIC's CMOS Image Sensor Process (2010-02-12)
- Clarification Announcement (2010-02-09)
- SMIC Reports Results For The Three Months Ended December 31, 2009 (2010-02-09)
- Appointment of Chief Business Officer, Chief Operating Officer and Chief Financial Officer (2010-02-09)
- SMIC And SHHIC In Commercial Production Of 0.162um Embedded EEPROM (2010-02-02)
- Notification of Board Meeting (2010-01-25)

Please visit SMIC's website at http://www.smics.com/website/enVersion/Press_Center/newsRelease.ftl for further details regarding the recent announcements.

Semiconductor Manufacturing International Corporation
CONSOLIDATED BALANCE SHEET
(In US dollars, except share data)

| | As of | |
|---|-------------------------------|----------------------------------|
| | March 31, 2010 (Unaudited) | December 31, 2009 (Unaudited) |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | 523,207,927 | 443,462,514 |
| Restricted cash | 29,286,422 | 20,360,185 |
| Accounts receivable, net of allowances of \$96,111,136 and \$96,144,543 at March 31, 2010 and December 31, 2009, respectively | 204,982,678 | 204,290,545 |
| Inventories | 194,604,324 | 193,705,195 |
| Prepaid expense and other current assets | 32,269,099 | 28,881,867 |
| Assets held for sale | 13,244,958 | 8,184,462 |
| Current portion of deferred tax assets | 8,173,216 | 8,173,216 |
| Total current assets | 1,005,768,624 | 907,057,984 |
| Prepaid land use rights | 77,550,315 | 78,111,788 |
| Plant and equipment, net | 2,129,575,807 | 2,251,614,217 |
| Acquired intangible assets, net | 177,109,741 | 182,694,105 |
| Equity investment | 9,392,886 | 9,848,148 |
| Other long-term prepayments | 214,588 | 391,741 |
| Deferred tax assets | 98,651,547 | 94,358,635 |
| TOTAL ASSETS | 3,498,263,508 | 3,524,076,618 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | 237,075,087 | 228,882,804 |
| Accrued expenses and other current liabilities | 116,494,349 | 111,086,991 |
| Short-term borrowings | 333,794,887 | 286,864,063 |
| Current portion of promissory notes | 59,163,022 | 78,608,288 |
| Current portion of long-term debt | 204,442,433 | 205,784,080 |
| Commitment to issue shares and warrants relating to litigation settlement | 266,798,990 | 120,237,773 |
| Income tax payable | 81,310 | 58,573 |
| Total current liabilities | 1,217,850,078 | 1,031,522,572 |
| Long-term liabilities: | | |
| Non-current portion of promissory notes | 83,912,660 | 83,324,641 |
| Long-term debt | 515,875,782 | 550,653,099 |
| Long-term payables relating to license agreements | 4,837,526 | 4,779,562 |
| Other long-term liabilities | 21,647,675 | 21,679,690 |
| Deferred tax liabilities | 1,001,293 | 1,035,164 |
| Total long-term liabilities | 627,274,936 | 661,472,156 |
| Total liabilities | 1,845,125,014 | 1,692,994,728 |
| Noncontrolling interest | 35,100,411 | 34,841,507 |
| Stockholders' equity: | | |
| Ordinary shares, \$0.0004 par value, 50,000,000,000 shares authorized, 22,420,895,812 and 22,375,886,604 shares issued and outstanding at March 31, 2010 and December 31, 2009, respectively | 8,968,359 | 8,950,355 |

Semiconductor Manufacturing International Corporation
CONSOLIDATED BALANCE SHEET
(In US dollars, except share data)

| | | |
|--|----------------------|----------------------|
| Additional paid-in capital | 3,503,714,048 | 3,499,723,153 |
| Accumulated other comprehensive loss | (648,316) | (386,163) |
| Accumulated deficit | (1,893,996,008) | (1,712,046,962) |
| Total stockholders' equity | <u>1,618,038,083</u> | <u>1,796,240,383</u> |
| TOTAL LIABILITIES, NONCONTROLLING INTEREST AND STOCKHOLDERS' EQUITY | <u>3,498,263,508</u> | <u>3,524,076,618</u> |

Semiconductor Manufacturing International Corporation
CONSOLIDATED STATEMENT OF OPERATIONS
(In US dollars, except share data)

| | For the three months ended | |
|---|-----------------------------------|--------------------------|
| | March 31, 2010 | December 31, 2009 |
| | (Unaudited) | (Unaudited) |
| Sales | 351,724,012 | 333,089,885 |
| Cost of sales | 300,270,177 | 307,668,812 |
| Gross profit | 51,453,835 | 25,421,073 |
| Operating expenses: | | |
| Research and development | 43,592,355 | 43,805,597 |
| General and administrative | 17,601,140 | 151,519,965 |
| Selling and marketing | 6,045,489 | 7,759,965 |
| Amortization of acquired intangible assets | 6,885,746 | 7,640,689 |
| Impairment loss of long-lived assets | 5,137,925 | 138,294,783 |
| Loss from sale of equipment and other fixed assets | 233,053 | 3,585,371 |
| Litigation settlement | - | 269,637,431 |
| Total operating expenses, net | 79,495,708 | 622,243,801 |
| Loss from operations | (28,041,873) | (596,822,728) |
| Other income (expense): | | |
| Interest income | 877,711 | 886,374 |
| Interest expense | (7,783,555) | (2,873,955) |
| Change in the fair value of commitment to issue shares and warrants | (146,561,217) | (30,100,793) |
| Foreign currency exchange gain (loss) | (3,241,001) | 1,876,327 |
| Other, net | 1,140,502 | 1,033,481 |
| Total other expense, net | (155,567,560) | (29,178,566) |
| Loss before income tax | (183,609,433) | (626,001,294) |
| Income tax benefit | 2,374,552 | 8,735,242 |
| Loss from equity investment | (455,261) | (114,272) |
| Net loss | (181,690,142) | (617,380,324) |
| Accretion of interest to noncontrolling interest | (258,904) | (274,320) |
| Loss attributable to Semiconductor Manufacturing International Corporation | (181,949,046) | (617,654,644) |
| Net loss per share attributable to Semiconductor Manufacturing International Corporation ordinary shareholders, basic and diluted | (0.01) | (0.03) |
| Net loss per ADS attributable to Semiconductor Manufacturing International Corporation ordinary shareholders, basic and diluted | (0.41) | (1.38) |
| Shares used in calculating basic and diluted loss per share | 22,396,835,456 | 22,370,036,361 |

Semiconductor Manufacturing International Corporation
CONSOLIDATED STATEMENT OF CASH FLOWS
(In US dollars)

| | For the three months ended | |
|---|---|--|
| | March 31, 2010 (Unaudited) | December 31, 2009 (Unaudited) |
| Operating activities | | |
| Net loss | (181,690,142) | (617,380,324) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Deferred tax | (4,326,783) | (8,786,497) |
| Loss from sale of equipment and other fixed assets | 233,053 | 3,585,371 |
| Depreciation and amortization | 164,246,614 | 173,502,837 |
| Amortization of acquired intangible assets | 6,885,746 | 7,640,689 |
| Share-based compensation | 3,583,507 | 2,620,497 |
| Non-cash interest expense on promissory note and long-term payable relating to license agreements | 1,129,497 | 1,068,177 |
| Loss from equity investment | 455,261 | 114,272 |
| Impairment loss of long-lived assets | 5,137,925 | 138,294,783 |
| Litigation settlement (noncash portion) | - | 239,637,431 |
| Change in the fair value of commitment to issue shares and warrants | 146,561,217 | 30,100,793 |
| Allowance for doubtful accounts | (33,407) | 110,755,616 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable, net | (658,725) | (22,556,104) |
| Inventories | (899,129) | (6,865,736) |
| Prepaid expense and other current assets | (3,210,079) | 29,771,367 |
| Accounts payable | 8,714,410 | 4,697,376 |
| Accrued expenses and other current liabilities | 6,973,898 | (8,654,694) |
| Income tax payable | 22,737 | (3,928,422) |
| Other long term liabilities | (32,015) | 15,679,690 |
| Net cash provided by operating activities | 153,093,585 | 89,297,122 |
| Investing activities: | | |
| Purchase of plant and equipment and land use right | (72,950,296) | (49,052,074) |
| Proceeds from government subsidy to purchase plant and equipment | 23,884,935 | 13,450,232 |
| Proceeds from sale of equipment | 5,045,012 | 1,427,816 |
| Proceeds received from sale of assets held for sale | 1,286,854 | 737,986 |
| Purchases of acquired intangible assets | (12,663,539) | (10,189,252) |
| Purchase of short-term investments | (2,668,692) | (6,802,116) |
| Sale of short-term investments | 2,668,692 | 12,912,347 |
| Changes in restricted cash | (8,926,238) | (289,409) |
| Net cash used in investing activities | (64,323,272) | (37,804,470) |
| Financing activities: | | |
| Proceeds from short-term borrowing | 171,264,418 | 175,741,829 |
| Repayment of short-term borrowings | (124,333,593) | (170,120,268) |

Semiconductor Manufacturing International Corporation
CONSOLIDATED STATEMENT OF CASH FLOWS
(In US dollars)

| | | |
|---|--------------------|---------------------|
| Proceeds from long-term debt | 10,000,000 | 49,195,984 |
| Repayment of long-term debt | (46,118,964) | (115,850,696) |
| Repayment of promissory notes | (20,000,000) | - |
| Proceeds from exercise of employee stock options | 425,392 | 96,012 |
| Net cash used in financing activities | (8,762,747) | (60,937,139) |
| Effect of exchange rate changes | (262,153) | (377,869) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 79,745,413 | (9,822,356) |
| CASH AND CASH EQUIVALENTS, beginning of period | 443,462,514 | 453,284,870 |
| CASH AND CASH EQUIVALENTS, end of period | 523,207,927 | 443,462,514 |

As at the date of this announcement, the directors of the Company are Jiang Shang Zhou as Chairman of the Board of Directors and Independent Non-Executive Director of the Company; Dr. David N. K. Wang as President, Chief Executive Officer and Executive Director; Chen Shanzhi, Gao Yonggang and Zhou Jie (Wang Zheng Gang as alternate director to Zhou Jie) as Non-Executive Directors of the Company; and Tsuyoshi Kawanishi and Lip-Bu Tan as the other Independent Non-Executive Directors of the Company.

By order of the Board
Semiconductor Manufacturing International Corporation*
Dr. David N. K. Wang
President, Chief Executive Officer
Executive Director

Shanghai, PRC
May 11, 2010

* For identification only