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SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION

(Incorporated in the Cayman Islands with limited liability)

(STOCK CODE: 0981)

SMIC REPORTS RESULTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011

- **Revenue down by 12.9% to \$306.9 million in 3Q11 from \$352.4 million in 2Q11 and down by 24% compared to 3Q10.**
- **Gross margin was 1.4% in 3Q11 compared to 14.3% in 2Q11 primarily due to lower utilization.**
- **Net cash flow from operations increased to \$160.9 million in 3Q11 from \$79.4 million in 2Q11 mainly due to receipt of government subsidy.**
- **Loss attributable to Semiconductor manufacturing International Corporation was \$ 88.1 million in 3Q11, compared to loss of \$3.8 million in 2Q11.**
- **Diluted EPS was \$(0.16) per ADS.**

Set out below is a copy of the full text of the press release by the Company on November 7, 2011, in relation to its results for the three months ended September 30, 2011.

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 –November 7, 2011. 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 September 30, 2011.

Fourth Quarter 2011 Guidance:

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

- Revenue is expected to decline between -5% to -8%.
- Gross margin is expected to range from -3% to -6%.
- Operating expenses excluding foreign exchange differences are expected to range from \$89 million to \$ 92 million.

Dr. Tzu-Yin Chiu, Chief Executive Officer commented, “The third and fourth quarters are very weak in terms of the foundry business cycle; we believe this is mainly due to global economic uncertainties and industry-wide inventory adjustments.”

“We will continue our technology advancement, and pursue value added differentiation by focusing on markets best addressed by our positioning in China. We are now in the process of researching and analyzing methods for differentiation, as well as identifying markets, especially in China, that are best suited for SMIC.”

“We have accomplished stabilization and continue to strengthen execution. Given the current business conditions, we recognize the challenges ahead and will continue working to increase fab loading and speed up technology development and differentiation, aiming for sustainable profitable growth for the long-term.”

Conference Call / Webcast Announcement

Date: November 8, 2011

Time: 8:30 a.m. Shanghai time

Dial-in numbers and pass code:

US 1-866-519-4004 (Pass code: SMIC)

International 65-6723-9381 (Pass code: SMIC)

HK 800-930-346 (Pass code: SMIC)

A live webcast of the 2011 third quarter announcement will be available at <http://www.smics.com> under the “Investor Relations” section, or at URL: <http://www.media-server.com/m/p/r826wkjz>

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 40-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, and a 200mm fab under construction in Shenzhen. SMIC also has customer service and marketing offices in the U.S., Europe, Japan, and Taiwan, and a representative office in Hong Kong. In addition, SMIC manages and operates a 300mm wafer fab in Wuhan owned by Wuhan Xinxin Semiconductor Manufacturing Corporation.

For more information, please visit

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 under “Fourth Quarter 2011 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 28, 2011, 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.

Summary of Third Quarter 2011 Operating Results

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

| | 3Q11 | 2Q11 | QoQ | 3Q10 | YoY |
|---|-------------|-------------|------------|-------------|------------|
| Sales, net | 306,890 | 352,389 | -12.9% | 403,786 | -24.0% |
| Cost of sales | 302,667 | 302,116 | 0.2% | 303,447 | -0.3% |
| Gross profit | 4,223 | 50,273 | -91.6% | 100,339 | -95.8% |
| Operating expenses | 79,987 | 50,382 | 58.8% | 79,524 | 0.6% |
| Income (Loss) from operations | (75,764) | (109) | — | 20,815 | — |
| Other income [£] expense [£] , net | (223) | 531 | — | 13,215 | — |
| Income tax (expenses) benefit | (12,470) | (5,121) | 143.5% | (3,634) | 243.1% |
| Net income (loss) after income taxes | (88,457) | (4,699) | 1,782.5% | 30,396 | |
| Gain from equity investment | 601 | 1,078 | -44.2% | 295 | 103.7% |
| Income from discontinued operations net of tax effect ⁽¹⁾ | — | — | — | 16 | — |
| Net income (loss) | (87,856) | (3,621) | 2,326.3% | 30,707 | — |
| Accretion of interest to noncontrolling interest | (217) | (151) | 43.7% | (265) | -18.1% |
| Income (loss) attributable to Semiconductor Manufacturing International Corporation | (88,073) | (3,772) | 2,234.9% | 30,442 | — |
| Gross margin | 1.4% | 14.3% | — | 24.8% | — |
| Operating margin | -24.7% | -0.03% | — | 5.2% | — |
| Loss per ordinary share (basic and diluted) ⁽²⁾ | (0.00) | (0.00) | — | 0.00 | — |
| Loss per ADS (basic and diluted) | (0.16) | (0.01) | — | 0.06 | — |
| Wafers shipped (in 8" wafers) ⁽³⁾ | 406,715 | 451,552 | -9.9% | 516,792 | -21.3% |
| Capacity utilization ⁽⁴⁾ | 61.0% | 73.3% | -12.3% | 101.4% | -40.4% |

Note:

(1) On March 1, 2011, the Company deconsolidated Semiconductor Manufacturing International (AT) Corporation ("AT") as its majority ownership interest was reduced to 10%. Both the results of operations of AT prior to deconsolidation and a gain on deconsolidation were reported as income (loss) from discontinued operations.

(2) Based on weighted average ordinary shares of 27,459 million (basic) and 27,459 million (diluted) in 3Q11, 27,431 million (basic) and 27,431 million (diluted) in 2Q11, and 25,567 million (basic) and 25,747 million (diluted) in 3Q10.

(3) Including copper interconnects

(4) Effective 3Q 2011, capacity utilization rate is reported based on actual equipment usage in manufacturing process. Utilization rate for previous quarters have been updated accordingly for comparison purpose. In prior quarters utilization had been reported based on total wafer out divided by estimated capacity.

- Revenue decreased to \$306.9 million in 3Q11, down 12.9% QoQ from \$352.4 million in 2Q11 due to a 9.9% decrease in wafer shipments.
- Cost of sales increased to \$302.7 million in 3Q11, an increase of 0.2% QoQ from \$302.1 million in 2Q11 primarily due to higher depreciation expense.
- Gross profit of \$4.2 million in 3Q11, compared to a gross profit of \$50.3 million in 2Q11 and gross profit of \$100.3 million in 3Q10.
- Gross margin was 1.4% in 3Q11, down from 14.3% in 2Q11 primarily due to lower utilization.
- R&D expenses of \$51.5 million in 3Q11, showing little fluctuation compared to \$51.5 million in 2Q11.
- G&A expense was \$21.9 million in 3Q11. Comparing with -\$8.9 million in 2Q11, the fluctuation was mainly due to a recovery from bad debt in 2Q11 .
- Selling & marketing expenses was \$7.4 million in 3Q11 showing little fluctuation, compared to \$8.1 million in 2Q11.

Analysis of Revenues

Sales Analysis

| By Application | 3Q11 | 2Q11 | 3Q10 |
|------------------------|-------------|-------------|-------------|
| Computer | 3.1% | 4.0% | 3.6% |
| Communications | 41.7% | 37.7% | 46.5% |
| Consumer | 45.8% | 49.4% | 41.8% |
| Others | 9.4% | 8.9% | 8.1% |
| By Service Type | 3Q11 | 2Q11 | 3Q10 |

| | | | |
|---|-------------|-------------|-------------|
| Logic ⁽¹⁾ | 93.8% | 92.6% | 91.6% |
| Memory | — | — | 1.1% |
| Mask Making, testing, others | 6.2% | 7.4% | 7.3% |
| By Customer Type | 3Q11 | 2Q11 | 3Q10 |
| Fabless semiconductor companies | 82.2% | 77.9% | 75.7% |
| Integrated device manufacturers (IDM) | 14.1% | 16.8% | 15.2% |
| System companies and others | 3.7% | 5.3% | 9.1% |
| By Geography | 3Q11 | 2Q11 | 3Q10 |
| North America | 55.7% | 57.6% | 52.6% |
| China ⁽²⁾ | 30.7% | 30.1% | 31.8% |
| Eurasia ⁽³⁾ | 13.6% | 12.3% | 15.6% |
| Wafer Revenue Analysis | | | |
| By Technology (logic, memory & copper interconnect only) | | | |
| | 3Q11 | 2Q11 | 3Q10 |
| 65nm | 19.9% | 20.7% | 7.1% |
| 90nm | 10.0% | 7.7% | 16.2% |
| 0.13mm | 20.8% | 22.8% | 33.0% |
| 0.15mm | 2.0% | 2.5% | 2.3% |
| 0.18mm | 35.4% | 31.5% | 25.6% |
| 0.25mm | 0.4% | 0.4% | 0.5% |
| 0.35mm | 11.5% | 14.4% | 15.3% |

Note:

(1) Including 0.13mm copper interconnects

(2) Including Hong Kong

(3) Excluding China

Capacity*

| | | |
|------------------------|-------------|-------------|
| Fab / (Wafer Size) | 3Q11 | 2Q11 |
| Shanghai Mega Fab (8") | 90,000 | 90,000 |
| Beijing Mega Fab (12") | 65,540 | 65,540 |

| | | |
|---|----------------|----------------|
| Tianjin Fab (8") | 37,750 | 34,250 |
| <u>Total monthly wafer fabrication capacity</u> | <u>193,290</u> | <u>189,790</u> |

Note:

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

Shipment and Utilization

| 8" equivalent wafers | 3Q11 | 2Q11 | 3Q10 |
|--|--------------|--------------|---------------|
| Wafer shipments including copper interconnects | 406,715 | 451,552 | 516,792 |
| <u>Utilization rate⁽¹⁾</u> | <u>61.0%</u> | <u>73.3%</u> | <u>101.2%</u> |

Note:

(1) Effective 3Q 2011, capacity utilization rate is reported based on actual equipment usage in manufacturing process. Utilization rate for previous quarters have been updated accordingly for comparison purpose. In prior quarters utilization had been reported based on total wafer out divided by estimated capacity.

- Wafer shipments decreased 9.9% QoQ to 406,715 units of 8-inch equivalent wafers in 3Q11 from 451,552 units of 8-inch equivalent wafers in 2Q11, and decreased 21.3% YoY from 516,792 units of 8-inch equivalent wafers in 3Q10.

Detailed Financial Analysis

Gross Profit Analysis

| <i>Amounts in US\$ thousands</i> | 3Q11 | 2Q11 | QoQ | 3Q10 | YoY |
|----------------------------------|-------------|---------------|------------|--------------|------------|
| Cost of sales | 302,667 | 302,116 | 0.2% | 303,447 | -0.3% |
| Depreciation | 103,375 | 101,593 | 1.8% | 114,876 | -10.0% |
| Other manufacturing costs | 199,007 | 199,887 | -0.4% | 188,573 | 5.5% |
| Share-based compensation | 285 | 636 | -55.2% | (2) | — |
| Gross profit | 4,223 | 50,273 | -91.6% | 100,339 | -95.8% |
| <u>Gross margin</u> | <u>1.4%</u> | <u>14.30%</u> | | <u>24.8%</u> | |

- Cost of sales increased to \$302.7 million in 3Q11, an increase of 0.2% QoQ from \$302.1 million in 2Q11 primarily due to higher depreciation expense and lower utilization rate.

- Gross profit of \$4.2 million in 3Q11, compared to a gross profit of \$50.3 million in 2Q11 and gross profit of \$100.3 million in 3Q10 due to a 9.9% decrease in wafer shipments and a 0.2% increase in cost of sales.
- Gross margin was 1.4% in 3Q11 down from 14.3% in 2Q11.

Operating Expense (income) Analysis

| <i>Amounts in US\$ thousands</i> | 3Q11 | 2Q11 | QoQ | 3Q10 | YoY |
|-----------------------------------|-------------|-------------|------------|-------------|------------|
| Total operating expenses | 79,987 | 50,382 | 58.8% | 79,524 | 0.6% |
| Research and development | 51,479 | 51,501 | -0.0% | 47,396 | 8.6% |
| General and administrative | 21,903 | (8,933) | — | 16,294 | 34.4% |
| Selling and marketing | 7,398 | 8,139 | -9.1% | 7,692 | -3.8% |
| Others operating expense (income) | (793) | (325) | — | 8,142 | — |

- R&D expenses was \$51.5 million in 3Q11 showing little fluctuation, compared to \$51.5 million in 2Q11.
- G&A expense was \$21.9 million in 3Q11. Comparing with -\$8.9 million in 2Q11, the fluctuation was mainly due to a recovery from bad debt in 2Q11 .
- Selling & marketing expenses was \$7.4 million in 3Q11 showing little fluctuation, compared to \$8.1 million in 2Q11.

Other Income (Expenses)_

| <i>Amounts in US\$ thousands</i> | 3Q11 | 2Q11 | QoQ | 3Q10 | YoY |
|---|-------------|-------------|------------|-------------|------------|
| Other income (expenses) | (223) | 531 | - | 13,215 | — |
| Interest income | 1,039 | 1,152 | -9.8% | 1,016 | 2.3% |
| Interest expense | (5,106) | (5,884) | -13.2% | (6,753) | -24.4% |
| Change in the fair value of commitment to issue shares and warrants | - | - | - | 10,793 | — |
| Foreign currency exchange (loss) gain | 2,977 | 3,828 | -22.2% | 1,526 | 95.1% |
| Other, net | 867 | 1,435 | -39.6% | 6,633 | -86.9% |

Depreciation and Amortization

Depreciation and amortization in 3Q11 was \$ 140.6 million compared to \$133.5 million in 2Q11.

Liquidity

| <i>Amounts in US\$ thousands</i> | 3Q11 | 2Q11 |
|-----------------------------------|-------------|-------------|
| Cash and cash equivalents | 315,690 | 410,912 |
| Restricted cash | 210,083 | 184,808 |
| Accounts receivable | 165,911 | 236,738 |
| Inventories | 207,961 | 196,876 |
| Others | 232,440 | 212,447 |
| Total current assets | 1,132,085 | 1,241,781 |
| Accounts payable | 338,305 | 448,321 |
| Short-term borrowings | 570,466 | 712,423 |
| Current portion of long-term debt | 297,433 | 251,486 |
| Others | 173,129 | 168,815 |
| Total current liabilities | 1,379,333 | 1,581,045 |
| Cash Ratio | 0.2x | 0.3x |
| Quick Ratio | 0.5x | 0.5x |
| Current Ratio | 0.8x | 0.8x |

Capital Structure

| <i>Amounts in US\$ thousands</i> | 3Q11 | 2Q11 |
|---|-------------|-------------|
| Cash and cash equivalents | 315,690 | 410,912 |
| Restricted cash | 210,083 | 184,808 |
| Current portion of promissory notes | 29,582 | 29,375 |
| Non-current portion of promissory notes | 42,842 | 42,541 |
| Short-term borrowings | 570,466 | 712,423 |
| Current portion of long-term debt | 297,433 | 251,486 |
| Long-term debt | 153,163 | 182,122 |
| Total debt | 1,021,062 | 1,146,031 |
| Equity ⁽¹⁾ | 2,405,947 | 2,434,598 |
| Total debt to equity ratio | 42.4% | 47.1% |

Note:

(1) Including portion of noncontrolling interest.

Cash Flow

| <i>Amounts in US\$ thousands</i> | 3Q11 | 2Q11 |
|------------------------------------|-----------------|---------------|
| Net cash from operating activities | 160,885 | 79,371 |
| Net cash from investing activities | (190,376) | (356,711) |
| Net cash from financing activities | (65,869) | 294,125 |
| Effect of exchange rate changes | 138 | 65 |
| Net change in cash | <u>(95,222)</u> | <u>16,850</u> |

Capex Summary

- Capital expenditures for 3Q11 were \$92.3 million.

Recent Highlights and Announcements

- Appointment of Member of Audit Committee (2011-09-23)
- Closing of the Datang Further Subscription (2011-09-19)
- Clarification Announcement — Announcement of Unaudited Interim Results for the Six Months Ended June 30, 2011 (2011-09-19)
- Grant of Options (2011-09-09)
- 2011 Interim Report (2011-09-05)
- SMIC 2011 Technology Symposium Held in Shanghai (2011-09-02)
- Announcement of Unaudited Interim Results for the Six Months Ended June 30, 2011 (2011-08-29)
- Appointment of Independent Non-executive Director (2011-08-23)
- Notification of Board Meeting (2011-08-17)
- Resignation of Chief Operating Officer (2011-08-15)
- SMIC Reports 2011 Second Quarter Results (2011-08-10)
- SMIC Reports Results for the Three Months Ended June 30, 2011 (2011-08-10)
- Further Information on Change in Directorate; Appointment of Chairman; Resignation of Director and Independent Non-executive Director; Resignation of CEO; Appointment of Acting CEO and Authorised Representative; Clarification Announcement; Resumption of Trading and Appointment of CEO and Executive Director (2011-08-10)

Ÿ SMIC Appoints Dr. Tzu-Yin Chiu as CEO and Executive Director (2011-08-08)
 Ÿ Appointment of Chief Executive Officer and Executive Director (2011-08-05)
 Ÿ Notification of Board Meeting (2011-07-22)
 Ÿ Letter to shareholders from the new Chairman (2011-07-18)
 Ÿ Zhang Wenyi Appointed SMIC's Chairman, Executive Director, and Acting CEO (2011-07-18)
 Ÿ Appointment of Chairman; Resignation of Director and Independent Non-Executive Director;
 Resignation of Chief Executive Officer; Appointment of Acting Chief Executive Officer and Authorised Representative; Clarification Announcement; Resumption of Trading (2011-07-15)

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

For the three months ended

| | September 30, 2011 | June 30, 2011 |
|---|---------------------------|----------------------|
| | (Unaudited) | (Unaudited) |
| Sales , net | 306,890 | 352,389 |
| Cost of sales | 302,667 | 302,116 |
| Gross profit | 4,223 | 50,273 |
| Operating expenses (income): | | |
| Research and development | 51,479 | 51,501 |
| General and administrative | 21,903 | (8,933) |
| Selling and marketing | 7,398 | 8,139 |
| Other operating income | (793) | (325) |
| Total operating expenses, net | 79,987 | 50,382 |
| Loss from operations | (75,764) | (109) |
| Total other income (loss), net | (223) | 531 |
| Income (loss) before income tax and equity investment | (75,987) | 422 |
| Income tax expense | (12,470) | (5,121) |
| Gain from equity investment | 601 | 1,078 |
| Net loss | (87,856) | (3,621) |

| | | |
|---|-----------------------|-----------------------|
| Accretion of interest to noncontrolling interest | (217) | (151) |
| Loss attributable to Semiconductor Manufacturing International Corporation | <u>(88,073)</u> | <u>(3,772)</u> |
| Loss per share attributable to Semiconductor Manufacturing International Corporation ordinary shareholders, basic and diluted | (0.00) | (0.00) |
| Loss per ADS attributable to Semiconductor Manufacturing International Corporation ordinary ADS holders, basic and diluted | (0.16) | (0.01) |
| Shares used in calculating basic loss per share | 27,459,177,487 | <u>27,431,406,349</u> |
| Shares used in calculating diluted loss per share | <u>27,459,177,487</u> | <u>27,431,406,349</u> |

As of

| | September 30, 2011 (Unaudited) | June 30, 2011 (Unaudited) |
|---|-----------------------------------|------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | 315,690 | 410,912 |
| Restricted cash | 210,083 | 184,808 |
| Accounts receivable, net of allowances of \$44,524 and \$43,194 at September 30, 2011 and June 30, 2011, respectively | 165,911 | 236,738 |
| Inventories | 207,961 | 196,876 |
| Prepaid expense and other current assets | 232,440 | 212,447 |
| Total current assets | <u>1,132,085</u> | <u>1,241,781</u> |
| Prepaid land use rights | 77,616 | 78,002 |
| Plant and equipment, net | 2,619,448 | 2,665,092 |
| Acquired intangible assets, net | 185,016 | 187,826 |
| Other long-term assets | 120,194 | 132,093 |
| TOTAL ASSETS | <u>4,134,359</u> | <u>4,304,794</u> |

LIABILITIES AND EQUITY

Current liabilities:

| | | |
|--|------------------|------------------|
| Accounts payable | 338,305 | 448,321 |
| Accrued expenses and other current liabilities | 143,547 | 139,440 |
| Short-term borrowings | 570,466 | 712,423 |
| Current portion of promissory notes | 29,582 | 29,375 |
| Current portion of long-term debt | 297,433 | 251,486 |
| Total current liabilities | <u>1,379,333</u> | <u>1,581,045</u> |

Long-term liabilities:

| | | |
|-----------------------------|----------------|----------------|
| Promissory notes | 42,842 | 42,541 |
| Long-term debt | 153,163 | 182,122 |
| Other long-term liabilities | 150,302 | 61,940 |
| Total long-term liabilities | <u>346,307</u> | <u>286,603</u> |

| | | |
|-------------------|------------------|------------------|
| Total liabilities | <u>1,725,640</u> | <u>1,867,648</u> |
|-------------------|------------------|------------------|

| | | |
|-------------------------|-------|-------|
| Noncontrolling interest | 3,818 | 3,602 |
|-------------------------|-------|-------|

| | | |
|--|--------|--------|
| Ordinary shares, \$0.0004 par value, 50,000,000,000 shares authorized, 27,465,082,687 and 27,454,995,323 shares issued and outstanding at September 30, 2011 and June 30, 2011, respectively | 10,986 | 10,982 |
|--|--------|--------|

| | | |
|--|-----|-----|
| Convertible preferred shares, \$0.0004 par value, 5,000,000,000 shares authorized, 445,545,911 and 360,589,053 shares issued and outstanding at September 30, 2011 and June 30, 2011, respectively | 178 | 144 |
|--|-----|-----|

| | | |
|--------------------------------------|------------------|------------------|
| Additional paid-in capital | 4,174,848 | 4,115,595 |
| Accumulated other comprehensive loss | (554) | (692) |
| Accumulated deficit | (1,780,557) | (1,692,485) |
| Total equity | <u>2,404,901</u> | <u>2,433,544</u> |

TOTAL LIABILITIES,**NONCONTROLLING INTEREST AND****EQUITY**

| | |
|------------------|------------------|
| <u>4,134,359</u> | <u>4,304,794</u> |
|------------------|------------------|

| | For the three months ended | |
|---|-----------------------------------|-------------------------|
| | September 30, 2011 | June 30, 2011 |
| | (Unaudited) | (Unaudited) |
| Cash flow from operating activities | | |
| Net loss | (87,856) | (3,621) |
| Depreciation and amortization | 140,646 | 133,499 |
| Gain from equity investment | (601) | (1,078) |
| Changes in working capital and others | <u>108,696</u> | <u>(49,429)</u> |
| Net cash provided by operating activities | <u>160,885</u> | <u>79,371</u> |
| Cash flow from Investing activities: | | |
| Acquisitions of: | | |
| Property, plant and equipment | (183,266) | (284,925) |
| Intangible assets | (7,764) | (10,830) |
| Short-term investments | (38,275) | (6,558) |
| Changes in restricted cash relating to investing activities | 36,623 | (57,915) |
| Others | <u>2,306</u> | <u>3,517</u> |
| Net cash used in investing activities | <u>(190,376)</u> | <u>(356,711)</u> |
| Financing activities: | | |
| Increase (Decrease) in short-term borrowings | (141,958) | 84,241 |
| Increase (Decrease) in long-term debt | 16,988 | (27,132) |
| Repayment of promissory notes | — | (15,000) |
| Proceeds from issuance of convertible preferred shares | 58,901 | 249,396 |
| Others | <u>200</u> | <u>2,620</u> |
| Net cash provided by financing activities | <u>(65,869)</u> | <u>294,125</u> |
| Effect of exchange rate changes | <u>138</u> | <u>65</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (95,222) | 16,850 |

| | | |
|--|-----------------------|-----------------------|
| CASH AND CASH EQUIVALENTS, | | |
| beginning of period | 410,912 | 394,062 |
| CASH AND CASH EQUIVALENTS, end of | | |
| period | <u>315,690</u> | <u>410,912</u> |

As at the date of this announcement, the Directors are Mr. Zhang Wenyi as Chairman of the Board of Directors and Executive Director of the Company; Dr. Tzu-Yin Chiu as Chief Executive Officer and Executive Director; Dr. Chen Shanzhi, Mr. Gao Yonggang, Professor Lawrence Juen-Yee Lau and Mr. Zhou Jie as Non-Executive Directors of the Company; and Mr. Tsuyoshi Kawanishi, Mr. Frank Meng and Mr. Lip-Bu Tan as the Independent Non-Executive Directors of the Company.

By order of the Board

Semiconductor Manufacturing International Corporation*

Dr. Tzu-Yin Chiu

Chief Executive Officer

Executive Director

Shanghai, PRC

November 7, 2011