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NEWS RELEASE

SMIC Reports 2008 First 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.*

Shanghai, China – April 29, 2008. 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, 2008.

First Quarter 2008 Highlights:

- Non-DRAM revenue increased by 5.5% QoQ to \$318.6 million from 4Q07 and increased by 25.6% YoY from 1Q07.
- Overall revenue, however, decreased to \$362.4 million in 1Q08, down 8.3% QoQ from 4Q07 and down 6.7% YoY from 1Q07 due to lower DRAM shipment quantity.
- DRAM as a proportion of total revenue fell to 12.1% in 1Q08 from 23.6% in 4Q07.
- Logic sales from 0.13 micron full-flow and 90 nanometer technology nodes have increased by 33.5% in 1Q08 QoQ.
- Gross margin was -9.0% in 1Q08 compared to 8.9% in 4Q07 primarily due to losses from the commodity DRAM business including a \$44.5 million additional loss provision taken against the remaining DRAM inventories.
- The Company recorded a net loss of \$119.1 million in 1Q08, including the reversal of \$20.5 million deferred income tax benefits recorded in 4Q07, as required under US GAAP, resulting in an adjusted net loss of \$19 million in 2007.
- Fully diluted EPS was (\$0.3205) per ADS.

During the first quarter of 2008, the Company reached an agreement with our customers to exit the commodity DRAM business. The Company considers this an indicator of impairment in regard to the long-lived assets of the Company’s Beijing facility in accordance with SFAS 144. As of the date of this announcement, the Company has engaged an external valuer and is in the process of evaluating whether or not such assets have been impaired. Any impairment loss, if so determined, would result in an additional non-cash charge to the Company’s net income for the first quarter of 2008.

Over a conference call, Dr. Richard Chang, Chief Executive Officer of SMIC, spoke with analysts about the quarterly results. “SMIC reported a quarterly loss of \$119.1 million, which includes an additional loss provision for DRAM inventory of about \$44.5 million, as well as the reversal of \$20.5 million deferred income tax benefits recorded in 4Q07. During the first quarter, management reached an agreement with our customers to exit the commodity DRAM business. This reduction of DRAM production and conversion of DRAM capacity into logic—which will continue throughout 2008—remains key to our strategy. As a result, SMIC made a concerted effort to reduce its DRAM foundry services by 53.0% from the previous quarter and 67.5% from the first quarter of 2007. At the same time, we increased logic shipments 6.2% quarter-on-quarter, and our 90-nm logic shipments surged 136.8% over the fourth quarter. As DRAM as a portion of our total revenue fell to 12.1% compared to 23.6% in the fourth quarter of 2007, our overall logic revenue gained 6.5% quarter-over-quarter and 25.6% year-over-year.



Our logic sales from 0.13-micron full-flow and 90-nm technology nodes have increased by 33.5% in the first quarter of 2008 quarter-on-quarter. We forecast persistently strong demand in advanced technology nodes through the remainder of 2008 as we witness tremendous market demand for the devices that consume logic ICs, such as mobile baseband, multimedia processors, PDA, GPS, Flash controller IC, power management IC, MP3/MP4, DTV video processors, and mobile TV.

As the world's largest market for integrated circuits, China has experienced exceptionally strong market growth since the beginning of the year. Our China revenue increased by 22.6% since the fourth quarter of 2007, and we enjoyed the addition of 15 new domestic customers this quarter. We also reported a 17.1% quarter-on-quarter increase in new product tape-outs.

Not only have we experienced considerable growth in our China sales, but we also enjoyed a significant boost in our North America sales. Despite the challenging economic situation in the U.S., our sales in North America grew by 10.0% quarter-over-quarter and increased as a portion of our total revenue to 53.6% in the first quarter of 2008, compared to 44.6% in the fourth quarter of 2007.

We are also pleased with the progress we have made in regard to our 45-nm licensing agreement with IBM. Currently there are ten top-tier fabless and IDM companies expressing interest to work with us. As a result of our milestone agreement, we have also increased our customer base for the 65-nm and 90-nm logic nodes as customers are confident with SMIC's future technology roadmap. In addition, we have garnered the interest of customers in China in working with SMIC's 45-nm technology solution. We plan to enter process qualification in 2009.

Our commitment to enhancing shareholder value in our company remains absolute. To that end, we will continue to execute our plans, which we believe will accelerate growth, serve our customers, and boost our bottom line. We are very confident in our strategy and optimistic about the upcoming year."

Conference Call / Webcast Announcement

Date: April 30, 2008

Time: 8:30 a.m. Shanghai time

Dial-in numbers and pass code: U.S. 1-617-597-5342 or HK 852-3002-1672 (Pass code: SMIC).

A live webcast of the 2008 first quarter announcement will be available at <http://www.smics.com> under the "Investor Relations" section. 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) manufacturing service at 0.35 micron to 65 nanometer and finer line technologies. Headquartered in Shanghai, China, SMIC has a 300-millimeter 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 an 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 under construction 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 our expectation for second quarter 2008 revenue, our expectation for persistently strong demand in advanced technology nodes through the remainder of 2008, anticipated market demand for devices that consume logic ICs, our plan to enter process qualification for our 45-nm technology solution in 2009, SMIC's ability to grow and improve profitability in 2008, and statements under "Capex Summary" and "Second Quarter 2008 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, 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, 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, as amended, filed with the SEC on June 29, 2007, 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 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

Recent TSMC Legal Developments:

On August 25, 2006, TSMC filed a lawsuit against the Company and certain subsidiaries (SMIC (Shanghai), SMIC (Beijing) and SMIC (Americas)) in the Superior Court of the State of California, County of Alameda for alleged breach of the Settlement Agreement, alleged breach of promissory notes and alleged trade secret misappropriation by the Company. TSMC seeks, among other things, damages, injunctive relief, attorneys' fees, and the acceleration of the remaining payments outstanding under the Settlement Agreement.

In the present litigation, TSMC alleges that the Company has incorporated TSMC trade secrets in the manufacture of the Company's 0.13 micron or smaller process products. TSMC further alleges that as a result of this claimed breach, TSMC's patent license is terminated and the covenant not to sue is no longer in effect with respect to the Company's larger process products.

The Company has vigorously denied all allegations of misappropriation. The Court has made no finding that TSMC's claims are valid, nor has it set a trial date.

On September 13, 2006, the Company announced that in addition to filing a response strongly denying the



allegations of TSMC in the United States lawsuit, it filed on September 12, 2006, a cross-complaint against TSMC seeking, among other things, damages for TSMC's breach of contract and breach of implied covenant of good faith and fair dealing.

On November 16, 2006, the High Court in Beijing, the People's Republic of China, accepted the filing of a complaint by the Company and its wholly-owned subsidiaries, SMIC (Shanghai) and SMIC (Beijing), regarding the unfair competition arising from the breach of bona fide (i.e. integrity, good faith) principle and commercial defamation by TSMC ("PRC Complaint"). In the PRC Complaint, the Company is seeking, among other things, an injunction to stop TSMC's infringing acts, public apology from TSMC to the Company and compensation from TSMC to the Company, including profits gained by TSMC from their infringing acts.

TSMC filed with the California court in January 2007 a motion seeking to enjoin the PRC action. In February 2007, TSMC filed with the Beijing High Court a jurisdictional objection, challenging the competency of the Beijing High Court's jurisdiction over the PRC action.

In March 2007, the California Court denied TSMC's motion to enjoin the PRC action. TSMC has appealed this ruling to California Court of Appeal. On March 26, 2008, the Court of Appeal, in a written opinion, denied TSMC's appeal. TSMC has not yet indicated whether it will petition the California Supreme Court for further review.

In July 2007, the Beijing High Court denied TSMC's jurisdictional objection and issued a court order holding that the Beijing High Court shall have proper jurisdiction to try the PRC action. TSMC has appealed this order to the Supreme Court of the People's Republic of China. On January 7, 2008, the Supreme Court heard TSMC's appeal. It has not yet issued a ruling.

On August 14, 2007, the Company filed an amended cross-complaint against TSMC seeking, among other things, damages for TSMC's breach of contract and breach of patent license agreement. TSMC thereafter denied the allegations of the Company's amended cross-complaint and attempted to file additional claims that the Company breached the Settlement Agreement by filing an action in the Beijing High Court. Upon the Company's motion, the California Court struck TSMC's new claims as procedurally improper, but granted TSMC leave to replead its claims. The Company thereafter demurred to the new claims as repleaded. The Court sustained a portion of the Company's demurrer, but again gave TSMC leave to replead.

On August 15-17, 2007, the California Court held a preliminary injunction hearing on TSMC's motion to enjoin use of certain process recipes in certain of the Company's 0.13 micron logic process flows. On September 7, 2007, the Court denied TSMC's preliminary injunction motion, thereby leaving unaffected the Company's development and sales. However, the court required the Company to provide 10 days' advance notice to TSMC if the Company plans to disclose logic technology to non-SMIC entities under certain circumstances, to allow TSMC to object to the planned disclosure.

On January 25, 2008, TSMC filed a motion in the California Court for summary adjudication against the Company on several of the Company's cross claims. The Company will oppose the motion. A hearing has been set on the motion for May 30, 2008.

On March 11, 2008, TSMC filed an application for a right to attach order in the California Court. By its application, TSMC seeks an order securing an amount equal to the remaining balance on the promissory notes issued by the Company in connection with the Settlement Agreement. The order, if granted, would apply only to property of the Company in the State of California. The Company has opposed the application. A hearing was held on April 3, 2008. The court has not yet issued a ruling.

Under the provisions of SFAS 144, the Company is required to make a determination as to whether or not this pending litigation represents an event that requires a further analysis of whether the patent license portfolio has been impaired. We believe that the lawsuit is at a preliminary stage and we are still evaluating whether or not the litigation represents such an event. The Company expects further information to become available to us which will aid us in making a determination. The outcome of any impairment analysis performed under SFAS 144 might result in a material impact to our financial position and results of operations. Because the case is in its preliminary stages, the Company is unable to evaluate the likelihood of an unfavorable outcome or to estimate the amount or range of potential loss.



Summary of First Quarter 2008 Operating Results

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

| | 1Q08 | 4Q07 | QoQ | 1Q07 | YoY |
|---|-----------|----------|----------|----------|--------|
| Revenue | 362,369 | 395,254 | -8.3% | 388,284 | -6.7% |
| Cost of sales | 394,940 | 360,207 | 9.6% | 351,345 | 12.4% |
| Gross profit | (32,571) | 35,047 | - | 36,940 | - |
| Operating expenses | 64,377 | 57,389 | 12.2% | 21,722 | 196.4% |
| (Loss) income from operations | (96,948) | (22,342) | 333.9% | 15,218 | - |
| Other income (expenses), net | (3,596) | (1,655) | 117.3% | (12,187) | -70.5% |
| Income tax (expenses) credit | (19,142) | 23,100 | - | 5,964 | - |
| Net (loss) income after income taxes | (119,685) | (897) | 13242.8% | 8,995 | - |
| Minority interest | 846 | 1,157 | -26.9% | 977 | -13.4% |
| Loss from equity investment | (241) | (882) | -72.7% | (1,212) | -80.1% |
| (Loss) income attributable to holders of ordinary shares | (119,081) | (622) | 19044.9% | 8,760 | - |
| Gross margin | -9.0% | 8.9% | | 9.5% | |
| Operating margin | -26.8% | -5.7% | | 3.9% | |
| Net (loss) income per ordinary share - basic ⁽¹⁾ | (0.0064) | (0.0000) | | 0.0005 | |
| Net (loss) income per ADS – basic | (0.3205) | (0.0017) | | 0.0237 | |
| Net (loss) income per ordinary share – diluted ⁽¹⁾ | (0.0064) | (0.0000) | | 0.0005 | |
| Net (loss) income per ADS – diluted | (0.3205) | (0.0017) | | 0.0234 | |
| Wafers shipped (in 8" wafers) ⁽²⁾ | 454,259 | 497,454 | -8.7% | 450,592 | 0.8% |
| Capacity utilization | 92.1% | 94.4% | | 86.2% | |

Note:

⁽¹⁾ Based on weighted average ordinary shares of 18,579 million (basic) and 18,579 million (diluted) in 1Q08, 18,550 million (basic) and 18,550 million (diluted) in 4Q07 and 18,451 million (basic) and 18,706 million (diluted) in 1Q07

⁽²⁾ Including copper interconnects

- Non-DRAM revenue increased by 5.5% QoQ to \$318.6 million from 4Q07 and increased by 25.6% YoY from 1Q07.
- Overall revenue, however, decreased to \$362.4 million in 1Q08, down 8.3% QoQ from \$395.3 million in 4Q07 and down 6.7% YoY from \$388.3 million in 1Q07 due to lower DRAM shipments.
- Cost of sales increased to \$394.9 million in 1Q08, up 9.6% QoQ from \$360.2 million in 4Q07, primarily due to a \$44.5 million additional loss provision taken against the remaining DRAM inventories.
- Gross profit decreased to \$(32.6) million in 1Q08, down QoQ from \$35.0 million in 4Q07 and down YoY from \$36.9 million in 1Q07.
- Gross margins decreased to -9.0% in 1Q08 from 8.9% in 4Q07 primarily due to losses from the commodity DRAM business.



- Total operating expenses increased to \$64.4 million in 1Q08 from \$57.4 million, an increase of 12.2% QoQ, primarily due to an increase in R&D expenses.
- R&D expenses increased to \$34.2 million in 1Q08, up 30.7% from \$26.2 million in 4Q07 primarily due to start up costs associated with the new 12-inch project in Shanghai.
- G&A expenses decreased to \$18.6 million in 1Q08 from \$18.8 million in 4Q07.
- Selling & marketing expenses decreased to \$4.9 million in 1Q08, down 14.1% QoQ from \$5.7 million in 4Q07 primarily due to a decrease in engineering material expenses associated with selling activities.



Analysis of Revenues

| Sales Analysis | | | |
|---|-------------|-------------|-------------|
| By Application | 1Q08 | 4Q07 | 1Q07 |
| Computer | 12.8% | 22.9% | 33.0% |
| Communications | 54.3% | 47.4% | 41.3% |
| Consumer | 25.9% | 22.7% | 18.3% |
| Others | 7.0% | 7.0% | 7.4% |
| By Service Type | 1Q08 | 4Q07 | 1Q07 |
| Logic ⁽³⁾ | 78.4% | 67.4% | 58.2% |
| DRAM | 12.1% | 23.6% | 34.7% |
| Management Services | 2.5% | 1.5% | 3.2% |
| Mask Making, testing, others | 7.0% | 7.5% | 3.9% |
| By Customer Type | 1Q08 | 4Q07 | 1Q07 |
| Fabless semiconductor companies | 54.4% | 49.3% | 47.1% |
| Integrated device manufacturers (IDM) | 31.6% | 38.5% | 43.2% |
| System companies and others | 14.0% | 12.2% | 9.7% |
| By Geography | 1Q08 | 4Q07 | 1Q07 |
| North America | 53.6% | 44.6% | 40.6% |
| Asia Pacific (ex. Japan) | 29.9% | 26.4% | 24.2% |
| Japan | 3.9% | 10.4% | 9.9% |
| Europe | 12.6% | 18.6% | 25.2% |
| Wafer Revenue Analysis | | | |
| By Technology (logic, DRAM & copper interconnect only) | 1Q08 | 4Q07 | 1Q07 |
| 0.09μm | 19.8% | 25.3% | 14.4% |
| 0.13μm | 25.0% | 24.4% | 38.1% |
| 0.15μm | 4.2% | 5.5% | 2.9% |
| 0.18μm | 32.1% | 28.3% | 34.1% |
| 0.25μm | 0.5% | 0.5% | 0.7% |
| 0.35μm | 18.4% | 16.0% | 9.8% |
| By Technology (Logic Only)⁽¹⁾ | 1Q08 | 4Q07 | 1Q07 |
| 0.09μm | 14.7% | 7.7% | 10.0% |
| 0.13μm ⁽²⁾ | 20.3% | 21.0% | 17.6% |
| 0.15μm | 5.0% | 7.7% | 4.7% |
| 0.18μm | 37.8% | 40.3% | 50.1% |
| 0.25μm | 0.5% | 0.6% | 1.0% |
| 0.35μm | 21.7% | 22.7% | 16.6% |

Note:

(1) Excluding 0.13μm copper interconnects

(2) Represents revenues generated from manufacturing full flow wafers

(3) Including 0.13μm copper interconnects



Capacity*

| Fab / (Wafer Size) | 1Q08 | 4Q07 |
|--|---------|---------|
| Shanghai Mega Fab (8") ⁽¹⁾ | 88,000 | 98,000 |
| Beijing Mega Fab (12") ⁽²⁾ | 54,000 | 65,250 |
| Tianjin Fab (8") | 25,396 | 22,000 |
| Total monthly wafer fabrication capacity | 167,396 | 185,250 |

Note:

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

(1) Shanghai Mega Fab is now comprised of Fab 1, Fab 2, and Fab 3

(2) Beijing Mega Fab is now comprised of Fab 4, Fab 5, and Fab 6

- Total capacity decreased to 167,396 8-inch wafer equivalent per month at the end of 1Q08 due to the shift in the product mix from DRAM to logic products.

Shipment and Utilization

| 8" equivalent wafers | 1Q08 | 4Q07 | 1Q07 |
|--|---------|---------|---------|
| Wafer shipments including copper interconnects | 454,259 | 497,454 | 450,592 |
| Utilization rate ⁽¹⁾ | 92.1% | 94.4% | 86.2% |

Note:

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

- Wafer shipments decreased 8.7% QoQ to 454,259 units of 8-inch equivalent wafers in 1Q08 from 497,454 units of 8-inch equivalent wafers in 4Q07, and up 0.8% YoY from 450,592 8-inch equivalent wafers in 1Q07 due to lower DRAM shipments.
- However, logic shipments increased 6.2% QoQ to 334,432 units of 8-inch equivalent wafers in 1Q08 from 4Q07 and up 38.0% YoY from 1Q 07.



Detailed Financial Analysis

Gross Profit Analysis

| <i>Amounts in US\$ thousands</i> | 1Q08 | 4Q07 | QoQ | 1Q07 | YoY |
|----------------------------------|-------------|-------------|------------|-------------|------------|
| Cost of sales | 394,940 | 360,207 | 9.6% | 351,345 | 12.4% |
| Depreciation | 159,715 | 161,232 | -0.9% | 185,707 | -14.0% |
| Other manufacturing costs | 227,731 | 190,671 | 19.4% | 157,279 | 44.8% |
| Deferred cost amortization | 5,886 | 5,886 | - | 5,886 | - |
| Share-based compensation | 1,608 | 2,418 | -33.5% | 2,473 | -35.0% |
| Gross Profit | (32,571) | 35,047 | - | 36,940 | - |
| Gross Margin | -9.0% | 8.9% | - | 9.5% | - |

- Cost of sales increased to \$394.9 million in 1Q08, up 9.6% QoQ from \$360.2 million in 4Q07, primarily due to a \$44.5 million additional loss provision taken against the remaining DRAM inventories.
- Gross profit decreased to \$(32.6) million in 1Q08, down QoQ from \$35.0 million in 4Q07 and down YoY from \$36.9 million in 1Q07.
- Gross margins decreased to -9.0% in 1Q08 from 8.9% in 4Q07 primarily due to losses from the commodity DRAM business.

Operating Expense Analysis

| <i>Amounts in US\$ thousands</i> | 1Q08 | 4Q07 | QoQ | 1Q07 | YoY |
|---|-------------|-------------|------------|-------------|------------|
| Total operating expenses | 64,377 | 57,389 | 12.2% | 21,722 | 196.4% |
| Research and development | 34,233 | 26,201 | 30.7% | 21,733 | 57.5% |
| General and administrative | 18,606 | 18,820 | -1.1% | 17,087 | 8.9% |
| Selling and marketing | 4,883 | 5,688 | -14.1% | 3,893 | 25.4% |
| Amortization of intangible assets | 6,784 | 6,878 | -1.4% | 6,229 | 8.9% |
| Loss (Income) from disposal of properties | (130) | (198) | -34.3% | (27,220) | -99.5% |

- Total operating expenses increased to \$64.4 million in 1Q08 from \$57.4 million, an increase of 12.2% QoQ, primarily due to an increase in R&D expenses.
- R&D expenses increased to \$34.2 million in 1Q08, up 30.7% from \$26.2 million primarily due to start up costs associated with the new 12-inch project in Shanghai.
- G&A expenses decreased to \$18.6 million in 1Q08 from \$18.8 million in 4Q07.
- Selling & marketing expenses decreased to \$4.9 million in 1Q08, down 14.1% QoQ from \$5.7 million in 4Q07 primarily due to a decrease in engineering material expenses associated with selling activities.



Other Income (Expenses)

| Amounts in US\$ thousands | 1Q08 | 4Q07 | QoQ | 1Q07 | YoY |
|---------------------------|----------|----------|--------|----------|---------|
| Other income (expenses) | (3,596) | (1,655) | 117.3% | (12,187) | -70.5% |
| Interest income | 3,758 | 3,971 | -5.4% | 1,972 | 90.6% |
| Interest expense | (17,267) | (11,485) | 50.3% | (15,003) | 15.1% |
| Other, net | 9,913 | 5,859 | 69.2% | 844 | 1074.5% |

- Other non-operating loss of \$3.6 million in 1Q08 as compared to a loss of \$1.7 million in 4Q07, primarily due to an increase in interest expense.
- Interest expense increased in 1Q08 relative to 4Q07 due to lower capitalized interest expense in 1Q08 and the receipt of government interest subsidy in 4Q07.
- The increase in Other, net is due to an increase in foreign exchange gain related to non-operating activities.

Liquidity

| Amounts in US\$ thousands | 1Q08 | 4Q07 |
|-----------------------------------|-----------|-----------|
| Cash and cash equivalents | 506,320 | 469,284 |
| Short term investments | 29,474 | 7,638 |
| Accounts receivable | 283,932 | 298,388 |
| Inventory | 216,159 | 248,310 |
| Others | 59,036 | 51,682 |
| Total current assets | 1,094,921 | 1,075,302 |
| Accounts payable | 290,677 | 301,993 |
| Short-term borrowings | 137,470 | 107,000 |
| Current portion of long-term debt | 341,620 | 340,693 |
| Others | 181,054 | 180,504 |
| Total current liabilities | 950,821 | 930,190 |
| Cash Ratio | 0.5x | 0.5x |
| Quick Ratio | 0.9x | 0.8x |
| Current Ratio | 1.2x | 1.2x |



Capital Structure

| <i>Amounts in US\$ thousands</i> | 1Q08 | 4Q07 |
|------------------------------------|-----------|-----------|
| Cash and cash equivalents | 506,320 | 469,284 |
| Short-term investment | 29,474 | 7,638 |
| Current portion of promissory note | 29,493 | 29,242 |
| Promissory note | 51,495 | 51,057 |
| Short-term borrowings | 137,470 | 107,000 |
| Current portion of long-term debt | 341,620 | 340,693 |
| Long-term debt | 639,058 | 616,295 |
| Total debt | 1,118,148 | 1,063,988 |
| Shareholders' equity | 2,897,407 | 3,012,519 |
| Total debt to equity ratio | 38.6% | 35.3% |

Cash Flow

| <i>Amounts in US\$ thousands</i> | 1Q08 | 4Q07 |
|------------------------------------|-----------|-----------|
| Net cash from operating activities | 136,231 | 195,872 |
| Net cash from investing activities | (153,727) | (266,780) |
| Net cash from financing activities | 54,594 | 101,946 |
| Net change in cash | 37,036 | 31,022 |

- Net cash from operating activities decreased in 1Q08 due to higher operating losses and more payments made to materials suppliers in 1Q08.

Capex Summary

- Capital expenditures for 1Q08 were \$136 million.
- Total planned capital expenditures for 2008 will be approximately \$700 million and will be adjusted based on market conditions.

Second Quarter 2008 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" above.

- Revenues expected to decrease 3% to 6% from 1Q08 while non-DRAM revenue expected to grow 3% to 6% from 1Q08.
- Operating expense as a percentage of revenue expected to be around 20%.
- Capital expenditure expected to be approximately \$160 million to \$200 million.



Recent Highlights and Announcements

- Announcement of 2007 Annual Results [2008-4-25]
- Unusual Movement In Share Trading Price [2008-4-15]
- Extension of Waiver of Qualified Accountant [2008-4-7]
- SMU Welcomes Three Alumni into Engineering Hall Of Leaders [2008-3-28]
- Latest Development [2008-3-24]
- SMIC Participates in SEMICON China 2008 [2008-3-18]
- SMIC Honored with SEMI China Corporate Social Contribution Award; Dr. Richard Chang Receives Industry Excellence and Contribution Award [2008-3-18]
- Synopsys and SMIC Deliver Enhanced 90-Nanometer Reference Flow to Reduce IC Design and Test Costs [2008-2-26]
- Dr. Richard Chang, President and CEO of SMIC, Named Semiconductor International's 2007 Person of the Year [2008-2-25]
- Further Announcement - Waiver application in respect of disclosure of information relating to Discloseable Transaction [2008-2-13]
- Further Delay In Despatch Of Circular In Relation To A Discloseable Transaction [2008-1-29]
- SMIC Reports 2007 Fourth Quarter Results [2008-1-24]

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



Semiconductor Manufacturing International Corporation
BALANCE SHEET
(In US dollars)

| | As of the end of | |
|--|-----------------------------|----------------------------------|
| | Mar 31, 2008 (unaudited) | December 31, 2007 (unaudited) |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 506,320,313 | \$ 469,284,013 |
| Short term investments | 29,473,900 | 7,637,870 |
| Accounts receivable, net of allowances of \$4,084,646, \$ 4,492,090, at Mar. 31 2008 and Dec 31 2007, respectively | 283,931,518 | 298,387,652 |
| Inventories | 216,159,019 | 248,309,765 |
| Prepaid expense and other current assets | 38,642,090 | 31,237,755 |
| Receivable for sale of plant and equipment and other fixed assets | 17,355,300 | 17,321,000 |
| Assets held for sale | 3,038,345 | 3,123,567 |
| Total current assets | 1,094,920,485 | 1,075,301,622 |
| Land use rights, net | 57,242,556 | 57,551,991 |
| Plant and equipment, net | 3,136,116,825 | 3,202,957,665 |
| Acquired intangible assets, net | 226,440,883 | 232,195,132 |
| Deferred cost | 64,750,835 | 70,637,275 |
| Equity investment | 9,655,431 | 9,896,398 |
| Other long-term prepayments | 2,893,411 | 2,988,404 |
| Deferred tax assets | 38,102,589 | 56,915,172 |
| TOTAL ASSETS | \$ 4,630,123,015 | \$ 4,708,443,659 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | 290,676,671 | 301,992,739 |
| Accrued expenses and other current liabilities | 151,044,251 | 150,109,963 |
| Short-term borrowings | 137,470,000 | 107,000,000 |
| Current portion of promissory note | 29,492,873 | 29,242,000 |
| Current portion of long-term debt | 341,620,480 | 340,692,788 |
| Income tax payable | 516,451 | 1,152,630 |
| Total current liabilities | 950,820,726 | 930,190,120 |
| Long-term liabilities: | | |
| Promissory note | 51,495,193 | 51,057,163 |
| Long-term debt | 639,058,040 | 616,294,743 |
| Long-term payables relating to license agreements | 56,778,942 | 62,833,433 |
| Deferred tax liabilities | 464,837 | 604,770 |
| Total long-term liabilities | 747,797,012 | 730,790,109 |
| Total liabilities | \$ 1,698,617,738 | \$ 1,660,980,229 |
| Minority interest | 34,098,639 | 34,944,408 |
| Stockholders' equity: | | |



Semiconductor Manufacturing International Corporation
BALANCE SHEET
(In US dollars)

| | | |
|---|-------------------------|-------------------------|
| Ordinary shares, \$0.0004 par value, 50,000,000,000 shares authorized, shares issued and outstanding 18,583,994,474 and 18,558,919,712 at Mar. 31 2008 and Dec 31 2007, respectively | 7,433,598 | 7,423,568 |
| Additional paid-in capital | 3,317,395,859 | 3,313,375,972 |
| Accumulated other comprehensive loss | (63,647) | (1,881) |
| Accumulated deficit | (427,359,172) | (308,278,637) |
| Total stockholders' equity | 2,897,406,638 | 3,012,519,022 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 4,630,123,015 | \$ 4,708,443,659 |



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

| | For the three months ended | |
|---|-----------------------------------|---------------------|
| | Mar 31, 2008 | Dec 31, 2007 |
| | (unaudited) | (unaudited) |
| Sales | 362,368,556 | 395,253,703 |
| Cost of sales | 394,939,583 | 360,206,661 |
| Gross profit | (32,571,027) | 35,047,042 |
| Operating expenses: | | |
| Research and development | 34,232,685 | 26,201,351 |
| General and administrative | 18,605,813 | 18,820,136 |
| Selling and marketing | 4,883,475 | 5,687,731 |
| Amortization of acquired intangible assets | 6,784,250 | 6,877,899 |
| Loss (income) from sale of plant and equipment and other fixed assets | (129,573) | (198,339) |
| Total operating expenses | 64,376,650 | 57,388,778 |
| Loss from operations | (96,947,677) | (22,341,736) |
| Other income (expenses): | | |
| Interest income | 3,758,119 | 3,970,874 |
| Interest expense | (17,266,845) | (11,485,321) |
| Foreign currency exchange gain (loss) | 10,317,302 | 4,613,449 |
| Other income (expenses), net | (404,404) | 1,245,531 |
| Total other income (expenses), net | (3,595,828) | (1,655,467) |
| Net loss before income tax, minority interest and loss from equity investment | (100,543,505) | (23,997,203) |
| Income tax benefit (expense) | (19,141,832) | 23,100,005 |
| Minority interest | 845,769 | 1,157,102 |
| Loss from equity investment | (240,967) | (881,518) |
| Net loss | \$ (119,080,535) | \$ (621,614) |
| Net loss per share, basic | (0.0064) | (0.0000) |
| Net loss per ADS, basic | (0.3205) | (0.0017) |
| Net loss per share, diluted | (0.0064) | (0.0000) |
| Net loss per ADS, diluted | (0.3205) | (0.0017) |
| Ordinary shares used in calculating basic loss per ordinary share | 18,579,292,515 | 18,550,143,535 |
| Ordinary shares used in calculating diluted loss per ordinary share | 18,579,292,515 | 18,550,143,535 |
| *Share-based compensation related to each account balance as follows: | | |
| Cost of sales | 1,607,766 | 2,417,679 |
| Research and development | 802,241 | 975,621 |
| Selling and marketing | 347,630 | 432,672 |
| General and administrative | 838,991 | 1,158,530 |



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

| | For the three months ended | |
|--|-----------------------------------|--------------------------|
| | March 31, 2008 | December 31, 2007 |
| | (unaudited) | (unaudited) |
| Operating activities | | |
| Net loss | (119,080,535) | (621,614) |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities: | | |
| Minority interest | (845,769) | (1,157,102) |
| Deferred tax | 18,672,650 | (22,072,574) |
| Loss (Gain) on disposal of plant and equipment | (129,573) | (198,339) |
| Depreciation and amortization | 191,728,933 | 180,926,964 |
| Amortization of acquired intangible assets | 6,784,250 | 6,877,899 |
| Share-based compensation | 3,596,628 | 4,984,502 |
| Non cash interest expense on promissory notes | 2,073,335 | 1,308,496 |
| Loss from equity investment | 240,967 | 881,518 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable, net | 14,456,133 | 9,632,506 |
| Inventories | 32,150,746 | 6,564,937 |
| Prepaid expense and other current assets | (7,309,344) | (9,940,469) |
| Accounts payable | (16,094,831) | 37,912,146 |
| Accrued expenses and other current liabilities | 10,623,203 | (18,039,712) |
| Income tax payable | (636,179) | (1,187,548) |
| Net cash provided by operating activities | 136,230,614 | 195,871,610 |
| Investing activities: | | |
| Purchase of plant and equipment | (114,217,902) | (238,379,890) |
| Proceeds from disposal of plant and equipment | 484,943 | 35,195,311 |
| Proceeds received from sale of assets held for sale | 690,161 | 9,075,076 |
| Purchases of acquired intangible assets | (18,848,000) | (79,704,504) |
| Purchase of short-term investments | (41,975,501) | (42,590,425) |
| Sale of short-term investments | 20,139,472 | 49,624,851 |
| Net cash used in investing activities | (153,726,827) | (266,779,581) |
| Financing activities: | | |
| Proceeds from short-term borrowing | 72,050,000 | 77,658,000 |
| Proceeds from long-term debt | 23,690,989 | 249,509,832 |
| Repayment of promissory notes | | (15,000,000) |
| Repayment of long-term debt | | (170,357,288) |
| Repayment of short-term debt | (41,580,000) | (40,658,000) |
| Proceeds from exercise of employee stock options | 433,289 | 814,965 |
| Repurchase of restricted ordinary shares | | (21,500) |
| Net cash provided by (used in) financing activities | 54,594,278 | 101,946,009 |
| Effect of exchange rate changes | (61,765) | (16,076) |
| NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS | 37,036,300 | 31,021,962 |



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

| | | |
|---|--------------------|--------------------|
| CASH AND CASH EQUIVALENTS, beginning of period | 469,284,013 | 438,262,051 |
| CASH AND CASH EQUIVALENTS, end of period | <u>506,320,313</u> | <u>469,284,013</u> |