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NEWS RELEASE

SMIC Reports 2007 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.*

Overview:

- **Sales increased to \$388.3 million in 1Q07, up 10.6% from 1Q06 and up 1.2% sequentially.**
 - **Gross margins of 9.5% in 1Q07 from 5.1% in 4Q06.**
 - **Net income of \$8.8 million in 1Q07, compared to a net loss of \$9.6 million in 1Q06 and net income of \$0.1 million in the previous quarter.**
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Shanghai, China – April 26, 2007. 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, 2007. Sales increased 1.2% in the first quarter of 2007 to \$388.3 million from \$383.8 million in the fourth quarter of 2006. The Company reported a decrease in capacity to 177,150 8-inch equivalent wafers per month and a utilization rate of 86.2% in the first quarter of 2007. Gross margins were 9.5% in the first quarter of 2007 compared to 5.1% in the fourth quarter of 2006. Net income of \$8.8 million in the first quarter of 2007, compared to a net loss of \$9.6 million in the first quarter of 2006 and a net income of \$0.1 million in the fourth quarter of 2006.

“SMIC posted quarterly revenues of \$388.3 million dollars during the first quarter of 2007,” said Dr. Richard Chang, Chief Executive Officer of SMIC. “Gross profit increased to \$36.9 million in 1Q07 up 89.2% QoQ from \$19.5 million in 4Q06. Management fees from the Wuhan and Chengdu managed projects contributed to the revenue while demonstrating our ability to continue to grow our business”.

Despite operating in a difficult business environment, SMIC was able to grow its revenues through several channels this quarter. We have seen several orders come back from major customers. During the quarter, we have seen significant growth in orders from the Chinese local design companies, which accounts for 12.8% of the revenue in 1Q07 as compared to 8.8% in 4Q06. We expect continued growth in the business from the Chinese local design companies for the rest of this year.

We will continue to focus on sustainable profitability and strategically identify opportunities to enhance shareholder value in the company. We are currently on track with our technology roadmap with 65nm technology development making good progress.

In the second quarter of 2007, we believe the steady development of advanced technology nodes for leading customers along with additional logic orders and revenue from our peripheral businesses positions SMIC for continual growth in 2007.”



Conference Call / Webcast Announcement

Date: April 27, 2007

Time: 10:00 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 2007 first quarter announcement will be available at <http://www.smics.com> under the "Investor Relations" section. An archived version of the webcast, along with a soft copy of this news release will be available on the SMIC website for a period of 12 months following the webcast.

About SMIC

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 0.35mm to 90nm and finer line technologies. Headquartered in Shanghai, China, SMIC operates three 200mm fabs in Shanghai and one in Tianjin, and one 300mm fab in Beijing, the first of its kind in Mainland China. SMIC has customer service and marketing offices in the U.S., Italy, and Japan as well as a representative office in Hong Kong. For additional information, please visit <http://www.smics.com>.

Safe Harbor Statements

(Under the Private Securities Litigation Reform Act of 1995)

This press release may contain, 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 SMIC's plans to develop its capabilities, build its China customer base and expand its capacity, anticipated decreases in depreciation expenses, the percentage of total wafer revenue expected to come from 90nm sales, SMIC's ability to grow and improve profitability in 2007, and statements under "Capex Summary" and "Second Quarter 2007 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, 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, 2006, especially in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections, and its registration statement on Form A-1 as filed with the Stock Exchange of Hong Kong (SEHK) on March 8, 2004, 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

Overview of TSMC Litigation:

Beginning in December 2003 through August 2004, the Company became subject to several lawsuits brought by Taiwan Semiconductor Manufacturing Company, Limited ("TSMC") relating to alleged infringement of certain patents and misappropriation of alleged trade secrets relating to methods for conducting semiconductor fab operations and manufacturing integrated circuits.

On January 31, 2005, the Company entered into a settlement agreement, without admission of liability, which provided for the dismissal of all pending legal actions without prejudice between the two companies (the "Settlement Agreement"). The terms of the Settlement Agreement also included:

- The Company and TSMC agreed to cross-license each other's patent portfolio for all semiconductor device products, effective from January 2005 through December 2010.
- TSMC covenanted not to sue the Company for trade secret misappropriation as alleged in TSMC's legal actions as it related to .15 μ m and larger processes subject to certain conditions ("TSMC Covenant"). The TSMC Covenant did not cover .13 μ m and smaller technologies after 6 months following execution of the Settlement Agreement (July, 31, 2005). Excluding the .13 μ m and smaller technologies, the TSMC Cove



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. Moreover, TSMC has not yet proven, nor produced evidence of, any trade secret misappropriation by the Company. At present, the claims rest as unproven allegations, denied by the Company. 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.

In March 2007, the California Court denied TSMC's motion to enjoin the PRC action. TSMC has appealed this ruling to the California Court of Appeal.

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 very early 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.

Change of Accounting Estimate

With effect from the first quarter of 2007, the Company has changed the estimated useful life of fab-related machinery and equipment in the computation of annual depreciation. This change has an effect on the Company's gross profit and gross margin. Previously, we used a five-year straight-line depreciation method. We consider the previous useful life estimate overly conservative in light of the expected economic life of the equipment. We have changed the useful life estimate to a five to seven year range, which is consistent with industry practice and more accurately reflect the economics associated with the ownership of the equipment.



Analysis of Revenues

| Sales Analysis | | | | | |
|----------------|-------|-------|-------|-------|-------|
| By Application | 1Q07 | 4Q06 | 3Q06 | 2Q06 | 1Q06 |
| Computer | 33.0% | 36.3% | 33.0% | 30.6% | 36.0% |
| Communications | | | | | |

Note:

(1) Excluding 0.13 μ m copper interconnects

(2) Represents revenues generated from manufacturing full flow wafers



Capacity

| Fab / (Wafer Size) | 1Q07* | 4Q06* |
|--|---------|---------|
| Shanghai Mega Fab (8") ⁽¹⁾ | 98,000 | 106,000 |
| Beijing Mega Fab (12") ⁽²⁾ | 57,150 | 56,250 |
| Tianjin Fab (8") | 22,000 | 20,000 |
| Total monthly wafer fabrication capacity | 177,150 | 182,250 |

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

- As of the end of 1Q07, monthly capacity decreased to 177,150 8-inch equivalent wafers due to the asset disposal from SMIC to Chengdu Cension.

Shipment and Utilization

| 8" equivalent wafers | 1Q07 | 4Q06 | 3Q06 | 2Q06 | 1Q06 |
|--|---------|---------|---------|---------|---------|
| Wafer shipments including copper interconnects | 450,592 | 424,395 | 413,985 | 388,498 | 388,010 |
| Utilization rate ⁽¹⁾ | 86.2% | 86.6% | 84.3% | 93.5% | 94.9% |

Note:

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

- Wafer shipments increased to 450,592 units of 8-inch equivalent wafers in 1Q07 up 6.2% QoQ from 424,395 units of 8-inch equivalent wafers in 4Q06, and up 16.1% YoY from 388,010 8-inch equivalent wafers in 1Q06.



Detailed Financial Analysis

Gross Profit Analysis

- Cost of sales decreased to \$351.3 million in 1Q07, down 3.6 % QoQ from \$364.3 million in 4Q06, primarily due to lower depreciation expense.
- Amortization of deferred cost associated with TSMC settlement has been reclassified to a component of cost of sales from operating expenses for all periods presented. Such reclassification has reduced the gross margin by 1.5% for 1Q07 and 4Q06.
- Gross profit increased to \$36.9 million in 1Q07, up 89.7% QoQ from \$19.5 million in 4Q06 and down 1.5% YoY from \$37.5 million in 1Q06.
- Gross margin increased to 9.5% in 1Q07 from 5.1% in 4Q06. This was primarily due to higher management service fees and lower depreciation expense.

Operating Expense Analysis

- Total operating expenses increased to \$21.7 million in 1Q07 from \$5.8 million, an increase of 277.0% QoQ primarily due to lower operating income from the disposal of properties in 1Q07.
- R&D expenses remained flat in 1Q07.
- G&A expenses increased to \$17.1 million in 1Q07 from \$14.6 million in 4Q06, primarily due to an increase in general and administrative costs related to legal fees and tax increases.
- Selling & marketing expenses decreased to \$3.9 million in 1Q07, down 17.7% QoQ from \$4.7 million in 4Q06, primarily due to a decrease in engineering material expenses associated with



Other Income (Expenses)

| <i>Amounts in US\$ thousands</i> | 1Q07 | 4Q06 | QoQ | 1Q06 | YoY |
|----------------------------------|----------|----------|--------|----------|--------|
| Other income (expenses) | (12,187) | (16,468) | -26.0% | (7,806) | 56.1% |
| Interest income | 1,972 | 3,311 | -40.4% | 4,595 | -57.1% |
| Interest expense | (15,003) | (14,263) | 5.2% | (12,201) | 23.0% |
| Other, net | 844 | (5,516) | - | (200) | - |

- Other non-operating loss of \$12.2 million in 1Q07 as compared to a loss of \$16.5 million in 4Q06, primarily to foreign exchange gain associated with non-operating activities during the quarter relative to a loss recorded in the previous quarter.
- Interest income fell to \$2.0 million in 1Q07 from \$3.3 million in 4Q06 due to lower average cash balance held during the quarter.
- Interest expenses of \$15.0 million in 1Q07, up 5.2% QoQ from \$14.3 million in 4Q06.

Liquidity

| <i>Amounts in US\$ thousands</i> | 1Q07 | 4Q06 |
|-----------------------------------|-----------|-----------|
| Cash and cash equivalents | 341,704 | 363,620 |
| Short term investments | 79,830 | 57,950 |
| Accounts receivable | 288,027 | 252,185 |
| Inventory | 237,619 | 275,179 |
| Others | 128,080 | 100,732 |
| Total current assets | 1,075,260 | 1,049,666 |
| Accounts payable | 237,135 | 309,129 |
| Short-term borrowings | 43,000 | 71,000 |
| Current portion of long-term debt | 170,839 | 170,797 |
| Others | 138,758 | 126,436 |
| Total current liabilities | 589,732 | 677,362 |
| Cash Ratio | 0.6x | 0.5x |
| Quick Ratio | 1.2x | 1.0x |
| Current Ratio | 1.8x | 1.5x |





Recent Highlights and Announcements

- Announcement of 2006 annual results [2007-4-24]
- Postponement of meeting of Board of Directors [2007-3-29]
- SMIC Participates in SEMICON China 2007 [2007-3-21]
- SMIC and Cascade Microtech Partner to Establish New Mixed-signal RFIC Design Service Lab in Shanghai [2007-3-15]
- SMIC and Agilent Technologies Joint Establish RFIC Test Lab Shanghai [2007-03-14]
- SMIC reports results for the Three Months Ended Dec 31th, 2006 [2007-1-31]
- SMIC(BJ) Passes QC 080000 System Audit [2007-1-9]
- SMIC Announcement on "Unusual Moment in Trading Volume" [2007-1-3]

*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
CONSOLIDATED BALANCE SHEET
(In US dollars)

| | March 31, 2007 <unaudited> | December 31, 2006 |
|---------------------------|-------------------------------|-------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 341,703,889 | \$ 363,619,731 |
| Short term investments | 79,829,802 | |



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

| | For the three months ended | |
|---|-----------------------------------|--------------------------|
| | March 31, 2007 | December 31, 2006 |
| | <unaudited> | <unaudited> |
| Sales | \$ 388,284,436 | \$ 383,812,708 |
| Cost of sales | 351,344,670 | 364,338,733 |
| Gross profit | 36,939,766 | 19,473,975 |
| Operating expenses: | | |
| Research and development | 21,733,055 | 21,913,465 |
| General and administrative | 17,087,309 | 14,562,807 |
| Selling and marketing | 3,893,369 | 4,728,691 |
| Amortization of acquired intangible assets | 6,228,616 | 6,290,991 |
| Income from sale of plant and equipment and other fixed assets | (27,220,665) | (41,733,713) |
| Total operating expenses | 21,721,684 | 5,762,241 |
| Income from operations | 15,218,082 | 13,711,734 |
| Other income (expenses): | | |
| Interest income | 1,971,672 | 3,311,293 |
| Interest expense | (15,003,379) | (14,263,257) |
| Foreign currency exchange gain (loss) | 428,279 | (7,091,494) |
| Other income (expenses), net | 416,621 | 1,575,094 |
| Total other income (expenses), net | (12,186,807) | (16,468,364) |
| Net income (loss) before income tax | 3,031,275 | (2,756,630) |
| Income tax credit (expense) | 5,964,124 | 3,002,499 |
| Minority interest | 976,527 | 940,520 |
| Loss from equity investment | (1,211,553) | (1,043,727) |
| Net income attributable to holders of ordinary shares | \$ 8,760,373 | \$ 142,662 |
| Net income per share, basic | 0.0005 | 0.0000 |
| Net income per ADS, basic | 0.0237 | 0.0004 |
| Net income per share, diluted | 0.0005 | 0.0000 |
| Net income per ADS, Diluted | 0.0234 | 0.0004 |
| Ordinary shares used in calculating basic income per ordinary share (in millions) | 18,451 | 18,398 |
| Ordinary shares used in calculating diluted income per ordinary share (in millions) | 18,706 | 18,609 |



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

| | March 31, 2007 (Unaudited) | December 31, 2006 (Unaudited) |
|--|-------------------------------|----------------------------------|
| Operating activities | | |
| Net income | 8,760,373 | 142,662 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Minority interest | (976,527) | (940,520) |
| Gain on disposal of plant and equipment | (27,220,665) | (41,733,713) |
| Depreciation and amortization | 173,370,422 | 245,364,902 |
| Amortization of acquired intangible assets | 6,228,615 | 6,290,991 |
| Share-based compensation | 4,996,846 | 5,632,158 |
| Non cash interest expense on promissory notes | 1,207,020 | 1,365,080 |
| Loss from equity investment | 1,211,553 | 1,043,728 |