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NEWS RELEASE

SMIC Reports 2017 Second Quarter Results

All currency figures stated in this report are in US Dollars unless stated otherwise.

The consolidated financial statements are prepared in accordance with International Financial
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Beijing, China August 08, 2017. Semiconductor Manufacturing International Corporation (NYSE: ductor foundries in the world, today announced its consolidated results of operations for the three months ended June 30, 2017.

Second Quarter 2017 Highlights

Revenue was $751.2 million in 2Q17, a decrease of 5.3% QoQ from $793.1 million in 1Q17 and an increase of 8.8% YoY from $690.2 million in 2Q16.
Gross profit was $194.1 million in 2Q17, compared to $220.8 million in 1Q17 and $217.8 million in 2Q16.
Gross margin was 25.8% in 2Q17, compared to 27.8% in 1Q17 and 31.6% in 2Q16.

Third Quarter 2017 Guidance:

The following statements are forward looking statements based on current expectations and involved The Company expects:

Revenue to be flat to up by 3% QoQ.
Gross margin to range from 22% to 24%.
Non-GAAP operating expenses, excluding the effect of employee bonus accrual, government funding and gain from the disposal of living quarters, to range from $179 million to $185 million.
Non-controlling interests of our majority-owned subsidiaries to range from zero to positive $3 million (losses to be borne by non-controlling interests).

8.8% year over year and declined 5.3% quarter over quarter. Most of our year over year growth, by application, came from automotive and industrial, and by device, from CMOS image sensors, NOR flash, application processors and power IC.

This year our team continues to ramp up 28nm, which will be one of our primary growth drivers. 28nm grew 12-fold year over year and 24.8% quarter over quarter, and is on track to reach high single-digits contribution by Q4 this year. In addition, we are happy to see that fingerprint sensors have begun to pick up strongly. We also see continued growth in flash memory and collaborate closely with our clients to capture opportunities in new handset models, IOT, automotive, and industrial segments.

Our sustainable profitability strategy remains: to fully utilize existing assets, differentiate technology,

expand our cooperation with existing customers. Second, we aim for excellence in mature technology. Third, we aim to improve specialty platforms in which we already hold good market share, such as CIS, special MCU, flash memory and others.

Although the near-term outlook is not as seasonally expected, we work diligently to maintain our position as the foundry-of-choice in China. Through deepening cooperation with customers, enhancing product quality/service/and offerings, SMIC is in a great position to benefit from the broad-

Conference Call / Webcast Announcement

Date: August 9, 2017
Time: 8:30 a.m. Beijing time
Dial-in numbers and pass code:

China	+86 400-620-8038	(Pass code: SMIC)
Hong Kong	+852 3018-6771	(Pass code: SMIC)
Taiwan	+886 2-2650-7825	(Pass code: SMIC)
United States, New York	+1 845-675-0437	(Pass code: SMIC)

The call will be webcast live with audio at http://www.smics.com/eng/investors/ir_presentations.php or https://edge.media-server.com/m6/p/q2xnqwzi.

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. SMIC provides integrated circuit (IC) foundry and technology services on process nodes from 0.35 micron to 28 nanometer. Headquartered in Shanghai, China, SMIC has an international manufacturing and service base. In China, SMIC has a 300mm wafer fabrication facility (fab) and a 200mm fab in Shanghai; a 300mm fab and a majority-owned 300mm fab for advanced nodes in Beijing; 200mm fabs in Tianjin and Shenzhen; and a majority-owned joint-venture 300mm bumping facility in Jiangyin; additionally, in Italy SMIC has a majority-owned 200mm fab. SMIC also has marketing and customer service offices in the U.S., Europe, Japan, and Taiwan, and a representative office in Hong Kong.

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 und Third Quarter 2017 Guidance

current assumptions, expectations and projections about future events. SMIC uses words like "believe," "anticipate," "intend," "estimate," "expect," "project," "target" 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 cyclicality and market conditions in the semiconductor industry, intense competition in the semiconductor industry, SMIC's reliance on a small number of customers, 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, orders or judgments from pending litigation, intensive intellectual property litigation in semiconductor industry, general economic conditions and fluctuations in currency exchange rates.

In addition to the information contained in this press release, you should also consider the information contained in our other filings with the SEC, including our annual report on Form 20-F filed with the SEC on April 27, 2017, especially in the "Risk Factors" section and such other documents that we may file with the SEC or The Hong Kong Stock Exchange Limited ("SEHK") from time to time, including current reports on Form 6-K. Other unknown or unpredictable factors also could have material adverse effects on our 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.

About Non-Generally Accepted Accounting Principles (Non-GAAP) Financial Measures

in this press release non-GAAP measures of operating results that are adjusted to exclude finance cost, depreciation and amortization, income tax benefits and expenses, the effect of employee bonus accrual, government funding and gain from the disposal of living quarters. This earnings release also includes third quarter 2017 guidance for non-GAAP operating expenses. The presentation of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS. This earnings release includes EBITDA, EBITDA margin and non-GAAP operating expenses which consist of total operating expenses as adjusted to exclude the effect of employee bonus accrual, government funding and gain from the disposal of living quarters. These non-GAAP financial measures are not calculated or presented in accordance with, and are not alternatives or substitutes for financial measures prepared in accordance with IFRS, and should be read only in conjunction with the Group's financial measures prepared in accordance with IFRS. The Group's non-GAAP financial measures may be different from similarly-titled non-GAAP financial measures used by other companies.

SMIC believes that use of these non- d Group management regularly uses these non-GAAP financial measures to understand, manage and evaluate the Group's business and make financial and operational decisions.

The accompanying table has more information and reconciliations of each non-GAAP financial measure to its most directly comparable GAAP financial measure. A reconciliation of non-GAAP guidance measures to corresponding GAAP measures is not available on a forward-looking basis because the effect of these adjustment items excluded for the purpose of non-GAAP operating expenses guidance are subject to

Operating expenses were $172.5 million in 2Q17, an increase of 20.3% QoQ from $143.4 million in 1Q17, mainly due to the reasons stated in Operating Expenses (Income) Analysis below.

Other income (expense), net was $14.5 million gain in 2Q17, as compared to $12.4 million

Analysis of Revenue

Revenue Analysis			
Computer	6.0%	6.4%	4.3%

Capacity*

Fab	2Q17	1Q17
Shanghai 200mm Fab	112,000	110,000
Shanghai 300mm Fab	45,000	45,000
Beijing 300mm Fab	112,500	108,000
Tianjin 200mm Fab	45,000	45,000
Shenzhen 200mm Fab	32,000	31,000
Majority-Owned Beijing 300mm Fab	51,750	42,750
Majority-Owned Avezzano 200mm Fab	40,000	40,000

Operating Expenses (Income) Analysis

Amounts in US$ thousands	2Q17	1Q17	QoQ	2Q16	YoY
Operating expenses	172,500	143,433	20.3%	102,394	68.5%
Research and development, net	111,158	107,805	3.1%	64,526	72.3%
General and administrative	54,199	39,394	37.6%	33,496	61.8%
Selling and marketing	9,441	10,375	-9.0%	8,228	14.7%
Other operating					

Depreciation and Amortization

Amounts in US$ thousands	**2Q17**	**1Q17**	**QoQ**	**2Q16**	**YoY**
Depreciation and amortization	241,045	235,400	2.4%	168,908	42.7%

Liquidity

Amounts in US$ thousands	**2Q17**	**1Q17**
Cash and cash equivalent	876,118	1,552,043
Restricted cash	344,100	280,771
Other financial assets[(1)]	516,002	557,040
Trade and other receivables	722,911	705,265
Prepayment and prepaid operating expenses	53,061	57,889
Inventories	577,179	503,801
Assets classified as held-for-sale	49,654	45,421
Total current assets	3,139,025	3,702,230
Current tax liabilities	1,112	539
Other financial liabilities	-	2,900
Accrued liabilities	179,597	185,681
Deferred government funding	146,071	120,178
Short-term notes	-	87,097
Short-term Borrowings	305,898	204,973
Trade and other payables	1,268,158	1,039,224
Total current liabilities	1,900,836	1,640,592
Cash Ratio[(2)]	0.5x	0.9x
Quick Ratio[(3)]	1.3x	1.9x
Current Ratio[(4)]	1.7x	2.3x

Note:
(1) Other financial assets mainly contain financial products sold by bank and bank deposits over 3 months.
(2) Cash and cash equivalent divided by total current liabilities.
(3) Current assets excluding inventories divided by total current liabilities
(4) Total current assets divided by total current liabilities.

Recent Highlights and Announcements

Connected Transaction - Provisions of Guarantees (2017-07-31)
Connected Transaction - Capital Contribution to A Joint Venture (2017-07-20)
Notification of Board Meeting (2017-07-20)
Change of Company Secretary and Authorised Representative (2017-07-03)
Poll Results of the Annual General Meeting Held on June 23, 2017 (2017-06-23)
Update on the Discloseable Transaction and Connected Transaction in Relation to (1) Disposal of 19.61% Equity Interest in Suzhou Changdian Xinke Investment Co., Ltd. by Siltech Shanghai to JCET and Issue of A Shares to Siltech Shanghai by JCET and (2) Private Placement of A Shares to Siltech Shanghai by JCET (2017-06-19)
5th Anniversary of "SMIC Liver Transplant Program" - Cumulative Donation Exceeding RMB 15 million and 200 Children Saved (2017-06-13)
Closure of Register of Members (2017-06-07)
Clarification Announcement in Respect of the Proxy Form for the Annual General Meeting to be Held on Friday, June 23, 2017 (2017-05-31)
Circular - Notification Letter and Request Form for Non-registered Shareholders (2017-05-23)
Circular - Notification Letter for Registered Shareholders (2017-05-23)
Notice of Annual General Meeting (2017-05-23)
Form of Proxy for Use at the Annual General Meeting to be Held on June 23, 2017 (2017-05-23)
Circular - Proposals for Re-election of Directors, General Mandates to Issue and Repurchase Shares, Increase in Authorised Share Capital, Share Premium Reduction, Non-exempt Connected Transactions - Proposed Grants of Restricted Share Units to Directors and Former Chief Executive Officer, Proposed Payment to Former Chief Executive Officer and Notice of Annual General Meeting (2017-05-23)
(1) grant of Share Options and (2) non-exempt Connected Transaction - Proposed Grant of Restricted Share Units to Former Chief Executive Officer (2017-05-22)
Grant of Options (2017-05-22)
Update on the Discloseable Transaction and Connected Transaction in Relation to (1) Disposal of 19.61% Equity Interest in Suzhou Changdian Xinke Investment Co., Ltd.* by Siltech Shanghai to JCET and Issue of A Shares to Siltech Shanghai by JCET and (2) Private Placement of A Shares to Siltech Shanghai by JCET (2017-05-11)
SMIC Transitions CEO Responsibility to Dr. Haijun Zhao While Dr. Tzu-Yin Chiu Stays as Vice Chairman and Non-Executive Director (2017-05-10)
List of Directors and Their Roles and Functions (2017-05-10)
SMIC Reports Unaudited Results for the Three Months Ended March 31, 2017 (2017-05-10)
Change of Chief Executive Officer, Appointment of Non-executive Vice Chairman and Re-designation of Director (2017-05-10)
Circulars - Notification Letter and Request Form for Non-registered Shareholders (2017-04-27)
Circulars - Notification Letter for Registered Shareholders (2017-04-27)
Circulars - Notification Letter and Change Request Form to Registered Holders (2017-04-27)
Circulars - Letter and Reply Form to New Registered Shareholders - Election of Means of Receipt and Language of Corporate Communication (2017-04-27)
Clarification Announcement (2017-04-24)
Proposed Increase in Authorised Share Capital (2017-04-21)
Proposed Share Premium Reduction (2017-04-21)
Notification of Board Meeting (2017-04-21)
Compensation Committee Charter (2017-04-18)
(1) Grant of Share Options and (2) Non-exempt Connected Transactions - Proposed Grant of Restricted Share Units to Directors and Chief Executive Officer (2017-04-05)
Grant of Options (2017-04-05)

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Semiconductor Manufacturing International Corporation
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(In US$ thousands except share data)

	For the three months ended	
	June 30, 2017 (Unaudited)	**March 31, 2017 (Unaudited)**
Revenue	751,193	793,085
Cost of sales	(557,061)	(572,266)
Gross profit	194,132	220,819
Research and development expenses, net	(111,1	

Note:

(1) Non-GAAP operating expenses are defined as operating expenses adjusted to exclude the effect of employee bonus accrual, government funding and gain from the disposal of living quarters. SMIC reviews non-GAAP operating expenses together with operating expenses to understand, manage and evaluate its business and make financial and operational decisions. The Group

(3) For the purpose of hedging against the foreign exchange risk relating to the RMB denominated liabilities including bank loans, short-term notes and medium-term notes, the Group entered into cross currency swap contracts with a term fully matching the repayment schedule of these RMB denominated liabilities. These cross-currency swap contracts were designated as hedging instrument of cash flow hedges since 4Q16. The effective portion of changes in fair value of the cross currency swap contracts is recognized in other comprehensive income, which are reclassified to profit or loss in the period when the RMB denominated liabilities affect profit or loss in response to foreign exchange fluctuation.

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Semiconductor Manufacturing International Corporation
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In US$ thousands)

	As of	
	June 30, 2017 (Unaudited)	**March 31, 2017 (Unaudited)**
ASSETS		
Non-current assets		
Property, plant and equipment	6,482,526	5,935,180
Land use right	98,604	98,978
Intangible assets	234,976	243,195
Investments in associates	737,111	236,405
Investments in joint ventures	14,588	14,431
Deferred tax assets	46,538	46,179
Derivative financial instrument	-	33,205
Other financial assets	4,120	1,241
Restricted cash	12,788	18,278
Other assets	31,374	32,793
Total non-current assets	7,662,625	6,659,885
Current assets		
Inventories	577,179	503,801
Prepayment and prepaid operating expenses	53,061	57,889
Trade and other receivables	722,911	705,265
Other financial assets	516,002	557,040
Restricted cash	344,100	280,771
Cash and cash equivalent	876,118	1,552,043
	3,089,371	3,656,809
Assets classified as held-for-sale	49,654	45,421
Total current assets	3,139,025	3,702,230
TOTAL ASSETS	**10,801,650**	**10,362,115**
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary shares, $0.004 par value, 10,000,000,000 shares authorized, 4,650,874,001 and 4,647,406,717 shares issued and outstanding at June 30, 2017 and March 31, 2017, respectively	18,603	18,590
Share premium[(1)]	4,474,996	5,382,331
Reserves	100,736	83,784
Retained earnings (accumulated deficit)[(1)]	106,062	(841,058)
Equity attributable to owners of the Company	4,700,397	4,643,647
Non-controlling interests	1,244,687	1,247,243
Total equity	5,945,084	5,890,890
Non-current liabilities		
Borrowings	1,456,108	1,369,482
Convertible bonds	402,549	398,879
Bonds payable	495,789	495,344
Medium-term notes	219,370	216,172
Deferred tax liabilities	18,353	15,987
Deferred government funding	305,998	251,998
Other financial liabilities	27,792	43,750
Other liabilities	29,771	39,021
Total non-current liabilities	2,955,730	2,830,633
Current liabilities		
Trade and other payables	1,268,158	1,039,224
Borrowings	305,898	204,973
Short-term notes	-	87,097
Deferred government funding	146,071	120,178
Accrued liabilities	179,597	185,681
Other financial liabilities	-	2,900
Current tax liabilities	1,112	539
Total current liabilities	1,900,836	1,640,592
Total liabilities	4,856,566	4,471,225
TOTAL EQUITY AND LIABILITIES	**10,801,650**	**10,362,115**

Note:

(1) In 2Q17, the Board proposed to reduce the amount standing to the credit of the share premium account of the Company by an amount of US$910.8 million and to apply such amount to eliminate the accumulated losses of the Company as of December 31, 2016. The proposed share premium reduction has been approved by the shareholders at the Annual General Meeting held on June 23, 2017.

Semiconductor Manufacturing International Corporation
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In US$ thousands)

	For the three months ended	
	June 30, 2017	**March 31, 2017**
	(Unaudited)	**(Unaudited)**
Cash flow from operating activities		
Profit for the period	33,316	64,213
Depreciation and amortization	241,045	235,400
Share of loss of investment using equity method	2,287	5,371
Changes in working capital and others	(31,429)	(158,061)
Net cash from operating activities	**245,219**	**146,923**
Cash flow from investing activities:		
Payments for property, plant and equipment	(626,325)	(613,459)
Payments for intangible assets	(11,951)	(17,177)
Net proceeds after netting off land appreciation tax from disposal of property, plant and equipment and assets classified as held for sale	5,004	254,050
Changes in restricted cash relating to investing activities	9,419	53,942
Payments to acquire financial assets	(95,813)	(547,657)
Proceeds on sale of financial assets	139,989	22,449
Payment to acquire long-term investment	(421,730)	(1,018)
Net cash used in investing activities	**(1,001,407)**	**(848,870)**
Cash flow from financing activities:		
Proceeds from borrowings	176,737	352,821
Repayment of borrowings	(9,261)	(229,264)
Repayment of short-term notes	(87,858)	-
Proceeds from exercise of employee stock options	1,310	2,363
Net cash from financing activities	**80,928**	**125,920**
Effects of exchange rate changes on the balance of cash held in foreign currencies	(665)	2,059
Net increase in cash and cash equivalent	**(675,925)**	**(573,968)**
Cash and cash equivalent, beginning of period	**1,552,043**	**2,126,011**
Cash and cash equivalent, end of period	**876,118**	**1,552,043**