













R&D expenses increased to \$25.9 million in 3Q07, up 11.7% from \$23.2 million due to costs relating to the new 12-inch project in Shanghai and 65nm R&D activities. G&A expenses increased to \$23.8 million in 3Q07 from \$14.7 million in 2Q07. G&A expenses excluding foreign exchange loss remained flat at \$18.1 million. The foreign exchange loss from operating activities in 3Q07 was \$5.7 million as compared to a gain of \$4.8 million in 2Q07. However, combining the foreign exchange gain from non-operating activities, which was recorded in other income, a total gain of \$2.0 million was recorded in 3Q07 as compared to a gain of \$3.3 million in 2Q07.















---

**Recent Highlights and Announcements**





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