



**TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.**

**UNCONSOLIDATED STATEMENT OF CASH FLOWS**

For the Nine Months Ended Sep. 30, 2001 and 2000

(Figures in Million of New Taiwan dollars (NTD) and U.S. dollars (USD))<sup>(1)</sup>

	9 MTHS 2001		9 MTHS 2000
	USD	NTD	NTD
<b>Cash Flows from Operating Activities:</b>			
Net Income	297	9,969	43,633
Net Income of the merged companies			
Depreciation & Amortization	1,070	35,899	22,090
Investment Loss (Income) Recognized by Equity Method	140	4,682	-914
Deferred Tax on Investment Tax Credit	-121	-4,068	-522
Changes in Working Capital & Others	355	11,914	-5,816
Net Cash Provided from Operating Activities	1,741	58,395	58,471
<b>Cash Flows from Investing Activities:</b>			
Acquisition of Fixed Assets	-1,728	-57,955	-51,623
Proceeds from Disposal of Properties	9	291	114
Increase in Long-Term Investments	-131	-4,390	-1,246
Proceeds from Sales of Long-Term Stock Investments	4	145	
Increase in Deposit out/Deferred Assets	-26	-880	-1,512
Proceeds from the merger activity			1,412
Net Cash Used in Investing Activities	-1,872	-62,790	-52,855
<b>Cash Flows from Financing Activities:</b>			
Increase (Decrease) in Short-Term Credit Instruments			-12,635
Decrease in Commercial Paper Payable			-5,479
Increase (Decrease) Long-Term Bank Loans	-1	-50	-7,525
Decrease in Guarantee Deposits & Others	2	63	-644
Cash Dividend - Preferred Shares	-1	-41	
Bonus paid to Directors and Supervisors	-17	-584	-215
Issue Stocks			24,323
Net Cash Used in Financing Activities	-18	-612	-2,176
Net Increase (Decrease) in Cash and Cash Equivalents	-149	-5,006	3,440
Cash and Cash Equivalents at Beginning of Period	1,063	35,664	16,650
Cash and Cash Equivalents at End of Period	914	30,658	20,090

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NTD33.54 per U.S. dollar .