



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Balance Sheets

(Expressed in Millions of New Taiwan Dollars ("NTD") and U.S. Dollars ("USD")) ⁽¹⁾

	March 31, 2007 (unaudited)			December 31, 2006 (Audited)		March 31, 2006 (unaudited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$4,239	\$140,274	23.0	\$117,837	20.1	\$121,251	21.8	\$22,437	19.0	\$19,023	15.7
Investments in Marketable Financial Instruments	2,330	77,096	12.7	77,242	13.1	71,006	12.8	(146)	-0.2	6,090	8.6
Accounts Receivable - Trade	1,000	33,094	5.4	31,589	5.4	38,012	6.8	1,505	4.8	(4,918)	-12.9
Inventories, Net	673	22,259	3.7	21,431	3.6	18,409	3.3	828	3.9	3,850	20.9
Other Current Assets	404	13,356	2.2	12,218	2.1	10,572	2.0	1,138	9.3	2,784	26.3
Total Current Assets	8,646	286,079	47.0	260,317	44.3	259,250	46.7	25,762	9.9	26,829	10.3
Long-Term Investments	1,577	52,185	8.6	53,895	9.2	34,726	6.3	(1,710)	-3.2	17,459	50.3
Property, Plant and Equipment	22,188	734,182	120.6	717,132	122.1	655,396	118.0	17,050	2.4	78,786	12.0
Less: Accumulated Depreciation	(14,622)	(483,834)	-79.5	(463,038)	-78.8	(413,852)	-74.5	(20,796)	4.5	(69,982)	16.9
Property, Plant and Equipment, Net	7,566	250,348	41.1	254,094	43.3	241,544	43.5	(3,746)	-1.5	8,804	3.6
Other Assets	609	20,159	3.3	19,179	3.2	19,772	3.5	980	5.1	387	2.0
Total Assets	\$18,398	\$608,771	100.0	\$587,485	100.0	\$555,292	100.0	\$21,286	3.6	\$53,479	9.6
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-Term Bank Loans	\$2	\$79	0.0	\$-	-	\$-	-	\$79	-	\$79	-
Accounts Payables	306	10,129	1.7	9,802	1.7	10,687	1.9	327	3.3	(558)	-5.2
Payables to Contractors and Equipment Suppliers	275	9,094	1.5	10,769	1.8	11,680	2.1	(1,675)	-15.6	(2,586)	-22.1
Accrued Expenses and Other Current Liabilities	639	21,101	3.4	19,286	3.3	15,996	2.9	1,815	9.4	5,105	31.9
Current Portion of Bonds Payable and Long-Term liabilities	142	4,714	0.8	7,004	1.2	2,505	0.5	(2,290)	-32.7	2,209	88.1
Total Current Liabilities	1,364	45,117	7.4	46,861	8.0	40,868	7.4	(1,744)	-3.7	4,249	10.4
Bonds Payable	378	12,500	2.1	12,500	2.1	17,000	3.1	-	0.0	(4,500)	-26.5
Other Long-Term Liabilities	586	19,415	3.2	18,986	3.2	18,813	3.3	429	2.3	602	3.2
Total Liabilities	2,328	77,032	12.7	78,347	13.3	76,681	13.8	(1,315)	-1.7	351	0.5
Shareholders' Equity Attributable to Shareholders of the Parent											
Capital Stock	7,807	258,330	42.4	258,297	44.0	247,331	44.5	33	0.0	10,999	4.4
Capital Surplus	1,639	54,231	8.9	54,107	9.2	57,208	10.3	124	0.2	(2,977)	-5.2
Retained Earnings	6,527	215,963	35.5	197,125	33.6	175,378	31.6	18,838	9.6	40,585	23.1
Treasury Stock	(28)	(918)	-0.2	(918)	-0.2	(918)	-0.2	-	0.0	-	-
Others	31	1,020	0.2	(630)	-0.1	(1,066)	-0.1	1,650	-261.9	2,086	-195.7
Total Equity Attributable to Shareholders of the Parent	15,976	528,626	86.8	507,981	86.5	477,933	86.1	20,645	4.1	50,693	10.6
Minority Interest	94	3,113	0.5	1,157	0.2	678	0.1	1,956	169.1	2,435	359.4
Total Shareholders' Equity	16,070	531,739	87.3	509,138	86.7	478,611	86.2	22,601	4.4	53,128	11.1
Total Liabilities & Shareholders' Equity	\$18,398	\$608,771	100.0	\$587,485	100.0	\$555,292	100.0	\$21,286	3.6	\$53,479	9.6

Note : (1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$33.089 as of March 31, 2007.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Unaudited Consolidated Condensed Income Statements

For the Three Months Ended March 31, 2007, December 31, 2006, and March 31, 2006

(Expressed in Millions of New Taiwan Dollars ("NTD") and U.S. Dollars ("USD")⁽¹⁾)

Except for Per Share Amounts and Shares Outstanding)

	Q1 2007			Q4 2006		Q1 2006		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Net Sales	\$1,973	\$64,897	100.0	\$74,963	100.0	\$77,850	100.0	(\$10,066)	-13.4	(\$12,953)	-16.6
Cost of Sales	(1,225)	(40,287)	-62.1	(40,510)	-54.0	(40,123)	-51.5	223	-0.6	(164)	0.4
Gross Profit	748	24,610	37.9	34,453	46.0	37,727	48.5	(9,843)	-28.6	(13,117)	-34.8
Operating Expenses											
Research and Development Expenses ⁽⁴⁾	(120)	(3,942)	-6.1	(4,135)	-5.5	(3,840)	-4.9	193	-4.6	(102)	2.7
General and Administrative Expenses ⁽⁴⁾	(58)	(1,902)	-2.9	(2,117)	-2.8	(1,864)	-2.4	215	-10.2	(38)	2.0
Sales and Marketing Expenses ⁽⁴⁾	(26)	(889)	-1.4	(794)	-1.1	(1,121)	-1.4	(95)	11.9	232	-20.7
Total Operating Expenses	(204)	(6,733)	-10.4	(7,046)	-9.4	(6,825)	-8.8	313	-4.4	92	-1.3
Income from Operations	544	17,877	27.5	27,407	36.6	30,902	39.7	(9,530)	-34.8	(13,025)	-42.1
Non-Operating Income, Net	55	1,830	2.8	1,713	2.3	1,417	1.8	117	6.9	413	29.2
Investment Gains	11	361	0.6	388	0.5	600	0.8	(27)	-7.1	(239)	-39.9
Income before Income Tax	610	20,068	30.9	29,508	39.4	32,919	42.3	(9,440)	-32.0	(12,851)	-39.0
Income Tax (Expenses) Benefits	(33)	(1,107)	-1.7	(1,494)	-2.0	(1,855)	-2.4	387	-25.9	748	-40.3
Net Income Before Cumulative Effect of Changes in Accounting Principles	577	18,961	29.2	28,014	37.4	31,064	39.9	(9,053)	-32.3	(12,103)	-39.0
Cumulative Effect of Changes in Accounting Principles (Net of Tax)	-	-	-	-	-	1,607	2.1	-	-	(1,607)	-100.0
Net Income	577	18,961	29.2	28,014	37.4	32,671	42.0	(9,053)	-32.3	(13,710)	-42.0
Minority Interest	(4)	(122)	-0.2	(102)	-0.2	(64)	-0.1	(20)	18.9	(58)	91.1
Net Income Attributable to Shareholders of the Parent	573	18,839	29.0	27,912	37.2	32,607	41.9	(9,073)	-32.5	(13,768)	-42.2
Earnings per Share - Diluted	\$0.02	\$0.73		\$1.08		\$1.26		-\$0.35	-32.5	-\$0.53	-42.3
Earnings per ADR - Diluted ⁽²⁾	\$0.11	\$3.65		\$5.41		\$6.32		-\$1.76	-32.5	-\$2.67	-42.3
Weighted Average Outstanding Shares - Diluted ('M) ⁽³⁾		25,820		25,815		25,805					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD32.888 for the first quarter of 2007.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 25,805M shares for 1Q06 after the retroactive adjustments for stock dividends and stock bonus.

(4) Certain prior period balances have been reclassified to conform to the current period presentation.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Cash Flows

For the Three Months Ended March 31, 2007, December 31, 2006, and March 31, 2006

(Expressed in Millions of New Taiwan Dollars ("NTD") and U.S. Dollars ("USD")) ⁽¹⁾

	1Q 2007 (Unaudited)		4Q 2006 (Unaudited)	1Q 2006 (Unaudited)
	USD	NTD	NTD	NTD
Cash Flows from Operating Activities:				
Net Income	\$ 573	\$ 18,839	\$ 27,912	\$ 32,607
Net Income Attributable to Minority Interest	4	122	103	64
Depreciation & Amortization	616	20,251	19,682	17,734
Deferred Income Tax	(30)	(972)	7	(609)
Equity in Earnings of Equity Method Investees, Net	(11)	(361)	(388)	(600)
Changes in Working Capital & Others	8	265	5,698	(282)
Net Cash Provided by Operating Activities	1,160	38,144	53,014	48,914
Cash Flows from Investing Activities:				
Acquisitions:				
Marketable Financial Instruments	(480)	(15,796)	(38,210)	(32,731)
Investments Accounted for Using Equity Method	-	-	(2,433)	-
Property, Plant and Equipment	(424)	(13,959)	(17,580)	(11,510)
Financial Assets Carried at Cost	(6)	(212)	(16)	(122)
Proceeds from Disposal or maturity of:				
Marketable Financial Instruments	586	19,259	31,539	19,931
Investments Accounted for Using Equity Method	-	-	-	-
Property, Plant and Equipment	-	1	54	462
Financial Assets Carried at Cost	-	14	21	-
Others	(84)	(2,717)	(1,750)	(142)
Net Cash Used In Investing Activities	(408)	(13,410)	(28,375)	(24,112)
Cash Flows from Financing Activities:				
Increase (Decrease) in Guarantee Deposits	(12)	(388)	133	322
Proceeds from Exercise of Stock Options	4	122	152	117
Bonus Paid to Directors and Supervisors	-	-	-	-
Repayment of Long-Term Bonds Payable	(76)	(2,500)	-	-
Cash Dividends Paid for Common Stock	-	-	-	-
Cash Bonus Paid to Employees	-	-	-	-
Others	(1)	(28)	480	(323)
Net Cash (Used in) Provided by Financing Activities	(85)	(2,794)	765	116
Net Increase in Cash and Cash Equivalents	667	21,940	25,404	24,918
Effect of Exchange Rate Changes and Others	15	497	(470)	(151)
Cash and Cash Equivalents at Beginning of Period	3,583	117,837	92,903	96,484
Cash and Cash Equivalents at End of Period	\$ 4,265	\$ 140,274	\$ 117,837	\$ 121,251

Note: (1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD32.888 for the three months ended March 31, 2007.