



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⁾

	September 30, 2007 (unaudited)			June 30, 2007 (audited)		September 30, 2006 (unaudited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$3,010	\$98,328	16.8	\$163,391	25.6	\$92,903	16.5	(\$65,063)	-39.8	\$5,425	5.8
Investments in Marketable Financial Instruments	2,390	78,064	13.3	69,685	10.9	71,192	12.6	8,379	12.0	6,872	9.7
Accounts Receivable - Trade	1,297	42,357	7.2	37,054	5.8	37,726	6.7	5,303	14.3	4,631	12.3
Inventories, Net	751	24,532	4.2	24,045	3.8	20,338	3.6	487	2.0	4,194	20.6
Other Current Assets	207	6,775	1.2	10,464	1.7	6,149	1.1	(3,689)	-35.3	626	10.1
Total Current Assets	7,655	250,056	42.7	304,639	47.8	228,308	40.5	(54,583)	-17.9	21,748	9.5
Long-Term Investments	1,408	45,991	7.8	45,153	7.1	51,060	9.1	838	1.9	(5,069)	-9.9
Property, Plant and Equipment	24,087	786,850	134.2	767,100	120.3	706,191	125.4	19,750	2.6	80,659	11.4
Less: Accumulated Depreciation	(15,968)	(521,614)	-89.0	(502,495)	-78.8	(445,525)	-79.1	(19,119)	3.8	(76,089)	17.1
Property, Plant and Equipment, Net	8,119	265,236	45.2	264,605	41.5	260,666	46.3	631	0.2	4,570	1.8
Other Assets	769	25,124	4.3	23,037	3.6	23,314	4.1	2,087	9.1	1,810	7.8
Total Assets	\$17,951	\$586,407	100.0	\$637,434	100.0	\$563,348	100.0	(\$51,027)	-8.0	\$23,059	4.1
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-Term Bank Loans	\$3	\$98	-	\$99	-	\$-	-	(\$1)	-0.7	\$98	-
Accounts Payables ⁽²⁾	382	12,492	2.1	11,064	1.8	10,587	1.9	1,428	12.9	1,905	18.0
Payables to Contractors and Equipment Suppliers ⁽²⁾	360	11,745	2.0	17,103	2.7	15,589	2.8	(5,358)	-31.3	(3,844)	-24.7
Accrued Expenses and Other Current Liabilities	667	21,776	3.8	99,365	15.5	16,885	3.0	(77,589)	-78.1	4,891	29.0
Current Portion of Bonds Payable and Long-Term liabilities	146	4,782	0.8	4,782	0.8	2,505	0.4	-	0.0	2,277	90.9
Total Current Liabilities	1,558	50,893	8.7	132,413	20.8	45,566	8.1	(81,520)	-61.6	5,327	11.7
Bonds Payable	383	12,500	2.1	12,500	2.0	17,000	3.0	-	0.0	(4,500)	-26.5
Other Long-Term Liabilities	563	18,395	3.1	18,649	2.9	18,919	3.4	(254)	-1.4	(524)	-2.8
Total Liabilities	2,504	81,788	13.9	163,562	25.7	81,485	14.5	(81,774)	-50.0	303	0.4
Shareholders' Equity Attributable to Shareholders of the Parent											
Capital Stock	8,090	264,262	45.1	264,235	41.5	258,258	45.8	27	-	6,004	2.3
Capital Surplus	1,644	53,713	9.2	53,726	8.4	53,858	9.6	(13)	-	(145)	-0.3
Retained Earnings	5,644	184,380	31.4	154,010	24.2	169,213	30.0	30,370	19.7	15,167	9.0
Treasury Stock	(28)	(918)	-0.2	(918)	-0.1	(918)	-0.2	-	0.0	-	-
Others	(5)	(162)	0.0	(167)	-0.1	725	0.2	5	-2.5	(887)	-122.3
Total Equity Attributable to Shareholders of the Parent	15,345	501,275	85.5	470,886	73.9	481,136	85.4	30,389	6.5	20,139	4.2
Minority Interest	102	3,344	0.6	2,986	0.4	727	0.1	358	12.0	2,617	359.7
Total Shareholders' Equity	15,447	504,619	86.1	473,872	74.3	481,863	85.5	30,747	6.5	22,756	4.7
Total Liabilities & Shareholders' Equity	\$17,951	\$586,407	100.0	\$637,434	100.0	\$563,348	100.0	(\$51,027)	-8.0	\$23,059	4.1

Note : (1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$32.667 as of September 30, 2007.

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



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Unaudited Consolidated Condensed Income Statements

For the Three Months Ended September 30, 2007, June 30, 2007, and September 30, 2006

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

Except for Per Share Amounts and Shares Outstanding)

	Q3 2007			Q2 2007		Q3 2006		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Net Sales	\$2,700	\$88,955	100.0	\$74,918	100.0	\$82,476	100.0	\$14,037	18.7	\$6,479	7.9
Cost of Sales	(1,464)	(48,231)	-54.2	(42,738)	-57.0	(41,344)	-50.1	(5,493)	12.9	(6,887)	16.7
Gross Profit	1,236	40,724	45.8	32,180	43.0	41,132	49.9	8,544	26.6	(408)	-1.0
Operating Expenses											
Research and Development Expenses ⁽⁴⁾	(142)	(4,691)	-5.3	(4,301)	-5.7	(4,309)	-5.2	(390)	9.1	(382)	8.9
General and Administrative Expenses ⁽⁴⁾	(87)	(2,872)	-3.2	(2,151)	-2.9	(2,346)	-2.8	(721)	33.5	(526)	22.4
Sales and Marketing Expenses ⁽⁴⁾	(25)	(808)	-0.9	(994)	-1.4	(845)	-1.1	186	-18.6	37	-4.3
Total Operating Expenses	(254)	(8,371)	-9.4	(7,446)	-10.0	(7,500)	-9.1	(925)	12.4	(871)	11.6
Income from Operations	982	32,353	36.4	24,734	33.0	33,632	40.8	7,619	30.8	(1,279)	-3.8
Non-Operating Income, Net	33	1,083	1.2	2,802	3.7	322	0.3	(1,719)	-61.3	761	236.1
Investment Gains	24	782	0.9	488	0.7	709	0.9	294	60.1	73	10.3
Income before Income Tax	1,039	34,218	38.5	28,024	37.4	34,663	42.0	6,194	22.1	(445)	-1.3
Income Tax (Expenses) Benefits	(109)	(3,600)	-4.1	(2,394)	-3.2	(2,144)	-2.6	(1,206)	50.4	(1,456)	67.9
Net Income	930	30,618	34.4	25,630	34.2	32,519	39.4	4,988	19.5	(1,901)	-5.8
Minority Interest	(8)	(248)	-0.3	(146)	-0.2	(30)	0.0	(102)	69.5	(218)	738.0
Net Income Attributable to Shareholders of the Parent	922	30,370	34.1	25,484	34.0	32,489	39.4	4,886	19.2	(2,119)	-6.5
Earnings per Share - Diluted	\$0.03	\$1.15		\$0.96		\$1.23		\$0.19	19.2	-\$0.08	-6.6
Earnings per ADR - Diluted ⁽²⁾	\$0.17	\$5.75		\$4.82		\$6.15		\$0.93	19.2	-\$0.40	-6.6
Weighted Average Outstanding Shares - Diluted ('M') ⁽³⁾		26,410		26,409		26,395					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD32.948 for the third quarter of 2007.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 26,395M shares for 3Q06 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

Unaudited Consolidated Condensed Income Statements

For the Nine Months End September 30, 2007 and 2006

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

Except for Per Share Amounts and Shares Outstanding)

	For The Nine Months Ended September 30						
	2007			2006		YoY	
	USD	NTD	%	NTD	%	Amount	%
Net Sales	\$6,934	\$228,771	100.0	\$242,444	100.0	(\$13,673)	-5.6
Cost of Sales	(3,978)	(131,256)	-57.4	(121,087)	-49.9	(10,169)	8.4
Gross Profit	2,956	97,515	42.6	121,357	50.1	(23,842)	-19.6
Operating Expenses							
Research and Development Expenses ⁽⁴⁾	(392)	(12,934)	-5.7	(12,245)	-5.1	(689)	5.6
General and Administrative Expenses ⁽⁴⁾	(210)	(6,926)	-3.0	(6,297)	-2.6	(629)	10.0
Sales and Marketing Expenses	(81)	(2,691)	-1.1	(2,958)	-1.2	267	-9.0
Total Operating Expenses	(683)	(22,551)	-9.8	(21,500)	-8.9	(1,051)	4.9
Income from Operations	2,273	74,964	32.8	99,857	41.2	(24,893)	-24.9
Non-Operating Income, Net	173	5,715	2.5	2,038	0.8	3,677	180.4
Investment Gains	49	1,631	0.7	1,959	0.8	(328)	-16.7
Income before Income Tax	2,495	82,310	36.0	103,854	42.8	(21,544)	-20.7
Income Tax (Expenses) Benefits	(215)	(7,102)	-3.1	(6,280)	-2.6	(822)	13.1
Net Income before Cumulative Effect of Changes in Accounting Principles	2,280	75,208	32.9	97,574	40.2	(22,366)	-22.9
Cumulative Effect of Changes in Accounting Principles (Net of Tax)	0	0	0.0	1,607	0.7	(1,607)	-100.0
Net Income	2,280	75,208	32.9	99,181	40.9	(23,973)	-24.2
Minority Interest	(16)	(516)	-0.2	(83)	0.0	(433)	523.2
Net Income Attributable to Shareholders of the Parent	2,264	74,692	32.7	99,098	40.9	(24,406)	-24.6
Earnings per Share - Diluted	\$0.09	\$2.83		\$3.75		-\$0.93	-24.7
Earnings per ADR - Diluted ⁽²⁾	\$0.43	\$14.14		\$18.77		-\$4.63	-24.7
Weighted Average Outstanding Shares - Diluted ('M) ⁽³⁾		26,410		26,395			

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 32.993 for nine months ended September 30, 2007.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 26,395M shares for the nine months ended September 30, 2006 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 Nine Months Ended September 30, 2007 and for the Three Months Ended September 30, 2007, June 30, 2007, and September 30, 2006

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

	Nine Months 2007 (Unaudited)		3Q 2007 (Unaudited)	2Q 2007 (Unaudited)	3Q 2006 (Unaudited)
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Net Income	\$ 2,264	\$ 74,692	\$ 30,369	\$ 25,484	\$ 32,489
Net Income Attributable to Minority Interest	16	516	248	146	30
Depreciation & Amortization	1,810	59,724	19,857	19,616	18,411
Deferred Income Tax	2	67	668	371	(136)
Equity in Earnings of Equity Method Investees, Net	(49)	(1,631)	(782)	(488)	(709)
Changes in Working Capital & Others	(284)	(9,361)	758	(10,384)	2,593
Net Cash Provided by Operating Activities	3,759	124,007	51,118	34,745	52,678
Cash Flows from Investing Activities:					
Acquisitions of:					
Marketable Financial Instruments	(1,669)	(55,072)	(25,042)	(14,234)	(27,054)
Investments Accounted for Using Equity Method	(176)	(5,810)	(5,810)	-	(132)
Property, Plant and Equipment	(1,946)	(64,220)	(24,917)	(25,345)	(28,256)
Financial Assets Carried at Cost	(25)	(808)	(378)	(218)	(205)
Proceeds from Disposal or maturity of:					
Marketable Financial Instruments	2,169	71,554	22,282	30,013	18,486
Investments Accounted for Using Equity Method	-	-	-	-	-
Property, Plant and Equipment	1	26	15	10	217
Financial Assets Carried at Cost	8	269	255	-	105
Others	(121)	(3,967)	(866)	(383)	(147)
Net Cash Used In Investing Activities	(1,759)	(58,028)	(34,461)	(10,157)	(36,986)
Cash Flows from Financing Activities:					
Increase (Decrease) in Guarantee Deposits	(38)	(1,253)	(447)	(418)	327
Proceeds from Exercise of Stock Options	12	402	105	175	97
Bonus Paid to Directors and Supervisors	(9)	(286)	-	(286)	-
Repayment of Long-Term Bonds Payable	(76)	(2,500)	-	-	-
Cash Dividends Paid for Common Stock	(2,345)	(77,387)	(77,387)	-	(61,743)
Cash Bonus Paid to Employees	(139)	(4,573)	(4,573)	-	(3,432)
Others	9	296	322	2	13
Net Cash Provided by (Used in) Financing Activities	(2,586)	(85,301)	(81,980)	(527)	(64,738)
Net Increase in Cash and Cash Equivalents	(586)	(19,322)	(65,323)	24,061	(49,046)
Effect of Exchange Rate Changes and Others	(6)	(187)	260	(944)	497
Cash and Cash Equivalents at Beginning of Period	3,572	117,837	163,391	140,274	141,452
Cash and Cash Equivalents at End of Period	\$ 2,980	\$ 98,328	\$ 98,328	\$ 163,391	\$ 92,903

Note: (1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD32.993 for the nine months ended September 30, 2007.