



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⁾

	June 30, 2008 (audited)			March 31, 2008 (unaudited)		June 30, 2007 (audited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$6,106	\$185,346	30.1	\$144,277	24.2	\$163,391	25.6	\$41,069	28.5	\$21,955	13.4
Investments in Marketable Financial Instruments	1,273	38,642	6.3	66,034	11.1	69,685	10.9	(27,392)	(41.5)	(31,043)	(44.5)
Accounts Receivable - Trade	1,379	41,858	6.8	37,950	6.3	37,054	5.8	3,908	10.3	4,804	13.0
Inventories, Net	770	23,359	3.8	21,890	3.7	24,045	3.8	1,469	6.7	(686)	(2.9)
Other Current Assets	348	10,558	1.7	11,304	1.9	10,464	1.7	(746)	(6.6)	94	0.9
Total Current Assets	9,876	299,763	48.7	281,455	47.2	304,639	47.8	18,308	6.5	(4,876)	(1.6)
Long-Term Investments	1,052	31,937	5.2	33,693	5.6	45,153	7.1	(1,756)	(5.2)	(13,216)	(29.3)
Property, Plant and Equipment	27,573	836,936	136.0	817,464	136.9	767,100	120.3	19,472	2.4	69,836	9.1
Less: Accumulated Depreciation	(18,935)	(574,738)	(93.4)	(555,854)	(93.1)	(502,495)	(78.8)	(18,884)	3.4	(72,243)	14.4
Property, Plant and Equipment, Net	8,638	262,198	42.6	261,610	43.8	264,605	41.5	588	0.2	(2,407)	(0.9)
Other Assets	702	21,325	3.5	20,285	3.4	23,037	3.6	1,040	5.1	(1,712)	(7.4)
Total Assets	\$20,268	\$615,223	100.0	\$597,043	100.0	\$637,434	100.0	\$18,180	3.0	(\$22,211)	(3.5)
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-Term Bank Loans	\$ -	\$ -	-	\$ -	-	\$99	-	\$ -	-	(\$99)	(100.0)
Accounts Payable ⁽²⁾	383	11,632	1.9	10,338	1.7	11,064	1.8	1,294	12.5	568	4.3
Payables to Contractors and Equipment Suppliers ⁽²⁾	313	9,511	1.5	12,256	2.1	17,103	2.7	(2,745)	(22.4)	(7,592)	(44.1)
Accrued Expenses and Other Current Liabilities	3,874	117,576	19.2	31,162	5.2	99,365	15.5	86,414	277.3	18,211	18.3
Current Portion of Bonds Payable and Long-Term Liabilities	272	8,262	1.3	8,280	1.4	4,782	0.8	(18)	(0.2)	3,480	72.8
Total Current Liabilities	4,842	146,981	23.9	62,036	10.4	132,413	20.8	84,945	136.9	14,568	11.0
Bonds Payable	148	4,500	0.7	4,500	0.8	12,500	2.0	-	-	(8,000)	(64.0)
Other Long-Term Liabilities	562	17,055	2.8	17,537	2.9	18,649	2.9	(482)	(2.7)	(1,594)	(8.5)
Total Liabilities	5,552	168,536	27.4	84,073	14.1	163,562	25.7	84,463	100.5	4,974	3.0
Shareholders' Equity Attributable to Shareholders of the Parent											
Capital Stock	8,616	261,535	42.5	256,292	42.9	264,235	41.5	5,243	2.0	(2,700)	(1.0)
Capital Surplus	1,677	50,917	8.3	51,696	8.7	53,726	8.4	(779)	(1.5)	(2,809)	(5.2)
Retained Earnings	5,006	151,953	24.7	208,633	34.9	154,010	24.2	(56,680)	(27.2)	(2,057)	(1.3)
Treasury Stock	(489)	(14,845)	(2.4)	(918)	(0.2)	(918)	(0.1)	(13,927)	1517.0	(13,927)	1517.0
Others	(208)	(6,319)	(1.1)	(6,410)	(1.0)	(167)	(0.1)	91	(1.4)	(6,152)	3701.9
Total Equity Attributable to Shareholders of the Parent	14,602	443,241	72.0	509,293	85.3	470,886	73.9	(66,052)	(13.0)	(27,645)	(5.9)
Minority Interests	114	3,446	0.6	3,677	0.6	2,986	0.4	(231)	(6.3)	460	15.4
Total Shareholders' Equity	14,716	446,687	72.6	512,970	85.9	473,872	74.3	(66,283)	(12.9)	(27,185)	(5.7)
Total Liabilities & Shareholders' Equity	\$20,268	\$615,223	100.0	\$597,043	100.0	\$637,434	100.0	\$18,180	3.0	(\$22,211)	(3.5)

Note : (1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$30.354 as of June 30, 2008.

(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 June 30, 2008, March 31, 2008, and June 30, 2007

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

Except for Per Share Amounts and Shares Outstanding)

	Q2 2008			Q1 2008		Q2 2007		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Net Sales	\$2,896	\$88,137	100.0	\$87,480	100.0	\$74,918	100.0	\$657	0.8	\$13,219	17.6
Cost of Sales	(1,574)	(47,916)	(54.4)	(49,241)	(56.3)	(42,738)	(57.0)	1,325	(2.7)	(5,178)	12.1
Gross Profit	1,322	40,221	45.6	38,239	43.7	32,180	43.0	1,982	5.2	8,041	25.0
Operating Expenses											
Research and Development Expenses	(178)	(5,404)	(6.1)	(5,270)	(6.0)	(4,301)	(5.7)	(134)	2.5	(1,103)	25.6
General and Administrative Expenses	(104)	(3,170)	(3.6)	(2,662)	(3.0)	(2,151)	(2.9)	(508)	19.1	(1,019)	47.3
Sales and Marketing Expenses	(42)	(1,274)	(1.4)	(1,184)	(1.4)	(994)	(1.4)	(90)	7.7	(280)	28.2
Total Operating Expenses	(324)	(9,848)	(11.1)	(9,116)	(10.4)	(7,446)	(10.0)	(732)	8.0	(2,402)	32.3
Income from Operations	998	30,373	34.5	29,123	33.3	24,734	33.0	1,250	4.3	5,639	22.8
Non-Operating Income, Net	57	1,725	1.9	1,872	2.1	2,802	3.7	(147)	(7.8)	(1,077)	(38.5)
Investment Gains	9	279	0.3	577	0.7	488	0.7	(298)	(51.6)	(209)	(42.8)
Income before Income Tax	1,064	32,377	36.7	31,572	36.1	28,024	37.4	805	2.6	4,353	15.5
Income Tax (Expenses) Benefits	(115)	(3,503)	(4.0)	(3,336)	(3.8)	(2,394)	(3.2)	(167)	5.0	(1,109)	46.3
Net Income	949	28,874	32.7	28,236	32.3	25,630	34.2	638	2.3	3,244	12.7
Minority Interests	(4)	(103)	(0.1)	(93)	(0.1)	(146)	(0.2)	(10)	11.7	43	(29.3)
Net Income Attributable to Shareholders of the Parent	945	28,771	32.6	28,143	32.2	25,484	34.0	628	2.2	3,287	12.9
Earnings per Share - Diluted	\$0.04	\$1.12		\$1.10		\$0.96		\$0.02	2.1	\$0.16	16.3
Earnings per ADR - Diluted ⁽²⁾	\$0.18	\$5.61		\$5.49		\$4.82		\$0.12	2.1	\$0.79	16.3
Weighted Average Outstanding Shares - Diluted ('M)		25,634		25,610		26,409					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$30.437 for the second quarter of 2008.

(2) 1 ADR equals 5 ordinary shares.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Audited Consolidated Condensed Income Statements

For the Six Months Ended June 30, 2008 and 2007

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

Except for Per Share Amounts and Shares Outstanding)

	For the Six Months Ended June 30						
	2008			2007		YoY	
	USD	NTD	%	NTD	%	Amount	%
Net Sales	\$5,663	\$175,617	100.0	\$139,815	100.0	\$35,802	25.6
Cost of Sales	(3,133)	(97,156)	(55.3)	(83,025)	(59.4)	(14,131)	17.0
Gross Profit	2,530	78,461	44.7	56,790	40.6	21,671	38.2
Operating Expenses							
Research and Development Expenses	(344)	(10,674)	(6.1)	(8,243)	(5.9)	(2,431)	29.5
General and Administrative Expenses	(188)	(5,833)	(3.3)	(4,053)	(2.9)	(1,780)	43.9
Sales and Marketing Expenses	(80)	(2,458)	(1.4)	(1,883)	(1.3)	(575)	30.5
Total Operating Expenses	(612)	(18,965)	(10.8)	(14,179)	(10.1)	(4,786)	33.7
Income from Operations	1,918	59,496	33.9	42,611	30.5	16,885	39.6
Non-Operating Income, Net	116	3,596	2.0	4,632	3.3	(1,036)	(22.4)
Investment Gains	28	857	0.5	849	0.6	8	0.9
Income before Income Tax	2,062	63,949	36.4	48,092	34.4	15,857	33.0
Income Tax (Expenses) Benefits	(220)	(6,839)	(3.9)	(3,501)	(2.5)	(3,338)	95.3
Net Income	1,842	57,110	32.5	44,591	31.9	12,519	28.1
Minority Interest	(7)	(196)	(0.1)	(268)	(0.2)	72	(26.9)
Net Income Attributable to Shareholders of the Parent	1,835	56,914	32.4	44,323	31.7	12,591	28.4
Earnings per Share - Diluted	\$0.07	\$2.22		\$1.68		\$0.54	32.1
Earnings per ADR - Diluted ⁽²⁾	\$0.36	\$11.08		\$8.39		\$2.69	32.1
Weighted Average Outstanding Shares - Diluted ('M)		25,676		26,409			

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 31.012 for the six months ended June 30, 2008.

(2) 1 ADR equals 5 ordinary shares.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Cash Flows

For the Six Months Ended June 30, 2008 and for the Three Months Ended June 30, 2008, March 31, 2008, and June 30, 2007

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

	Six Months 2008 (Audited)		2Q 2008 (Unaudited)	1Q 2008 (Unaudited)	2Q 2007 (Unaudited)
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Net Income	\$ 1,835	\$ 56,914	\$ 28,771	\$ 28,143	\$ 25,484
Net Income Attributable to Minority Interest	6	196	103	93	146
Depreciation & Amortization	1,285	39,865	20,034	19,831	19,616
Deferred Income Tax	55	1,715	1,280	435	371
Equity in Earnings of Equity Method Investees, Net	(28)	(857)	(280)	(577)	(488)
Changes in Working Capital & Others ⁽²⁾	147	4,513	(4,857)	9,370	(10,478)
Net Cash Provided by Operating Activities	3,300	102,346	45,051	57,295	34,651
Cash Flows from Investing Activities:					
Acquisitions of:					
Marketable Financial Instruments	(920)	(28,537)	(14,635)	(13,902)	(14,234)
Investments Accounted for Using Equity Method	-	-	-	-	-
Property, Plant and Equipment	(1,212)	(37,587)	(22,274)	(15,313)	(25,345)
Financial Assets Carried at Cost	(10)	(303)	(90)	(213)	(218)
Proceeds from Disposal or maturity of:					
Marketable Financial Instruments	2,214	68,656	41,840	26,816	30,013
Investments Accounted for Using Equity Method	-	-	-	-	-
Property, Plant and Equipment	1	31	30	1	10
Financial Assets Carried at Cost	4	128	35	93	-
Others	(62)	(1,917)	(1,310)	(607)	(383)
Net Cash Provided by (Used In) Investing Activities	15	471	3,596	(3,125)	(10,157)
Cash Flows from Financing Activities:					
Decrease in Guarantee Deposits	(17)	(535)	(164)	(371)	(418)
Proceeds from Exercise of Stock Options	6	172	91	81	175
Bonus Paid to Directors and Supervisors	-	-	-	-	(286)
Repayment of Long-Term Bonds Payable	-	-	-	-	-
Cash Dividends Paid for Common Stock	-	-	-	-	-
Repurchase of Treasury Stock	(312)	(9,669)	(6,615)	(3,054)	-
Cash Bonus Paid to Employees	-	-	-	-	-
Others	(3)	(101)	(159)	58	2
Net Cash Used in Financing Activities	(326)	(10,133)	(6,847)	(3,286)	(527)
Net Increase in Cash and Cash Equivalents	2,989	92,684	41,800	50,884	23,967
Effect of Exchange Rate Changes and Others ⁽²⁾	(75)	(2,324)	(731)	(1,593)	(850)
Cash and Cash Equivalents at Beginning of Period	3,063	94,986	144,277	94,986	140,274
Cash and Cash Equivalents at End of Period	\$ 5,977	\$ 185,346	\$ 185,346	\$ 144,277	\$ 163,391

Note: (1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 31.012 for the six months ended June 30, 2008.

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