



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED STATEMENT OF CASH FLOWS
For the Six Months Ended June 30, 2001 and 2000
 (Figures in Million of New Taiwan dollars (NTD) and U.S. dollars (USD)) ⁽¹⁾

| | <u>Six MTHS 2001</u> | | <u>Six MTHS 2000</u> |
|--|----------------------|----------------|----------------------|
| | <u>USD</u> | <u>NTD</u> | <u>NTD</u> |
| Cash Flows from Operating Activities: | | | |
| Net Income | 265 | 8,733 | 23,576 |
| Net Income of the merged companies | | | -135 |
| Depreciation & Amortization | 714 | 23,562 | 11,737 |
| Investment Loss (Income) Recognized by Equity Method | 84 | 2,755 | -343 |
| Deferred Tax on Investment Tax Credit | -77 | -2,529 | 22 |
| Changes in Working Capital & Others | 349 | 11,520 | -1,329 |
| Net Cash Provided from Operating Activities | <u>1,335</u> | <u>44,042</u> | <u>33,527</u> |
| Cash Flows from Investing Activities: | | | |
| Acquisition of Fixed Assets | -1,126 | -37,146 | -24,525 |
| Proceeds from Disposal of Properties | 6 | 209 | 62 |
| Increase in Long-Term Investments | -89 | -2,938 | -916 |
| Proceeds from Sales of Long-Term Stock Investments | 0 | 13 | |
| Increase in Deposit out/Deferred Assets | -20 | -676 | -264 |
| Proceeds from the merger activity | | | 1,412 |
| Net Cash Used in Investing Activities | <u>-1,229</u> | <u>-40,538</u> | <u>-24,229</u> |
| Cash Flows from Financing Activities: | | | |
| Increase in Issuance of ADR | | | 24,323 |
| Increase (Decrease) Long-Term Bank Loans | -2 | -50 | |
| Decrease in Guarantee Deposits & Others | 1 | 33 | -445 |
| Cash Dividend - Preferred Shares | | -41 | |
| Bonus paid to Directors and Supervisors | -18 | -584 | -215 |
| Net Cash Used in Financing Activities | <u>-18</u> | <u>-642</u> | <u>23,663</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | <u>88</u> | <u>2,862</u> | <u>32,961</u> |
| Cash and Cash Equivalents at Beginning of Period | 1,081 | 35,664 | 16,650 |
| Cash and Cash Equivalents at End of Period | <u>1,169</u> | <u>38,526</u> | <u>49,611</u> |

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NTD32.99 per U.S. dollar for the first half year of 2001.