



**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Consolidated Condensed Balance Sheets**

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

	December 31, 2007 (audited)			September 30, 2007 (unaudited)		December 31, 2006 (audited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash and Cash Equivalents	\$2,928	\$94,986	16.6	\$98,328	16.8	\$117,837	20.1	(\$3,342)	-3.4	(\$22,851)	(19.4)
Investments in Marketable Financial Instruments	2,461	79,848	14.0	78,064	13.3	77,242	13.1	1,784	2.3	2,606	3.4
Accounts Receivable - Trade	1,308	42,424	7.4	42,357	7.2	31,589	5.4	67	0.2	10,835	34.3
Inventories, Net	735	23,862	4.2	24,532	4.2	21,431	3.6	(670)	(2.7)	2,431	11.3
Other Current Assets	268	8,702	1.5	6,775	1.2	12,218	2.1	1,927	28.4	(3,516)	(28.8)
<b>Total Current Assets</b>	<b>7,700</b>	<b>249,822</b>	<b>43.7</b>	<b>250,056</b>	<b>42.7</b>	<b>260,317</b>	<b>44.3</b>	<b>(234)</b>	<b>-0.1</b>	<b>(10,495)</b>	<b>(4.0)</b>
Long-Term Investments	1,124	36,461	6.4	45,991	7.8	53,895	9.2	(9,530)	-20.7	(17,434)	-32.3
Property, Plant and Equipment	24,670	800,352	140.2	786,850	134.2	717,132	122.1	13,502	1.7	83,220	11.6
Less: Accumulated Depreciation	(16,648)	(540,100)	-94.6	(521,614)	-89.0	(463,038)	-78.8	(18,486)	3.5	(77,062)	16.6
<b>Property, Plant and Equipment, Net</b>	<b>8,022</b>	<b>260,252</b>	<b>45.6</b>	<b>265,236</b>	<b>45.2</b>	<b>254,094</b>	<b>43.3</b>	<b>(4,984)</b>	<b>-1.9</b>	<b>6,158</b>	<b>2.4</b>
Other Assets	750	24,330	4.3	25,124	4.3	19,179	3.2	(794)	-3.2	5,151	26.9
<b>Total Assets</b>	<b>\$17,596</b>	<b>\$570,865</b>	<b>100.0</b>	<b>\$586,407</b>	<b>100.0</b>	<b>\$587,485</b>	<b>100.0</b>	<b>(\$15,542)</b>	<b>-2.7</b>	<b>(\$16,620)</b>	<b>(2.8)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>											
<b>Current Liabilities</b>											
Short-Term Bank Loans	\$ -	\$ -	-	\$98	-	\$ -	-	(\$98)	-100.0	\$ -	-
Accounts Payables	403	13,078	2.3	12,492	2.1	9,802	1.7	586	4.7	3,276	33.4
Payables to Contractors and Equipment Suppliers	193	6,257	1.1	11,745	2.0	10,769	1.8	(5,488)	-46.7	(4,512)	-41.9
Accrued Expenses and Other Current Liabilities	896	29,090	5.1	21,776	3.8	19,286	3.3	7,314	33.6	9,804	50.8
Current Portion of Bonds Payable and Long-Term liabilities	9	281	-	4,782	0.8	7,004	1.2	(4,501)	-94.1	(6,723)	(96.0)
<b>Total Current Liabilities</b>	<b>1,501</b>	<b>48,706</b>	<b>8.5</b>	<b>50,893</b>	<b>8.7</b>	<b>46,861</b>	<b>8.0</b>	<b>(2,187)</b>	<b>-4.3</b>	<b>1,845</b>	<b>3.9</b>
Bonds Payable	385	12,500	2.2	12,500	2.1	12,500	2.1	-	0.0	-	0.0
Other Long-Term Liabilities	585	18,973	3.3	18,395	3.1	18,986	3.2	578	3.1	(13)	-0.1
<b>Total Liabilities</b>	<b>2,471</b>	<b>80,179</b>	<b>14.0</b>	<b>81,788</b>	<b>13.9</b>	<b>78,347</b>	<b>13.3</b>	<b>(1,609)</b>	<b>-2.0</b>	<b>1,832</b>	<b>2.3</b>
<b>Shareholders' Equity Attributable to Shareholders of the Parent</b>											
Capital Stock	8,146	264,271	46.3	264,262	45.1	258,297	44.0	9	0.0	5,974	2.3
Capital Surplus	1,656	53,733	9.4	53,713	9.2	54,107	9.2	20	0.0	(374)	-0.7
Retained Earnings	6,746	218,864	38.3	184,380	31.4	197,125	33.6	34,485	18.7	21,740	11.0
Treasury Stock	(1,522)	(49,385)	-8.7	(918)	-0.2	(918)	-0.2	(48,467)	5,279.6	(48,467)	5279.6
Others	(12)	(391)	0.0	(162)	0.0	(630)	-0.1	(230)	142.0	238	-37.8
<b>Total Equity Attributable to Shareholders of the Parent</b>	<b>15,014</b>	<b>487,092</b>	<b>85.3</b>	<b>501,275</b>	<b>85.5</b>	<b>507,981</b>	<b>86.5</b>	<b>(14,183)</b>	<b>(2.8)</b>	<b>(20,889)</b>	<b>(4.1)</b>
Minority Interest	111	3,594	0.7	3,344	0.6	1,157	0.2	250	7.5	2,437	210.6
<b>Total Shareholders' Equity</b>	<b>15,125</b>	<b>490,686</b>	<b>86.0</b>	<b>504,619</b>	<b>86.1</b>	<b>509,138</b>	<b>86.7</b>	<b>(13,933)</b>	<b>(2.8)</b>	<b>(18,452)</b>	<b>(3.6)</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$17,596</b>	<b>\$570,865</b>	<b>100.0</b>	<b>\$586,407</b>	<b>100.0</b>	<b>\$587,485</b>	<b>100.0</b>	<b>(\$15,542)</b>	<b>-2.7</b>	<b>(\$16,620)</b>	<b>(2.8)</b>

Note : (1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$32.443 as of December 31, 2007.



**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Unaudited Consolidated Condensed Income Statements**

**For the Three Months Ended December 31, 2007, September 30, 2007, and December 31, 2006**

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

Except for Per Share Amounts and Shares Outstanding

	Q4 2007			Q3 2007		Q4 2006		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Net Sales	\$2,894	\$93,860	100.0	\$88,955	100.0	\$74,963	100.0	\$4,905	5.5	\$18,897	25.2
Cost of Sales	(1,512)	(49,024)	-52.2	(48,231)	-54.2	(40,510)	-54.0	(793)	1.6	(8,514)	21.0
Gross Profit	1,382	44,836	47.8	40,724	45.8	34,453	46.0	4,112	10.1	10,383	30.1
Operating Expenses											
Research and Development Expenses <sup>(4)</sup>	(154)	(5,012)	-5.3	(4,691)	-5.3	(3,831)	-5.1	(321)	6.9	(1,181)	30.8
General and Administrative Expenses <sup>(4)</sup>	(63)	(2,039)	-2.2	(2,872)	-3.2	(2,421)	-3.2	833	-29.0	382	-15.8
Sales and Marketing Expenses	(32)	(1,027)	-1.1	(808)	-0.9	(794)	-1.1	(219)	27.1	(233)	29.3
Total Operating Expenses	(249)	(8,078)	-8.6	(8,371)	-9.4	(7,046)	-9.4	293	-3.5	(1,032)	14.7
Income from Operations	1,133	36,758	39.2	32,353	36.4	27,407	36.6	4,405	13.6	9,351	34.1
Non-Operating Income, Net	52	1,697	1.8	1,083	1.2	1,713	2.3	614	56.7	(16)	-0.9
Investment Gains	27	877	0.9	782	0.9	388	0.5	95	12.1	489	125.9
Income before Income Tax	1,212	39,332	41.9	34,218	38.5	29,508	39.4	5,114	14.9	9,824	33.3
Income Tax (Expenses) Benefits	(142)	(4,608)	-4.9	(3,600)	-4.1	(1,494)	-2.0	(1,008)	28.0	(3,114)	208.4
Net Income	1,070	34,724	37.0	30,618	34.4	28,014	37.4	4,106	13.4	6,710	23.9
Minority Interest	(7)	(239)	-0.3	(248)	-0.3	(102)	-0.2	9	-3.7	(137)	132.7
Net Income Attributable to Shareholders of the Parent	1,063	34,485	36.7	30,370	34.1	27,912	37.2	4,115	13.5	6,573	23.5
Earnings per Share - Diluted	\$0.04	\$1.31		\$1.15		\$1.06		\$0.16	14.3	\$0.26	24.3
Earnings per ADR - Diluted <sup>(2)</sup>	\$0.20	\$6.57		\$5.75		\$5.29		\$0.82	14.3	\$1.28	24.3
Weighted Average Outstanding Shares - Diluted ('M') <sup>(3)</sup>		26,243		26,410		26,401					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD32.435 for the fourth quarter of 2007.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 26,401M shares for 4Q06 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**

**Audited Consolidated Condensed Income Statements**

**For the Year Ended December 31, 2007 and 2006**

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

Except for Per Share Amounts and Shares Outstanding)

	For The Year Ended December 31								
	2007			2006		YoY			
	USD	NTD	%	NTD	%	Amount	%		
Net Sales	\$9,820	\$322,630	100.0	\$317,407	100.0	\$5,224	1.6		
Cost of Sales	(5,487)	(180,280)	-55.9	(161,597)	-50.9	(18,684)	11.6		
Gross Profit	4,333	142,350	44.1	155,810	49.1	(13,460)	-8.6		
Operating Expenses									
Research and Development Expenses	(546)	(17,946)	-5.5	(16,076)	-5.1	(1,870)	11.6		
General and Administrative Expenses	(273)	(8,964)	-2.8	(8,717)	-2.7	(247)	2.8		
Sales and Marketing Expenses	(113)	(3,718)	-1.2	(3,752)	-1.2	34	-0.9		
Total Operating Expenses	(932)	(30,628)	-9.5	(28,545)	-9.0	(2,083)	7.3		
Income from Operations	3,401	111,722	34.6	127,265	40.1	(15,543)	-12.2		
Non-Operating Income, Net	226	7,412	2.3	3,750	1.2	3,662	97.6		
Investment Gains	76	2,508	0.8	2,347	0.7	161	6.8		
Income before Income Tax	3,703	121,642	37.7	133,362	42.0	(11,720)	-8.8		
Income Tax (Expenses) Benefits	(357)	(11,710)	-3.6	(7,774)	-2.4	(3,936)	50.6		
Net Income before Cumulative Effect of Changes in Accounting Principles	3,346	109,932	34.1	125,588	39.6	(15,656)	-12.5		
Cumulative Effect of Changes in Accounting Principles (Net of Tax)	0	0	0.0	1,607	0.5	(1,607)	-100.0		
Net Income	3,346	109,932	34.1	127,195	40.1	(17,263)	-13.6		
Minority Interest	(23)	(755)	-0.3	(185)	-0.1	(570)	307.1		
Net Income Attributable to Shareholders of the Parent	3,323	109,177	33.8	127,010	40.0	(17,833)	-14.0		
Earnings per Share - Diluted	\$0.13	\$4.14		\$4.81		-\$0.67	-13.9		
Earnings per ADR - Diluted <sup>(2)</sup>	\$0.63	\$20.70		\$24.06		-\$3.35	-13.9		
Weighted Average Outstanding Shares - Diluted ('M) <sup>(3)</sup>		26,368		26,399					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 32.853 for the year ended December 31, 2007.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 26,399M shares for the year ended December 31, 2006 after the retroactive adjustments for stock dividends and stock bonus.



**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Consolidated Condensed Statements of Cash Flows**

For the The Year Ended December 31, 2007 and for the Three Months Ended December 31, 2007, September 30, 2007, and December 31, 2006

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

	Twelve Months 2007 (Audited)		4Q 2007 (Unaudited)	3Q 2007 (Unaudited)	4Q 2006 (Unaudited)
	USD	NTD	NTD	NTD	NTD
<b>Cash Flows from Operating Activities:</b>					
Net Income	\$ 3,323	\$ 109,177	\$ 34,485	\$ 30,369	\$ 27,912
Net Income Attributable to Minority Interest	23	755	239	248	103
Depreciation & Amortization	2,435	80,005	20,281	19,857	19,682
Deferred Income Tax	29	944	877	668	7
Equity in Earnings of Equity Method Investees, Net	(76)	(2,508)	(877)	(782)	(388)
Changes in Working Capital & Others	(140)	(4,607)	4,754	758	5,698
Net Cash Provided by Operating Activities	5,594	183,766	59,759	51,118	53,014
<b>Cash Flows from Investing Activities:</b>					
Acquisitions of:					
Marketable Financial Instruments	(2,665)	(87,550)	(32,478)	(25,042)	(38,210)
Investments Accounted for Using Equity Method	(177)	(5,804)	6	(5,810)	(2,433)
Property, Plant and Equipment	(2,557)	(84,001)	(19,781)	(24,917)	(17,580)
Financial Assets Carried at Cost	(28)	(911)	(103)	(378)	(16)
Proceeds from Disposal or maturity of:					
Marketable Financial Instruments	3,416	112,234	40,680	22,282	31,539
Investments Accounted for Using Equity Method	-	-	-	-	-
Property, Plant and Equipment	2	61	34	15	54
Financial Assets Carried at Cost	12	410	141	255	21
Others	(155)	(5,128)	(1,160)	(866)	(1,750)
Net Cash Used In Investing Activities	(2,152)	(70,689)	(12,661)	(34,461)	(28,375)
<b>Cash Flows from Financing Activities:</b>					
Increase (Decrease) in Guarantee Deposits	(48)	(1,574)	(321)	(447)	133
Proceeds from Exercise of Stock Options	13	437	35	105	152
Bonus Paid to Directors and Supervisors	(9)	(286)	-	-	-
Repayment of Long-Term Bonds Payable	(213)	(7,000)	(4,500)	-	-
Cash Dividends Paid for Common Stock	(2,356)	(77,387)	-	(77,387)	-
Repurchase of Treasury Stock	(1,382)	(45,413)	(45,413)	-	-
Cash Bonus Paid to Employees	(139)	(4,573)	-	(4,573)	-
Others	12	386	90	322	480
Net Cash Provided by (Used in) Financing Activities	(4,122)	(135,410)	(50,109)	(81,980)	765
Net Increase (Decrease) in Cash and Cash Equivalents	(680)	(22,333)	(3,011)	(65,323)	25,404
Effect of Exchange Rate Changes and Others	(16)	(518)	(331)	260	(470)
Cash and Cash Equivalents at Beginning of Period	3,587	117,837	98,328	163,391	92,903
Cash and Cash Equivalents at End of Period	\$ 2,891	\$ 94,986	\$ 94,986	\$ 98,328	\$ 117,837

Note: (1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD32.853 for the year ended December 31, 2007.