



**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>

	March 31, 2008 (unaudited)			December 31, 2007 (audited)		March 31, 2007 (unaudited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash and Cash Equivalents	\$4,745	\$144,277	24.2	\$94,986	16.6	\$140,274	23.0	\$49,291	51.9	\$4,003	2.9
Investments in Marketable Financial Instruments	2,172	66,034	11.1	79,848	14.0	77,096	12.7	(13,814)	(17.3)	(11,062)	(14.3)
Accounts Receivable - Trade	1,248	37,950	6.3	42,424	7.4	33,094	5.4	(4,474)	(10.5)	4,856	14.7
Inventories, Net	720	21,890	3.7	23,862	4.2	22,259	3.7	(1,972)	(8.3)	(369)	(1.7)
Other Current Assets	372	11,304	1.9	8,702	1.5	13,356	2.2	2,602	29.9	(2,052)	(15.4)
<b>Total Current Assets</b>	<b>9,257</b>	<b>281,455</b>	<b>47.2</b>	<b>249,822</b>	<b>43.7</b>	<b>286,079</b>	<b>47.0</b>	<b>31,633</b>	<b>12.7</b>	<b>(4,624)</b>	<b>(1.6)</b>
Long-Term Investments	1,108	33,693	5.6	36,461	6.4	52,185	8.6	(2,768)	(7.6)	(18,492)	(35.4)
Property, Plant and Equipment	26,886	817,464	136.9	800,352	140.2	734,182	120.6	17,112	2.1	83,282	11.3
Less: Accumulated Depreciation	(18,282)	(555,854)	(93.1)	(540,100)	(94.6)	(483,834)	(79.5)	(15,754)	2.9	(72,020)	14.9
<b>Property, Plant and Equipment, Net</b>	<b>8,604</b>	<b>261,610</b>	<b>43.8</b>	<b>260,252</b>	<b>45.6</b>	<b>250,348</b>	<b>41.1</b>	<b>1,358</b>	<b>0.5</b>	<b>11,262</b>	<b>4.5</b>
Other Assets	667	20,285	3.4	24,330	4.3	20,159	3.3	(4,045)	(16.6)	126	0.6
<b>Total Assets</b>	<b>\$19,636</b>	<b>\$597,043</b>	<b>100.0</b>	<b>\$570,865</b>	<b>100.0</b>	<b>\$608,771</b>	<b>100.0</b>	<b>\$26,178</b>	<b>4.6</b>	<b>(\$11,728)</b>	<b>(1.9)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>											
<b>Current Liabilities</b>											
Short-Term Bank Loans	\$ -	\$ -	-	\$ -	-	\$79	-	\$ -	-	(\$79)	(100.0)
Accounts Payables	340	10,338	1.7	13,078	2.3	10,129	1.7	(2,740)	(21.0)	209	2.1
Payables to Contractors and Equipment Suppliers	403	12,256	2.1	6,257	1.1	9,094	1.5	5,999	95.9	3,162	34.8
Accrued Expenses and Other Current Liabilities	1,025	31,162	5.2	29,090	5.1	21,101	3.4	2,072	7.1	10,061	47.7
Current Portion of Bonds Payable and Long-Term liabilities	272	8,280	1.4	281	-	4,714	0.8	7,999	2,848.4	3,566	75.6
<b>Total Current Liabilities</b>	<b>2,040</b>	<b>62,036</b>	<b>10.4</b>	<b>48,706</b>	<b>8.5</b>	<b>45,117</b>	<b>7.4</b>	<b>13,330</b>	<b>27.4</b>	<b>16,919</b>	<b>37.5</b>
Bonds Payable	148	4,500	0.8	12,500	2.2	12,500	2.1	(8,000)	(64.0)	(8,000)	(64.0)
Other Long-Term Liabilities	577	17,537	2.9	18,973	3.3	19,415	3.2	(1,436)	(7.6)	(1,878)	(9.7)
<b>Total Liabilities</b>	<b>2,765</b>	<b>84,073</b>	<b>14.1</b>	<b>80,179</b>	<b>14.0</b>	<b>77,032</b>	<b>12.7</b>	<b>3,894</b>	<b>4.9</b>	<b>7,041</b>	<b>9.1</b>
<b>Shareholders' Equity Attributable to Shareholders of the Parent</b>											
Capital Stock	8,429	256,292	42.9	264,271	46.3	258,330	42.4	(7,979)	(3.0)	(2,038)	(0.8)
Capital Surplus	1,700	51,696	8.7	53,733	9.4	54,231	8.9	(2,037)	(3.8)	(2,535)	(4.7)
Retained Earnings	6,862	208,633	34.9	218,864	38.3	215,963	35.5	(10,231)	(4.7)	(7,330)	(3.4)
Treasury Stock	(30)	(918)	(0.2)	(49,385)	(8.7)	(918)	(0.2)	48,467	(98.1)	-	-
Others	(211)	(6,410)	(1.0)	(391)	0.0	1,020	0.2	(6,019)	1,535.8	(7,430)	(728.7)
<b>Total Equity Attributable to Shareholders of the Parent</b>	<b>16,750</b>	<b>509,293</b>	<b>85.3</b>	<b>487,092</b>	<b>85.3</b>	<b>528,626</b>	<b>86.8</b>	<b>22,201</b>	<b>4.6</b>	<b>(19,333)</b>	<b>(3.7)</b>
Minority Interest	121	3,677	0.6	3,594	0.7	3,113	0.5	83	2.3	564	18.1
<b>Total Shareholders' Equity</b>	<b>16,871</b>	<b>512,970</b>	<b>85.9</b>	<b>490,686</b>	<b>86.0</b>	<b>531,739</b>	<b>87.3</b>	<b>22,284</b>	<b>4.5</b>	<b>(18,769)</b>	<b>(3.5)</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$19,636</b>	<b>\$597,043</b>	<b>100.0</b>	<b>\$570,865</b>	<b>100.0</b>	<b>\$608,771</b>	<b>100.0</b>	<b>\$26,178</b>	<b>4.6</b>	<b>(\$11,728)</b>	<b>(1.9)</b>

Note : (1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$30.405 as of March 31, 2008.



**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Unaudited Consolidated Condensed Income Statements**

**For the Three Months Ended March 31, 2008, December 31, 2007, and March 31, 2007**

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

**Except for Per Share Amounts and Shares Outstanding**

	Q1 2008			Q4 2007		Q1 2007		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Net Sales	\$2,767	\$87,480	100.0	\$93,860	100.0	\$64,897	100.0	(\$6,380)	(6.8)	\$22,583	34.8
Cost of Sales	(1,557)	(49,241)	(56.3)	(49,024)	(52.2)	(40,287)	(62.1)	(217)	0.4	(8,954)	22.2
Gross Profit	1,210	38,239	43.7	44,836	47.8	24,610	37.9	(6,597)	(14.7)	13,629	55.4
Operating Expenses											
Research and Development Expenses	(167)	(5,270)	(6.0)	(5,012)	(5.3)	(3,942)	(6.1)	(258)	5.1	(1,328)	33.7
General and Administrative Expenses	(84)	(2,662)	(3.0)	(2,039)	(2.2)	(1,902)	(2.9)	(623)	30.6	(760)	40.0
Sales and Marketing Expenses	(37)	(1,184)	(1.4)	(1,027)	(1.1)	(889)	(1.4)	(157)	15.2	(295)	33.1
Total Operating Expenses	(288)	(9,116)	(10.4)	(8,078)	(8.6)	(6,733)	(10.4)	(1,038)	12.9	(2,383)	35.4
Income from Operations	922	29,123	33.3	36,758	39.2	17,877	27.5	(7,635)	(20.8)	11,246	62.9
Non-Operating Income, Net	59	1,872	2.1	1,697	1.8	1,830	2.8	175	10.3	42	2.3
Investment Gains	18	577	0.7	877	0.9	361	0.6	(300)	(34.1)	216	60.1
Income before Income Tax	999	31,572	36.1	39,332	41.9	20,068	30.9	(7,760)	(19.7)	11,504	57.3
Income Tax (Expenses) Benefits	(106)	(3,336)	(3.8)	(4,608)	(4.9)	(1,107)	(1.7)	1,272	(27.6)	(2,229)	201.3
Net Income	893	28,236	32.3	34,724	37.0	18,961	29.2	(6,488)	(18.7)	9,275	48.9
Minority Interest	(3)	(93)	(0.1)	(239)	(0.3)	(122)	(0.2)	146	(61.2)	29	(24.1)
Net Income Attributable to Shareholders of the Parent	890	28,143	32.2	34,485	36.7	18,839	29.0	(6,342)	(18.4)	9,304	49.4
Earnings per Share - Diluted	\$0.03	\$1.10		\$1.31		\$0.71		(\$0.22)	(16.4)	\$0.39	54.0
Earnings per ADR - Diluted <sup>(2)</sup>	\$0.17	\$5.49		\$6.57		\$3.57		(\$1.08)	(16.4)	\$1.93	54.0
Weighted Average Outstanding Shares - Diluted ('M) <sup>(3)</sup>		25,610		26,243		26,406					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$31.614 for the first quarter of 2008.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 26,406M shares for 1Q07 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 Three Months Ended March 31, 2008, December 31, 2007, and March 31, 2007

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

	1Q 2008 (Unaudited)		4Q 2007 (Unaudited)		1Q 2007 (Unaudited)	
	USD	NTD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:						
Net Income	\$ 890	\$ 28,143	\$ 34,485	\$ 18,839		
Net Income Attributable to Minority Interest	3	93	239	122		
Depreciation & Amortization	627	19,831	20,281	20,251		
Deferred Income Tax	14	435	877	(972)		
Equity in Earnings of Equity Method Investees, Net	(18)	(577)	(877)	(361)		
Changes in Working Capital & Others	296	9,370	4,754	265		
Net Cash Provided by Operating Activities	1,812	57,295	59,759	38,144		
Cash Flows from Investing Activities:						
Acquisitions of:						
Marketable Financial Instruments	(440)	(13,902)	(32,478)	(15,796)		
Investments Accounted for Using Equity Method	-	-	6	-		
Property, Plant and Equipment	(484)	(15,313)	(19,781)	(13,959)		
Financial Assets Carried at Cost	(7)	(213)	(103)	(212)		
Proceeds from Disposal or maturity of:						
Marketable Financial Instruments	848	26,816	40,680	19,259		
Property, Plant and Equipment	-	1	34	1		
Financial Assets Carried at Cost	3	93	141	14		
Others	(19)	(607)	(1,160)	(2,717)		
Net Cash Used In Investing Activities	(99)	(3,125)	(12,661)	(13,410)		
Cash Flows from Financing Activities:						
Increase (Decrease) in Guarantee Deposits	(12)	(371)	(321)	(388)		
Proceeds from Exercise of Stock Options	3	81	35	122		
Repayment of Long-Term Bonds Payable	-	-	(4,500)	(2,500)		
Repurchase of Treasury Stock	(97)	(3,054)	(45,413)	-		
Others	2	58	90	(28)		
Net Cash Used in Financing Activities	(104)	(3,286)	(50,109)	(2,794)		
Net Increase (Decrease) in Cash and Cash Equivalents	1,609	50,884	(3,011)	21,940		
Effect of Exchange Rate Changes and Others	(50)	(1,593)	(331)	497		
Cash and Cash Equivalents at Beginning of Period	3,005	94,986	98,328	117,837		
Cash and Cash Equivalents at End of Period	\$ 4,564	\$ 144,277	\$ 94,986	\$ 140,274		

Note: (1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD31.614 for the three months ended March 31, 2008.