



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, 2008 (unaudited)			June 30, 2008 (audited)		September 30, 2007 (unaudited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$3,500	\$112,446	20.4	\$185,346	30.1	\$98,328	16.8	(\$72,900)	(39.3)	\$14,118	14.4
Investments in Marketable Financial Instruments	1,423	45,724	8.3	38,642	6.3	78,064	13.3	7,082	18.3	(32,340)	(41.4)
Accounts Receivable - Trade	1,411	45,333	8.2	41,858	6.8	42,357	7.2	3,475	8.3	2,976	7.0
Inventories, Net	679	21,817	4.0	23,359	3.8	24,532	4.2	(1,542)	(6.6)	(2,715)	(11.1)
Other Current Assets	219	7,029	1.3	10,558	1.7	6,775	1.2	(3,529)	(33.4)	254	3.8
Total Current Assets	7,232	232,349	42.2	299,763	48.7	250,056	42.7	(67,414)	(22.5)	(17,707)	(7.1)
Long-Term Investments	1,303	41,874	7.6	31,937	5.2	45,991	7.8	9,937	31.1	(4,117)	(9.0)
Property, Plant and Equipment	26,449	849,818	154.5	836,936	136.0	786,850	134.2	12,882	1.5	62,968	8.0
Less: Accumulated Depreciation	(18,597)	(597,523)	(108.6)	(574,738)	(93.4)	(521,614)	(89.0)	(22,785)	4.0	(75,909)	14.6
Property, Plant and Equipment, Net	7,852	252,295	45.9	262,198	42.6	265,236	45.2	(9,903)	(3.8)	(12,941)	(4.9)
Other Assets	731	23,481	4.3	21,325	3.5	25,124	4.3	2,156	10.1	(1,643)	(6.5)
Total Assets	\$17,118	\$549,999	100.0	\$615,223	100.0	\$586,407	100.0	(\$65,224)	(10.6)	(\$36,408)	(6.2)
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-Term Bank Loans	\$ -	\$ -	-	\$ -	-	\$98	-	\$ -	-	(\$98)	(100.0)
Accounts Payable	301	9,671	1.8	11,632	1.9	12,492	2.1	(1,961)	(16.9)	(2,821)	(22.6)
Payables to Contractors and Equipment Suppliers	252	8,082	1.4	9,511	1.5	11,745	2.0	(1,429)	(15.0)	(3,663)	(31.2)
Accrued Expenses and Other Current Liabilities	1,124	36,124	6.6	117,576	19.2	21,776	3.8	(81,452)	(69.3)	14,348	65.9
Current Portion of Bonds Payable and Long-Term Liabilities	257	8,258	1.5	8,262	1.3	4,782	0.8	(4)	(0.0)	3,476	72.7
Total Current Liabilities	1,934	62,135	11.3	146,981	23.9	50,893	8.7	(84,846)	(57.7)	11,242	22.1
Bonds Payable	140	4,500	0.8	4,500	0.7	12,500	2.1	-	-	(8,000)	(64.0)
Other Long-Term Liabilities	546	17,541	3.2	17,055	2.8	18,395	3.1	486	2.9	(854)	(4.6)
Total Liabilities	2,620	84,176	15.3	168,536	27.4	81,788	13.9	(84,360)	(50.1)	2,388	2.9
Shareholders' Equity Attributable to Shareholders of the Parent											
Capital Stock	8,062	259,042	47.1	261,535	42.5	264,262	45.1	(2,493)	(1.0)	(5,220)	(2.0)
Capital Surplus	1,571	50,463	9.2	50,917	8.3	53,713	9.2	(454)	(0.9)	(3,250)	(6.1)
Retained Earnings	5,315	170,779	31.0	151,953	24.7	184,380	31.4	18,826	12.4	(13,601)	(7.4)
Treasury Stock	(514)	(16,500)	(3.0)	(14,845)	(2.4)	(918)	(0.2)	(1,655)	11.1	(15,582)	1697.2
Others	(53)	(1,708)	(0.3)	(6,319)	(1.1)	(162)	-	4,611	(73.0)	(1,546)	954.2
Total Equity Attributable to Shareholders of the Parent	14,381	462,076	84.0	443,241	72.0	501,275	85.5	18,835	4.2	(39,199)	(7.8)
Minority Interests	117	3,747	0.7	3,446	0.6	3,344	0.6	301	8.7	403	12.1
Total Shareholders' Equity	14,498	465,823	84.7	446,687	72.6	504,619	86.1	19,136	4.3	(38,796)	(7.7)
Total Liabilities & Shareholders' Equity	\$17,118	\$549,999	100.0	\$615,223	100.0	\$586,407	100.0	(\$65,224)	(10.6)	(\$36,408)	(6.2)

Note : (1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$32.130 as of September 30, 2008.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Unaudited Consolidated Condensed Income Statements

For the Three Months Ended September 30, 2008, June 30, 2008, September 30, 2007

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

Except for Per Share Amounts and Shares Outstanding)

	3Q 2008			2Q 2008		3Q 2007		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Net Sales	\$2,984	\$92,979	100.0	\$88,137	100.0	\$88,955	100.0	\$4,842	5.5	\$4,024	4.5
Cost of Sales	(1,601)	(49,885)	(53.7)	(47,916)	(54.4)	(48,231)	(54.2)	(1,969)	4.1	(1,654)	3.4
Gross Profit	1,383	43,094	46.3	40,221	45.6	40,724	45.8	2,873	7.1	2,370	5.8
Operating Expenses											
Research and Development Expenses	(192)	(5,981)	(6.4)	(5,404)	(6.1)	(4,691)	(5.3)	(577)	10.7	(1,290)	27.5
General and Administrative Expenses	(96)	(2,979)	(3.2)	(3,170)	(3.6)	(2,872)	(3.2)	191	(6.0)	(107)	3.7
Sales and Marketing Expenses	(39)	(1,217)	(1.3)	(1,274)	(1.4)	(808)	(0.9)	57	(4.5)	(409)	50.5
Total Operating Expenses	(327)	(10,177)	(10.9)	(9,848)	(11.1)	(8,371)	(9.4)	(329)	3.3	(1,806)	21.6
Income from Operations	1,056	32,917	35.4	30,373	34.5	32,353	36.4	2,544	8.4	564	1.7
Non-Operating Income, Net	43	1,328	1.4	1,725	1.9	1,083	1.2	(397)	(23.0)	245	22.5
Investment Gains	6	185	0.2	279	0.3	782	0.9	(94)	(33.6)	(597)	(76.3)
Income before Income Tax	1,105	34,430	37.0	32,377	36.7	34,218	38.5	2,053	6.3	212	0.6
Income Tax Expenses	(118)	(3,658)	(3.9)	(3,503)	(4.0)	(3,600)	(4.1)	(155)	4.4	(58)	1.6
Net Income	987	30,772	33.1	28,874	32.7	30,618	34.4	1,898	6.6	154	0.5
Minority Interests	(6)	(198)	(0.2)	(103)	(0.1)	(248)	(0.3)	(95)	91.4	50	(20.2)
Net Income Attributable to Shareholders of the Parent	981	30,574	32.9	28,771	32.6	30,370	34.1	1,803	6.3	204	0.7
Earnings per Share - Diluted	\$0.04	\$1.18		\$1.10		\$1.13		\$0.08	7.5	\$0.05	4.9
Earnings per ADR - Diluted ⁽²⁾	\$0.19	\$5.91		\$5.50		\$5.64		\$0.41	7.5	\$0.27	4.9
Weighted Average Outstanding Shares - Diluted ('M) ⁽³⁾		25,850		26,153		26,932					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD31.162 for the third quarter of 2008.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 26,153M and 26,932M shares for 2Q08 and 3Q07 respectively after the retroactive adjustments for stock dividends and stock bonus.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Unaudited Consolidated Condensed Income Statements

For the Nine Months End September 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 Nine Months Ended September 30						
	2008			2007		YoY	
	USD	NTD	%	NTD	%	Amount	%
Net Sales	\$8,647	\$268,595	100.0	\$228,771	100.0	\$39,824	17.4
Cost of Sales	(4,734)	(147,041)	(54.7)	(131,256)	(57.4)	(15,785)	12.0
Gross Profit	3,913	121,554	45.3	97,515	42.6	24,039	24.7
Operating Expenses							
Research and Development Expenses	(536)	(16,655)	(6.2)	(12,934)	(5.7)	(3,721)	28.8
General and Administrative Expenses	(284)	(8,811)	(3.3)	(6,926)	(3.0)	(1,885)	27.2
Sales and Marketing Expenses	(118)	(3,674)	(1.4)	(2,691)	(1.1)	(983)	36.5
Total Operating Expenses	(938)	(29,140)	(10.9)	(22,551)	(9.8)	(6,589)	29.2
Income from Operations	2,975	92,414	34.4	74,964	32.8	17,450	23.3
Non-Operating Income, Net	158	4,923	1.8	5,715	2.5	(792)	(13.9)
Investment Gains	34	1,042	0.4	1,631	0.7	(589)	(36.1)
Income before Income Tax	3,167	98,379	36.6	82,310	36.0	16,069	19.5
Income Tax Expenses	(338)	(10,497)	(3.9)	(7,102)	(3.1)	(3,395)	47.8
Net Income	2,829	87,882	32.7	75,208	32.9	12,674	16.9
Minority Interest	(13)	(395)	(0.1)	(516)	(0.2)	121	(23.7)
Net Income Attributable to Shareholders of the Parent	2,816	87,487	32.6	74,692	32.7	12,795	17.1
Earnings per Share - Diluted	\$0.11	\$3.34		\$2.77		\$0.57	20.6
Earnings per ADR - Diluted ⁽²⁾	\$0.54	\$16.72		\$13.87		\$2.85	20.6
Weighted Average Outstanding Shares - Diluted ('M) ⁽³⁾		26,156		26,932			

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 31.064 for nine month ended September 30, 2008.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 26,932M shares for the nine months ended September 30, 2007 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 Nine Months Ended September 30, 2008 and for the Three Months Ended September 30, 2008, June 30, 2008, and September 30, 2007

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

	Nine Months 2008 (unaudited)		3Q 2008 (unaudited)	2Q 2008 (unaudited)	3Q 2007 (unaudited)
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Net Income	\$ 2,816	\$ 87,487	\$ 30,574	\$ 28,771	\$ 30,369
Net Income Attributable to Minority Interest	13	394	198	103	248
Depreciation & Amortization	1,949	60,551	20,686	20,034	19,857
Deferred Income Tax	68	2,125	410	1,280	668
Equity in Earnings of Equity Method Investees, Net	(34)	(1,042)	(185)	(280)	(782)
Changes in Working Capital & Others ⁽²⁾	282	8,735	4,220	(4,857)	852
Net Cash Provided by Operating Activities	5,094	158,250	55,903	45,051	51,212
Cash Flows from Investing Activities:					
Acquisitions of:					
Marketable Financial Instruments	(2,213)	(68,738)	(40,201)	(14,635)	(25,042)
Investments Accounted for Using Equity Method	(2)	(55)	(55)	-	(5,810)
Property, Plant and Equipment	(1,544)	(47,965)	(10,378)	(22,274)	(24,917)
Financial Assets Carried at Cost	(12)	(390)	(87)	(90)	(378)
Proceeds from Disposal or maturity of:					
Marketable Financial Instruments	2,922	90,782	22,126	41,840	22,282
Property, Plant and Equipment	6	171	140	30	15
Financial Assets Carried at Cost	4	126	-	35	255
Others	-	14	1,930	(1,310)	(866)
Net Cash Provided by (Used In) Investing Activities	(839)	(26,055)	(26,525)	3,596	(34,461)
Cash Flows from Financing Activities:					
Decrease in Guarantee Deposits	(20)	(619)	(83)	(164)	(447)
Proceeds from Exercise of Stock Options	8	223	51	91	105
Bonus Paid to Directors and Supervisors	(6)	(177)	(177)	-	-
Cash Dividends Paid for Common Stock	(2,472)	(76,779)	(76,779)	-	(77,387)
Repurchase of Treasury Stock	(1,078)	(33,481)	(23,812)	(6,615)	-
Cash Bonus Paid to Employees	(127)	(3,940)	(3,940)	-	(4,573)
Others	(10)	(322)	(222)	(159)	322
Net Cash Used in Financing Activities	(3,705)	(115,095)	(104,962)	(6,847)	(81,980)
Net Increase (Decrease) in Cash and Cash Equivalents	550	17,100	(75,584)	41,800	(65,229)
Effect of Exchange Rate Changes and Others ⁽²⁾	12	360	2,684	(731)	166
Cash and Cash Equivalents at Beginning of Period	3,058	94,986	185,346	144,277	163,391
Cash and Cash Equivalents at End of Period	\$ 3,620	\$ 112,446	\$ 112,446	\$ 185,346	\$ 98,328

Note: (1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 31.064 for the nine months ended September 30, 2008.

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