



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⁾

	December 31, 2008 (audited)			September 30, 2008 (unaudited)		December 31, 2007 (audited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$5,922	\$194,614	34.8	\$112,446	20.4	\$94,986	16.6	\$82,168	73.1	\$99,628	104.9
Investments in Marketable Financial Instruments	512	16,836	3.0	45,724	8.3	79,848	14.0	(28,888)	(63.2)	(63,012)	(78.9)
Accounts Receivable - Trade, Net	563	18,497	3.3	45,333	8.2	42,424	7.4	(26,836)	(59.2)	(23,927)	(56.4)
Inventories, Net	453	14,877	2.7	21,817	4.0	23,862	4.2	(6,940)	(31.8)	(8,985)	(37.7)
Other Current Assets	237	7,795	1.4	7,029	1.3	8,702	1.5	766	10.9	(907)	(10.4)
Total Current Assets	7,687	252,619	45.2	232,349	42.2	249,822	43.7	20,270	8.7	2,797	1.1
Long-Term Investments	1,217	39,982	7.2	41,874	7.6	36,461	6.4	(1,892)	(4.5)	3,521	9.7
Property, Plant and Equipment	26,247	862,461	154.3	849,818	154.5	800,352	140.2	12,643	1.5	62,109	7.8
Less: Accumulated Depreciation	(18,832)	(618,816)	(110.7)	(597,523)	(108.6)	(540,100)	(94.6)	(21,293)	3.6	(78,716)	14.6
Property, Plant and Equipment, Net	7,415	243,645	43.6	252,295	45.9	260,252	45.6	(8,650)	(3.4)	(16,607)	(6.4)
Other Assets	690	22,671	4.0	23,481	4.3	24,330	4.3	(810)	(3.4)	(1,659)	(6.8)
Total Assets	\$17,009	\$558,917	100.0	\$549,999	100.0	\$570,865	100.0	\$8,918	1.6	(\$11,948)	(2.1)
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Accounts Payable	\$184	\$6,043	1.1	\$9,671	1.8	\$13,078	2.3	(\$3,628)	(37.5)	(\$7,035)	(53.8)
Payables to Contractors and Equipment Suppliers	244	7,999	1.4	8,082	1.4	6,257	1.1	(83)	(1.0)	1,742	27.8
Accrued Expenses and Other Current Liabilities	1,051	34,543	6.2	36,124	6.6	29,090	5.1	(1,581)	(4.4)	5,453	18.7
Current Portion of Bonds Payable and Long-Term Liabilities	250	8,222	1.5	8,258	1.5	281	-	(36)	(0.4)	7,941	2828.1
Total Current Liabilities	1,729	56,807	10.2	62,135	11.3	48,706	8.5	(5,328)	(8.6)	8,101	16.6
Bonds Payable	137	4,500	0.8	4,500	0.8	12,500	2.2	-	-	(8,000)	(64.0)
Other Long-Term Liabilities	524	17,237	3.1	17,541	3.2	18,973	3.3	(304)	(1.7)	(1,736)	(9.2)
Total Liabilities	2,390	78,544	14.1	84,176	15.3	80,179	14.0	(5,632)	(6.7)	(1,635)	(2.0)
Shareholders' Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	7,798	256,254	45.8	259,042	47.1	264,271	46.3	(2,788)	(1.1)	(8,017)	(3.0)
Capital Surplus	1,518	49,875	8.9	50,463	9.2	53,733	9.4	(588)	(1.2)	(3,858)	(7.2)
Legal Capital Reserve ⁽²⁾	2,049	67,324	12.0	67,324	12.2	56,406	9.9	-	-	10,918	19.4
Special Capital Reserve ⁽²⁾	12	392	0.1	392	0.1	630	0.1	-	-	(238)	(37.8)
Unappropriated Earnings ⁽²⁾	3,114	102,338	18.3	103,063	18.7	161,828	28.3	(725)	(0.7)	(59,490)	(36.8)
Treasury Stock	-	-	-	(16,500)	(3.0)	(49,385)	(8.7)	16,500	(100.0)	49,385	(100.0)
Others	6	194	0.1	(1,708)	(0.3)	(391)	-	1,902	(111.3)	585	(149.5)
Total Equity Attributable to Shareholders of the Parent	14,497	476,377	85.2	462,076	84.0	487,092	85.3	14,301	3.1	(10,715)	(2.2)
Minority Interests	122	3,996	0.7	3,747	0.7	3,594	0.7	249	6.6	402	11.2
Total Shareholders' Equity	14,619	480,373	85.9	465,823	84.7	490,686	86.0	14,550	3.1	(10,313)	(2.1)
Total Liabilities & Shareholders' Equity	\$17,009	\$558,917	100.0	\$549,999	100.0	\$570,865	100.0	\$8,918	1.6	(\$11,948)	(2.1)

Note :

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$32.860 as of December 31, 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 December 31, 2008, September 30, 2008, December 31, 2007

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

Except for Per Share Amounts and Shares Outstanding)

	4Q 2008			3Q 2008		4Q 2007		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Net Sales	\$1,962	\$64,562	100.0	\$92,979	100.0	\$93,860	100.0	(\$28,417)	(30.6)	(\$29,298)	(31.2)
Cost of Sales	(1,348)	(44,367)	(68.7)	(49,885)	(53.7)	(49,024)	(52.2)	5,518	(11.1)	4,657	(9.5)
Gross Profit	614	20,195	31.3	43,094	46.3	44,836	47.8	(22,899)	(53.1)	(24,641)	(55.0)
Operating Expenses											
Research and Development Expenses	(147)	(4,826)	(7.5)	(5,981)	(6.4)	(5,012)	(5.3)	1,155	(19.3)	186	(3.7)
General and Administrative Expenses	(70)	(2,285)	(3.5)	(2,979)	(3.2)	(2,039)	(2.2)	694	(23.3)	(246)	12.1
Sales and Marketing Expenses	(32)	(1,062)	(1.7)	(1,217)	(1.3)	(1,027)	(1.1)	155	(12.7)	(35)	3.4
Total Operating Expenses	(249)	(8,173)	(12.7)	(10,177)	(10.9)	(8,078)	(8.6)	2,004	(19.7)	(95)	1.2
Income from Operations	365	12,022	18.6	32,917	35.4	36,758	39.2	(20,895)	(63.5)	(24,736)	(67.3)
Non-Operating Income, Net	43	1,412	2.2	1,328	1.4	1,697	1.8	84	6.4	(285)	(16.8)
Investment Gains (Loss)	(10)	(340)	(0.5)	185	0.2	877	0.9	(525)	(283.6)	(1,217)	(138.8)
Income before Income Tax	398	13,094	20.3	34,430	37.0	39,332	41.9	(21,336)	(62.0)	(26,238)	(66.7)
Income Tax Expenses	(14)	(452)	(0.7)	(3,658)	(3.9)	(4,608)	(4.9)	3,206	(87.6)	4,156	(90.2)
Net Income	384	12,642	19.6	30,772	33.1	34,724	37.0	(18,130)	(58.9)	(22,082)	(63.6)
Minority Interests	(6)	(196)	(0.3)	(198)	(0.2)	(239)	(0.3)	2	(1.1)	43	(18.0)
Net Income Attributable to Shareholders of the Parent	378	12,446	19.3	30,574	32.9	34,485	36.7	(18,128)	(59.3)	(22,039)	(63.9)
Earnings per Share - Diluted	\$0.01	\$0.48		\$1.18		\$1.29		(\$0.70)	(59.0)	(\$0.81)	(62.3)
Earnings per ADR - Diluted ⁽²⁾	\$0.07	\$2.43		\$5.91		\$6.44		(\$3.48)	(59.0)	(\$4.01)	(62.3)
Weighted Average Outstanding Shares - Diluted ('M) ⁽³⁾		25,655		25,850		26,773					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 32.912 for the fourth quarter of 2008.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares was and 26,773M shares for 4Q07 after the retroactive adjustments for stock dividends and stock bonus.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Audited Consolidated Condensed Income Statements

For the Year Ended December 31, 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 Year Ended December 31								
	2008			2007		YoY			
	USD	NTD	%	NTD	%	Amount	%		
Net Sales	\$10,608	\$333,158	100.0	\$322,630	100.0	\$10,528	3.3		
Cost of Sales	(6,095)	(191,408)	(57.5)	(180,280)	(55.9)	(11,128)	6.2		
Gross Profit	4,513	141,750	42.5	142,350	44.1	(600)	(0.4)		
Operating Expenses									
Research and Development Expenses	(684)	(21,481)	(6.4)	(17,946)	(5.5)	(3,535)	19.7		
General and Administrative Expenses	(353)	(11,097)	(3.3)	(8,964)	(2.8)	(2,133)	23.8		
Sales and Marketing Expenses	(151)	(4,737)	(1.4)	(3,718)	(1.2)	(1,019)	27.4		
Total Operating Expenses	(1,188)	(37,315)	(11.1)	(30,628)	(9.5)	(6,687)	21.8		
Income from Operations	3,325	104,435	31.4	111,722	34.6	(7,287)	(6.5)		
Non-Operating Income, Net	202	6,335	1.9	7,412	2.3	(1,077)	(14.5)		
Investment Gains	22	702	0.2	2,508	0.8	(1,806)	(72.0)		
Income before Income Tax	3,549	111,472	33.5	121,642	37.7	(10,170)	(8.4)		
Income Tax Expenses	(348)	(10,949)	(3.3)	(11,710)	(3.6)	761	(6.5)		
Net Income	3,201	100,523	30.2	109,932	34.1	(9,409)	(8.6)		
Minority Interest	(19)	(590)	(0.2)	(755)	(0.3)	165	(21.9)		
Net Income Attributable to Shareholders of the Parent	3,182	99,933	30.0	109,177	33.8	(9,244)	(8.5)		
Earnings per Share - Diluted	\$0.12	\$3.83		\$4.06		(\$0.23)	(5.7)		
Earnings per ADR - Diluted ⁽²⁾	\$0.61	\$19.14		\$20.30		(\$1.16)	(5.7)		
Weighted Average Outstanding Shares - Diluted ('M) ⁽³⁾		26,107		26,892					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 31.406 for the year ended December 31, 2008.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 26,892M shares for the year ended December 31, 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 Year Ended December 31, 2008 and for the Three Months Ended December 31, 2008, September 30, 2008, and December 31, 2007

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

	Twelve Months 2008 (audited)		4Q 2008 (unaudited)	3Q 2008 (unaudited)	4Q 2007 (unaudited)
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Net Income	\$ 3,182	\$ 99,933	\$ 12,446	\$ 30,574	\$ 34,485
Net Income Attributable to Minority Interest	19	590	196	198	239
Depreciation & Amortization	2,595	81,512	20,961	20,686	20,281
Deferred Income Tax	73	2,279	154	410	877
Equity in Loss (Earnings) of Equity Method Investees, Net	(22)	(702)	340	(185)	(877)
Changes in Working Capital & Others	1,206	37,882	29,147	4,220	4,754
Net Cash Provided by Operating Activities	7,053	221,494	63,244	55,903	59,759
Cash Flows from Investing Activities:					
Acquisitions of:					
Marketable Financial Instruments	(3,241)	(101,797)	(33,059)	(40,201)	(32,478)
Investments Accounted for Using Equity Method	(2)	(56)	(1)	(55)	6
Property, Plant and Equipment	(1,886)	(59,223)	(11,258)	(10,378)	(19,781)
Financial Assets Carried at Cost	(15)	(463)	(73)	(87)	(103)
Proceeds from Disposal or Maturity of:					
Marketable Financial Instruments	4,908	154,150	63,368	22,126	40,680
Property, Plant and Equipment	6	195	24	140	34
Financial Assets Carried at Cost	6	199	73	-	141
Others	(33)	(1,047)	(1,061)	1,930	(1,160)
Net Cash Provided by (Used In) Investing Activities	(257)	(8,042)	18,013	(26,525)	(12,661)
Cash Flows from Financing Activities:					
Decrease in Guarantee Deposits	(24)	(759)	(140)	(83)	(321)
Proceeds from Exercise of Stock Options	7	227	5	51	35
Bonus Paid to Directors and Supervisors	(6)	(177)	-	(177)	-
Repayment of Long-Term Bonds Payable	-	-	-	-	(4,500)
Cash Dividends Paid for Common Stock	(2,445)	(76,779)	-	(76,779)	-
Repurchase of Treasury Stock	(1,066)	(33,481)	-	(23,812)	(45,413)
Cash Bonus Paid to Employees	(125)	(3,940)	-	(3,940)	-
Others	(15)	(484)	(163)	(222)	90
Net Cash Used in Financing Activities	(3,674)	(115,393)	(298)	(104,962)	(50,109)
Net Increase (Decrease) in Cash and Cash Equivalents	3,122	98,059	80,959	(75,584)	(3,011)
Effect of Exchange Rate Changes and Others	51	1,569	1,209	2,684	(331)
Cash and Cash Equivalents at Beginning of Period	3,024	94,986	112,446	185,346	98,328
Cash and Cash Equivalents at End of Period	\$ 6,197	\$ 194,614	\$ 194,614	\$ 112,446	\$ 94,986

Note: (1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 31.406 for the year ended December 31, 2008.