



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED STATEMENT OF CASH FLOWS
For the Quarter Ended March 31, 1998 and 1997

(Figures in Million of New Taiwan dollars (NTD) and U.S. dollars (USD)) - 1

	1998		1997
	USD	NTD	NTD
Cash Flow from Operating Activities:			
Net Income	211	6,947	3,069
Depreciation & Amortization	105	3,457	1,999
Deferred Tax on Investment Tax Credit	-24	-779	-260
Changes in Working Capital & Others	47	1,556	-72
Net Cash Provided from Operating Activities	<u>339</u>	<u>11,181</u>	<u>4,736</u>
Cash Flow from Investing Activities:			
Increase in Short-Term Investments	-28	-916	
Acquisition of Fixed Assets	-270	-8,926	-3,791
Increase in Long-Term Investments	25	838	313
Increase in Deposit Out/Deferred Assets	-1	-22	-4
Net Cash Used in Investing Activities	<u>-274</u>	<u>-9,027</u>	<u>-3,482</u>
Cash Flow from Financing Activities:			
Increase in Commercial Paper Payable	-8	-250	
Increase in Corporate Bonds Payable	116	3,825	
Decrease in Bank Loans	-80	-2,631	0
Increase (Decrease) in Deposit in	0	5	-838
Adjustment for Forward Contract Payable	6	195	
Net Cash Provided by (Used in) Financing Activities	<u>35</u>	<u>1,144</u>	<u>-838</u>
Net Increase in Cash and Cash Equivalents	100	3,299	415
Cash and Cash Equivalents at Beginning of Period	77	2,534	8,692
Cash and Cash Equivalents at End of Period	<u>177</u>	<u>5,833</u>	<u>9,108</u>

Note1: New Taiwan dollar amounts have been translated into U.S. dollars at the weighted average rate of NTD 33.0 and NTD 27.5 per U.S. dollar for the first quarter of 1998 and the first quarter of 1997, respectively.