



**TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.**  
**UNCONSOLIDATED STATEMENT OF CASH FLOWS**  
**For Year Ended June 30, 1999**

(Figures in Million of New Taiwan dollars (NTD) and U.S. dollars (USD)) <sup>(1)</sup>

	2Q 1999		1Q 1999	YTD 1999
	USD	NTD	NTD	NTD
<b>Cash Flows from Operating Activities:</b>				
Net Income	184	6,022	4,090	10,112
Depreciation & Amortization	129	4,246	3,978	8,223
Investment Loss (Income) recognized by equity method	13	432	168	600
Gain on sale of long-term investments				
Deferred Tax on Investment Tax Credit	(9)	(297)	(148)	(445)
Changes in Working Capital & Others	(64)	(2,098)	(593)	(2,691)
Net Cash Provided from Operating Activities	253	8,305	7,495	15,800
<b>Cash Flows from Investing Activities:</b>				
Increase in Short-Term Investments	5	149	(12)	137
Acquisition of Fixed Assets	(156)	(5,125)	(4,668)	(9,793)
Proceeds from disposal of properties	11	352	0	352
Increase in Long-Term Investments	(12)	(405)	(4)	(409)
Proceeds from Sales of Long-Term Stock Investments				
Increase in Deposit out/Deferred Assets	(3)	(99)	(42)	(142)
Net Cash Used in Investing Activities	(156)	(5,128)	(4,726)	(9,854)
<b>Cash Flows from Financing Activities:</b>				
Increase (Decrease) in Short-Term Credit Instruments	22	706		706
Increase in Issuance of Bonds	(7)	(244)	228	(16)
Increase (Decrease) Long-Term Bank Loans	(86)	(2,831)	1,286	(1,545)
Decrease in Guarantee Deposits	(35)	(1,150)	(784)	(1,934)
Bonus to Employees/Directors/Supervisors	(4)	(138)		(138)
Net Cash Provided by Financing Activities	(133)	(3,657)	730	(2,927)
Net Increase (Decrease) in Cash and Cash Equivalents	(36)	(480)	3,499	3,019
Cash and Cash Equivalents at Beginning of Period	365	11,792	8,292	8,292
Cash and Cash Equivalents at End of Period	350	11,311	11,792	11,311

Note (1) : New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 32.81 per U.S. dollar for the second quarter of 1999.