



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED STATEMENT OF CASH FLOWS
For the Nine Months Ended September 30, 1998 and 1997
 (Figures in Million of New Taiwan dollars (NTD) and U.S. dollars (USD)) ⁽¹⁾

	1998		1997
	USD	NTD	NTD
Cash Flows from Operating Activities:			
Net Income	382	12,820	11,204
Depreciation & Amortization	320	10,725	6,764
Investment Loss (Income)	63	2,121	(42)
Deferred Tax on Investment Tax Credit	(69)	(2,317)	(1,382)
Changes in Working Capital & Others	28	939	(2,991)
Net Cash Provided from Operating Activities	<u>724</u>	<u>24,287</u>	<u>13,553</u>
Cash Flows from Investing Activities:			
Increase in Short-Term Investments	(29)	(975)	(3,956)
Acquisition of Fixed Assets	(717)	(24,063)	(18,849)
Proceeds from disposal of properties	0	3	250
Increase in Long-Term Investments	(50)	(1,666)	(341)
Proceeds from Sales of Long-Term Stock Investments	32	1,079	342
Increase in Deposit out/Deferred Assets	(5)	(163)	(361)
Net Cash Used in Investing Activities	<u>(768)</u>	<u>(25,785)</u>	<u>(22,917)</u>
Cash Flows from Financing Activities:			
Decrease in Short-Term Credit Instruments		(46)	
Increase in Issuance of Bonds	135	4,525	10,010
Borrowed Long-Term Bank Loans	1	34	(515)
Decrease in Guarantee Deposits	(31)	(1,048)	(848)
Increase in Payments Received in Advance - Equipment			158
Bonus to Employees/Directors/Supervisors	(5)	(162)	(568)
Adjustment for Forward Contract Payable	(17)	(585)	
Net Cash Provided by (Used in) Financing Activities	<u>82</u>	<u>2,719</u>	<u>8,237</u>
Net Decrease in Cash and Cash Equivalents	38	1,220	(1,126)
Cash and Cash Equivalents at Beginning of Period	76	2,534	8,692
Cash and Cash Equivalents at End of Period	<u>113</u>	<u>3,755</u>	<u>7,566</u>

Note (1) : New Taiwan dollars amounts have been translated into U.S. dollars at the weighted average rate of NTD 33.56 per U.S. dollar for the nine months ended September 30 1998.