



**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LTD.**  
**UNCONSOLIDATED STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 1997 and 1996

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

	1997		1996
	USD	NTD	NTD
<b>Cash Flows from Operating Activities:</b>			
Net Income	629	17,960	19,401
Depreciation & Amortization	342	9,763	6,539
Investment Income	-1	-18	-156
Deferred Tax on Investment Tax Credit	-68	-1,929	-904
Changes in Working Capital & Others	-191	-5,442	-1,624
Net Cash Provided from Operating Activities	712	20,334	23,256
<b>Cash Flows from Investing Activities:</b>			
Increase in Short-Term Investments	-174	-4,971	-
Acquisition of Fixed Assets	-980	-27,983	-20,865
Increase in Long-Term Investments	-172	-4,904	-7,423
Increase in Deposit Out/Deferred Assets	-20	-561	-38
Net Cash Used in Investing Activities	-1,346	-38,419	-28,325
<b>Cash Flows from Financing Activities:</b>			
Increase in Commercial Paper Payable	9	250	-
Increase in Corporate Bond Payable	405	11,550	-
Increase in Bank Loans	81	2,306	164
Increase (Decrease) in Deposit in	-5	-142	5,734
Profit Sharing to Employees/Directors/Supervisors	-20	-568	-851
Adjustment for Forward Contract Payable	-51	-1,469	-
Net Cash Provided by Financing Activities	418	11,927	5,046
Net Decrease in Cash and Cash Equivalents	-216	-6,158	-23
Cash and Cash Equivalents at Beginning of Period	304	8,692	8,715
Cash and Cash Equivalents at End of Period	89	2,534	8,692

Note 1 : New Taiwan dollars amounts have been translated into U.S. dollars at the weighted average rate of NTD 28.55 per U.S. dollars for 1997.