



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the years Ended December 31, 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	458	15,344	17,960
Depreciation & Amortization	436	14,593	9,763
Investment Loss (Income) recognized by equity method	81	2,707	(18)
Gain on sale of long-term investments	(23)	(757)	(311)
Deferred Tax on Investment Tax Credit	(74)	(2,471)	(1,929)
Changes in Working Capital & Others	139	4,644	(5,130)
Net Cash Provided from Operating Activities	1,017	34,061	20,334
Cash Flows from Investing Activities:			
Increase in Short-Term Investments	(24)	(812)	(4,971)
Acquisition of Fixed Assets	(838)	(28,066)	(28,021)
Proceeds from disposal of properties	0	3	38
Increase in Long-Term Investments	(50)	(1,676)	(5,246)
Proceeds from Sales of Long-Term Stock Investments	44	1,467	342
Increase in Deposit out/Deferred Assets	(8)	(271)	(561)
Net Cash Used in Investing Activities	(876)	(29,356)	(38,419)
Cash Flows from Financing Activities:			
Increase (Decrease) in Short-Term Credit Instruments	(7)	(250)	250
Increase in Issuance of Bonds	292	9,773	11,550
Increase (Decrease) Long-Term Bank Loans	(159)	(5,333)	2,306
Decrease in Guarantee Deposits	(71)	(2,390)	(142)
Bonus to Employees/Directors/Supervisors	(5)	(162)	(568)
Adjustment for Forward Contract Payable	(17)	(585)	(1,469)
Net Cash Provided by Financing Activities	39	1,053	11,927
Net Increase (Decrease) in Cash and Cash Equivalents	179	5,758	(6,158)
Cash and Cash Equivalents at Beginning of Period	76	2,534	8,692
Cash and Cash Equivalents at End of Period	255	8,292	2,534

Note (1) : New Taiwan dollars amounts have been translated into U.S. dollars at the weighted average rate of NTD 33.5 per U.S. dollar for the year ended December 31 1998.