



Dividend Announcement

20-Aug-08 4:58 PM

To: New York Stock Exchange
Attn: Mr. Rich Ginivan
20 Broad St. - 8th Floor
New York, NY 10005

Please be advised of the following dividend information:

Approximate Some users may need to use A4 paper to properly print this document.
Final

DR Program: TAIWAN SEMICONDUCTOR

CUSIP: 874039100
ISIN: US8740391003
Ticker: TSM
Country: TAIWAN
Ratio (ADR:ORD): 1 : 5

Type of Distribution:

Ordinary Record Date: 22-Jul-08
ADR Record Date: 18-Jul-08
Ordinary Payable Date: 12-Aug-08
ADR Payable Date: 15-Aug-08
Ordinary Ex-Date: 16-Jul-08
(For stock dividends)

Stock Rate: 0.504178823 % Note: (1) & (2)

Tax Rate: 20% Note: (3)

Note:

(1) The company has announced an 0.504178823% stock distribution whereby holders will receive 5.04178823 for every 1,000 old shares held as of record date. The resulting shares will rank pari-passu with existing comr Cash in Lieu rate will be advised upon sale of fractional shares. Of the stock dividend 40% is taxable in the lc market (Taiwan) and 60% is tax free, and At Source withholding will apply to the stock distribution. The payme is not taxable in the US ADR market. However, US holders may be able to claim a tax credit for the At Sourc withholding paid in Taiwan.

(2) 128,135,520 (ordinary shares to be issued as stock dividends) divided by 25,414,696,950 (total outstanding ordinary shares) = 0.504178823% stock rate.

(3) 0.504178823% (stock rate) x 5 (5 ords: 1 ADR) x NT\$10 (par value) x 40% (share amount taxable) x 20% (tax at source) divided by 30.610 (final conversion rate) = US\$0.0006588 withholding tax on stock dividend per record date.

Please note that 30.610 is a final conversion rate.

The 20% withholding tax at source for this distribution will be deducted from the concurrent ADR cash dividend. the stock and cash distribution are based on the same ADR record date of July 18, 2008.

**** Cash In Lieu Rate- \$ 10.56 per share**

**** Cash In Lieu Payment Date- August 21, 2008**

Questions may be directed to Shawuan Samuels @ 212-657-8796



Dividend Announcement

12-Aug-08 3:54 PM

To: New York Stock Exchange
Attn: Mr. Rich Ginivan
20 Broad St. - 8th Floor
New York, NY 10005

Please be advised of the following dividend information:

Approximate Some users may need to use A4 paper to properly
Final print this document.

DR Program: TAIWAN SEMICONDUCTOR

CUSIP: 874039100
ISIN: US8740391003
Ticker: TSM
Country: TAIWAN

Ratio (ADR:ORD): 1 : 5

Type of Distribution:

Ordinary Record Date: 22-Jul-08
ADR Record Date: 18-Jul-08
Ordinary Payable Date: 12-Aug-08
ADR Payable Date: 15-Aug-08
Ordinary Ex-Date: 16-Jul-08

Ordinary Rate: 3.0250729055 Note: (1)

Currency: NT\$

Conversion Rate: 30.9315048882 Note: (2)

Gross Rate \$: 0.4889954 Note: (3)

Tax Rate: 20 %

Cash Tax \$: 0.0977991 Note: (4)

Stock Dividend Tax \$: 0.0006588 Note: (5)

Dividend Fee \$: 0.0000000

Net Dividend Rate \$: 0.3905375

Note following formula:

- (1) $\text{NT\$}76,881,311,145$ (ordinary cash dividends approved) divided by $25,414,696,950$ (total outstanding ordinary shares) = $\text{NT\$}3.0250729055$ cash dividend per ordinary share
- (2) This is a **final** estimate.
- (3) $\text{Gross rate} = 3.0250729055 \times 5$ (5 ords : 1 ADR) divided by 30.9315048882 (**final conversion rate**) = 0.4889954
- (4) 3.0250729055 (cash dividend per ordinary share) $\times 5$ (5 ords : 1 ADR) $\times 20\%$ (withholding tax at source) divided by 30.9315048882 (**final conversion rate**) = $\text{US\$}0.0977991$ withholding tax on cash dividend per record date share.
- (5) 0.504178823% (stock rate) $\times 5$ (5 ords : 1 ADR) $\times \text{NT\$}10$ (par value) $\times 40\%$ (share amount taxable) $\times 20\%$ (withholding tax at source) divided by 30.610 (**final conversion rate**) = $\text{USD}0.0006588$
Withholding tax on stock dividend per record date share

The 20% withholding tax at source for the stock dividend distribution will be deducted from the concurrent ADR cash dividend. Both the stock and cash distribution are based on the same ADR record date of July 18, 2008.

Questions may be directed to Shawuan Samuels @ 212-657-8796