

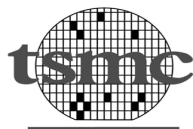
TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED BALANCE SHEET

As of December 31, 2003 and 2002

(Figures in Millions of New Taiwan Dollars (NTD) and U.S. Dollars (USD)) ⁽¹⁾

ASSETS	Dec. 31, 2003			Dec. 31, 2002		YoY	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash	2,893	98,288	24.8	61,657	16.7	36,631	59.4
Short Term Investment	370	12,559	3.2	0	0.0	12,559	-
Accounts Receivable	759	25,776	6.5	16,446	4.4	9,330	56.7
Inventories	321	10,907	2.8	10,340	2.8	567	5.5
Other Current Assets	324	10,996	2.8	6,304	1.7	4,692	74.4
Total Current Assets	4,666	158,526	40.0	94,747	25.6	63,779	67.3
Long Term Investment	1,117	37,965	9.6	34,978	9.5	2,987	8.5
Fixed Assets	12,826	435,801	109.9	405,640	109.6	30,161	7.4
Less Accumulated Depreciation	(7,285)	(247,514)	(62.4)	(188,448)	(50.9)	(59,067)	31.3
Net Fixed Assets	5,541	188,287	47.5	217,192	58.7	(28,906)	(13.3)
Other Assets	343	11,638	2.9	23,097	6.2	(11,459)	(49.6)
Total Assets	11,667	396,417	100.0	370,016	100.0	26,401	7.1
LIABILITIES							
Accounts Payable & Accrued Liabilities	752	25,538	6.4	27,160	7.3	(1,622)	(6.0)
Current Portion of Bonds Payable	147	5,000	1.3	4,000	1.1	1,000	25.0
Total Current Liabilities	899	30,538	7.7	31,160	8.4	(622)	(2.0)
Bonds Payable	883	30,000	7.6	35,000	9.5	(5,000)	(14.3)
Other Long Term Liabilities	196	6,665	1.7	8,002	2.2	(1,338)	(16.7)
Total Liabilities	1,978	67,203	17.0	74,162	20.0	(6,960)	(9.4)
SHAREHOLDERS' EQUITY							
Capital Stock	5,965	202,666	51.1	199,229	53.8	3,437	1.7
Capital Surplus	1,673	56,856	14.3	57,005	15.4	(149)	(0.3)
Legal Reserve	612	20,802	5.2	18,641	5.0	2,161	11.6
Special Reserve	2	69	0.0	0	0.0	69	-
Retained Earnings	1,478	50,229	12.7	22,151	6.0	28,078	126.8
-Previous Year	87	2,970	0.7	541	0.1	2,430	449.2
-Current Year	1,391	47,259	11.9	21,610	5.8	25,648	118.7
Treasury Stock	(48)	(1,633)	(0.4)	(1,923)	(0.5)	290	(15.1)
Unrealized Loss on Long-term Investments	(0)	(0)	(0.0)	(194)	(0.1)	194	(100.0)
Cumulated Translation Adjustment	7	225	0.1	945	0.3	(720)	(76.2)
Total Equity	9,689	329,214	83.0	295,853	80.0	33,361	11.3
Total Liabilities & Shareholders' Equity	11,667	396,417	100.0	370,016	100.0	26,401	7.1

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NT\$33.98 per U.S. dollar at of December 31, 2003.



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Three Months Ended December 31, 2003 and 2002

(Expressed in Millions New Taiwan Dollars (NTD) and U.S. Dollars (USD) ⁽¹⁾)

Except for Per Share Amounts and Shares Outstanding)

	Year over Year Comparison					Sequential Comparison				
	4Q 2003		% of	4Q 2002 ⁽²⁾	YoY	4Q 2003		% of	3Q 2003	QoQ
	USD	NTD	Sales	NTD	Inc(Dec) %	USD	NTD	Sales	NTD	Inc(Dec) %
Net Sales	1,700	57,780	100.0	41,154	40.4	1,700	57,780	100.0	54,877	5.3
Cost of Sales	(1,032)	(35,072)	(60.7)	(30,472)	15.1	(1,032)	(35,072)	(60.7)	(33,430)	4.9
Gross Profit	668	22,707	39.3	10,682	112.6	668	22,707	39.3	21,447	5.9
Operating Expenses										
General and Administrative Expenses	(52)	(1,765)	(3.1)	(1,245)	41.7	(52)	(1,765)	(3.1)	(1,614)	9.3
Selling and Marketing Expenses	(8)	(261)	(0.5)	(248)	5.4	(8)	(261)	(0.5)	(277)	(5.8)
Research and Development Expenses	(119)	(4,055)	(7.0)	(3,538)	14.6	(119)	(4,055)	(7.0)	(3,068)	32.2
Total Operating Expenses	(179)	(6,082)	(10.5)	(5,031)	20.9	(179)	(6,082)	(10.5)	(4,960)	22.6
Income from Operations	489	16,625	28.8	5,651	194.2	489	16,625	28.8	16,487	0.8
Net Non-operating Income (Expenses)	(6)	(193)	(0.3)	(411)	(53.1)	(6)	(193)	(0.3)	(141)	36.7
Investment Gain (Loss)	33	1,135	2.0	(2,162)	-	33	1,135	2.0	361	214.1
Income before Income Tax	517	17,568	30.4	3,078	470.8	517	17,568	30.4	16,708	5.1
Income Tax Credit (Expenses)	(46)	(1,566)	(2.7)	(525)	198.3	(46)	(1,566)	(2.7)	(1,539)	1.7
Net Income	471	16,002	27.7	2,553	526.9	471	16,002	27.7	15,169	5.5
Diluted Earnings Per Ordinary Share ⁽³⁾	0.02	0.79		0.12	553.9	0.02	0.79		0.75	5.2
Earnings Per ADR ⁽⁴⁾	0.12	3.94		0.60		0.12	3.94		3.72	
Weighted Average Outstanding Shares ('M) ⁽⁵⁾		20,232		20,221			20,232		20,227	

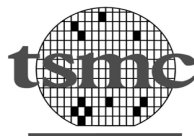
Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD33.99 per U.S. dollar for the fourth quarter of 2003.

(2) Certain accounts in the financial statement for the three months ended December 31, 2002 have been reclassified to conform to the financial statements for the three months ended December 31, 2003.

(3) EPS calculation is after deducting a cash dividend payment on NT\$13,000 million of preferred stock paying an annual rate of 3.5% at the period from January 1 to May 29, 2003. The preferred stock was redeemed on May 29, 2003.

(4) 1 ADR equals 5 ordinary shares.

(5) Total weighted average outstanding shares were 20,231,739K shares for 4Q03 and 20,220,989K shares for 4Q02 after the retroactive adjustments for stock dividends and changes in treasury stocks. Similarly, adjustments were also made on total weighted average outstanding shares for 3Q03 (20,226,848K shares after adjustments).



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Twelve Months Ended December 31, 2003 and 2002

(Expressed in Millions New Taiwan Dollars (NTD) and U.S. Dollars (USD) ⁽¹⁾)

Except for Per Share Amounts and Shares Outstanding)

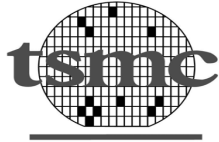
	12 months ended Dec. 31				
	2003 USD	2003 NTD	% of Sales	2002 NTD	YoY Inc(Dec) %
Net Sales	5,865	201,904	100.0	160,961	25.4
Cost of Sales	(3,748)	(129,013)	(63.9)	(108,994)	18.4
Gross Profit	2,118	72,892	36.1	51,967	40.3
Operating Expenses					
General and Administrative Expenses	(184)	(6,338)	(3.1)	(5,210)	21.6
Selling and Marketing Expenses	(35)	(1,194)	(0.6)	(1,140)	4.7
Research and Development Expenses	(369)	(12,713)	(6.3)	(11,440)	11.1
Total Operating Expenses	(588)	(20,244)	(10.0)	(17,791)	13.8
Income from Operations	1,529	52,648	26.1	34,176	54.0
Net Non-operating Expenses	(70)	(2,411)	(1.2)	(1,347)	78.9
Investment Loss	23	791	0.4	(5,717)	-
Income before Income Tax	1,482	51,028	25.3	27,112	88.2
Income Tax Credit (Expenses)	(110)	(3,770)	(1.9)	(5,502)	(31.5)
Net Income	1,373	47,259	23.4	21,610	118.7
Diluted Earnings Per Ordinary Share ⁽²⁾	0.07	2.33		1.05	122.4
Earnings Per ADR ⁽³⁾	0.34	11.63		5.23	
Weighted Average Outstanding Shares ('M) ⁽⁴⁾		20,232		20,221	

Note:(1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 34.42 per U.S. dollar for the twelve months of 2003.

(2) EPS calculation is after deducting a cash dividend payment on NT\$13,000 million of preferred stock paying an annual rate of 3.5% at the period from January 1 to May 29, 2003. The preferred stock was redeemed on May 29, 2003.

(3) 1 ADR equals 5 ordinary shares.

(4) Total weighted average outstanding shares were 20,231,739K shares for the twelve months ended December 31, 2003 and 20,220,989K shares for the twelve months ended December 31, 2002 after the retroactive adjustments for stock dividends and changes in treasury stocks.



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the Twelve Months Ended December 31, 2003 and 2002

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

	12 MTHS 2003		12 MTHS 2002	9 MTHS 2003	Q4 2003
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Net Income	1,373	47,259	21,610	31,256	16,002
Depreciation & Amortization	1,795	61,786	57,621	46,291	15,495
Investment Loss Recognized by Equity Method	(23)	(791)	5,717	344	(1,135)
Loss(Gain) on property, plant, equipment and idle assets	41	1,402		1,431	(29)
Loss(Gain) on sale of long-term investments	(2)	(79)	2	(66)	(13)
Deferred Tax on Investment Tax Credit	106	3,640	5,490	2,074	1,566
Changes in Working Capital & Others	(132)	(4,547)	3,848	(4,145)	(402)
Net Cash Provided from Operating Activities	3,157	108,668	94,288	77,185	31,484
Cash Flows from Investing Activities:					
Increase in Short-Term Investments	(364)	(12,529)		(11,664)	(865)
Acquisition of Fixed Assets	(1,082)	(37,247)	(54,444)	(24,416)	(12,832)
Proceeds from Disposal of Properties	5	177	495	159	18
Decrease in Deposit out	11	366	229	256	110
Increase in Long-Term Investments	(87)	(3,006)	(10,188)	(1,051)	(1,955)
Proceeds from Sales of Long-Term Stock Investments	14	476	1	458	18
Increase in Deferred Assets	(62)	(2,138)	(5,725)	(1,793)	(345)
Decrease in Other assets	0	9	0	9	
Net Cash Used in Investing Activities	(1,566)	(53,892)	(69,630)	(38,041)	(15,851)
Cash Flows from Financing Activities:					
Increase (Decrease) in Bonds Payable	(116)	(4,000)	10,000	(4,000)	
Increase (Decrease) in Guarantee Deposits & Others	(18)	(632)	(5,816)	(556)	(75)
Decrease in Preferred shares	(378)	(13,000)	0	(13,000)	
Cash Dividend - Preferred Shares	(13)	(455)	(455)	(455)	
Bonus paid to Directors and Supervisors	(2)	(59)	(134)	(59)	
Net Cash Provided from (Used in) Financing Activities	(527)	(18,145)	3,595	(18,070)	(75)
Net Increase (Decrease) in Cash and Cash Equivalents	1,064	36,631	28,253	21,075	15,557
Cash and Cash Equivalents at Beginning of Period	1,791	61,657	33,404	61,657	82,732
Cash and Cash Equivalents at End of Period	2,855	98,288	61,657	82,732	98,288

Note : New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NTD34.42 per U.S. dollar, the weighted average exchange rate for the twelve months of 2003 .