



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Three Months Ended March 31, 2000 and 1999

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

Except for Per Share Amounts and Shares Outstanding)

	3 months ended on March 31					Sequential Comparison				
	1Q 2000		% of	1Q 1999	YOY	1Q 2000		% of	4Q 1999	QOQ
	USD	NTD	Sales	NTD	Chg %	USD	NTD	Sales	NTD	Chg %
Net Sales	914	28,278	100.0%	12,501	126.2%	914	28,278	100.0%	23,691	19.4%
Cost of Sales	(503)	(15,573)	-55.1%	(6,690)	132.8%	(503)	(15,573)	-55.1%	(13,979)	11.4%
Gross Margin	411	12,705	44.9%	5,811	118.6%	411	12,705	44.9%	9,712	30.8%
Operating Expenses										
General and Administrative Expenses	(34)	(1,046)	-3.7%	(380)	175.5%	(34)	(1,046)	-3.7%	(834)	25.4%
Selling and Marketing Expenses	(16)	(493)	-1.7%	(331)	48.9%	(16)	(493)	-1.7%	(633)	-22.2%
Research and Development Expenses	(28)	(869)	-3.1%	(615)	41.3%	(28)	(869)	-3.1%	(564)	53.9%
Total Operating Expenses	(78)	(2,408)	-8.5%	(1,326)	81.6%	(78)	(2,408)	-8.5%	(2,032)	18.5%
Income from Operations	333	10,297	36.4%	4,485	129.6%	333	10,297	36.4%	7,681	34.1%
Net Non-operating Income (Expenses)	0	15	0.1%	(148)	-	0	15	0.1%	382	-96.0%
Investment Income (Loss)	(2)	(55)	-0.2%	(226)	-75.4%	(2)	(55)	-0.2%	263	-
Income before Income Tax	331	10,257	36.3%	4,112	149.4%	331	10,257	36.3%	8,326	23.2%
Income Tax Credit (Expenses)	(5)	(166)	-0.6%	(22)	641.4%	(5)	(166)	-0.6%	(15)	1012.1%
Net Income	326	10,091	35.7%	4,090	146.7%	326	10,091	35.7%	8,311	21.4%
Diluted Earnings Per Ordinary Share ⁽²⁾	0.04	1.32		0.54	142.8%	0.04	1.32		1.10	19.9%
Earnings Per ADR ⁽³⁾	0.21	6.58		2.71		0.21	6.58		5.49	
Weighted Shares Outstanding ('K)		7,670,882		7,548,483			7,670,882		7,572,598	

Note (1) : New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 30.949 per U.S. dollar for the first quarter of 2000.

Note (2) : Earnings per share for 1Q99 have been restated to reflect a 24.8% increase in shares outstanding in June 1999;

Total weighted shares were 7,572,598K and 7,670,882K for 1999 and 2000, respectively.

Note (3) : 1 ADR equals 5 ordinary shares. ADRs were issued in October 1997.