



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Three Months Ended September 30, 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 September 30					Sequential Comparison ⁽²⁾				
	3Q 2000		% of	3Q 1999	YOY	3Q 2000		% of	2Q 2000	QOQ
	USD	NTD	Sales	NTD	Chg %	USD	NTD	Sales	NTD	Chg %
Net Sales	1,533	47,491	100.0%	19,707	141.0%	1,533	47,491	100.0%	31,812	49.3%
Cost of Sales	-812	-25,146	-52.9%	-10,939	129.9%	-812	-25,146	-52.9%	-18,062	39.2%
Gross Margin	721	22,345	47.1%	8,768	154.8%	721	22,345	47.1%	13,749	62.5%
Operating Expenses										
General and Administrative Expenses	-42	-1,305	-2.7%	-624	109.0%	-42	-1,305	-2.7%	-724	80.4%
Selling and Marketing Expenses	-29	-888	-1.9%	-439	102.4%	-29	-888	-1.9%	-638	39.2%
Research and Development Expenses	-50	-1,537	-3.2%	-536	186.8%	-50	-1,537	-3.2%	-898	71.2%
Total Operating Expenses	-120	-3,730	-7.9%	-1,599	133.3%	-120	-3,730	-7.9%	-2,259	65.1%
Income from Operations	601	18,615	39.2%	7,169	159.7%	601	18,615	39.2%	11,490	62.0%
Net Non-operating Income (Expenses)	11	328	0.7%	-569	157.6%	11	328	0.7%	1,223	-73.2%
Investment Income (Loss)	18	572	1.2%	-842	167.9%	18	572	1.2%	398	43.6%
Income before Income Tax	630	19,514	41.1%	5,758	238.9%	630	19,514	41.1%	13,111	48.8%
Income Tax Credit (Expenses)	18	543	1.1%	379	43.3%	18	543	1.1%	238	128.0%
Net Income	647	20,058	42.2%	6,137	226.8%	647	20,058	42.2%	13,349	50.3%
Diluted Earnings Per Ordinary Share	0.06	1.74		0.62	180.4%	0.06	1.74		1.33	30.3%
Earnings Per ADR ⁽³⁾⁽⁴⁾	0.28	8.69		3.07		0.28	8.69		6.67	
Shares Outstanding ('M)		11,303.1		9,990.9			11,303.1		10,010.0	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 30.977 per U.S. dollar for the third quarter of 2000.

(2) 3Q'00: Post-merger; 2Q'00 and 3Q'99: Pre-merger

(3) : 1 ADR equals 5 ordinary shares.

(4) : Earnings per share for 3Q'99 have been restated to reflect a 28% increase in stock dividend in May, 2000 and issuance of 115,000,000 shares of ADR in June, 2000.



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the 9 Months Ended September 30, 2000 and 1999

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

Except for Per Share Amounts and Shares Outstanding)

	9 Months ended on September 30				
	9 MTHS 2000		% of	9 MTHS 1999 (2)	YOY
	USD	NTD	Sales	NTD	Chg %
Net Sales	3,643	112,407	100.0%	49,440	127.4%
Cost of Sales	-2,049	-63,238	-56.3%	-26,937	134.8%
Gross Margin	1,594	49,169	43.7%	22,503	118.5%
Operating Expenses					
General and Administrative Expenses	-126	-3,879	-3.5%	-1,264	206.9%
Selling and Marketing Expenses	-69	-2,131	-1.9%	-1,178	80.9%
Research and Development Expenses	-122	-3,778	-3.4%	-1,826	106.9%
Total Operating Expenses	-317	-9,787	-8.7%	-4,267	129.3%
Income from Operations	1,276	39,382	35.0%	18,236	116.0%
Net Non-operating Income (Expenses)	85	2,621	2.3%	-1,009	359.8%
Investment Income (Loss)	30	914	0.8%	-1,442	163.4%
Income before Income Tax	1,391	42,917	38.2%	15,784	171.9%
Income Tax Credit (Expenses)	23	716	0.6%	465	54.0%
Net Income	1,414	43,633	38.8%	16,249	168.5%
Diluted Earnings Per Ordinary Share	0.13	3.86		1.65	133.9%
Earnings Per ADR ⁽³⁾⁽⁴⁾	0.63	19.30		8.25	
Shares Outstanding ('M)		11,303.1		9,834.0	

Note: (1) New Taiwan dollars have been translated into U.S.\$ at the weighted average rate of NTD 30.856 per U.S.\$ for the 9 months ended September 30, 2000.

(2) : 9 months '00: Post-merger; 9 months '99: Pre-merger.

(3) : 1 ADR equals 5 ordinary shares.

(4) : Earnings per share for 9 months '99 have been restated to reflect a 28% increase in stock dividend in May, 2000 and issuance of 115,000,000 shares of ADR in June, 2000.