



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED BALANCE SHEET

As At December 31, 2000 and 1999

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

ASSETS	Dec-00			Dec-99		YoY	
	USD	NTD	%	NTD	%	Move	%
Cash	1,079	35,664	10%	16,650	10%	19,014	114%
Short Term Investment	0	0	0%	236	0%	-236	-100%
Accounts Receivable	857	28,304	8%	12,885	8%	15,420	120%
Inventories	332	10,968	3%	4,530	3%	6,438	142%
Other Current Assets	333	11,014	3%	4,470	3%	6,543	146%
Total Current Assets	2,601	85,951	25%	38,771	24%	47,180	122%
Long Term Investment	1,011	33,422	10%	28,209	17%	5,213	18%
Fixed Assets	9,123	301,469	88%	147,536	91%	153,933	104%
Less Accumulated Depreciation	-2,859	-94,464	-28%	-57,970	-36%	-36,494	63%
Net Fixed Assets	6,264	207,005	61%	89,566	55%	117,439	131%
Other Assets	442	14,594	4%	4,877	3%	9,717	199%
Total Assets	10,318	340,972	100%	161,423	100%	179,549	111%
LIABILITIES							
Accounts Payable	1,246	41,189	12%	14,469	9%	26,720	185%
Total Current Liabilities	1,246	41,189	12%	14,469	9%	26,720	185%
Bonds Payable	878	29,000	9%	20,000	12%	9,000	45%
Long Term Debt	0	0	0%	0	0%	0	0%
Other Long Term Liabilities	273	9,030	3%	6,184	4%	2,846	46%
Total Liabilities	2,397	79,219	23%	40,653	25%	38,566	95%
SHAREHOLDERS' EQUITY							
Capital Stock	3,931	129,894	38%	76,709	48%	53,185	69%
Capital Surplus	1,673	55,286	16%	11,831	7%	43,454	367%
Legal Reserve	356	11,780	3%	8,258	5%	3,522	43%
Retained Earnings							
-Previous Year	5	173	0%	753	0%	-580	-77%
-Current Year	1,966	64,971	19%	24,310	15%	40,661	167%
Unrealized loss on long-term investments	-2	-72	0%	0	0%	-72	0%
Cumulated Translation Adjustment	-8	-278	0%	-1,091	-1%	813	-74%
Total Equity	7,921	261,753	77%	120,770	75%	140,984	117%
Total Liabilities & Shareholders' Equity	10,318	340,972	100%	161,423	100%	179,549	111%

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NTD33.05 per U.S. dollar at the end of December, 2000

(2) Dec '00 Balance Sheet: Post-merger; Dec '99 Balance Sheet: Pre-merger



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Three Months Ended December 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 December 31 ⁽²⁾					Sequential Comparison				
	4Q 2000		% of	4Q 1999	YOY	4Q 2000		% of	3Q 2000	QOQ
	USD	NTD	Sales	NTD	Chg %	USD	NTD	Sales	NTD	Chg %
Net Sales	1,669	53,822	100.0%	23,691	127.2%	1,669	53,822	100.0%	47,491	13.3%
Cost of Sales	-902	-29,066	-54.0%	-13,979	107.9%	-902	-29,066	-54.0%	-25,146	15.6%
Gross Margin	768	24,756	46.0%	9,712	154.9%	768	24,756	46.0%	22,345	10.8%
Operating Expenses										
General and Administrative Expenses	-44	-1,420	-2.6%	-835	70.0%	-44	-1,420	-2.6%	-1,305	8.8%
Selling and Marketing Expenses	-26	-822	-1.5%	-633	29.9%	-26	-822	-1.5%	-888	-7.4%
Research and Development Expenses	-42	-1,354	-2.5%	-564	140.1%	-42	-1,354	-2.5%	-1,537	-11.9%
Total Operating Expenses	-112	-3,596	-6.7%	-2,032	77.0%	-112	-3,596	-6.7%	-3,730	-3.6%
Income from Operations	656	21,160	39.3%	7,680	175.5%	656	21,160	39.3%	18,615	13.7%
Net Non-operating Income (Expenses)	-3	-104	-0.2%	382	-	-3	-104	-0.2%	328	-
Investment Income (Loss)	-4	-135	-0.3%	263	-	-4	-135	-0.3%	572	-
Income before Income Tax	649	20,921	38.9%	8,325	151.3%	649	20,921	38.9%	19,514	7.2%
Income Tax Credit (Expenses)	17	552	1.0%	-14	-	17	552	1.0%	543	1.7%
Net Income	666	21,473	39.9%	8,311	158.4%	666	21,473	39.9%	20,058	7.1%
Diluted Earnings Per Ordinary Share ⁽⁴⁾	0.06	1.84		0.84	119.0%	0.06	1.84		1.74	5.7%
Earnings Per ADR ⁽³⁾	0.29	9.20		4.20		0.29	9.20		8.69	
Shares Outstanding ('M)		11,423.8		9,863.5			11,423.8		11,303.1	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 32.24 per U.S. dollar for the fourth quarter of 2000.

(2) 4Q'00: Post-merger; 4Q'99: Pre-merger

(3) : 1 ADR equals 5 ordinary shares.

(4) : Earnings per share for 4Q'99 have been restated to reflect a 28% increase in stock dividend in May, 2000.



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the 12 Months Ended December 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)

	12 Months ended on December 31				
	12 MTHS 2000		% of	12 MTHS 1999 ⁽²⁾	YOY
	USD	NTD	Sales	NTD	Chg %
Net Sales	5,328	166,229	100.0%	73,131	127.3%
Cost of Sales	-2,958	-92,304	-55.5%	-40,915	125.6%
Gross Margin	2,369	73,925	44.5%	32,216	129.5%
Operating Expenses					
General and Administrative Expenses	-170	-5,300	-3.2%	-2,097	152.7%
Selling and Marketing Expenses	-95	-2,953	-1.8%	-1,811	63.1%
Research and Development Expenses	-164	-5,131	-3.1%	-2,391	114.6%
Total Operating Expenses	-429	-13,384	-8.1%	-6,299	112.5%
Income from Operations	1,940	60,541	36.4%	25,917	133.6%
Net Non-operating Income (Expenses)	81	2,517	1.5%	-767	-
Investment Income (Loss)	25	779	0.5%	-1,039	-
Income before Income Tax	2,046	63,837	38.4%	24,110	164.8%
Income Tax Credit (Expenses)	41	1,269	0.8%	450	181.9%
Net Income	2,087	65,106	39.2%	24,560	165.1%
Diluted Earnings Per Ordinary Share ⁽⁴⁾	0.18	5.70		2.49	128.9%
Earnings Per ADR ⁽³⁾	0.91	28.50		12.45	
Shares Outstanding ('M)		11,423.8		9,863.5	

Note: (1) New Taiwan dollars have been translated into U.S.\$ at the weighted average rate of NTD 31.2 per U.S.\$ for the 12 months ended December 31, 2000.

(2) : 12 months '00: Post-merger; 12 months '99: Pre-merger.

(3) : 1 ADR equals 5 ordinary shares.

(4) : Earnings per share for 12 months '99 have been restated to reflect a 28% increase in stock dividend in May, 2000.



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED STATEMENT OF CASH FLOWS
For 12 Months Ended December 31, 2000 and 1999
 (Figures in Million of New Taiwan dollars (NTD) and U.S. dollars (USD)) ⁽¹⁾

	<u>12 MTHS 2000</u>		<u>12 MTHS 1999</u>
	<u>USD</u>	<u>NTD</u>	<u>NTD</u>
Cash Flows from Operating Activities:			
Net Income	2,087	65,106	24,560
Depreciation & Amortization	1,064	33,051	18,041
Investment Loss (Income) recognized by equity method	-25	-779	1,192
Deferred Tax on Investment Tax Credit	-34	-1,060	-384
Changes in Working Capital & Others	-267	-8,282	1,590
Net Cash Provided from Operating Activities	<u>2,825</u>	<u>88,037</u>	<u>44,999</u>
Cash Flows from Investing Activities:			
Acquisition of Fixed Assets	-2,551	-79,270	-29,842
Proceeds from disposal of properties	7	219	37
Increase in Long-Term Investments	-382	-11,867	-12,106
Proceeds from Sales of Long-Term Stock Investments			16
Increase in Deposit out/Deferred Assets	-60	-1,860	-428
Proceeds from the merger activity	45	1,412	
Net Cash Used in Investing Activities	<u>-2,941</u>	<u>-91,366</u>	<u>-42,323</u>
Cash Flows from Financing Activities:			
Increase (Decrease) in Short-Term Credit Instruments	-602	-18,714	
Increase in Issuance of Bonds	290	9,000	9,451
Increase in Issuance of ADR	1,201	37,323	
Increase (Decrease) Long-Term Bank Loans	-224	-6,950	-2,693
Decrease in Guarantee Deposits	61	1,901	-938
Bonus to Employees/Directors/Supervisors	-7	-215	-138
Net Cash Provided by Financing Activities	<u>719</u>	<u>22,344</u>	<u>5,682</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>603</u>	<u>19,014</u>	<u>8,358</u>
Cash and Cash Equivalents at Beginning of Period	536	16,650	8,292
Cash and Cash Equivalents at End of Period	<u>1,148</u>	<u>35,664</u>	<u>16,650</u>

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NTD31.20 per U.S. dollar within the period of 2000