

台灣積體電路製造股份有限公司
Taiwan Semiconductor Manufacturing Company, Ltd.

**4Q'2000
Investor Conference**

Agenda



- **Welcome & Introductions** **K.C. Chen**
- **4Q'00 Financial Results** **Harvey Chang**
- **Remarks** **Morris Chang**
- **Q&A** **Morris Chang et. al.**

Safe Harbor Notice



TSMC's statement of its current expectations is a forward-looking statement subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statement.

Information as to those factors that could cause actual results to vary can be found in TSMC's Annual Report on Form 20-F filed with the United States Securities and Exchange Commission on Jun. 29, 2000.

2000 Income Statement



<i>Amount: NT\$Billion</i>	1H'00 Actual	3Q'00 Actual	4Q'00 Actual	2000 Actual
Net Sales	64.92 100.0%	47.49 100.0%	53.82 100.0%	166.23 100.0%
Cost of Goods Sold	(38.09) -58.7%	(25.15) -52.9%	(29.07) -54.0%	(92.30) -55.5%
Gross Margin	26.82 41.3%	22.35 47.1%	24.76 46.0%	73.92 44.5%
Operating Expenses	(6.06) -9.3%	(3.73) -7.9%	(3.60) -6.7%	(13.38) -8.1%
Operating Income	20.77 32.0%	18.62 39.2%	21.16 39.3%	60.54 36.4%
Net Non-operating Income (Exp.)	2.29 3.5%	0.33 0.7%	(0.10) -0.2%	2.52 1.5%
Investment Income (Loss)	0.34 0.5%	0.57 1.2%	(0.13) -0.3%	0.78 0.5%
Income before Tax	23.40 36.0%	19.51 41.1%	20.92 38.9%	63.84 38.4%
Income Tax Credit (Expenses)	0.17 0.3%	0.54 1.1%	0.55 1.0%	1.27 0.8%
Net Income	23.58 36.3%	20.06 42.2%	21.47 39.9%	65.11 39.2%

4Q'00 Income Statement YoY Comparison



TSMC w/o Affiliates

NT\$Billion	4Q 2000		4Q 1999	
Net Sales	46.84	100.0%	20.37	100.0%
COGS	(22.26)	-47.5%	(10.78)	-52.9%
Gross Mgn.	24.57	52.5%	9.60	47.1%

Amount: NT\$Billion

	4Q00 Actual		4Q99 Actual		YoY Chg %
Net Sales	53.82	100.0%	23.69	100.0%	127.2%
Cost of Goods Sold	(29.07)	-54.0%	(13.98)	-59.0%	107.9%
Gross Margin	24.76	46.0%	9.71	41.0%	154.9%
Operating Expenses	(3.60)	-6.7%	(2.03)	-8.6%	77.0%
Operating Income	21.16	39.3%	7.68	32.4%	175.5%
Net Non-operating Income (Exp.)	(0.10)	-0.2%	0.38	1.6%	-
Investment Income (Loss)	(0.13)	-0.3%	0.26	1.1%	-
Income before Tax	20.92	38.9%	8.33	35.1%	151.3%
Income Tax Credit (Expenses)	0.55	1.0%	0.01	-0.1%	-
Net Income	21.47	39.9%	8.31	35.1%	158.4%

4Q'00 Balance Sheet & Cash Flow YoY Comparison



<i>Amount in NT\$Billion</i>	4Q00 Actual		4Q99 Actual		YoY Chg %
Cash	35.7	10%	16.9	10%	111%
LT Debt	29.0	11%	20.0	12%	45%
Equity	261.8	77%	120.8	75%	117%
Total Assets	341.0	100%	161.4	100%	111%
Depreciation	10.7		5.1		112%
Capital Expenditure	27.7		12.1		128%
ROE		31.5%		24.0%	
ROA		24.1%		18.2%	

4Q'00 Income Statement QoQ Comparison



TSMC w/o Affiliates

NT\$Billion	4Q 2000		3Q 2000	
Net Sales	46.84	100.0%	41.55	100.0%
COGS	(22.26)	-47.5%	(19.48)	-46.8%
Gross Mgn.	24.57	52.5%	22.07	53.2%

Amount: NT\$Billion

	4Q00 Actual		3Q00 Actual		QoQ Chg %
Net Sales	53.82	100.0%	47.49	100.0%	13.3%
Cost of Goods Sold	(29.07)	-54.0%	(25.15)	-52.9%	15.6%
Gross Margin	24.76	46.0%	22.35	47.1%	10.8%
Operating Expenses	(3.60)	-6.7%	(3.73)	-7.9%	-3.6%
Operating Income	21.16	39.3%	18.62	39.2%	13.7%
Net Non-operating Income (Exp.)	(0.10)	-0.2%	0.33	0.7%	-
Investment Income (Loss)	(0.13)	-0.3%	0.57	1.2%	-
Income before Tax	20.92	38.9%	19.51	41.1%	7.2%
Income Tax Credit (Expenses)	0.55	1.0%	0.54	1.1%	1.7%
Net Income	21.47	39.9%	20.06	42.2%	7.1%

4Q'00 Balance Sheet & Cash Flow QoQ Comparison



<i>Amount in NT\$Billion</i>	4Q00		3Q00		QoQ Chg %
	Actual		Actual		
Cash	35.7	10%	20.1	7%	77%
LT Debt	29.0	11%	20.0	7%	45%
Equity	261.8	77%	226.5	78%	16%
Total Assets	341.0	100%	290.1	100%	18%
Depreciation	10.7		10.0		7%
Capital Expenditure	27.7		23.8		16%
ROE		31.5%		30.7%	
ROA		24.1%		23.9%	

2000 Income Statement YoY Comparison



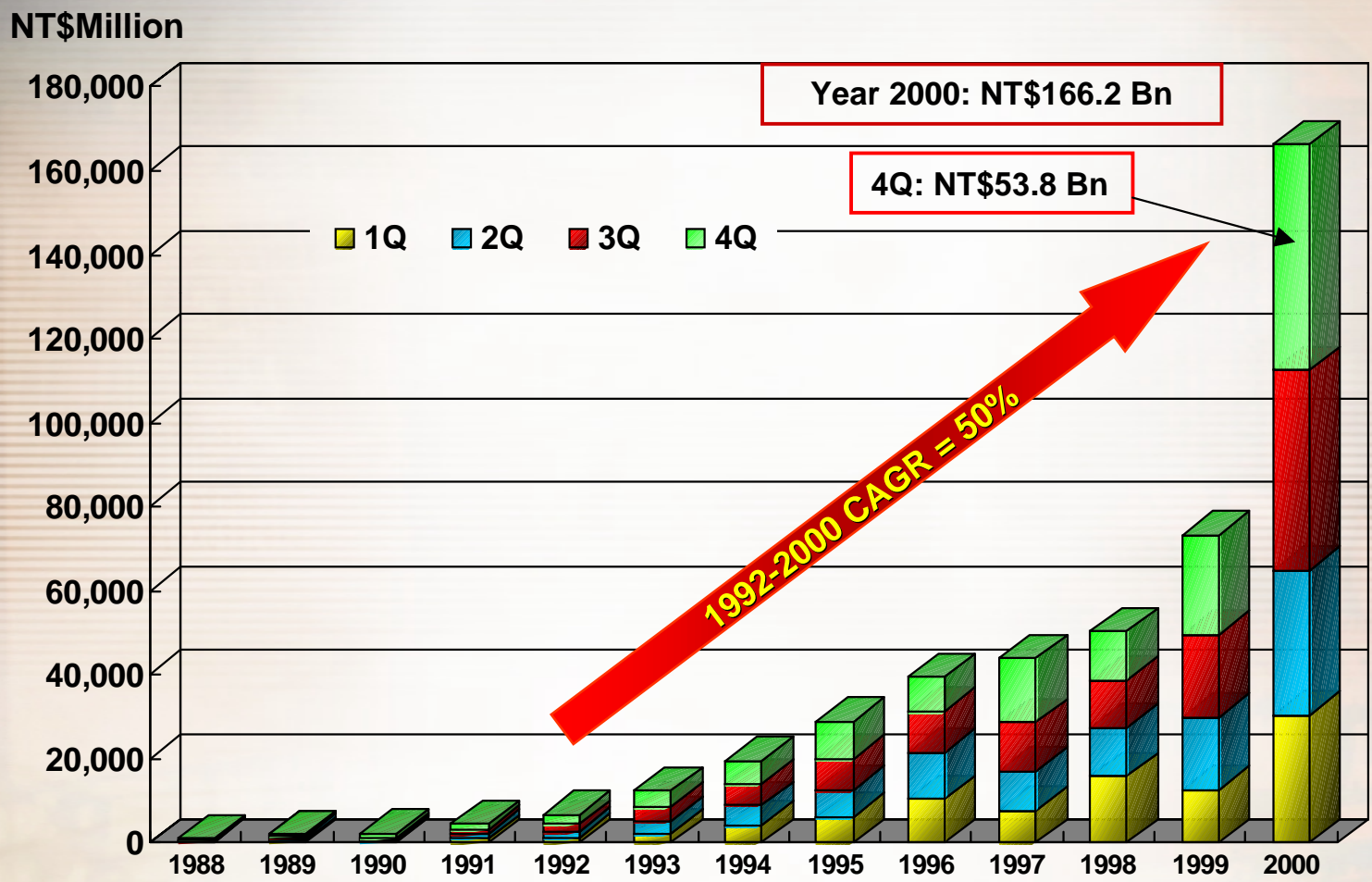
TSMC w/o Affiliates

NT\$Billion	2000		1999	
Net Sales	136.52	100.0%	67.28	100.0%
COGS	(64.11)	-47.0%	(34.75)	-51.7%
Gross Mgn.	72.42	53.0%	32.53	48.3%

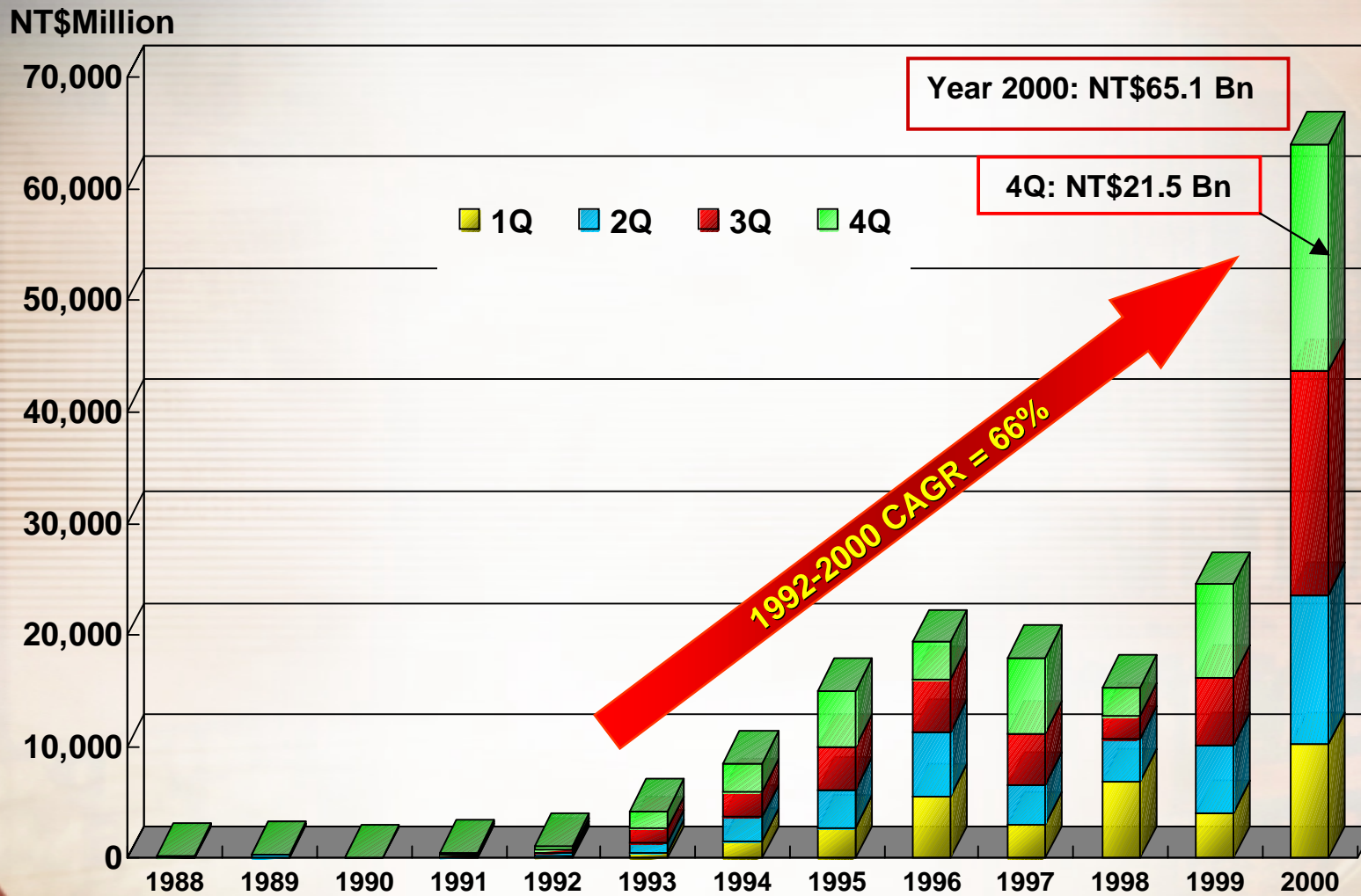
Amount: NT\$Billion

	2000 Actual		1999 Actual		YoY Chg %
Net Sales	166.23	100.0%	73.13	100.0%	127.3%
Cost of Goods Sold	(92.30)	-55.5%	(40.92)	-55.9%	125.6%
Gross Margin	73.92	44.5%	32.22	44.1%	129.5%
Operating Expenses	(13.38)	-8.1%	(6.30)	-8.6%	112.5%
Operating Income	60.54	36.4%	25.92	35.4%	133.6%
Net Non-operating Income (Exp.)	2.52	1.5%	(0.77)	-1.0%	-
Investment Income (Loss)	0.78	0.5%	(1.04)	-1.4%	-
Income before Tax	63.84	38.4%	24.11	33.0%	164.8%
Income Tax Credit (Expenses)	1.27	0.8%	0.45	0.6%	181.9%
Net Income	65.11	39.2%	24.56	33.6%	165.1%

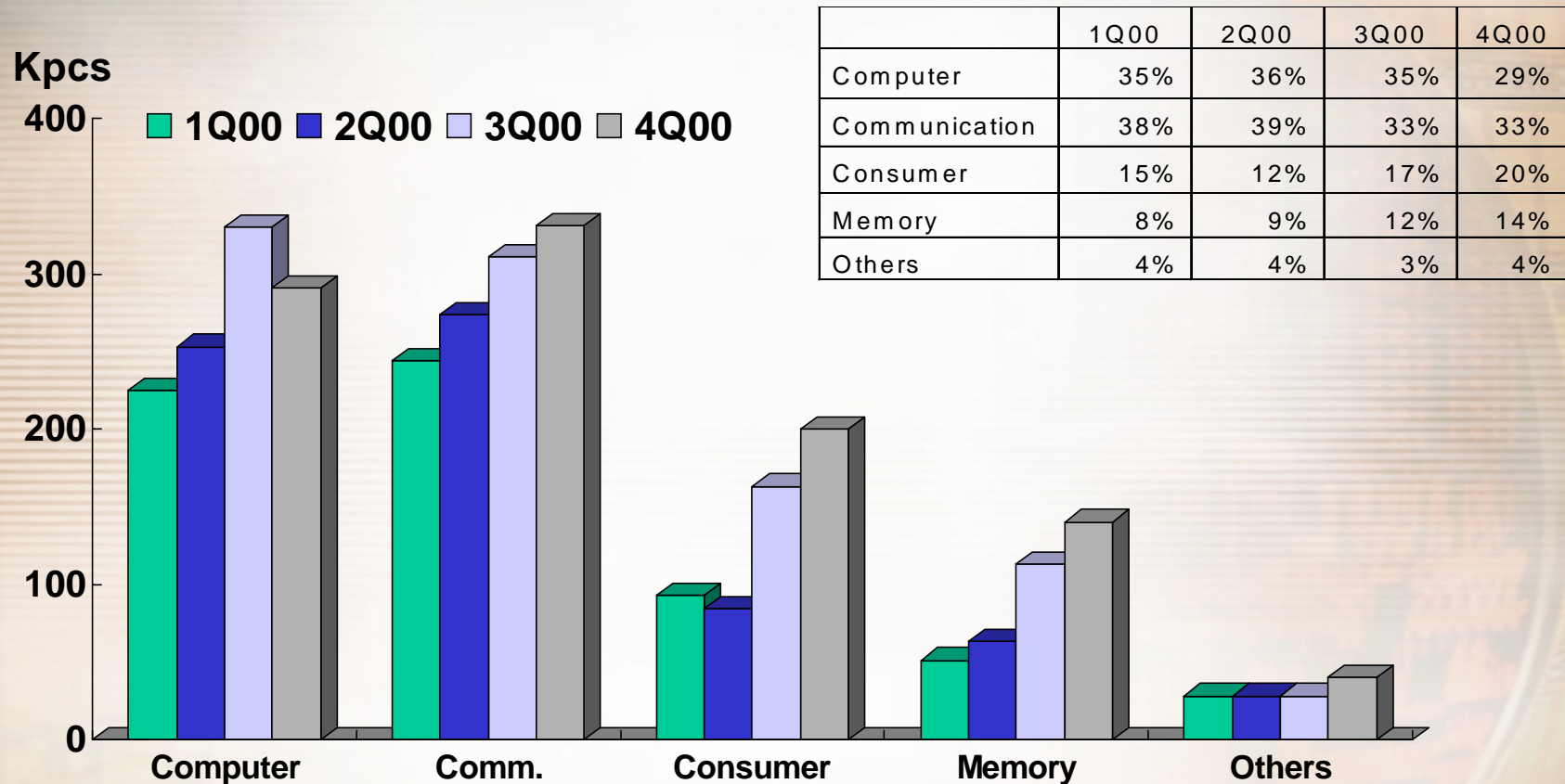
Long Term Revenue Trend



Long Term Profit Trend



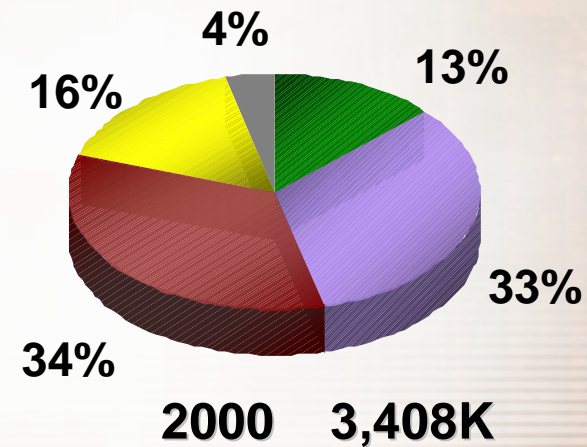
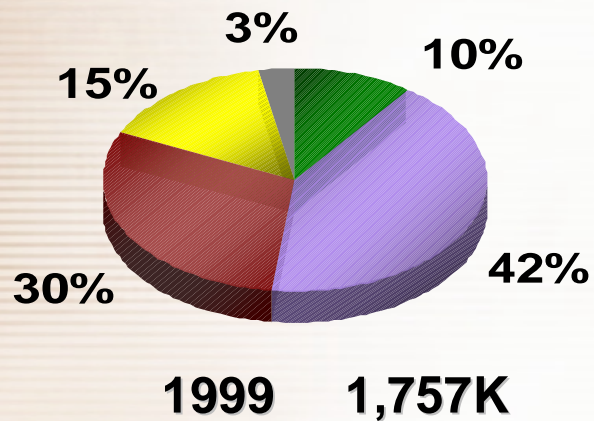
Sales Volume by Application



Based on Quantity Sold at 8" equivalent Kpcs

Note: Annual Qty of 3,408K includes merged WSMC 1H Qty of 127K

Sales Volume by Application

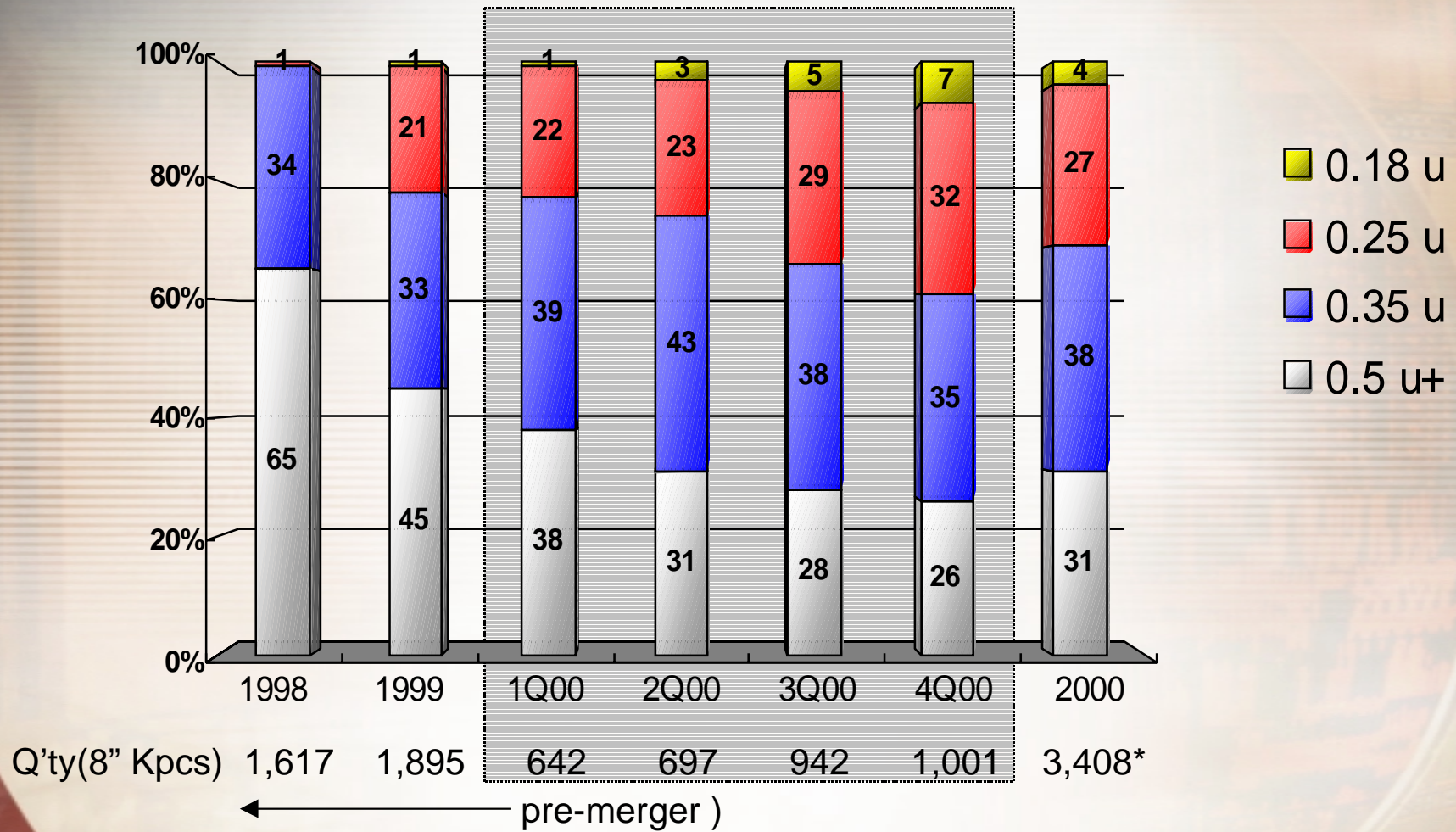


- Memory
- Computer
- Communication
- Consumer
- Others

Based on Quantity Sold at 8" equivalent Kpcs

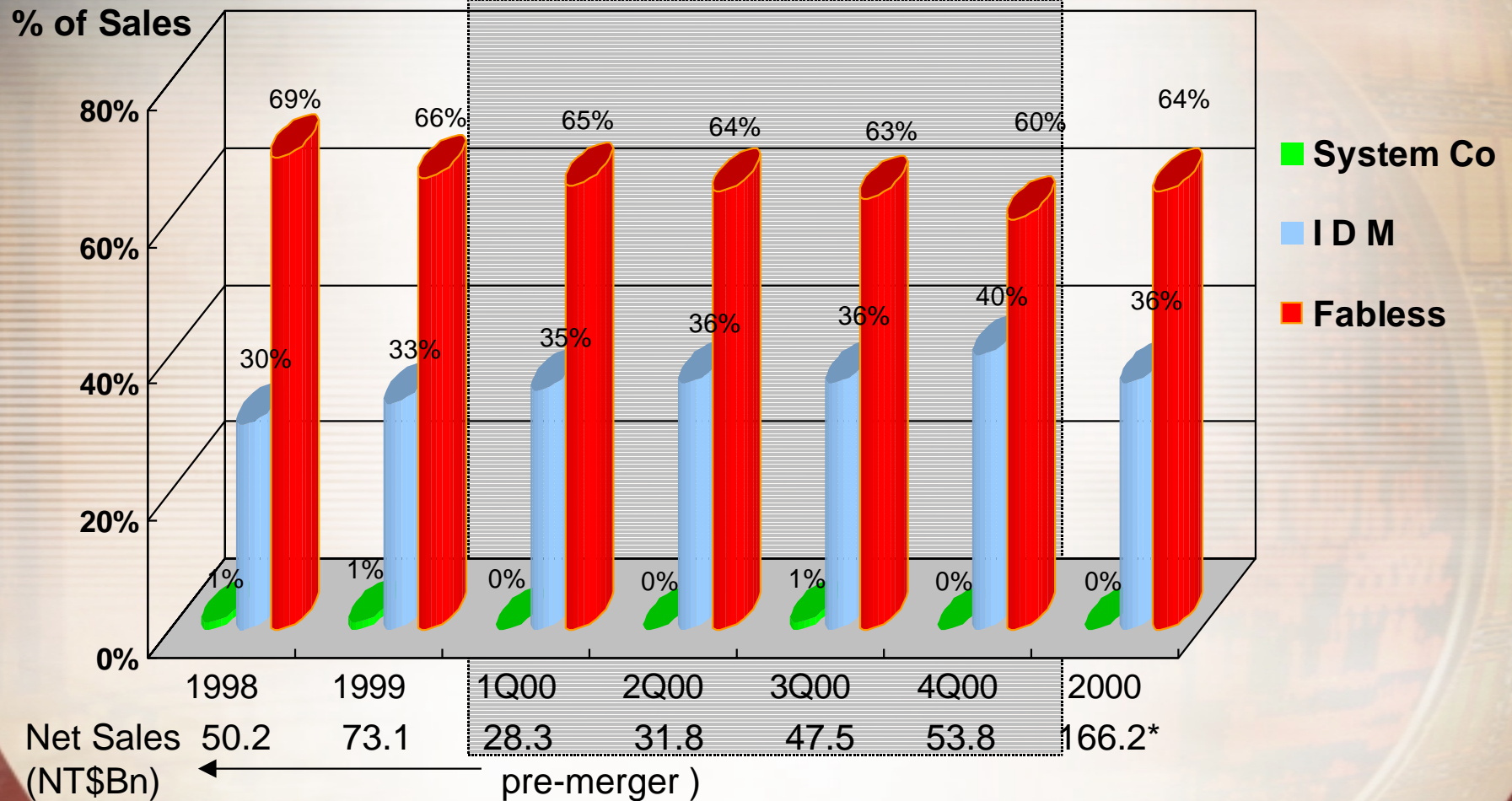
Note: Annual Qty of 3,408K includes merged WSMC 1H Qty of 127K

Sales Breakdown by Technology



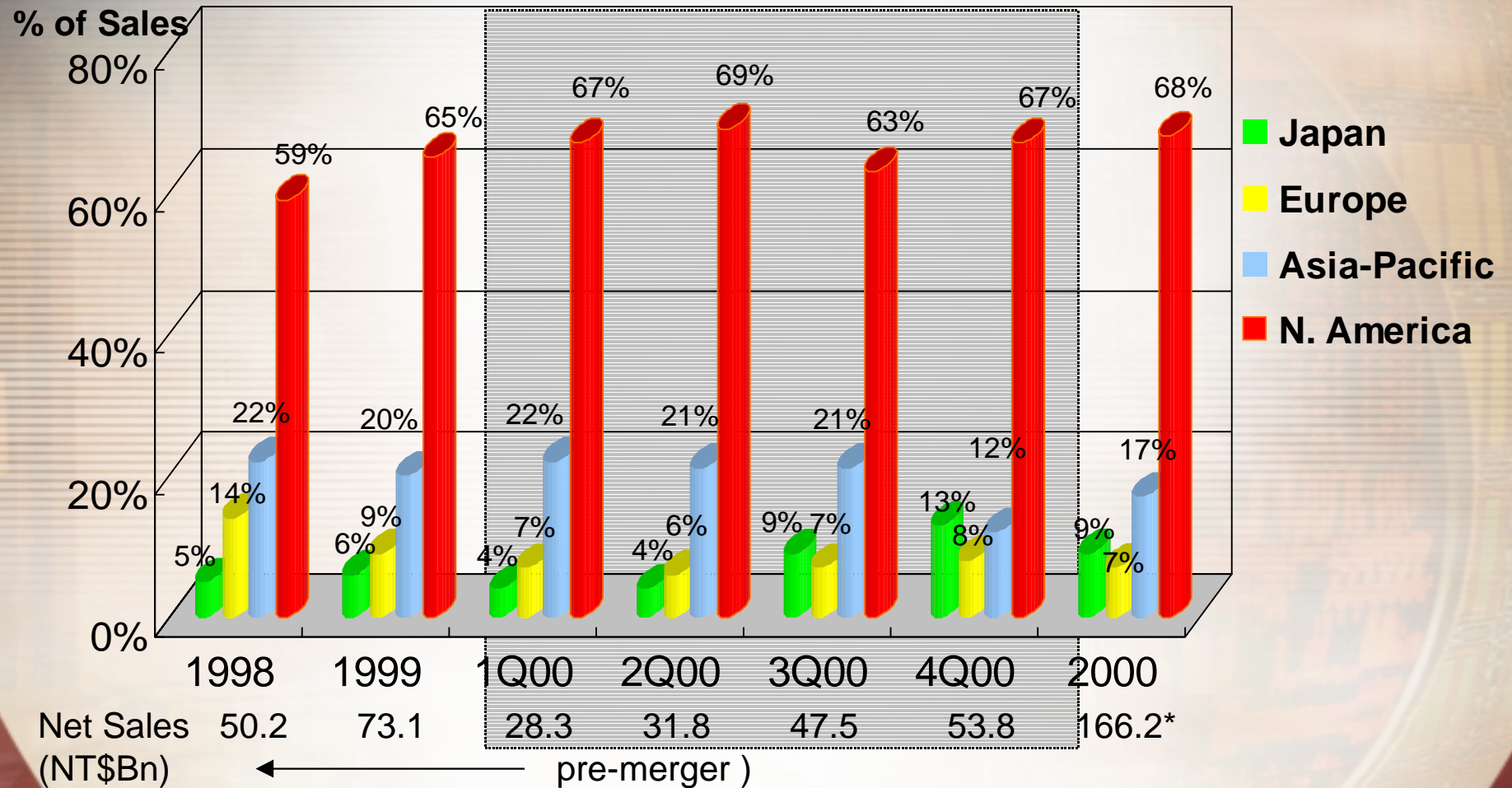
Note: Annual Qty of 3,408K includes merged WSMC 1H Qty of 127K

Sales Breakdown by Customer



Note: Annual revenue of NT\$166.2Bn includes merged WSMC 1H revenue of NT\$4.8Bn

Sales Breakdown by Geography



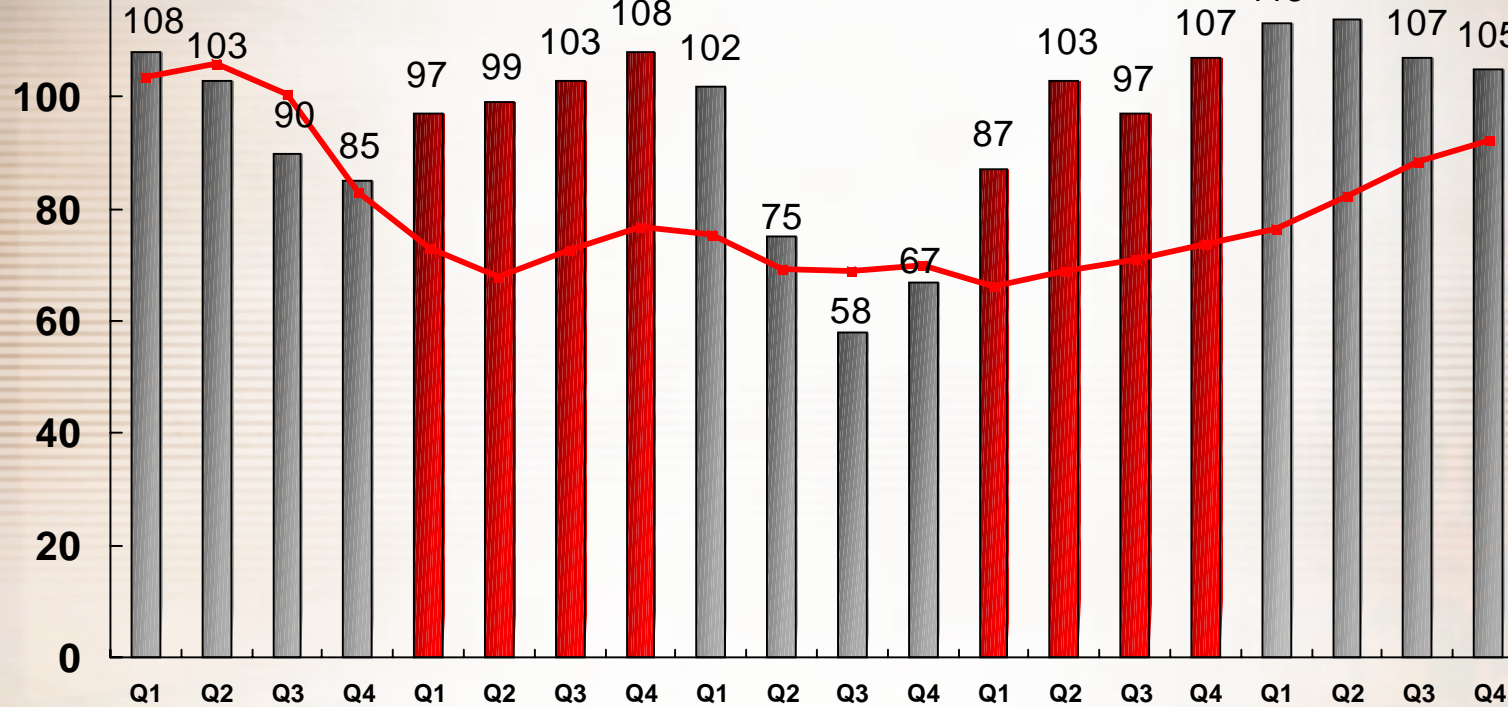
Note: Annual revenue of NT\$166.2Bn includes merged WSMC 1H revenue of NT\$4.8Bn

Fab Utilization and ASP Trend



TSMC Group
Out Utilization

(%)



ASP/8" Equiv.*
(US\$)

2,000

1,500

1,000

500

0

1996

1997

1998

1999

2000

← pre-merger)

* Average for all Wafers; ASP varies by technology and wafer size

Installed Capacity by Fabs

TSMC & Affiliates

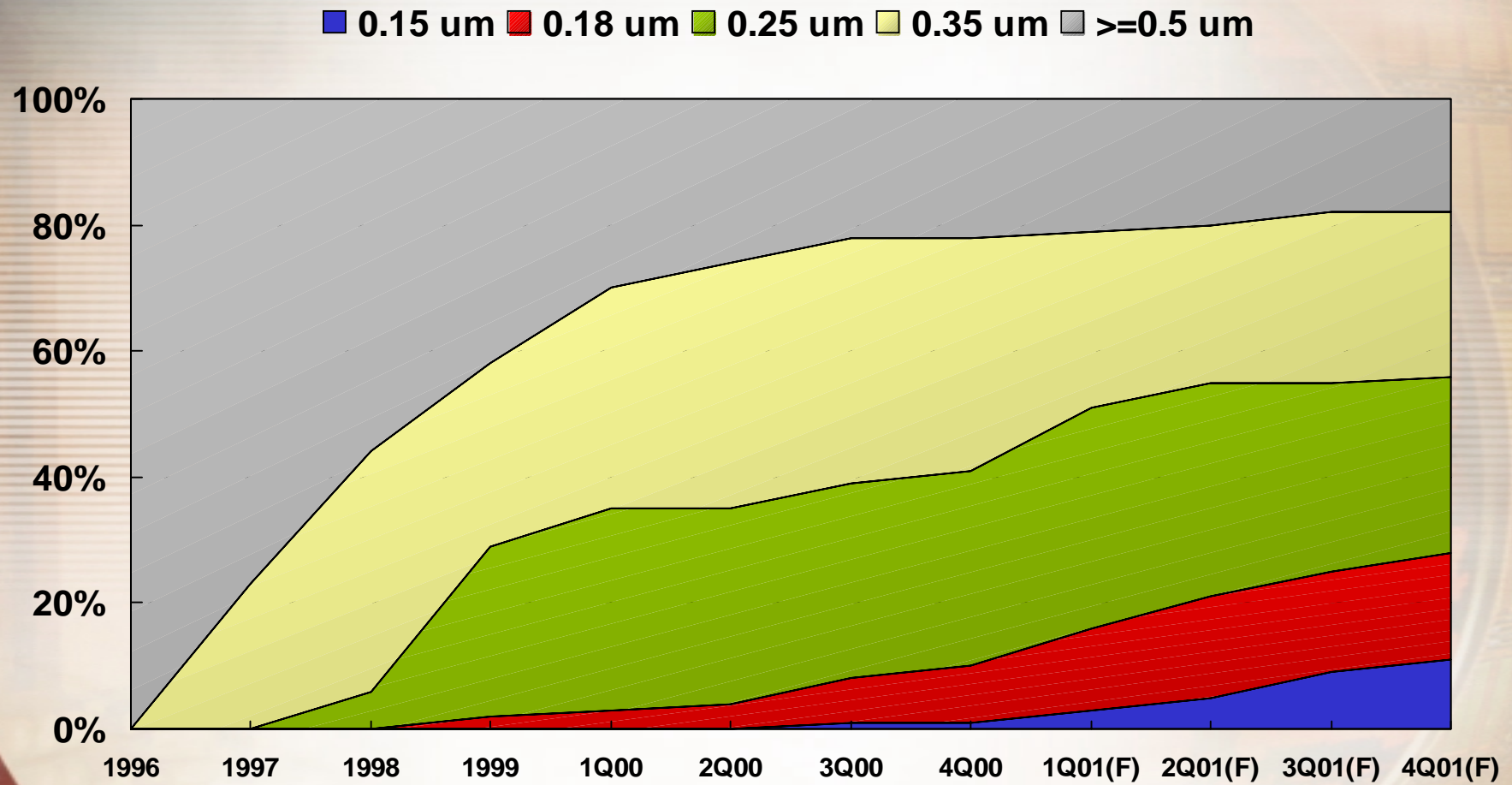


FAB	(Wafer Size)	1999		2000		2001P	
		Annual (Monthly)		Annual (Monthly)		Annual (Monthly)	
FAB-1	(6")	233	(20)	205	(18)	236	(20)
FAB-2	(6")	943	(79)	936	(79)	939	(80)
FAB-3	(8")	455	(39)	512	(44)	554	(47)
FAB-4	(8")	348	(31)	426	(37)	446	(38)
FAB-5	(8")	222	(28)	415	(41)	468	(40)
FAB-6	(8")			158	(32)	487	(43)
FAB-7 (TASMC)	(8")	26	(10)	380	(46)	573	(50)
FAB-8 (WSMC)	(8")			411	(49)	669	(64)
FAB-12	(12")					3	(2)
WaferTech	(8")	154	(20)	282	(28)	340	(30)
VIS	(8")	30	(9)	184	(22)	272	(23)
SSMC	(8")			0.4	(0.4)	43	(8)
Total Installed Capacity (8" Equivalent Kpcs)		1,895		3,409		4,520	
Annual Growth Rate		16%		80%		33%	

Including WSMC 1H2000 capacity of 151k

Capacity Plan by Technology

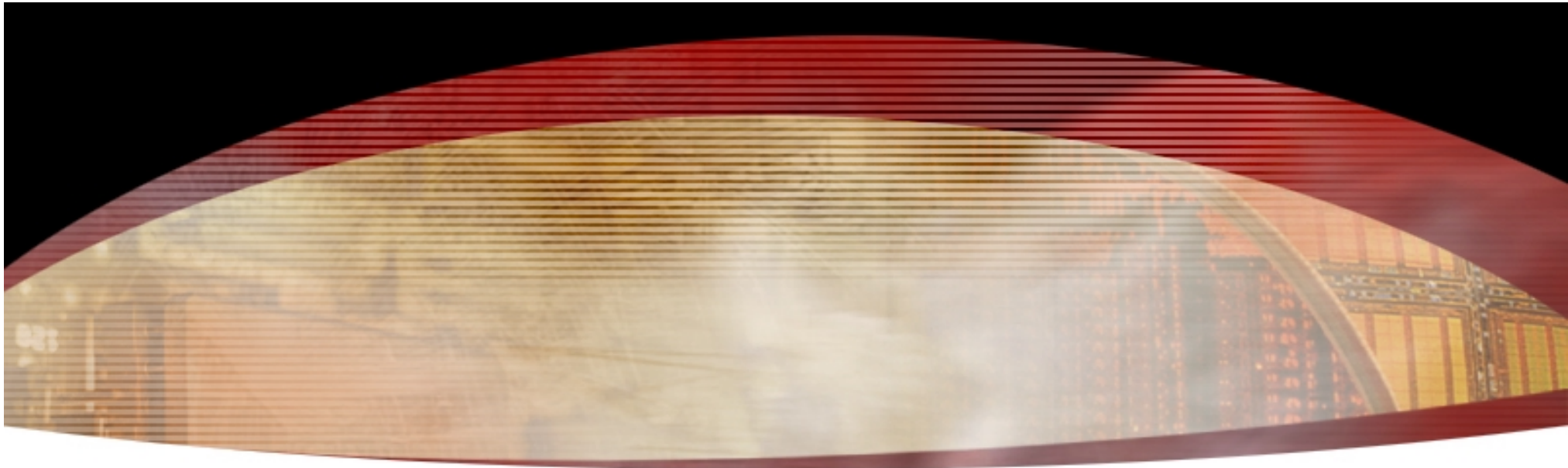
TSMC Family



Recap of Major Events in 4Q



- **TSMC Delivers Second Round of 0.13-Micron Customer Products(12/19)**
- **TSMC Delivers Foundry's First 300mm Customer Wafers (12/18)**
- **TSMC Agrees to Buy WaferTech Shares from Altera, ADI and ISSI (12/14)**
- **TSMC and VIA Technologies, Inc. Announce First Functional 0.13-Micron Processor Wafers (12/12)**
- **TSMC First Foundry to Offer CMOS Image Sensor Technology at 0.25-Micron (11/21)**
- **TSMC Announces Industry's First 0.13-micron Mixed-Signal/RF Test Chip (11/14)**
- **TSMC Is First Foundry to Offer Online Mask Data Review (10/04)**



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