



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED BALANCE SHEET

As of June 30, 2002 and 2001

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

ASSETS	June 30, 2002			Jun 30, 2001		YoY	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash	1,978	66,386	17.7	38,526	11.4	27,860	72.3
Short Term Investment	0	0	0.0	0	0.0	0	-
Accounts Receivable	618	20,726	5.5	14,310	4.2	6,417	44.8
Inventories	349	11,701	3.1	6,684	2.0	5,017	75.1
Other Current Assets	225	7,551	2.0	5,274	1.6	2,277	43.2
Total Current Assets	3,170	106,364	28.4	64,793	19.2	41,571	64.2
Long Term Investment	1,094	36,714	9.8	34,719	10.3	1,995	5.7
Fixed Assets	11,198	375,773	100.2	333,279	98.6	42,494	12.8
Less Accumulated Depreciation	(4,903)	(164,540)	(43.9)	(116,685)	(34.5)	(47,855)	41.0
Net Fixed Assets	6,295	211,233	56.3	216,594	64.1	(5,361)	(2.5)
Other Assets	616	20,669	5.5	21,949	6.5	(1,280)	(5.8)
Total Assets	11,174	374,980	100.0	338,055	100.0	36,925	10.9
LIABILITIES							
Short Term Credit Instruments	268	9,000	2.4	0	0.0	9,000	-
Accounts Payable	938	31,485	8.4	28,855	8.5	2,630	9.1
Total Current Liabilities	1,206	40,485	10.8	28,855	8.5	11,630	40.3
Bonds Payable	1,043	35,000	9.3	29,000	8.6	6,000	20.7
Other Long Term Liabilities	308	10,331	2.8	9,216	2.7	1,115	12.1
Total Liabilities	2,557	85,816	22.9	67,071	19.8	18,745	27.9
SHAREHOLDERS' EQUITY							
Capital Stock	5,937	199,229	53.1	181,326	53.6	17,903	9.9
Capital Surplus	1,699	57,005	15.2	55,286	16.4	1,719	3.1
Legal Reserve	555	18,641	5.0	17,180	5.1	1,461	8.5
Special Reserve	0	0	0.0	350	0.1	(350)	(100.0)
Retained Earnings	490	16,438	4.4	16,070	4.8	369	2.3
-Previous Year	16	541	0.1	7,337	2.2	(6,796)	(92.6)
-Current Year	474	15,897	4.2	8,733	2.6	7,165	82.0
Treasury Stock	(57)	(1,915)	(0.5)	0	0.0	(1,915)	-
Unrealized loss on long-term investments	0	0	0.0	(32)	(0.0)	32	-
Cumulated Translation Adjustment	(7)	(234)	(0.1)	806	0.2	(1,040)	-
Total Equity	8,617	289,164	77.1	270,985	80.2	18,180	6.7
Total Liabilities & Shareholders' Equity	11,174	374,980	100.0	338,055	100.0	36,925	10.9

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NT\$33.56 per U.S. dollar at the end of Jun, 2002



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED INCOME STATEMENT

For the Three Months Ended June 30, 2002 and 2001

(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				
	2Q 2002		% of	2Q 2001	YoY	2Q 2002		% of	1Q 2002	QoQ
	USD	NTD	Sales	NTD	Inc(Dec) %	USD	NTD	Sales	NTD	Inc(Dec) %
Net Sales	1,280	44,182	100.0	26,298	68.0	1,280	44,182	100.0	35,790	23.5
Cost of Sales	(804)	(27,759)	(62.8)	(21,299)	30.3	(804)	(27,759)	(62.8)	(23,763)	16.8
Gross Profit	476	16,423	37.2	4,999	228.6	476	16,423	37.2	12,027	36.6
Operating Expenses										
General and Administrative Expenses	(39)	(1,332)	(3.0)	(1,554)	(14.3)	(39)	(1,332)	(3.0)	(1,147)	16.2
Selling and Marketing Expenses	(12)	(418)	(0.9)	(623)	(32.9)	(12)	(418)	(0.9)	(158)	163.9
Research and Development Expenses	(78)	(2,698)	(6.1)	(2,538)	6.3	(78)	(2,698)	(6.1)	(2,540)	6.2
Total Operating Expenses	(129)	(4,448)	(10.1)	(4,714)	(5.7)	(129)	(4,448)	(10.1)	(3,845)	15.7
Income from Operations	347	11,975	27.1	284	4,110.7	347	11,975	27.1	8,182	46.4
Net Non-operating Income (Expenses)	(6)	(202)	(0.5)	80	-	(6)	(202)	(0.5)	(218)	(7.2)
Investment Income (Loss)	(23)	(787)	(1.8)	(1,233)	(36.2)	(23)	(787)	(1.8)	(946)	(16.9)
Income before Income Tax	318	10,986	24.9	(869)	-	318	10,986	24.9	7,018	56.5
Income Tax Credit (Expenses)	(49)	(1,677)	(3.8)	1,181	-	(49)	(1,677)	(3.8)	(430)	290.0
Net Income	270	9,310	21.1	312	2,886.7	270	9,310	21.1	6,588	41.3
Diluted Earnings Per Ordinary Share ⁽⁴⁾	0.014	0.49		0.01	4,108.4	0.014	0.49		0.35	42.0
Earnings Per ADR ⁽²⁾	0.072	2.47		0.06		0.072	2.47		1.74	
Weighted Average Outstanding Shares ('M) ⁽³⁾		18,581		16,833			18,581		18,581	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD34.51 per U.S. dollar for the second quarter of 2002.

(2) 1 ADR equals 5 ordinary shares.

(3) Total weighted average outstanding shares were 18,580,511K in 2Q02 due to decline in treasury stock for 42,376 thousand shares and 16,832,553K in 2Q01;

Total weighted average outstanding shares were 18,580,511K shares in 1Q02 due to tracing back stock dividends in 2Q'02 (original 16,794,057K shares).

(4) The dividend of preferred stock, NT\$13,000 million at 3.5% of annual rate, was deducted before EPS calculation in 2002.



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Six Months Ended June 30, 2002 and 2001

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

Except for Per Share Amounts and Shares Outstanding)

	6 months ended June 30				
	2002 USD	NTD	% of Sales	2001 NTD	YoY Inc(Dec) %
Net Sales	2,300	79,972	100.0	65,818	21.5
Cost of Sales	(1,482)	(51,522)	(64.4)	(47,342)	8.8
Gross Profit	818	28,450	35.6	18,476	54.0
Operating Expenses					
General and Administrative Expenses	(71)	(2,479)	(3.1)	(2,754)	(10.0)
Selling and Marketing Expenses	(17)	(576)	(0.7)	(1,197)	(51.9)
Research and Development Expenses	(151)	(5,237)	(6.5)	(4,984)	5.1
Total Operating Expenses	(238)	(8,292)	(10.4)	(8,935)	(7.2)
Income from Operations	580	20,157	25.2	9,541	111.3
Net Non-operating Income (Expenses)	(12)	(420)	(0.5)	(225)	86.7
Investment Income (Loss)	(50)	(1,733)	(2.2)	(2,755)	(37.1)
Income before Income Tax	518	18,004	22.5	6,561	174.4
Income Tax Credit (Expenses)	(61)	(2,107)	(2.6)	2,172	-
Net Income	457	15,897	19.9	8,733	82.0
Diluted Earnings Per Ordinary Share ⁽⁵⁾	0.02	0.84		0.51	
Earnings Per ADR ⁽³⁾	0.12	4.20		2.53	
Weighted Average Outstanding Shares ('M) ⁽⁴⁾		18,581		16,833	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 34.77 per U.S. dollar for the first half of 2002.

(2) 1 ADR equals 5 ordinary shares.

(3) Total weighted average outstanding shares were 18,580,511K in 2Q02 due to decline in treasury stock for 42,376 thousand shares;
Total weighted average outstanding shares were 16,832,553K in 2Q01

(4) The dividend of preferred stock, NT\$13,000 million at 3.5% of annual rate, was deducted before EPS calculation in 2002.



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

For the Six Months Ended June 30, 2002 and 2001

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

	6 MTHS 2002		6 MTHS 2001
	USD	NTD	NTD
Cash Flows from Operating Activities:			
Net Income	474	15,897	8,733
Depreciation & Amortization	801	26,887	23,562
Investment Loss Recognized by Equity Method	52	1,733	2,755
Loss(Gain) on sale of long-term investments	0	2	(3)
Deferred Tax on Investment Tax Credit	63	2,101	(2,529)
Changes in Working Capital & Others	(26)	(862)	11,523
Net Cash Provided from Operating Activities	1,364	45,758	44,042
Cash Flows from Investing Activities:			
Acquisition of Fixed Assets	(505)	(16,956)	(37,146)
Proceeds from Disposal of Properties	13	439	209
Decrease in Deposit out	6	195	102
Increase in Long-Term Investments	(264)	(8,856)	(2,938)
Proceeds from Sales of Long-Term Stock Investments	0	1	13
Increase in Deferred Assets	(42)	(1,419)	(778)
Net Cash Used in Investing Activities	(793)	(26,597)	(40,538)
Cash Flows from Financing Activities:			
Increase in Bonds Payable	447	15,000	
Increase (Decrease) Long-Term Bank Loans			(50)
Increase(Decrease) in Guarantee Deposits & Others	(18)	(590)	33
Cash Dividend - Preferred Shares	(14)	(455)	(41)
Bonus paid to Directors and Supervisors	(4)	(134)	(584)
Net Cash Used in Financing Activities	412	13,821	(642)
Net Increase (Decrease) in Cash and Cash Equivalents	983	32,982	2,862
Cash and Cash Equivalents at Beginning of Period	995	33,404	35,664
Cash and Cash Equivalents at End of Period	1,978	66,386	38,526

Note : New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NT\$33.56 per U.S. dollar, the same as Balance Sheet exchange rate