

TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

Unconsolidated Balance Sheet

As of March 31, 2005 and 2004

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

ASSETS	March 31, 2005			March 31, 2004		YoY	
	USD	NTD	%	NTD	%	Move	Inc.(Dec.)%
Cash	1,910	60,219	12.5	106,508	25.3	(46,289)	(43.5)
Short Term Investment	1,638	51,638	10.7	19,829	4.7	31,809	160.4
Accounts Receivable-Trade	711	22,429	4.7	27,000	6.4	(4,571)	(16.9)
Inventories	426	13,429	2.8	11,015	2.6	2,414	21.9
Other Current Assets	382	12,029	2.5	11,365	2.7	664	5.8
Total Current Assets	5,067	159,744	33.2	175,717	41.7	(15,973)	(9.1)
Long Term Investment	2,438	76,877	16.0	37,978	9.0	38,899	102.4
Fixed Assets	17,295	545,308	113.4	457,611	108.7	87,697	19.2
Less Accumulated Depreciation	(10,005)	(315,454)	(65.6)	(261,679)	(62.2)	(53,775)	20.6
Net Fixed Assets	7,290	229,854	47.8	195,932	46.5	33,922	17.3
Other Assets	450	14,199	3.0	11,411	2.7	2,788	24.3
Total Assets	15,245	480,674	100.0	421,038	100	59,636	14.2
LIABILITIES							
Accounts Payable	260	8,208	1.7	12,623	3.0	(4,415)	(35.0)
Payables to Contractors and Equipment Suppliers	346	10,920	2.3	12,648	3.0	(1,728)	(13.7)
Accrued Expenses and Other Current Liabilities	262	8,263	1.7	7,810	1.9	453	5.8
Current Portion of Bonds Payable	334	10,500	2.2	5,000	1.2	5,500	110.0
Total Current Liabilities	1,202	37,891	7.9	38,081	9.0	(190)	(0.5)
Bonds Payable	618	19,500	4.1	30,000	7.1	(10,500)	(35.0)
Other Long Term Liabilities	252	7,929	1.6	6,371	1.5	1,558	24.5
Total Liabilities	2,072	65,320	13.6	74,452	17.7	(9,132)	(12.3)
SHAREHOLDERS' EQUITY							
Capital Stock	7,375	232,529	48.4	202,666	48.1	29,863	14.7
Capital Surplus	1,794	56,574	11.8	56,861	13.5	(287)	(0.5)
Legal Reserve	810	25,528	5.3	20,802	4.9	4,726	22.7
Special Reserve	-	-	-	69	0.0	(69)	(100.0)
Retained Earnings	3,331	105,021	21.8	69,018	16.4	36,003	52.2
Treasury Stock	(50)	(1,572)	(0.3)	(2,102)	(0.5)	530	(25.2)
Cumulated Translation Adjustment	(87)	(2,726)	(0.6)	(728)	(0.2)	(1,998)	274.3
Total Equity	13,173	415,354	86.4	346,586	82.3	68,768	19.8
Total Liabilities & Shareholders' Equity	15,245	480,674	100.0	421,038	100	59,636	14.2

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NT\$31.53 per U.S. dollar as of March 31, 2005



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

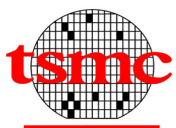
Unconsolidated Balance Sheet

As of March 31, 2005 and December 31, 2004

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

ASSETS	March 31, 2005			December 31, 2004		QoQ	
	USD	NTD	%	NTD	%	Move	Inc.(Dec.)%
Cash	1,910	60,219	12.5	65,532	13.4	(5,313)	(8.1)
Short Term Investment	1,638	51,638	10.7	52,979	10.9	(1,341)	(2.5)
Accounts Receivable-Trade	711	22,429	4.7	27,205	5.6	(4,776)	(17.6)
Inventories	426	13,429	2.8	14,172	2.9	(743)	(5.2)
Other Current Assets	382	12,029	2.5	13,779	2.8	(1,750)	(12.7)
Total Current Assets	5,067	159,744	33.2	173,667	35.6	(13,923)	(8.0)
Long Term Investment	2,438	76,877	16.0	73,293	15.0	3,584	4.9
Fixed Assets	17,295	545,308	113.4	527,982	108.4	17,326	3.3
Less Accumulated Depreciation	(10,005)	(315,454)	(65.6)	(300,006)	(61.6)	(15,448)	5.1
Net Fixed Assets	7,290	229,854	47.8	227,976	46.8	1,878	0.8
Other Assets	450	14,199	3.0	12,617	2.6	1,582	12.5
Total Assets	15,245	480,674	100.0	487,553	100.0	(6,879)	(1.4)
LIABILITIES							
Accounts Payable	260	8,208	1.7	9,687	2.0	(1,479)	(15.3)
Payables to Contractors and Equipment Suppliers	346	10,920	2.3	31,154	6.4	(20,234)	(64.9)
Accrued Expenses and Other Current Liabilities	262	8,263	1.7	9,298	1.9	(1,035)	(11.1)
Current Portion of Bonds Payable	334	10,500	2.2	10,500	2.2	0	0.0
Total Current Liabilities	1,202	37,891	7.9	60,639	12.5	(22,748)	(37.5)
Bonds Payable	618	19,500	4.1	19,500	4.0	0	0.0
Other Long Term Liabilities	252	7,929	1.6	8,449	1.7	(520)	(6.1)
Total Liabilities	2,072	65,320	13.6	88,588	18.2	(23,268)	(26.3)
SHAREHOLDERS' EQUITY							
Capital Stock	7,375	232,529	48.4	232,520	47.7	9	0.0
Capital Surplus	1,794	56,574	11.8	56,537	11.6	37	0.1
Legal Reserve	810	25,528	5.3	25,528	5.2	0	0.0
Retained Earnings	3,331	105,021	21.8	88,202	18.1	16,819	19.1
Treasury Stock	(50)	(1,572)	(0.3)	(1,595)	(0.3)	23	(1.5)
Cumulated Translation Adjustment	(87)	(2,726)	(0.6)	(2,227)	(0.5)	(499)	22.4
Total Equity	13,173	415,354	86.4	398,965	81.8	16,389	4.1
Total Liabilities & Shareholders' Equity	15,245	480,674	100.0	487,553	100.0	(6,879)	(1.4)

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NT\$31.53 per U.S. dollar as of March 31, 2005



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Three Months Ended March 31, 2005, March 31, 2004 and December 31, 2004

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

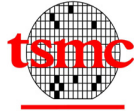
Except for Per Share Amounts and Shares Outstanding)

	Year over Year Comparison					Sequential Comparison				
	Q1 2005		% of	Q1 2004	YoY	Q1 2005		% of	Q4 2004	QoQ
	USD	NTD	Sales	NTD	Inc.(Dec.) %	USD	NTD	Sales	NTD	Inc.(Dec.) %
Net Sales	1,765	55,653	100.0	57,513	(3.2)	1,765	55,653	100.0	63,875	(12.9)
Cost of Sales	(1,078)	(34,004)	(61.1)	(34,784)	(2.2)	(1,078)	(34,004)	(61.1)	(36,722)	(7.4)
Gross Profit	687	21,649	38.9	22,729	(4.8)	687	21,649	38.9	27,153	(20.3)
Operating Expenses										
Research and Development Expenses	(106)	(3,349)	(6.0)	(2,861)	17.0	(106)	(3,349)	(6.0)	(3,568)	(6.1)
General and Administrative Expenses	(62)	(1,945)	(3.5)	(2,031)	(4.2)	(62)	(1,945)	(3.5)	(2,153)	(9.7)
Selling and Marketing Expenses	(9)	(279)	(0.5)	(296)	(5.9)	(9)	(279)	(0.5)	(404)	(30.9)
Total Operating Expenses	(177)	(5,573)	(10.0)	(5,188)	7.4	(177)	(5,573)	(10.0)	(6,125)	(9.0)
Income from Operations	510	16,076	28.9	17,541	(8.4)	510	16,076	28.9	21,028	(23.6)
Net Non-operating Income (Expenses)	12	387	0.7	91	324.7	12	387	0.7	457	(15.3)
Investment Gain (Loss)	(6)	(198)	(0.4)	803	-	(6)	(198)	(0.4)	609	-
Income before Income Tax	516	16,265	29.2	18,435	(11.8)	516	16,265	29.2	22,094	(26.4)
Income Tax Credit (Expenses)	17	553	1.0	354	56.3	17	553	1.0	90	514.4
Net Income	533	16,818	30.2	18,789	(10.5)	533	16,818	30.2	22,184	(24.2)
Diluted Earnings Per Ordinary Share	0.02	0.72		0.80	(10.0)	0.02	0.72		0.96	(25.3)
Earnings Per ADR ⁽²⁾	0.11	3.62		4.64		0.11	3.62		4.77	
Weighted Average Outstanding Shares ('M) ⁽³⁾		23,215		23,342			23,215		23,255	

Note:(1) New Taiwan dollars have been translated into U.S. dollars at the rate of NTD 31.53 per U.S. dollar for the first quarter of 2005.

(2) 1 ADR equals 5 ordinary shares.

(3) Total weighted average outstanding shares were 23,215M shares for the three months ended March 31, 2005 and 23,342M shares for the three months ended March 31, 2004 after the retroactive adjustments for stock dividends and stock bonus.



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

For the Three Months Ended March 31, 2005 and 2004

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

	Q1 2005		Q4 2004	Q1 2004
	USD	NTD	NTD	NTD
Cash Flows from Operating Activities:				
Net Income	533	16,818	22,184	18,789
Depreciation & Amortization	529	16,669	16,615	15,089
Deferred Income Tax	(18)	(553)	(226)	(354)
Investment Loss (Gain) Recognized by Equity Method	6	198	(608)	(803)
Changes in Working Capital & Others	90	2,824	(1,231)	(19)
Net Cash Provided from Operating Activities	1,140	35,956	36,734	32,702
Cash Flows from Investing Activities:				
Increase in Short-Term Investments	43	1,341	(6,851)	(7,270)
Increase in Long-Term Investments	(136)	(4,277)	(17,009)	(168)
Acquisition of Fixed Assets	(1,210)	(38,161)	(20,521)	(16,351)
Proceeds from Disposal of Properties	4	121	1,404	68
Increase in Deferred Assets	(9)	(286)	(1,351)	(327)
Decrease (Increase) in Deposit-Out	-	-	(56)	151
Net Cash Used in Investing Activities	(1,308)	(41,262)	(44,384)	(23,897)
Cash Flows from Financing Activities:				
Increase in Treasury Stocks	-	-	-	(477)
Repayment of corporate bonds	-	-	(5,000)	-
Decrease in Guarantee Deposits & Others	(1)	(42)	(112)	(108)
Issuance of stocks option	1	35	4	-
Net Cash Used in Financing Activities	0	(7)	(5,108)	(585)
Net Increase (Decrease) in Cash and Cash Equivalents	(168)	(5,313)	(12,758)	8,220
Cash and Cash Equivalents at Beginning of Period	2,078	65,532	78,290	98,288
Cash and Cash Equivalents at End of Period	1,910	60,219	65,532	106,508

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NTD31.53 per U.S. dollar as of March 31, 2005.



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

Consolidated Balance Sheet

As of March 31, 2005 and December 31, 2004

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

ASSETS	March 31, 2005		
	USD	NTD	%
Cash	2,269	71,540	14.5
Short Term Investment	1,678	52,893	10.7
Accounts Receivable-Trade	756	23,846	4.8
Inventories	466	14,688	3.0
Other Current Assets	319	10,044	2.0
Total Current Assets	5,487	173,011	35.0
Long Term Investment	1,245	39,253	8.0
Fixed Assets	19,341	609,806	123.5
Less Accumulated Depreciation	(11,033)	(347,885)	(70.5)
Net Fixed Assets	8,307	261,921	53.1
Other Assets	619	19,522	4.0
Total Assets	15,658	493,707	100.0
LIABILITIES			
Short-term Bank Loans	12	378	0.1
Accounts Payable	264	8,322	1.7
Payables to Contractors and Equipment Suppliers	390	12,293	2.5
Accrued Expenses and Other Current Liabilities	310	9,789	2.0
Current Portion of Bonds Payable	333	10,505	2.1
Total Current Liabilities	1,309	41,287	8.4
Long-term Bank Loans	60	1,902	0.4
Bonds Payable	618	19,500	4.0
Other Long Term Liabilities	474	14,930	2.9
Total Liabilities	2,462	77,619	15.6
SHAREHOLDERS' EQUITY			
Shareholder's Equity-Parent Company			
Capital Stock	7,375	232,529	47.2
Capital Surplus	1,794	56,574	11.5
Legal Reserve	810	25,528	5.2
Special Reserve	0	-	0.0
Retained Earnings	3,331	105,021	21.3
Treasury Stock	(50)	(1,572)	(0.3)
Cumulated Translation Adjustment	(86)	(2,726)	(0.6)
Total Equity	13,173	415,354	84.3
Total Liabilities & Shareholders' Equity-Parent Company	15,635	492,973	99.9
Minority Interest	23	734	0.1
Total Liabilities & Shareholders' Equity	15,658	493,707	100.0

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NT\$31.53 per U.S. dollar as of March 31, 2005



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
CONSOLIDATED INCOME STATEMENT

For the Three Months Ended March 31, 2005

(Expressed in Million New Taiwan Dollars (NTD) and U.S. Dollars (USD) ⁽¹⁾
 Except for Per Share Amounts and Shares Outstanding)

	Q1 2005		% of Sales
	USD	NTD	
Net Sales	1,803	56,858	100.0
Cost of Sales	(1,116)	(35,180)	(61.9)
Gross Profit	687	21,678	38.1
Operating Expenses			
Research and Development Expenses	(108)	(3,412)	(6.0)
General and Administrative Expenses	(80)	(2,513)	(4.4)
Selling and Marketing Expenses	(19)	(584)	(1.0)
Total Operating Expenses	(207)	(6,509)	(11.4)
Income from Operations	480	15,169	26.7
Net Non-operating Income (Expenses)	23	739	1.3
Investment Gain	13	397	0.7
Income before Income Tax and Minority Interest	516	16,305	28.7
Income Tax Credit	16	513	0.9
Income before Minority Interest	532	16,818	29.6
Minority Interest in Loss of Subsidiaries	0	0	0.0
Consolidated Net Income	532	16,818	29.6
Diluted Earnings Per Ordinary Share	0.02	0.72	
Earnings Per ADR ⁽²⁾	0.11	3.62	
Weighted Average Outstanding Shares ('M)		23,215	

Note:(1) New Taiwan dollars have been translated into U.S. dollars at the rate of NTD 31.53 per U.S. dollar for the first quarter of 2005.

(2) 1 ADR equals 5 ordinary shares.



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

For the Three Months Ended March 31, 2005

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

	Q1 2005	
	USD	NTD
Cash Flows from Operating Activities:		
Consolidated Net Income	533	16,818
Depreciation & Amortization	586	18,474
Deferred Income Tax	(17)	(546)
Investment Gain Recognized by Equity Method	(13)	(397)
Accrued Pension Cost	4	140
Changes in Working Capital & Others	137	4,312
Net Cash Provided from Operating Activities	<u>1,230</u>	<u>38,801</u>
Cash Flows from Investing Activities:		
Decrease in Short-Term Investments	45	1,414
Increase in Long-Term Investments	(43)	(1,361)
Acquisition of Fixed Assets	(1,334)	(42,061)
Proceeds from Sales of Long-Term Investments	0	8
Proceeds from Disposal of Properties	6	181
Increase in Deferred Assets	(9)	(286)
Increase in Deposit-Out	0	(1)
Decrease in Other Assets	2	67
Net Cash Used in Investing Activities	<u>(1,333)</u>	<u>(42,039)</u>
Cash Flows from Financing Activities:		
Decrease in Long-Term Bank Loans	0	(1)
Proceeds From Disposal of Treasury Stocks	1	26
Decrease in Guarantee Deposits & Others	(1)	(41)
Issuance of Stocks Option	1	35
Net Cash Provided from Financing Activities	<u>1</u>	<u>19</u>
Net Decrease in Cash and Cash Equivalents	<u>(102)</u>	<u>(3,219)</u>
Effect of Exchange Rate Changes	7	228
Cash and Cash Equivalents at Beginning of Period	2,364	74,531
Cash and Cash Equivalents at End of Period	<u>2,269</u>	<u>71,540</u>

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NTD31.53 per U.S. dollar as of March 31, 2005.