



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Three Months Ended March 31, 2001 and 2000

(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 March 31 ⁽²⁾					Sequential Comparison				
	1Q 2001		% of	1Q 2000	YoY	1Q 2001		% of	4Q 2000	QoQ
	USD	NTD	Sales	NTD	Chg %	USD	NTD	Sales	NTD	Chg %
Net Sales	1,212	39,521	100.0%	28,278	39.8%	1,212	39,521	100.0%	53,822	-26.6%
Cost of Sales	-799	-26,043	-65.9%	-15,573	67.2%	-799	-26,043	-65.9%	-29,066	-10.4%
Gross Margin	413	13,478	34.1%	12,705	6.1%	413	13,478	34.1%	24,756	-45.6%
Operating Expenses										
General and Administrative Expenses	-37	-1,200	-3.0%	-1,046	14.7%	-37	-1,200	-3.0%	-1,420	-15.4%
Selling and Marketing Expenses	-18	-574	-1.5%	-493	16.5%	-18	-574	-1.5%	-822	-30.2%
Research and Development Expenses	-75	-2,447	-6.2%	-869	181.6%	-75	-2,447	-6.2%	-1,354	80.7%
Total Operating Expenses	-129	-4,221	-10.7%	-2,408	75.3%	-129	-4,221	-10.7%	-3,596	17.4%
Income from Operations	284	9,257	23.4%	10,297	-10.1%	284	9,257	23.4%	21,160	-56.3%
Net Non-operating Income (Expenses)	-9	-305	-0.8%	15	-	-9	-305	-0.8%	-104	192.5%
Investment Income (Loss)	-47	-1,522	-3.9%	-55	2643.3%	-47	-1,522	-3.9%	-135	1029.3%
Income before Income Tax	228	7,430	18.8%	10,257	-27.6%	228	7,430	18.8%	20,921	-64.5%
Income Tax Credit (Expenses)	30	991	2.5%	-166	-	30	991	2.5%	552	79.4%
Net Income	258	8,420	21.3%	10,091	-16.6%	258	8,420	21.3%	21,473	-60.8%
Diluted Earnings Per Ordinary Share ⁽⁴⁾	0.02	0.71		1.01	-29.6%	0.02	0.71		1.84	-61.4%
Earnings Per ADR ⁽³⁾	0.11	3.55		5.05		0.11	3.55		9.20	
Weighted Average Outstanding Shares ('M)		11,689.4		9,990.9			11,689.4		11,400.9	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 32.61 per U.S. dollar for the first quarter of 2001.

(2) 1Q'01: Post-merger; 1Q'00: Pre-merger

(3) 1 ADR equals 5 ordinary shares.

(4) Earnings per share for 1Q00 have been restated to reflect a 28% stock dividend of 2,147,847k shares and employee benefit of 172,121K shares in May 2000 and issuance of 115,000K shares of ADR in June 2000. Total weighted average outstanding shares were 11,689,365K in 1Q01 and 9,990,849K in 1Q00.