



**TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.**  
**UNCONSOLIDATED BALANCE SHEET**

As of Mar 31, 2002 and 2001

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

ASSETS	Mar 31, 2002			Mar 31, 2001		YoY	
	USD	NTD	%	NTD	%	Move	%
Cash	1,667	58,349	16.3%	39,984	11.8%	18,365	45.9%
Short Term Investment	70	2,450	0.7%	0	0.0%	2,450	-
Accounts Receivable	469	16,424	4.6%	19,140	5.7%	(2,715)	-14.2%
Inventories	278	9,718	2.7%	8,036	2.4%	1,683	20.9%
Other Current Assets	157	5,492	1.5%	6,473	1.9%	(981)	-15.1%
<b>Total Current Assets</b>	<b>2,641</b>	<b>92,434</b>	<b>25.9%</b>	<b>73,632</b>	<b>21.8%</b>	<b>18,802</b>	<b>25.5%</b>
Long Term Investment	898	31,419	8.8%	33,065	9.8%	(1,645)	-5.0%
Fixed Assets	10,297	360,378	100.9%	316,439	93.7%	43,939	13.9%
Less Accumulated Depreciation	-4,324	(151,352)	-42.4%	(105,402)	-31.2%	(45,950)	43.6%
<b>Net Fixed Assets</b>	<b>5,972</b>	<b>209,026</b>	<b>58.5%</b>	<b>211,038</b>	<b>62.5%</b>	<b>(2,012)</b>	<b>-1.0%</b>
Other Assets	694	24,307	6.8%	19,959	5.9%	4,348	21.8%
<b>Total Assets</b>	<b>10,205</b>	<b>357,186</b>	<b>100.0%</b>	<b>337,693</b>	<b>100.0%</b>	<b>19,493</b>	<b>5.8%</b>
<b>LIABILITIES</b>							
Short Term Credit Instruments	257	9,000	2.5%		0.0%	9,000	
Accounts Payable	596	20,869	5.8%	29,863	8.8%	(8,995)	-30.1%
<b>Total Current Liabilities</b>	<b>853</b>	<b>29,869</b>	<b>8.4%</b>	<b>29,863</b>	<b>8.8%</b>	<b>5</b>	<b>0.0%</b>
Bonds Payable	1,000	35,000	9.8%	29,000	8.6%	6,000	20.7%
Other Long Term Liabilities	303	10,609	3.0%	8,811	2.6%	1,798	20.4%
<b>Total Liabilities</b>	<b>2,157</b>	<b>75,478</b>	<b>21.1%</b>	<b>67,674</b>	<b>20.0%</b>	<b>7,804</b>	<b>11.5%</b>
<b>SHAREHOLDERS' EQUITY</b>							
Capital Stock	5,181	181,326	50.8%	129,894	38.5%	51,432	39.6%
Capital Surplus	1,633	57,159	16.0%	55,286	16.4%	1,873	3.4%
Legal Reserve	491	17,180	4.8%	10,689	3.2%	6,491	60.7%
Special Reserve	10	350	0.1%	1,091	0.3%	(741)	-67.9%
Retained Earnings	759	26,565	7.4%	73,564	21.8%	(46,999)	-63.9%
Treasury Stock	(60)	(2,104)	-0.6%	0	0.0%	(2,104)	-
Unrealized loss on long-term investments	0	0	0.0%	(13)	0.0%	13	-100.0%
Cumulated Translation Adjustment	35	1,233	0.3%	(492)	-0.1%	1,724	-
<b>Total Equity</b>	<b>8,049</b>	<b>281,709</b>	<b>78.9%</b>	<b>270,019</b>	<b>80.0%</b>	<b>11,689</b>	<b>4.3%</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>10,205</b>	<b>357,186</b>	<b>100.0%</b>	<b>337,693</b>	<b>100.0%</b>	<b>19,493</b>	<b>5.8%</b>

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NT\$35.00 per U.S. dollar at the end of Mar, 2002



**TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.**

**UNCONSOLIDATED INCOME STATEMENT**

For the Three Months Ended March 31, 2002 and 2001

(Expressed in Millions New Taiwan Dollars (NTD) and U.S. Dollars (USD) <sup>(1)</sup>)

Except for Per Share Amounts and Shares Outstanding)

	Year over Year Comparison					Sequential Comparison				
	1Q 2002		% of	1Q 2001	YoY	1Q 2002		% of	4Q 2001	QoQ
	USD	NTD	Sales	NTD	Chg %	USD	NTD	Sales	NTD	Chg %
Net Sales	1,021	35,790	100.0	39,521	(9.4)	1,021	35,790	100.0	33,130	8.0
Cost of Sales	(678)	(23,763)	(66.4)	(25,992)	(8.6)	(678)	(23,763)	(66.4)	(22,041)	7.8
Gross Margin	343	12,027	33.6	13,528	(11.1)	343	12,027	33.6	11,089	8.5
Operating Expenses										
General and Administrative Expenses	(33)	(1,147)	(3.2)	(1,200)	(4.5)	(33)	(1,147)	(3.2)	(1,710)	(32.9)
Selling and Marketing Expenses	(5)	(158)	(0.4)	(574)	(72.4)	(5)	(158)	(0.4)	(612)	(74.1)
Research and Development Expenses	(72)	(2,540)	(7.1)	(2,497)	1.7	(72)	(2,540)	(7.1)	(2,908)	(12.7)
Total Operating Expenses	(110)	(3,845)	(10.7)	(4,272)	(10.0)	(110)	(3,845)	(10.7)	(5,230)	(26.5)
Income from Operations	233	8,182	22.9	9,257	(11.6)	233	8,182	22.9	5,859	39.6
Net Non-operating Income (Expenses)	(6)	(218)	(0.6)	(305)	(28.5)	(6)	(218)	(0.6)	187	-
Investment Income (Loss)	(27)	(946)	(2.6)	(1,522)	(37.8)	(27)	(946)	(2.6)	(1,748)	(45.9)
Income before Income Tax	200	7,018	19.6	7,430	(5.5)	200	7,018	19.6	4,298	63.3
Income Tax Credit (Expenses)	(12)	(430)	(1.2)	991	-	(12)	(430)	(1.2)	215	-
Net Income	188	6,588	18.4	8,420	(21.8)	188	6,588	18.4	4,514	46.0
Diluted Earnings Per Ordinary Share <sup>(4)</sup>	0.011	0.39		0.49	(21.9)	0.011	0.39		0.26	47.5
Earnings Per ADR <sup>(2)</sup>	0.055	1.93		2.47		0.055	1.93		1.31	
Weighted Average Outstanding Shares ('M) <sup>(3)</sup>		16,794		16,833			16,794		16,833	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD35.05 per U.S. dollar for the first quarter of 2002.

(2) 1 ADR equals 5 ordinary shares.

(3) Total weighted average outstanding shares were 16,794,057K in 1Q02 due to decline in treasury stock for 38,497 thousand shares and 16,832,554K in 4Q01;

Total weighted average outstanding shares were 16,832,554K in 1Q01 due to restatement by tracing back bonus and stock dividend shares (original 11,689,365K 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 STATEMENT OF CASH FLOWS**

For the Three Months Ended Mar. 31, 2002 and 2001

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

	3 MTHS 2002		3 MTHS 2001
	USD	NTD	NTD
<b>Cash Flows from Operating Activities:</b>			
Net Income	188	6,588	8,420
Depreciation & Amortization	366	12,842	11,682
Investment Loss Recognized by Equity Method	27	946	1,522
Gain on sale of long-term investments	0	2	
Deferred Tax on Investment Tax Credit	12	427	(994)
Changes in Working Capital & Others	5	182	4,540
Net Cash Provided from Operating Activities	599	20,987	25,171
<b>Cash Flows from Investing Activities:</b>			
Increase in Short-Term Investments	(70)	(2,450)	
Acquisition of Fixed Assets	(188)	(6,599)	(18,840)
Proceeds from Disposal of Properties	13	439	12
Decrease in Deposit out	1	37	63
Increase in Long-Term Investments	(41)	(1,423)	(1,336)
Proceeds from Sales of Long-Term Stock Investments	0	1	5
Increase in Deferred Assets	(23)	(805)	(438)
Net Cash Used in Investing Activities	(308)	(10,800)	(20,534)
<b>Cash Flows from Financing Activities:</b>			
Increase Long-Term Bank Loans	428	15,000	
Decrease Obligation under Capital Lease			(25)
Decrease in Guarantee Deposits & Others	(7)	(241)	(293)
Net Cash Used in Financing Activities	421	14,759	(318)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>712</b>	<b>24,945</b>	<b>4,319</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>953</b>	<b>33,404</b>	<b>35,664</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>1,665</b>	<b>58,349</b>	<b>39,984</b>

Note : New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NTD35.05 per U.S. dollar .