



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

Unconsolidated Balance Sheet

As of December 31, 2004 and 2003

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

ASSETS	December 31, 2004			December 31, 2003		YoY	
	USD	NTD	%	NTD	%	Move	Inc.(Dec.)%
Cash	2,053	65,532	13.4	98,288	24.8	(32,756)	(33.3)
Short Term Investment	1,660	52,979	10.9	12,559	3.2	40,420	321.8
Accounts Receivable - Trade	852	27,205	5.6	25,643	6.5	1,562	6.1
Inventories	444	14,172	2.9	10,907	2.8	3,265	29.9
Other Current Assets	432	13,779	2.8	11,129	2.7	2,650	23.8
Total Current Assets	5,441	173,667	35.6	158,526	40.0	15,141	9.6
Long Term Investment	2,297	73,293	15.0	37,965	9.6	35,328	93.1
Fixed Assets	16,543	527,982	108.4	435,801	109.9	92,181	21.2
Less Accumulated Depreciation	(9,400)	(300,006)	(61.6)	(247,514)	(62.4)	(52,492)	21.2
Net Fixed Assets	7,143	227,976	46.8	188,287	47.5	39,689	21.1
Other Assets	395	12,617	2.6	11,639	2.9	978	8.4
Total Assets	15,276	487,553	100.0	396,417	100	91,136	23.0
LIABILITIES							
Accounts Payable	304	9,687	2.0	10,584	2.7	(897)	(8.5)
Payables to Contractors and Equipment Suppliers	976	31,154	6.4	7,118	1.8	24,036	337.7
Accrued Expenses and Other Current Liabilities	291	9,298	1.9	7,836	1.9	1,462	18.7
Current Portion of Bonds Payable	329	10,500	2.2	5,000	1.3	5,500	31.9
Total Current Liabilities	1,900	60,639	12.5	30,538	7.7	30,101	98.6
Bonds Payable	611	19,500	4.0	30,000	7.6	(10,500)	(35.0)
Other Long Term Liabilities	265	8,449	1.7	6,665	1.7	1,784	26.8
Total Liabilities	2,776	88,588	18.2	67,203	17.0	21,385	31.8
SHAREHOLDERS' EQUITY							
Capital Stock	7,285	232,520	47.7	202,666	51.1	29,854	14.7
Capital Surplus	1,771	56,537	11.6	56,856	14.3	(319)	(0.6)
Legal Reserve	800	25,528	5.2	20,802	5.2	4,726	22.7
Special Reserve	-	-	-	69	0.0	(69)	-
Retained Earnings	2,763	88,202	18.1	50,229	12.7	37,973	75.6
Treasury Stock	(50)	(1,595)	(0.3)	(1,633)	(0.4)	38	(2.3)
Unrealized Loss on Long-term Investments	-	-	-	(0)	(0.0)	0	-
Cumulated Translation Adjustment	(69)	(2,227)	(0.5)	225	0.1	(2,452)	-
Total Equity	12,500	398,965	81.8	329,214	83.0	69,751	21.2
Total Liabilities & Shareholders' Equity	15,276	487,553	100.0	396,417	100	91,136	23.0

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NT\$31.92 per U.S. dollar as of December 31, 2004



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

Unconsolidated Balance Sheet

As of December 31 and September 30, 2004

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

ASSETS	December 31, 2004			September 30, 2004		QoQ	
	USD	NTD	%	NTD	%	Move	Inc.(Dec.)%
Cash	2,053	65,532	13.4	78,290	16.9	(12,758)	(16.3)
Short Term Investment	1,660	52,979	10.9	46,128	10.0	6,851	14.9
Accounts Receivable - Trade	852	27,205	5.6	33,415	7.2	(6,210)	(18.6)
Inventories	444	14,172	2.9	12,629	2.7	1,544	12.2
Other Current Assets	432	13,779	2.8	7,220	1.6	6,558	90.8
Total Current Assets	5,441	173,667	35.6	177,682	38.4	(4,015)	(2.3)
Long Term Investment	2,297	73,293	15.0	58,186	12.6	15,107	26.0
Fixed Assets	16,543	527,982	108.4	492,964	106.6	35,018	7.1
Less Accumulated Depreciation	(9,400)	(300,006)	(61.6)	(285,808)	(61.8)	(14,198)	5.0
Net Fixed Assets	7,143	227,976	46.8	207,156	44.8	20,820	10.1
Other Assets	395	12,617	2.6	19,484	4.2	(6,867)	(35.2)
Total Assets	15,276	487,553	100.0	462,508	100.0	25,045	5.4
LIABILITIES							
Accounts Payable	304	9,687	2.0	12,997	2.8	(3,310)	(25.5)
Payables to Contractors and Equipment Suppliers	976	31,154	6.4	15,261	3.3	15,893	104.1
Accrued Expenses and Other Current Liabilities	291	9,298	1.9	10,974	2.4	(1,676)	(15.3)
Current Portion of Bonds Payable	329	10,500	2.2	5,000	1.1	5,500	110.0
Total Current Liabilities	1,900	60,639	12.5	44,232	9.6	16,407	37.1
Bonds Payable	611	19,500	4.0	30,000	6.5	(10,500)	(35.0)
Other Long Term Liabilities	265	8,449	1.7	9,013	1.9	(564)	(6.3)
Total Liabilities	2,776	88,588	18.2	83,245	18.0	5,343	6.4
SHAREHOLDERS' EQUITY							
Capital Stock	7,285	232,520	47.7	232,519	50.2	1	0.0
Capital Surplus	1,771	56,537	11.6	56,529	12.2	8	0.0
Legal Reserve	800	25,528	5.2	25,528	5.5	-	0.0
Special Reserve	-	-	-	-	-	-	-
Retained Earnings	2,763	88,202	18.1	66,007	14.3	22,195	33.6
Treasury Stock	(50)	(1,595)	(0.3)	(1,617)	(0.3)	22	(1.4)
Unrealized Loss on Long-term Investments	-	-	-	(3)	(0.0)	3	-
Cumulated Translation Adjustment	(69)	(2,227)	(0.5)	300	0.1	(2,528)	-
Total Equity	12,500	398,965	81.8	379,263	82.0	19,702	5.2
Total Liabilities & Shareholders' Equity	15,276	487,553	100.0	462,508	100.0	25,045	5.4

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NT\$31.92 per U.S. dollar as of December 31, 2004



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Three Months Ended December 31, 2004, December 31, 2003 and September 30, 2004

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

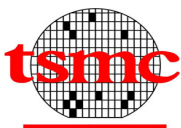
Except for Per Share Amounts and Shares Outstanding)

	Year over Year Comparison					Sequential Comparison				
	Q4 2004		% of	Q4 2003	YoY	Q4 2004		% of	Q3 2004	QoQ
	USD	NTD	Sales	NTD	Inc.(Dec.) %	USD	NTD	Sales	NTD	Inc.(Dec.) %
Net Sales	1,936	63,875	100.0	57,780	10.5	1,936	63,875	100.0	69,735	(8.4)
Cost of Sales	(1,113)	(36,722)	(57.5)	(35,073)	4.7	(1,113)	(36,722)	(57.5)	(37,595)	(2.3)
Gross Profit	823	27,153	42.5	22,707	19.6	823	27,153	42.5	32,140	(15.5)
Operating Expenses										
Research and Development Expenses	(108)	(3,568)	(5.6)	(4,055)	(12.0)	(108)	(3,568)	(5.6)	(3,123)	14.3
General and Administrative Expenses	(65)	(2,153)	(3.4)	(1,765)	21.9	(65)	(2,153)	(3.4)	(2,578)	(16.5)
Selling and Marketing Expenses	(13)	(404)	(0.6)	(262)	54.4	(13)	(404)	(0.6)	(318)	27.1
Total Operating Expenses	(186)	(6,125)	(9.6)	(6,082)	0.7	(186)	(6,125)	(9.6)	(6,019)	1.8
Income from Operations	637	21,028	32.9	16,625	26.5	637	21,028	32.9	26,121	(19.5)
Net Non-operating Income (Expenses)	15	457	0.7	(192)	-	15	457	0.7	630	(27.4)
Investment Gain (Loss)	18	609	1.0	1,135	(46.4)	18	609	1.0	1,378	(55.8)
Income before Income Tax	670	22,094	34.6	17,568	25.8	670	22,094	34.6	28,129	(21.5)
Income Tax Credit (Expenses)	2	90	0.1	(1,566)	-	2	90	0.1	(196)	-
Net Income	672	22,184	34.7	16,002	38.6	672	22,184	34.7	27,933	(20.6)
Diluted Earnings Per Ordinary Share	0.03	0.96		0.68	40.1	0.03	0.96		1.20	(20.5)
Earnings Per ADR ⁽²⁾	0.15	4.77		3.40		0.15	4.77		3.72	
Weighted Average Outstanding Shares ('M) ⁽³⁾		23,255		23,337			23,255		23,270	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD32.99 per U.S. dollar for the fourth quarter of 2004.

(2) 1 ADR equals 5 ordinary shares.

(3) Total weighted average outstanding shares for 4Q '03 has been retroactively adjusted for stock dividends and stock bonus.



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED INCOME STATEMENT

For the Twelve Months Ended December 31, 2004 and 2003

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

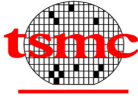
	2004		% of Sales	2003	YoY Inc.(Dec.) %
	USD	NTD		NTD	
Net Sales	7,653	255,992	100.0	201,904	26.8
Cost of Sales	(4,360)	(145,831)	(57.0)	(129,012)	13.0
Gross Profit	3,294	110,161	43.0	72,892	51.1
Operating Expenses					
Research and Development Expenses	(374)	(12,516)	(4.9)	(12,713)	(1.5)
General and Administrative Expenses	(280)	(9,367)	(3.7)	(6,338)	47.8
Selling and Marketing Expenses	(43)	(1,455)	(0.6)	(1,193)	21.9
Total Operating Expenses	(698)	(23,338)	(9.1)	(20,244)	15.3
Income from Operations	2,596	86,823	33.9	52,648	64.9
Net Non-operating Expenses	27	916	0.4	(2,411)	-
Investment Loss	121	4,040	1.6	791	410.5
Income before Income Tax	2,744	91,779	35.9	51,028	79.9
Income Tax Credit (Expenses)	16	537	0.2	(3,769)	-
Net Income	2,760	92,316	36.1	47,259	95.3
Diluted Earnings Per Ordinary Share ⁽²⁾	0.12	3.97		2.02	96.8
Earnings Per ADR ⁽³⁾	0.59	19.85		10.09	
Weighted Average Outstanding Shares ('M) ⁽⁴⁾		23,255		23,337	

Note:(1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 33.45 per U.S. dollar for the twelve months of 2004.

(2) EPS calculation for 2003 is after deducting a cash dividend payment on NT\$13,000 million of preferred stock paying an annual rate of 3.5% at the period from January 1 to May 29, 2003. The preferred stock was redeemed on May 29, 2003.

(3) 1 ADR equals 5 ordinary shares.

(4) Total weighted average outstanding shares were 23,255M shares for the twelve months ended December 31, 2004 and 23,337M shares for the twelve months ended December 31, 2003 after the retroactive adjustments for stock dividends and stock bonus.



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

For the Twelve Months Ended December 31, 2004

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

	12 Months 2004		4Q 2004	3Q 2004	4Q 2003
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Net Income	2,760	92,316	22,184	27,933	16,002
Depreciation & Amortization	1,886	63,072	16,615	15,371	15,495
Deferred Income Tax	(33)	(1,101)	(226)	46	1,566
Investment Loss (Gain) Recognized by Equity Method	(121)	(4,040)	(608)	(1,378)	(1,135)
Gain on Sale of Long-Term Investments	-	(2)	-	0	(13)
Changes in Working Capital & Others	(196)	(6,565)	(1,231)	(3,813)	(432)
Net Cash Provided from Operating Activities	4,296	143,680	36,734	38,159	31,483
Cash Flows from Investing Activities:					
Increase in Short-Term Investments	(1,310)	(43,823)	(6,851)	(4,929)	(865)
Increase in Long-Term Investments	(906)	(30,291)	(17,009)	(7,339)	(1,955)
Acquisition of Fixed Assets	(2,277)	(76,171)	(20,521)	(16,471)	(12,832)
Proceeds from Sales of Long-Term Investments	-	8	-	0	18
Proceeds from Disposal of Properties	51	1,714	1,404	60	18
Increase in Deferred Assets	(72)	(2,404)	(1,351)	(412)	(345)
Decrease (Increase) in Deposit-Out	3	92	(56)	(3)	110
Net Cash Used in Investing Activities	(4,511)	(150,875)	(44,384)	(29,094)	(15,851)
Cash Flows from Financing Activities:					
Cash Dividend - Common Shares	(364)	(12,160)	-	(12,160)	-
Increase in Treasury Stocks	(211)	(7,060)	-	-	-
Repayment of corporate bonds	(149)	(5,000)	(5,000)	-	-
Bonus Paid to Employees	(20)	(682)	-	(682)	-
Cash Dividend - Preferred Shares	(6)	(184)	-	-	-
Decrease in Guarantee Deposits & Others	(10)	(351)	(112)	(75)	(75)
Bonus Paid to Directors and Supervisors	(4)	(128)	-	-	-
Issuance of stocks option	-	4	4	-	-
Net Cash Used in Financing Activities	(764)	(25,561)	(5,108)	(12,917)	(75)
Net Increase (Decrease) in Cash and Cash Equivalents	(979)	(32,756)	(12,758)	(3,852)	15,557
Cash and Cash Equivalents at Beginning of Period	2,939	98,288	78,290	82,142	82,731
Cash and Cash Equivalents at End of Period	1,960	65,532	65,532	78,290	98,288

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NTD33.45 per U.S. dollar, the weighted average exchange rate for the twelve months of 2004.