



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

**UNCONSOLIDATED INCOME STATEMENT**

For the six months ended June 30, 2000

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

Except for Per Share Amounts and Shares Outstanding)

	For 6 months ended June 30, 2000			For 6 months ended June 30, 2000		
	Pre-merger		% of	Post Merger		% of
	USD	NTD	Sales	USD	NTD	Sales
Net Sales	1,951	60,090	100.0%	2,108	64,915	100.0%
Cost of Sales	(1,092)	(33,636)	-56.0%	(1,237)	(38,092)	-58.7%
Gross Margin	859	26,454	44.0%	871	26,823	41.3%
Operating Expenses						
General and Administrative Expenses	(50)	(1,554)	-2.6%	(84)	(2,574)	-4.0%
Selling and Marketing Expenses	(44)	(1,346)	-2.2%	(40)	(1,243)	-1.9%
Research and Development Expenses	(57)	(1,766)	-2.9%	(73)	(2,240)	-3.5%
Total Operating Expenses	(152)	(4,667)	-7.8%	(197)	(6,057)	-9.3%
Income from Operations	707	21,787	36.3%	674	20,766	32.0%
Net Non-operating Income (Expenses)	40	1,238	2.1%	74	2,294	3.5%
Investment Income (Loss)	9	343	0.6%	11	343	0.5%
Income before Income Tax	756	23,368	38.9%	760	23,403	36.1%
Income Tax Credit (Expenses)	5	73	0.1%	6	173	0.3%
Net Income	761	23,441	39.0%	766	23,576	36.3%
Diluted Earnings Per Ordinary Share (2)	0.08	2.34		0.07	2.12	
Earnings Per ADR	0.38	11.71		0.34	10.61	
Shares Outstanding ('K)		10,010,016			11,110,016	

Note (1) : New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 30.795 per U.S. dollar for the first half year of 2000.

Note (2) : Earnings per share for pre-merger have been restated to reflect the increase of share dividend of 2,319,967k share and issue 115,000k share of ADR in Jun 2000.

Total weighted average outstanding shares were 10,010,016k for pre-merger & 11,110,016k (including WSMC) for post merger.