



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

**UNCONSOLIDATED INCOME STATEMENT**

For the three months ended June 30, 2000 and 1999

(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				
	2Q 2000		% of	2Q 1999	YOY	2Q 2000		% of	1Q 2000	QOQ
	USD	NTD	Sales	NTD	Chg %	USD	NTD	Sales	NTD	Chg %
Net Sales	1,038	31,812	100.0%	17,232	84.6%	1,038	31,812	100.0%	28,278	12.5%
Cost of Sales	(589)	(18,062)	-56.8%	(9,308)	94.0%	(589)	(18,062)	-56.8%	(15,573)	16.0%
Gross Margin	449	13,749	43.2%	7,924	73.5%	449	13,749	43.2%	12,705	8.2%
Operating Expenses										
General and Administrative Expenses	(24)	(724)	-2.3%	(260)	178.8%	(24)	(724)	-2.3%	(1,046)	-30.8%
Selling and Marketing Expenses	(21)	(638)	-2.0%	(408)	56.3%	(21)	(638)	-2.0%	(493)	29.4%
Research and Development Expenses	(29)	(898)	-2.8%	(675)	32.9%	(29)	(898)	-2.8%	(869)	3.3%
Total Operating Expenses	(74)	(2,259)	-7.1%	(1,343)	68.2%	(74)	(2,259)	-7.1%	(2,408)	-6.2%
Income from Operations	375	11,490	36.1%	6,581	74.6%	375	11,490	36.1%	10,297	11.6%
Net Non-operating Income (Expenses)	40	1,223	3.8%	(250)	-	40	1,223	3.8%	15	7944.6%
Investment Income (Loss)	13	398	1.3%	(417)	-	13	398	1.3%	(55)	-
Income before Income Tax	428	13,111	41.2%	5,914	121.7%	428	13,111	41.2%	10,257	27.8%
Income Tax Credit (Expenses)	8	238	0.7%	108	120.7%	8	238	0.7%	(166)	-
Net Income	436	13,349	42.0%	6,022	121.7%	436	13,349	42.0%	10,091	32.3%
Diluted Earnings Per Ordinary Share (2)	0.04	1.33		0.60	121.2%	0.04	1.33		1.01	32.0%
Earnings Per ADR (3)	0.22	6.67		3.01		0.22	6.67		5.42	
Shares Outstanding ('K)		10,010,016		9,990,850			10,010,016		9,990,850	

Note (1) : New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 30.64 per U.S. dollar for the second quarter of 2000.

Note (2) : Earnings per share for 2Q99 have been restated to reflect the increase of share dividend of 2,319,968k share in Jun 2000.

Total weighted shares outstanding were 10,010,016k and 9,990,850k share for 2000 and 1999.

Note (3) : 1 ADR equals 5 ordinary shares. ADRs were issued in October 1997.