



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Three Months Ended June 30, 2001 and 2000

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

Except for Per Share Amounts and Shares Outstanding)

	Year over Year Comparison ⁽²⁾					Sequential Comparison				
	2Q 2001		% of	2Q 2000	YoY	2Q 2001		% of	1Q 2001	QoQ
	USD	NTD	Sales	NTD	Chg %	USD	NTD	Sales	NTD	Chg %
Net Sales	788	26,298	100.0%	31,812	-17.3%	788	26,298	100.0%	39,521	-33.5%
Cost of Sales	-638	-21,299	-81.0%	-18,062	17.9%	-638	-21,299	-81.0%	-26,043	-18.2%
Gross Margin	150	4,999	19.0%	13,749	-63.6%	150	4,999	19.0%	13,478	-62.9%
Operating Expenses										
General and Administrative Expenses	-47	-1,554	-5.9%	-724	114.8%	-47	-1,554	-5.9%	-1,200	29.4%
Selling and Marketing Expenses	-19	-623	-2.4%	-638	-2.4%	-19	-623	-2.4%	-574	8.5%
Research and Development Expenses	-76	-2,538	-9.6%	-898	182.7%	-76	-2,538	-9.6%	-2,447	3.7%
Total Operating Expenses	-141	-4,714	-17.9%	-2,259	108.7%	-141	-4,714	-17.9%	-4,221	11.7%
Income from Operations	9	284	1.1%	11,490	-97.5%	9	284	1.1%	9,257	-96.9%
Net Non-operating Income (Expenses)	2	80	0.3%	1,223	-93.5%	2	80	0.3%	-305	-
Investment Income (Loss)	-37	-1,233	-4.7%	398	-	-37	-1,233	-4.7%	-1,522	-19.0%
Income before Income Tax	-26	-869	-3.3%	13,111	-	-26	-869	-3.3%	7,430	-
Income Tax Credit (Expenses)	35	1,181	4.5%	238	395.4%	35	1,181	4.5%	991	19.2%
Net Income	9	312	1.2%	13,349	-97.7%	9	312	1.2%	8,420	-96.3%
Diluted Earnings Per Ordinary Share ⁽⁵⁾	0.0004	0.01		0.92	-98.9%	0.0004	0.01		0.50	-98.0%
Earnings Per ADR ⁽³⁾	0.002	0.06		4.62		0.002	0.06		2.52	
Weighted Average Outstanding Shares ('M) ⁽⁴⁾		16,832.6		14,458.3			16,832.6		16,832.6	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 33.38 per U.S. dollar for the second quarter of 2001.

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

(3) 1 ADR equals 5 ordinary shares.

(4) Earnings per share for 2Q00 have been restated to reflect a 40% stock dividend of 4,004,006K shares and employee benefit of 444,276K shares on July 2, 2001.

Total weighted average outstanding shares were 16,832,553K in 2Q01 and 14,458,298K in 2Q00.

(5) The dividend of preferred stock, NT\$13,000 million at 3.5% of annual rate, was deducted before EPS calculation in 2001.