



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Three Months Ended December 31, 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					Sequential Comparison				
	4Q 2001		% of	4Q 2000	YoY	4Q 2001		% of	3Q 2001	QoQ
	USD	NTD	Sales	NTD	Chg %	USD	NTD	Sales	NTD	Chg %
Net Sales	947	33,130	100.0	53,822	(38.4)	947	33,130	100.0	26,940	23.0
Cost of Sales	(630)	(22,041)	(66.5)	(28,248)	(22.0)	(630)	(22,041)	(66.5)	(20,124)	9.5
Gross Margin	317	11,089	33.5	25,574	(56.6)	317	11,089	33.5	6,816	62.7
Operating Expenses										
General and Administrative Expenses	(49)	(1,710)	(5.2)	(1,420)	20.4	(49)	(1,710)	(5.2)	(1,584)	7.9
Selling and Marketing Expenses	(17)	(612)	(1.8)	(822)	(25.6)	(17)	(612)	(1.8)	(532)	14.9
Research and Development Expenses	(83)	(2,908)	(8.8)	(2,172)	33.8	(83)	(2,908)	(8.8)	(2,757)	5.5
Total Operating Expenses	(149)	(5,230)	(15.8)	(4,414)	18.5	(149)	(5,230)	(15.8)	(4,874)	7.3
Income from Operations	167	5,859	17.7	21,160	(72.3)	167	5,859	17.7	1,942	201.7
Net Non-operating Income (Expenses)	5	187	0.6	(104)	-	5	187	0.6	(216)	-
Investment Income (Loss)	(50)	(1,748)	(5.3)	(135)	1,194.9	(50)	(1,748)	(5.3)	(1,926)	(9.2)
Income before Income Tax	123	4,298	13.0	20,921	(79.5)	123	4,298	13.0	(200)	-
Income Tax Credit (Expenses)	6	215	0.6	552	(61.0)	6	215	0.6	1,437	(85.0)
Net Income	129	4,514	13.6	21,473	(79.0)	129	4,514	13.6	1,237	265.0
Diluted Earnings Per Ordinary Share ⁽⁴⁾	0.007	0.26		1.31	(80.0)	0.007	0.26		0.06	360.9
Earnings Per ADR ⁽²⁾	0.037	1.31		6.53		0.037	1.31		0.334	
Weighted Average Outstanding Shares ('M) ⁽³⁾		16,833		16,417			16,833		16,833	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD35 per U.S. dollar for the fourth quarter of 2001.

(2) 1 ADR equals 5 ordinary shares.

(3) Total weighted average outstanding shares were 16,832,553K in 4Q01 and 16,417,270K in 4Q00.

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

(5) 4Q00 was restated for reclassification. NT\$818.5M of COGS was reclassified to be operation expense.