



台灣積體電路製造股份有限公司
Taiwan Semiconductor Manufacturing Company, Ltd.

2001

第四季法人說明會
4th Quarter Results

January 25th, 2002

Agenda

■ **Welcome**

■ **4Q'01 Financial Results**

Harvey Chang

■ **Remarks**

Rick Tsai

■ **Q&A**

Harvey Chang et. al.



Safe Harbor Notice

- TSMC's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in any forward-looking statement.
- Information as to those factors that could cause actual results to differ materially from those indicated by TSMC's forward-looking statements can be found in TSMC's Registration Statement on Form F-3 filed with the United States Securities and Exchange Commission on December 21, 2001.



2001 Income Statement

Amount:NT\$Billion	1Q'01		2Q'01		3Q'01		4Q'01		2001	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	39.52	100%	26.30	100%	26.94	100%	33.13	100%	125.89	100%
COGS	(26.04)	-66%	(21.30)	-81%	(20.12)	-75%	(22.04)	-67%	(89.51)	-71%
Gross Margin	13.48	34%	5.00	19%	6.82	25%	11.09	33%	36.38	29%
Operation Expense	(4.22)	-11%	(4.71)	-18%	(4.87)	-18%	(5.23)	-16%	(19.04)	-15%
Operation Income	9.26	23%	0.28	1%	1.94	7%	5.86	18%	17.34	14%
Net Non-operating Income (Exp.)	(0.30)	-1%	0.08	0%	(0.22)	-1%	0.19	1%	(0.25)	0%
Investment Income (Loss)	(1.52)	-4%	(1.23)	-5%	(1.93)	-7%	(1.75)	-5%	(6.43)	-5%
Income before Tax	7.43	19%	(0.87)	-3%	(0.20)	-1%	4.30	13%	10.66	8%
Income Tax Credit (Exp.)	0.99	3%	1.18	4%	1.44	5%	0.22	1%	3.82	3%
Net Income	8.42	21%	0.31	1%	1.24	5%	4.51	14%	14.48	12%
EPS (NT\$)	0.50		0.01		0.06		0.26		0.83	



4Q'01 Income Statement - YoY Comparison

TSMC w/o Affiliates

NT\$Billion	4Q2001		4Q2000	
Net Sales	30.56	100%	46.84	100%
COGS	(19.58)	-64%	(21.44)	-46%
Gross Margin	10.98	36%	25.40	54%

Amount:NT\$Billion

	4Q'01		4Q'00		YOY
	Amount	%	Amount	%	%
Net Sales	33.13	100%	53.82	100%	-38%
COGS	(22.04)	-67%	(28.25)	-52%	-22%
Gross Margin	11.09	33%	25.57	48%	-57%
Operation Expense	(5.23)	-16%	(4.41)	-8%	18%
Operation Income	5.86	18%	21.16	39%	-72%
Net Non-operating Income (Exp.)	0.19	1%	(0.10)	0%	-
Investment Income (Loss)	(1.75)	-5%	(0.14)	0%	1195%
Income before Tax	4.30	13%	20.92	39%	-79%
Income Tax Credit (Exp.)	0.22	1%	0.55	1%	-61%
Net Income	4.51	14%	21.47	40%	-79%
EPS (NT\$)	0.26		1.31		-80%



4Q'01 Balance Sheet & Cash Flow - YoY Comparison

Amount:NT\$Billion	4Q'01		4Q'00		YOY
	Amount	%	Amount	%	%
Cash	33.4	10%	35.7	10%	-6%
LT Debt	24.0	7%	29.0	9%	-17%
Equity	277.2	83%	261.8	77%	6%
Total Assets	335.7	100%	341.0	100%	-2%
Depreciation	12.4	4%	10.7	3%	16%
Capital Expenditure	10.0	3%	27.7	8%	-64%
ROE	5.4%		31.5%		
ROA	4.8%		24.1%		



4Q'01 Income Statement - QoQ Comparison

TSMC w/o Affiliates

NT\$Billion	4Q2001		3Q2001	
Net Sales	30.56	100%	24.60	100%
COGS	(19.58)	-64%	(17.87)	-73%
Gross Margin	10.98	36%	6.73	27%

	4Q'01		3Q'01		QOQ
Amount:NT\$Billion	Amount	%	Amount	%	%
Net Sales	33.13	100%	26.94	100%	23%
COGS	(22.04)	-67%	(20.12)	-75%	10%
Gross Margin	11.09	33%	6.82	25%	63%
Operation Expense	(5.23)	-16%	(4.87)	-18%	7%
Operation Income	5.86	18%	1.94	7%	202%
Net Non-operating Income (Exp.)	0.19	1%	(0.22)	-1%	-
Investment Income (Loss)	(1.75)	-5%	(1.93)	-7%	-9%
Income before Tax	4.30	13%	(0.20)	-1%	-
Income Tax Credit (Exp.)	0.22	1%	1.44	5%	-85%
Net Income	4.51	14%	1.24	5%	265%
EPS (NT\$)	0.26		0.06		361%



4Q'01 Balance Sheet & Cash Flow - QoQ Comparison

Amount:NT\$Billion	4Q'01		3Q'01		QOQ
	Amount	%	Amount	%	%
Cash	33.4	10%	30.7	9%	9%
LT Debt	24.0	7%	29.0	9%	-17%
Equity	276.5	82%	272.2	82%	2%
Total Assets	335.7	100%	333.6	100%	1%
Depreciation	12.4	4%	12.1	4%	3%
Capital Expenditure	10.0	3%	20.8	6%	-52%
ROE	5.4%		5.0%		
ROA	4.8%		4.4%		



2001 Income Statement - Yearly Comparison

TSMC w/o Affiliates

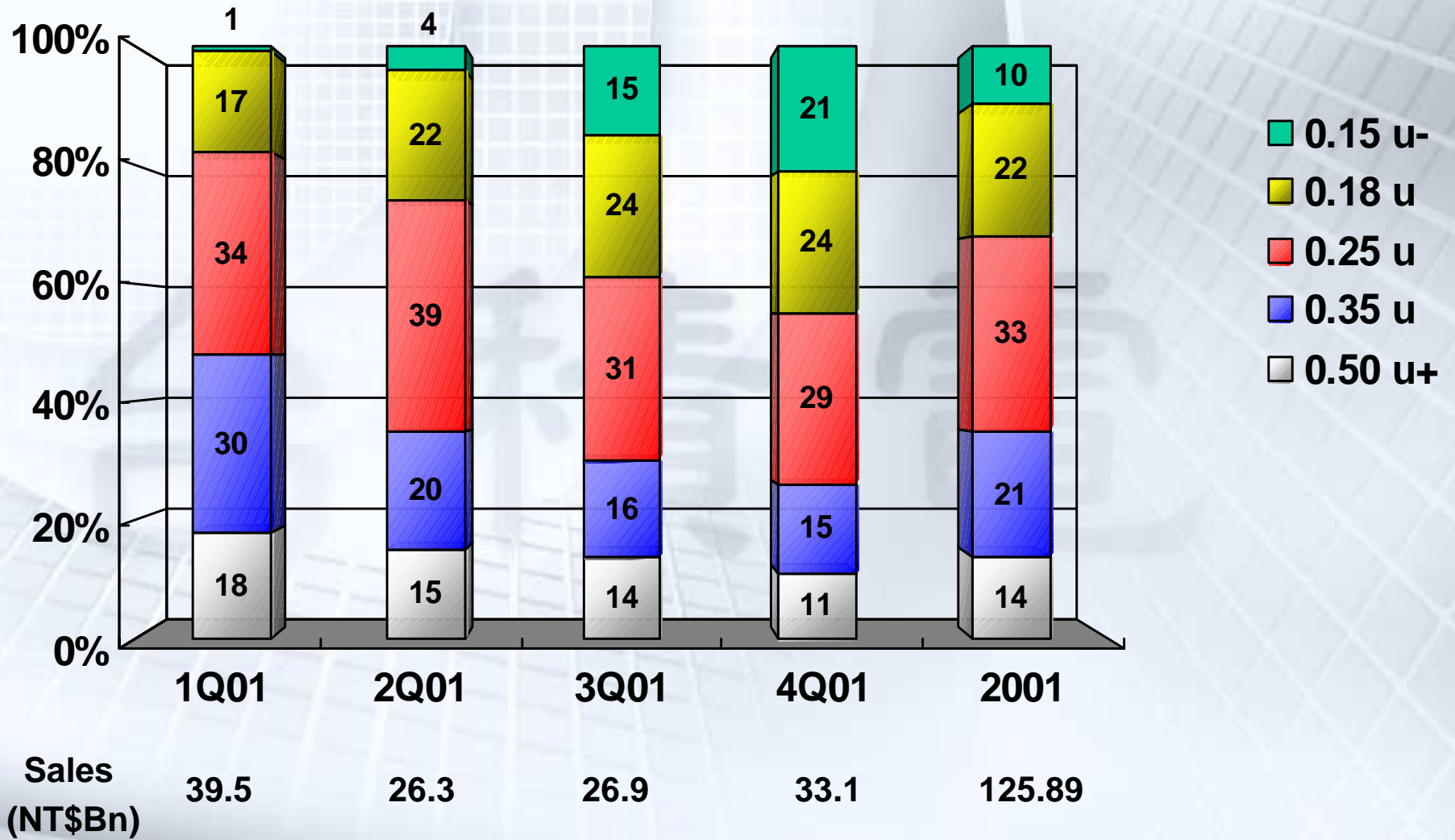
NT\$Billion	2001		2000	
Net Sales	114.86	100%	136.52	100%
COGS	(78.80)	-69%	(62.04)	-45%
Gross Margin	36.06	31%	74.48	55%

Amount:NT\$Billion

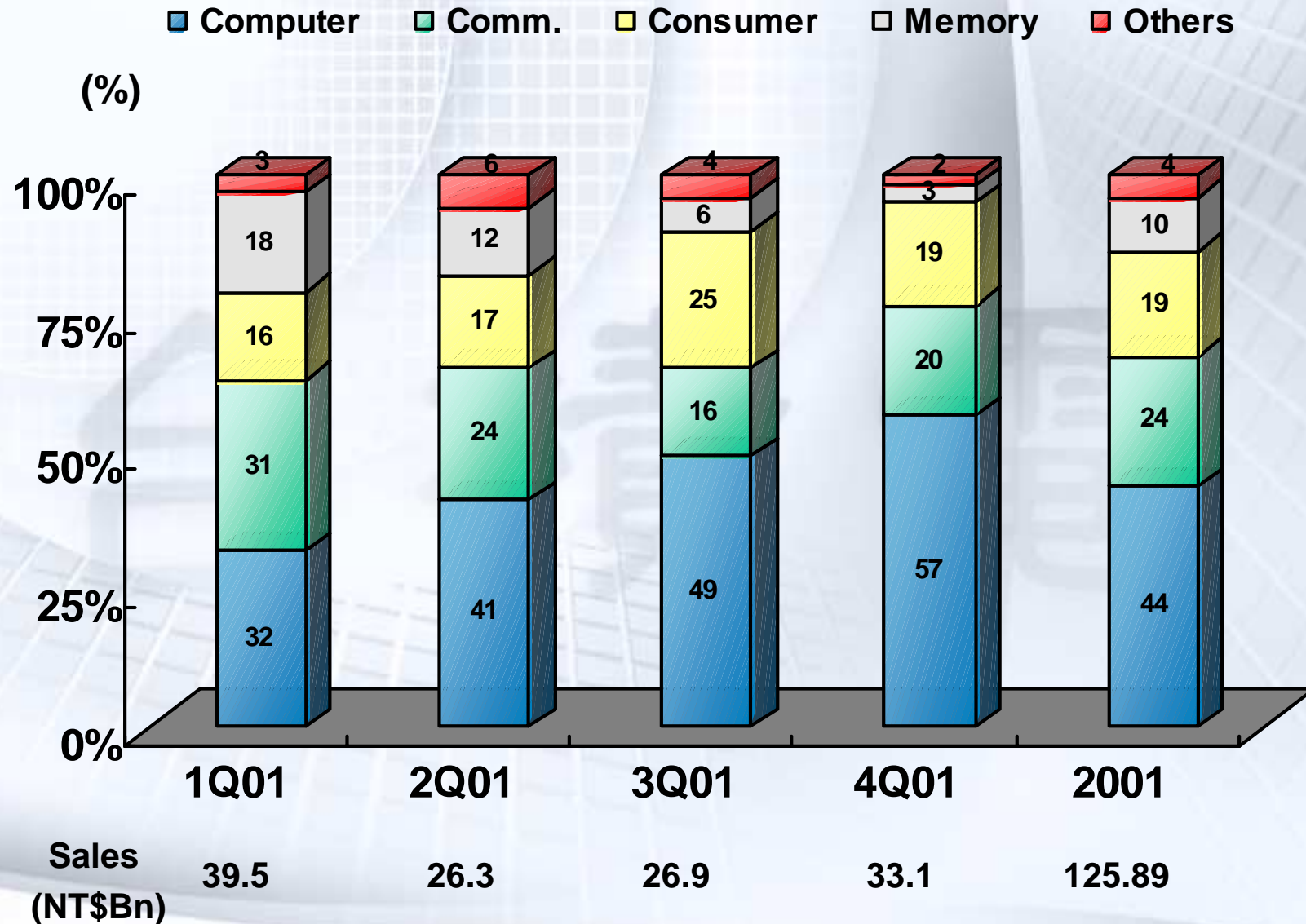
	2001		2000		YOY
	Amount	%	Amount	%	%
Net Sales	125.89	100%	166.23	100%	-24%
COGS	(89.51)	-71%	(90.23)	-54%	-1%
Gross Margin	36.38	29%	76.00	46%	-52%
Operation Expense	(19.04)	-15%	(15.46)	-9%	23%
Operation Income	17.34	14%	60.54	36%	-71%
Net Non-operating Income (Exp.)	(0.25)	0%	2.52	2%	-
Investment Income (Loss)	(6.43)	-5%	0.78	0%	-
Income before Tax	10.66	8%	63.84	38%	-83%
Income Tax Credit (Exp.)	3.82	3%	1.27	1%	201%
Net Income	14.48	12%	65.11	39%	-78%
EPS (NT\$)	0.83		3.96		-79%



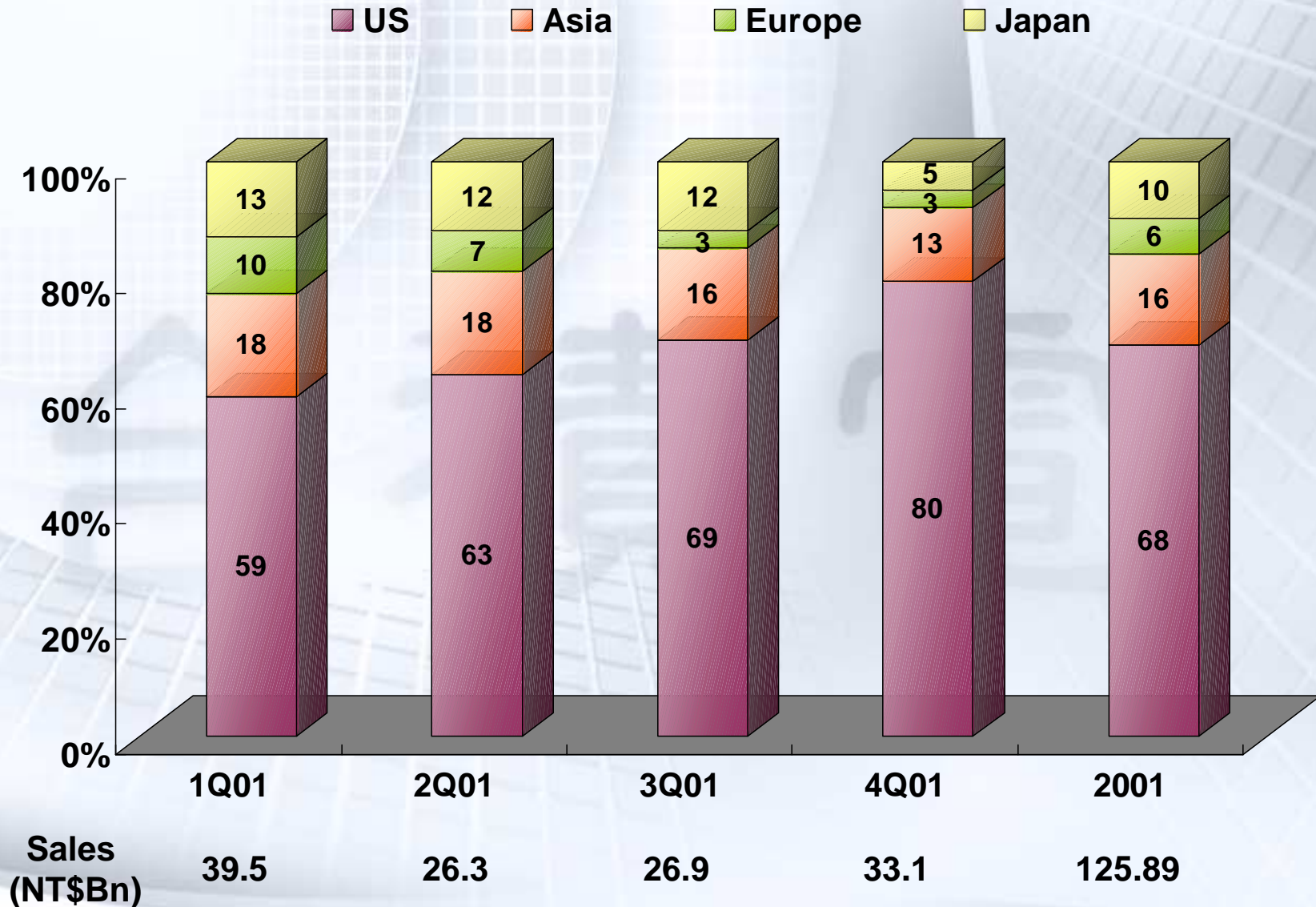
Sales Breakdown by Technology



Sales Breakdown by Application



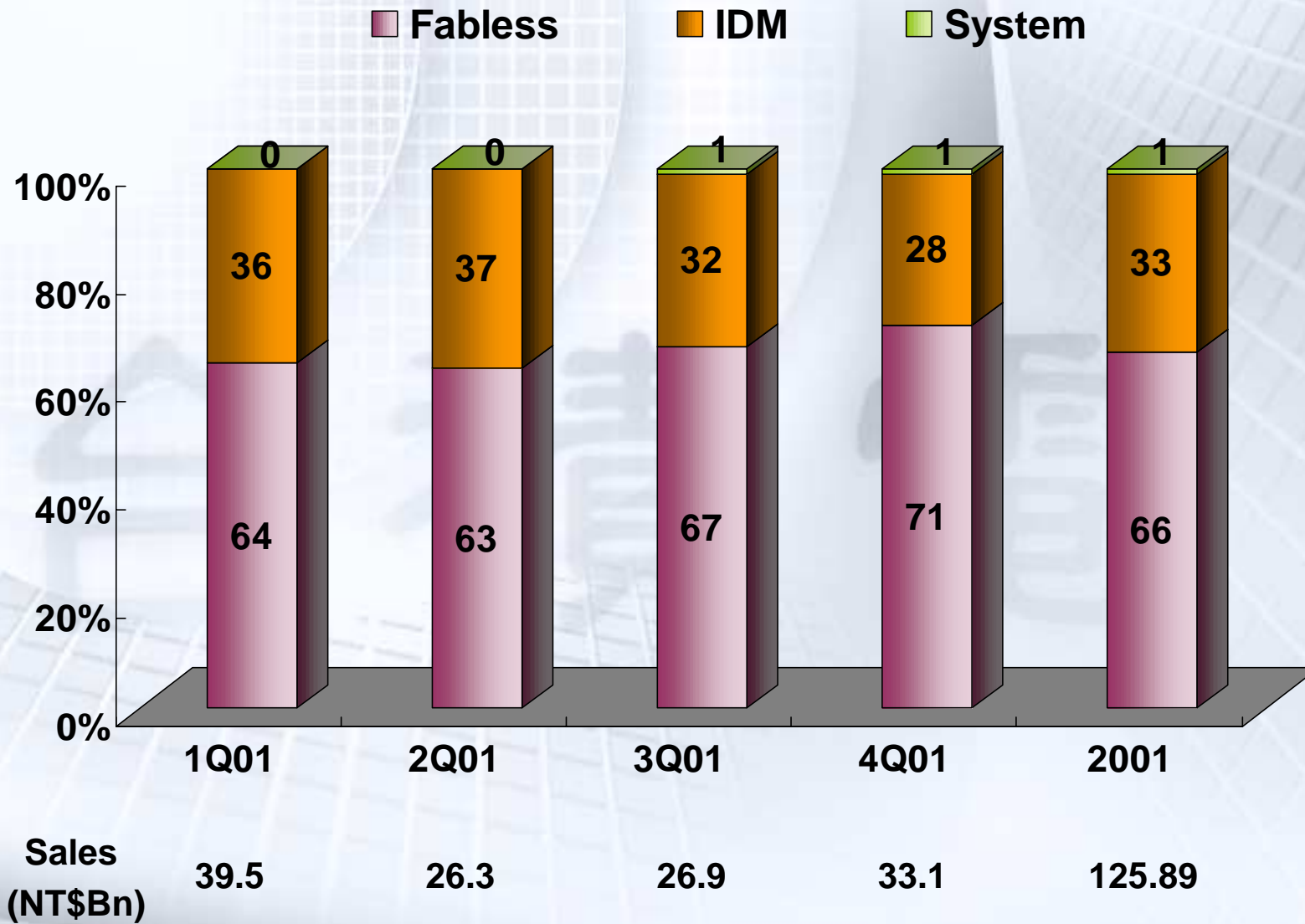
Sales Breakdown by Geography



Note: This chart does not reflect the actual shipment destination of sales.



Sales Breakdown by Customer

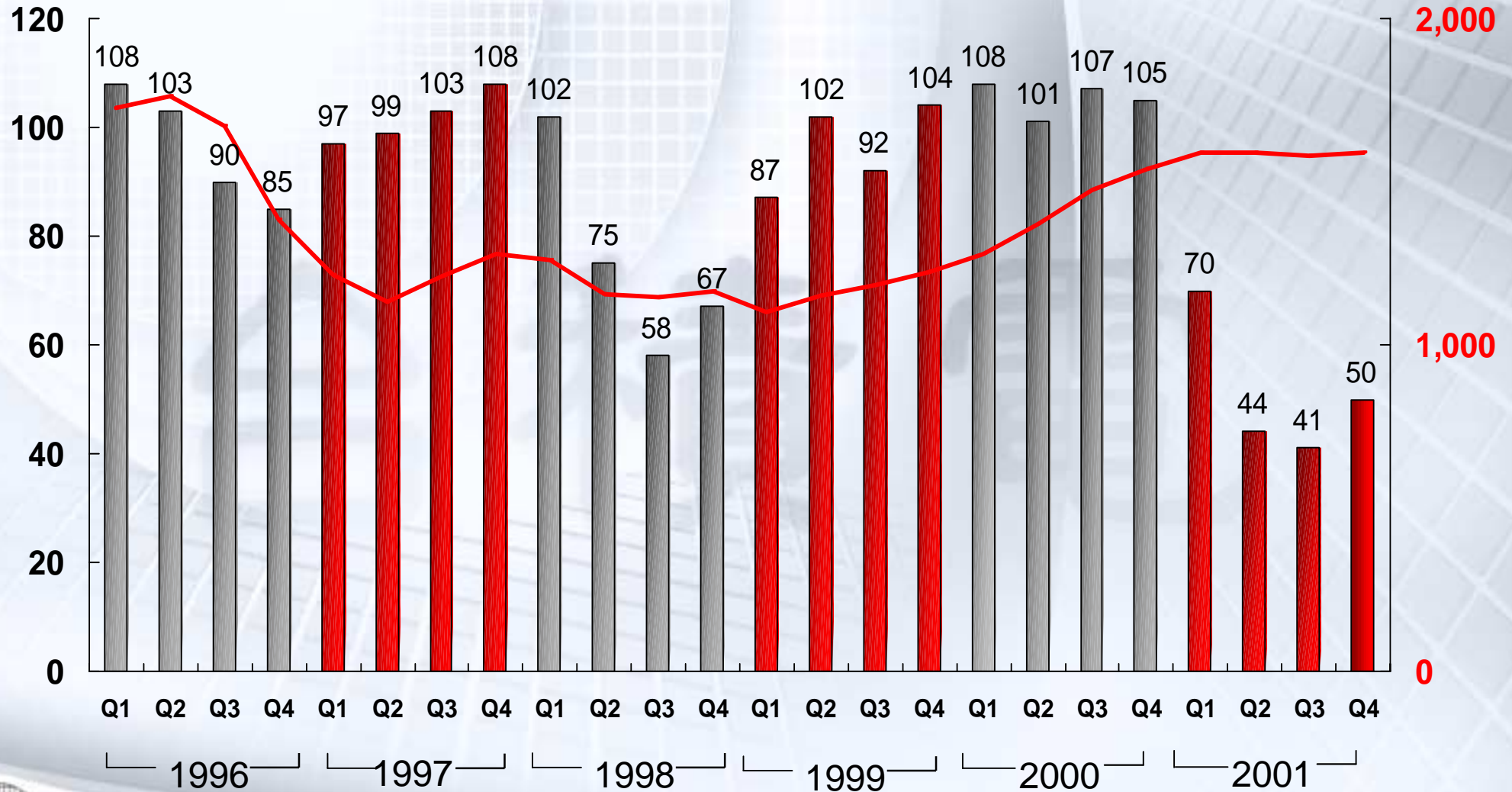


Fab Utilization and ASP Trend

TSMC Group
Out Utilization
(%)**

■ Utilization (Bars)
— ASP (Line)

ASP/8" Equiv.*
(US\$)



* Average for all Wafers; ASP varies by technology and wafer size

** The utilization rates in 1999 and 2000 have been restated to include affiliates (WT, TSMC, WSMC, and VIS)

Capital Commitment And Capacity

- 2001 CAPEX(actual): US\$2.2 billion.
- 2002 Estimated CAPEX: 25% decrease
- 2001 Capacity:
 - ✓ 381K/per month - as of December 2001
 - ✓ 4.379 million annually
- Estimated 2002 Capacity:
 - ✓ 332K/per month - as of March 2002
 - ✓ 358K/per month - as of December 2002



Installed Capacity by Fabs

FAB	(Wafer Size)	2001		2002	
		Annual	Dec.	Mar.	Dec.
FAB-1*	(6")	236	20	-	-
FAB-2	(6")	939	80	80	80
FAB-3	(8")	548	47	78	74
FAB-4**	(8")	440	36	-	-
FAB-5	(8")	468	40	36	35
FAB-6	(8")	455	41	37	50
FAB-7	(8")	537	47	28	23
FAB-8	(8")	625	55	46	52
FAB-12	(12")	3	2	4	10
WaferTech	(8")	328	28	28	28
VIS	(8")	272	23	23	23
SSMC	(8")	40	5	3	6
Total Installed Capacity (8" Equivalent Kpcs)		4,379	381	332	358

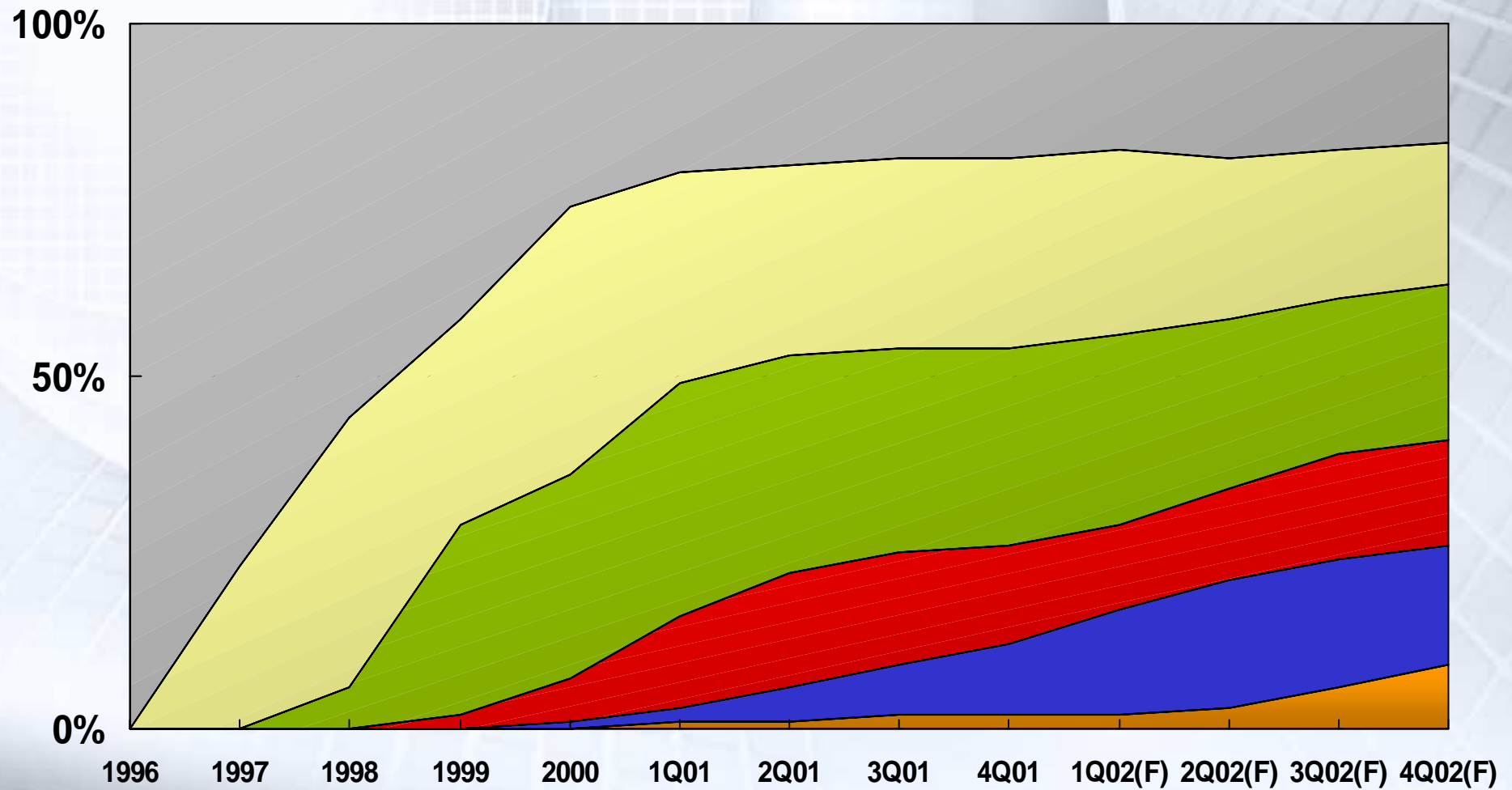
Note: * Fab 1 is to be decommissioned on Mar. 31, 2002

** Fabs 3 and 4 were consolidated during 4Q01



Capacity Plan by Technology

0.13 um 0.15 um 0.18 um 0.25 um 0.35 um 0.50 um+



Recap of Major Events in 4Q01

- **Altera and TSMC Deliver Industry's First 0.13-Micron All-Copper Interconnect PLD (01/07)**
- **TSMC Named Taiwan's Best Managed Company between 1991 and 2001 by AsiaMoney Magazine (01/03)**
- **TSMC Appoints Mr. Harvey Chang as Spokesperson (12/27)**
- **PMC-Sierra and TSMC Collaborate to Develop System-on-Chip Products with Higher Levels of Integration (12/20)**
- **TSMC Appoints Dr. Dick Thurston as Vice President and General Counsel (12/19)**
- **TSMC Announces Its Updated 2001 Financial Forecast (12/03)**
- **TSMC Board of Directors Approves Issuance of Corporate Bond (11/06)**
- **TSMC Completed "The Analysis of the Effect of High Speed Rail Vibration on IC Fabrication" (10/25)**
- **TSMC Fab 12 Sets World Record for Delivery of 0.13-Micron Devices on 300mm Wafers with Production-Worthy Yields (10/22)**
- **TSMC to Set Up Liaison Office in Shanghai, China (10/05)**



1Q02 Guidance

- **Revenues are expected to grow by a single-digit (in the mid-to-high range) percentage rate sequentially.**
 - ✓ **Gross margin rate to remain at the same level.**
 - ✓ **Operating and net margins are expected to continue to improve.**

- **Overall utilization rate is expected to improve to around 60%.**
 - ✓ **Utilization rate for our leading-edge process technologies to reach 90% at TSMC fabs (not including affiliates).**
 - ✓ **The utilization rate for our 0.25/0.22 node technologies is also expected to exceed 60%.**

- **Capital expenditures in 2002 are expected to be approximately 25% less than that in 2001.**





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Trust the Leader. Trust TSMC.