



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED BALANCE SHEET

As of March 31, 2003 and 2002

(Figures in Millions of New Taiwan dollars (NTD) and U.S. dollars (USD)) ⁽¹⁾

ASSETS	Mar. 31, 2003			Mar. 31, 2002		YoY	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash	1,941	67,449	18.6	58,349	16.3	9,100	15.6
Short-Term Investment	0	0	0.0	2,450	0.0	-2,450	-
Accounts Receivable	507	17,608	4.8	16,425	4.6	1,183	7.2
Inventories	293	10,178	2.8	9,718	2.7	460	4.7
Other Current Assets	223	7,750	2.1	5,492	1.5	2,258	41.1
Total Current Assets	2,964	102,985	28.4	92,434	25.2	10,551	11.4
Long-Term Investment	983	34,147	9.4	31,419	8.8	2,728	8.7
Fixed Assets	11,754	408,439	112.4	360,378	100.9	48,061	13.3
Less Accumulated Depreciation	-5,837	-202,845	(55.8)	-151,352	(42.4)	-51,493	34.0
Net Fixed Assets	5,916	205,594	56.6	209,026	58.5	-3,432	(1.6)
Other Assets	591	20,537	5.7	24,307	6.8	-3,770	(15.5)
Total Assets	10,454	363,263	100.0	357,186	99.3	6,077	1.7
LIABILITIES							
Accounts Payable & Accrued Liabilities	586	20,347	5.6	20,869	5.8	-522	(2.5)
Current Portion of Bonds Payable	0	0	0.0	9,000	2.5	-9,000	(100.0)
Total Current Liabilities	586	20,347	5.6	29,869	8.4	-9,522	(31.9)
Bonds Payable	1,007	35,000	9.6	35,000	9.8	0	0.0
Other Long-Term Liabilities	231	8,031	2.2	10,609	3.0	-2,578	(24.3)
Total Liabilities	1,824	63,378	17.4	75,478	21.1	-12,099	(16.0)
SHAREHOLDERS' EQUITY							
Capital Stock	5,733	199,229	54.8	181,325	50.8	17,904	9.9
Capital Surplus	1,636	56,840	15.6	57,159	16.0	-319	(0.6)
Legal Reserve	536	18,641	5.1	17,180	4.8	1,461	8.5
Special Reserve	0	0	0.0	350	0.1	-350	(100.0)
Retained Earnings	763	26,509	7.3	26,565	7.4	-56	(0.2)
Treasury Stock	-55	-1,923	(0.5)	-2,104	(0.6)	181	(8.6)
Unrealized Loss on Long-Term Investments	-8	-294	(0.1)	0	0.0	-294	-
Cumulated Translation Adjustment	25	883	0.2	1,233	0.3	-350	(28.4)
Total Equity	8,630	299,885	82.6	281,708	78.9	18,177	6.5
Total Liabilities & Shareholders' Equity	10,454	363,263	100.0	357,186	100.0	6,078	1.7

* Have been reviewed by TNS-external auditor.

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NT\$34.75 per U.S. dollar at the end of March, 2003.



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Three Months Ended March 31, 2003 and 2002

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

Except for Per Share Amounts and Shares Outstanding

	Year over Year Comparison					Sequential Comparison				
	1Q 2003		% of	1Q 2002	YoY	1Q 2003		% of	4Q 2002	QoQ
	USD	NTD	Sales	NTD	Inc(Dec) %	USD	NTD	Sales	NTD	Inc(Dec) %
Net Sales	1,132	39,325	100.0	35,790	9.9	1,132	39,325	100.0	41,154	(4.4)
Cost of Sales	-833	-28,939	(73.6)	-23,763	21.8	-833	-28,939	(73.6)	-30,472	(5.0)
Gross Profit	299	10,386	26.4	12,027	(13.6)	299	10,386	26.4	10,682	(2.8)
Operating Expenses										
General and Administrative Expenses	-40	-1,395	(3.5)	-1,007	38.5	-40	-1,395	(3.5)	-1,107	26.0
Selling and Marketing Expenses	-8	-284	(0.7)	-298	(4.7)	-8	-284	(0.7)	-248	14.5
Research and Development Expenses	-72	-2,512	(6.4)	-2,540	(1.1)	-72	-2,512	(6.4)	-3,676	(31.7)
Total Operating Expenses	-121	-4,191	(10.7)	-3,845	9.0	-121	-4,191	(10.7)	-5,031	(16.7)
Income from Operations	178	6,195	15.8	8,182	(24.3)	178	6,195	15.8	5,651	9.6
Net Non-operating Income (Expenses)	-14	-499	(1.3)	-218	129.0	-14	-499	(1.3)	-411	21.3
Investment Loss	-44	-1,516	(3.9)	-946	60.2	-44	-1,516	(3.9)	-2,162	(29.9)
Income before Income Tax	120	4,180	10.6	7,018	(40.4)	120	4,180	10.6	3,078	35.8
Income Tax Credit (Expenses)	5	178	0.5	-430	-	5	178	0.5	-525	-
Net Income	125	4,358	11.1	6,588	(33.8)	125	4,358	11.1	2,553	70.7
Diluted Earnings Per Ordinary Share ⁽⁴⁾	0.01	0.23		0.35	(34.4)	0.01	0.23		0.13	74.0
Earnings Per ADR ⁽²⁾	0.03	1.14		1.74		0.03	1.14		0.66	
Weighted Average Outstanding Shares ('M) ⁽³⁾		18,581		18,580			18,581		18,581	

* Have been reviewed by TNS-external auditor.

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD34.73 per U.S. dollar for the first quarter of 2003.

(2) 1 ADR equals 5 ordinary shares.

(3) Certain accounts in the financial statements for the three months ended March 31, 2002 and December 31, 2002 have been reclassified to conform to the financial statements for the three months ended March 31, 2003.

(4) Total weighted average outstanding shares were 18,580,886K shares in 1Q03 and 18,580,336K shares due to tracing back (original 16,832,554K shares) in 1Q02 and to decline in treasury stock for 42,551K shares; Total weighted average outstanding shares were 18,580,700K shares in 4Q02 due to decline in treasury stock for 42,187K shares.

(5) EPS calculation is after deducting a cash dividend payment on NT\$13,000 million of preferred stock paying an annual rate of 3.5%.



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the Three Months Ended March 31, 2003 and 2002

(Figures in Million of New Taiwan dollars (NTD) and U.S. dollars (USD)) ⁽¹⁾

	3 MTHS 2003		3 MTHS 2002	4Q'02
	USD	NTD	NTD	NTD
Cash Flows from Operating Activities:				
Net Income	125	4,358	6,588	2,553
Depreciation & Amortization	442	15,361	12,842	16,081
Investment Loss Recognized by Equity Method	44	1,516	946	2,162
Loss/(Gain) on Sale of Long-Term Investments			2	
Deferred Tax on Investment Tax Credit	-9	-307	427	522
Changes in Working Capital & Others	-23	-799	182	2,603
Net Cash Provided from Operating Activities	579	20,129	20,987	23,921
Cash Flows from Investing Activities:				
Increase in Short-Term Investments			-2,450	
Acquisition of Fixed Assets	-261	-9,053	-6,599	-17,863
Proceeds from Disposal of Properties	1	42	439	51
Decrease in Deposit out	2	65	37	36
Increase in Long-Term Investments	-29	-1,011	-1,423	-1,163
Proceeds from Sales of Long-Term Stock Investments			1	
Increase in Deferred Assets	-10	-360	-805	-2,729
Net Cash Used in Investing Activities	-297	-10,317	-10,800	-21,668
Cash Flows from Financing Activities:				
Increase (Decrease) in Bonds Payable	-115	-4,000	15,000	-5,000
Increase (Decrease) in Guarantee Deposits & Others	-1	-20	-242	-113
Net Cash Provided from (Used in) Financing Activities	-116	-4,020	14,758	-5,113
Net Increase (Decrease) in Cash and Cash Equivalents	167	5,792	24,945	-2,860
Cash and Cash Equivalents at Beginning of Period	1,774	61,657	33,404	64,517
Cash and Cash Equivalents at End of Period	1,941	67,449	58,349	61,657

* Have been reviewed by TNS-external auditor.

Note : New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NTD34.75 per U.S. dollar, the same as the Balance Sheet Exchange Rate .