



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED BALANCE SHEET

As of September 30, 2004 and 2003

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

ASSETS	September 30, 2004			September 30, 2003		YoY	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash	2,304	78,290	16.9	82,731	21.6	(4,441)	(5.4)
Short Term Investment	1,357	46,128	10.0	11,664	3.1	34,464	295.5
Accounts Receivable - Trade	983	33,415	7.2	24,858	6.5	8,557	34.4
Inventories	372	12,629	2.7	11,813	3.1	816	6.9
Other Current Assets	212	7,220	1.6	4,107	1.1	3,113	75.8
Total Current Assets	5,228	177,682	38.4	135,173	35.4	42,509	31.4
Long Term Investment	1,712	58,186	12.6	34,669	9.1	23,517	67.8
Fixed Assets	14,506	492,964	106.6	425,904	111.4	67,060	15.7
Less Accumulated Depreciation	(8,410)	(285,808)	(61.8)	(233,610)	(61.1)	(52,198)	22.3
Net Fixed Assets	6,096	207,156	44.8	192,294	50.3	14,862	7.7
Other Assets	573	19,484	4.2	20,055	5.2	(571)	(2.8)
Total Assets	13,609	462,508	100.0	382,191	100.0	80,317	21.0
LIABILITIES							
Accounts Payables	383	12,997	2.8	9,387	2.5	3,610	38.5
Payables to Contractors and Equipment Suppliers	449	15,261	3.3	9,481	2.5	5,780	61.0
Accrued Expenses and Other Current Liabilities	323	10,974	2.4	8,319	2.2	2,655	31.9
Current Portion of Bonds Payable	147	5,000	1.1	-	0.0	5,000	-
Total Current Liabilities	1,302	44,232	9.6	27,187	7.1	17,045	62.7
Bonds Payable	883	30,000	6.5	35,000	9.2	(5,000)	(14.3)
Other Long Term Liabilities	265	9,013	1.9	7,033	1.8	1,980	28.2
Total Liabilities	2,450	83,245	18.0	69,220	18.1	14,025	20.3
SHAREHOLDERS' EQUITY							
Capital Stock	6,842	232,519	50.3	202,666	53.0	29,853	14.7
Capital Surplus	1,663	56,529	12.2	56,847	14.9	(318)	(0.6)
Legal Reserve	751	25,528	5.5	20,802	5.4	4,726	22.7
Special Reserve	-	-	0.0	69	0.0	(69)	-
Retained Earnings	1,942	66,007	14.3	34,226	9.0	31,781	92.9
Treasury Stock	(48)	(1,617)	(0.3)	(1,643)	(0.4)	26	(1.6)
Unrealized Loss on Long-term Investments	0	(3)	(0.0)	(2)	(0.0)	(1)	50.0
Cumulated Translation Adjustment	9	300	0.1	6	0.0	294	4900.0
Total Equity	11,159	379,263	82.0	312,971	81.9	66,292	21.2
Total Liabilities & Shareholders' Equity	13,609	462,508	100.0	382,191	100.0	80,317	21.0

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NT\$33.98 per U.S. dollar as of September 30, 2004.



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED BALANCE SHEET

As of September 30 and June 30, 2004

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

ASSETS	September 30, 2004			June 30, 2004		QoQ	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash	2,304	78,290	16.9	82,142	18.7	(3,852)	(4.7)
Short Term Investment	1,357	46,128	10.0	41,199	9.4	4,929	12.0
Accounts Receivable - Trade	983	33,415	7.2	30,768	7.0	2,647	8.6
Inventories	372	12,629	2.7	11,725	2.7	904	7.7
Other Current Assets	212	7,220	1.6	7,981	1.8	(761)	(9.5)
Total Current Assets	5,228	177,682	38.4	173,815	39.5	3,867	2.2
Long Term Investment	1,712	58,186	12.6	49,217	11.2	8,969	18.2
Fixed Assets	14,506	492,964	106.6	475,348	108.1	17,616	3.7
Less Accumulated Depreciation	(8,410)	(285,808)	(61.8)	(275,066)	(62.5)	(10,742)	3.9
Net Fixed Assets	6,096	207,156	44.8	200,282	45.5	6,874	3.4
Other Assets	573	19,484	4.2	16,513	3.8	2,971	18.0
Total Assets	13,609	462,508	100.0	439,827	100.0	22,681	5.2
LIABILITIES							
Accounts Payables	383	12,997	2.8	11,971	2.7	1,026	8.6
Payables to Contractors and Equipment Suppliers	449	15,261	3.3	8,658	2.0	6,603	76.3
Accrued Expenses and Other Current Liabilities	323	10,974	2.4	23,418	5.3	(12,444)	(53.1)
Current Portion of Bonds Payable	147	5,000	1.1	5,000	1.1	0	0.0
Total Current Liabilities	1,302	44,232	9.6	49,047	11.2	(4,815)	(9.8)
Bonds Payable	883	30,000	6.5	30,000	6.8	0	0.0
Other Long Term Liabilities	265	9,013	1.9	9,706	2.2	(693)	(7.1)
Total Liabilities	2,450	83,245	18.0	88,753	20.2	(5,508)	(6.2)
SHAREHOLDERS' EQUITY							
Capital Stock	6,842	232,519	50.3	233,766	53.1	(1,247)	(0.5)
Capital Surplus	1,663	56,529	12.2	56,886	12.9	(357)	(0.6)
Legal Reserve	751	25,528	5.5	25,528	5.8	0	0.0
Retained Earnings	1,942	66,007	14.3	43,517	9.9	22,490	51.7
Treasury Stock	(48)	(1,617)	(0.3)	(8,676)	(2.0)	7,059	(81.4)
Unrealized Loss on Long-term Investments	0	(3)	(0.0)	(0)	0.0	(3)	-
Cumulated Translation Adjustment	9	300	0.1	53	0.0	247	466.0
Total Equity	11,159	379,263	82.0	351,074	79.8	28,189	8.0
Total Liabilities & Shareholders' Equity	13,609	462,508	100.0	439,827	100.0	22,681	5.2

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NT\$33.98 per U.S. dollar as of September 30, 2004.



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Three Months Ended September 30, 2004 and 2003

(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				
	3Q 2004		% of	3Q 2003	YoY	3Q 2004		% of	2Q 2004	QoQ
	USD	NTD	Sales	NTD	Inc(Dec) %	USD	NTD	Sales	NTD	Inc(Dec) %
Net Sales	2,053	69,735	100.0	54,877	27.1	2,053	69,735	100.0	64,869	7.5
Cost of Sales	(1,107)	(37,595)	(53.9)	(33,430)	12.5	(1,107)	(37,595)	(53.9)	(36,730)	2.4
Gross Profit	946	32,140	46.1	21,447	49.9	946	32,140	46.1	28,139	14.2
Operating Expenses										
General and Administrative Expenses	(76)	(2,578)	(3.7)	(1,615)	59.6	(76)	(2,578)	(3.7)	(2,604)	(1.0)
Selling and Marketing Expenses	(9)	(318)	(0.5)	(277)	14.8	(9)	(318)	(0.5)	(437)	(27.2)
Research and Development Expenses	(92)	(3,123)	(4.5)	(3,068)	1.8	(92)	(3,123)	(4.5)	(2,964)	5.4
Total Operating Expenses	(177)	(6,019)	(8.6)	(4,960)	21.4	(177)	(6,019)	(8.6)	(6,005)	0.2
Income from Operations	769	26,121	37.5	16,487	58.4	769	26,121	37.5	22,134	18.0
Net Non-operating Income (Expenses)	19	630	0.9	(140)	-	19	630	0.9	(264)	-
Investment Income	41	1,378	2.0	361	281.7	41	1,378	2.0	1,251	10.2
Income before Income Tax	829	28,129	40.3	16,708	68.4	829	28,129	40.3	23,121	21.7
Income Tax Credit (Expenses)	(6)	(196)	(0.3)	(1,539)	(87.3)	(6)	(196)	(0.3)	289	-
Net Income	823	27,933	40.1	15,169	84.1	823	27,933	40.1	23,410	19.3
Diluted Earnings Per Ordinary Share ⁽²⁾	0.04	1.20		0.65	84.6	0.04	1.20		1.00	19.5
Earnings Per ADR ⁽³⁾	0.18	6.00		3.25		0.18	6.00		5.02	
Weighted Average Outstanding Shares ('M) ⁽⁴⁾		23,270		23,331			23,270		23,301	

Note:(1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD33.96 per U.S. dollar for the third quarter of 2004.

(2) EPS calculation for 3Q '03 is after deducting a cash dividend payment on NT\$13,000 million of preferred stock paying an annual rate of 3.5% at the period from January 1 to May 29, 2003. The preferred stock was redeemed on May 29, 2003.

(3) 1 ADR equals 5 ordinary shares.

(4) Total weighted average outstanding shares for 3Q '03 and 2Q '04 are retroactively adjusted for stock dividends and stock bonus.



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Nine Months Ended September 30, 2004 and 2003

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

Except for Per Share Amounts and Shares Outstanding)

Attachment C

	Nine months ended September 30				
	2004 USD	2004 NTD	% of Sales	2003 NTD	YoY Inc(Dec) %
Net Sales	5,717	192,117	100.0	144,125	33.3
Cost of Sales	(3,247)	(109,109)	(56.8)	(93,941)	16.1
Gross Profit	2,470	83,008	43.2	50,184	65.4
Operating Expenses					
General and Administrative Expenses	(215)	(7,214)	(3.8)	(4,573)	57.8
Selling and Marketing Expenses	(31)	(1,051)	(0.5)	(932)	12.8
Research and Development Expenses	(266)	(8,948)	(4.7)	(8,657)	3.4
Total Operating Expenses	(512)	(17,213)	(9.0)	(14,162)	21.5
Income from Operations	1,958	65,795	34.2	36,022	82.7
Net Non-operating Expenses	14	458	0.2	(2,218)	-
Investment Income (Loss)	102	3,432	1.8	(344)	-
Income before Income Tax	2,074	69,685	36.3	33,460	108.3
Income Tax Credit (Expenses)	13	447	0.2	(2,204)	-
Net Income	2,087	70,132	36.5	31,256	124.4
Diluted Earnings Per Ordinary Share ⁽²⁾	0.09	3.01		1.33	126.3
Earnings Per ADR ⁽³⁾	0.45	15.07		6.66	
Weighted Average Outstanding Shares ('M) ⁽⁴⁾		23,270		23,331	

Note:(1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 33.6 per U.S. dollar for the nine months of 2004.

(2) EPS calculation for 2003 is after deducting a cash dividend payment on NT\$13,000 million of preferred stock paying an annual rate of 3.5% at the period from January 1 to May 29, 2003. The preferred stock was redeemed on May 29, 2003.

(3) 1 ADR equals 5 ordinary shares.

(4) Total weighted average outstanding shares for the nine months ended September 30, 2003, are retroactively adjusted for stock dividends and stock bonus.



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the Nine Months Ended September 30, 2004

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

	9 Months 2004		3Q 2004	2Q 2004	3Q 2003
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Net Income	2,087	70,132	27,933	23,410	15,169
Depreciation & Amortization	1,382	46,457	15,371	15,997	15,450
Investment Loss (Gain) Recognized by Equity Method	(102)	(3,432)	(1,378)	(1,251)	(361)
Loss on Property, Plant, Equipment and Idle Assets	-	-	-	-	29
Gain on Sale of Long-Term Investments	0	(2)	-	(2)	(66)
Deferred Income Tax	(26)	(875)	46	(567)	1,539
Changes in Working Capital & Others	(159)	(5,334)	(3,813)	(1,501)	2,174
Net Cash Provided from Operating Activities	3,182	106,946	38,159	36,086	33,934
Cash Flows from Investing Activities:					
Increase in Short-Term Investments	(1,100)	(36,972)	(4,929)	(24,773)	(8,610)
Acquisition of Fixed Assets	(1,656)	(55,650)	(16,471)	(22,828)	(8,208)
Proceeds from Disposal of Properties	9	310	60	182	26
Decrease (Increase) in Deposit-Out	4	148	(3)	-	88
Increase in Long-Term Investments	(395)	(13,282)	(7,339)	(5,775)	(36)
Proceeds from Sales of Long-Term Investments	0	8	-	8	458
Increase in Deferred Assets	(31)	(1,053)	(412)	(314)	(1,081)
Net Cash Used in Investing Activities	(3,169)	(106,491)	(29,094)	(53,500)	(17,363)
Cash Flows from Financing Activities:					
Decrease in Guarantee Deposits & Others	(7)	(239)	(75)	(57)	(386)
Increase in Treasury Stocks	(210)	(7,060)	-	(6,583)	-
Cash Dividend - Common Shares	(362)	(12,160)	(12,160)	-	-
Cash Dividend - Preferred Shares	(5)	(184)	-	(184)	-
Bonus Paid to Employees	(20)	(682)	(682)	-	-
Bonus Paid to Directors and Supervisors	(4)	(128)	-	(128)	-
Net Cash Used in Financing Activities	(608)	(20,453)	(12,917)	(6,952)	(386)
Net Increase (Decrease) in Cash and Cash Equivalents	(595)	(19,998)	(3,852)	(24,366)	16,185
Cash and Cash Equivalents at Beginning of Period	2,925	98,288	82,142	106,508	66,546
Cash and Cash Equivalents at End of Period	2,330	78,290	78,290	82,142	82,731

Note : (1) New Taiwan dollar amounts have been translated into U.S. dollars at the rate of NTD33.6 per U.S. dollar, the weighted average exchange rate for the nine months of 2004.