



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Quarter Ended March 31, 1998 and 1997

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

Except Earnings Per Share and Shares Outstanding)

	Year over Year					Sequential Comparison			
	1998		% of	1997	YOY	1Q 1998		4Q 1997	QOQ
	USD	NTD	Shares	NTD	Chg %	USD	NTD	NTD	Chg %
Net Sales	477	15,736	100.0%	7,604	107.0%	477	15,736	15,331	2.6%
Cost of Sales	-227	-7,505	-47.7%	-4,273	75.6%	-227	-7,505	-7,185	4.4%
Gross Profit	249	8,231	52.3%	3,331	147.1%	249	8,231	8,145	1.1%
Operating Expenses									
General and Administrative Expenses	-11	-366	-2.3%	-280	30.5%	-11	-366	-415	-11.9%
Selling and Marketing Expenses	-17	-555	-3.5%	-152	265.9%	-17	-555	-633	-12.2%
Research and Development Expenses	-18	-601	-3.8%	-431	39.5%	-18	-601	-974	-38.3%
Total Operating Expenses	-46	-1,522	-9.7%	-863	76.4%	-46	-1,522	-2,022	-24.7%
Income from Operations	203	6,709	42.6%	2,467	171.9%	203	6,709	6,124	9.6%
Non-operating Income	14	461	2.9%	498	-7.4%	14	461	62	649.1%
Non-operating Expenses	-19	-637	-4.0%	-69	817.0%	-19	-637	-219	191.3%
Income before Income Tax	198	6,533	41.5%	2,895	125.7%	198	6,533	5,966	9.5%
Income Tax Credit	13	414	2.6%	173	139.5%	13	414	790	-47.6%
Net Income	211	6,947	44.1%	3,068	126.4%	211	6,947	6,756	2.8%
Earnings Per Ordinary Share	0.05	1.70		0.75	126.4%	0.05	1.70	1.66	2.8%
Earnings Per ADR - 2	0.26	8.51				0.26	8.51	8.28	
Shares Outstanding		4,081,300		4,081,300	0.0%		4,081,300	4,081,300	0.0%

Note1: New Taiwan dollar amounts have been translated into U.S. dollars at the weighted average rate of NTD 33.0 and NTD27.5 per U.S. dollar for the first quarter of 1998 and for the first quarter of 1997, respectively .

Note2: 1 ADR equals to 5 ordinary shares, ADRs were issued in October 1997.