



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.

UNCONSOLIDATED INCOME STATEMENT

For the Three Months Ended March 31, 1999 and 1998

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

Except for Per Share Amounts and Shares Outstanding)

	3 months ended on March 31					Sequential Comparison				
	1Q 1999		% of	1Q 1998	YOY	1Q 1999		% of	4Q 1998	QOQ
	USD	NTD	Sales	NTD	Chg %	USD	NTD	Sales	NTD	Chg %
Net Sales	384	12,501	100.0%	15,736	-20.6%	384	12,501	100.0%	11,633	7.5%
Cost of Sales	-193	-6,302	-50.4%	-7,505	-16.0%	-193	-6,302	-50.4%	-7,700	-18.2%
Gross Profit	190	6,199	49.6%	8,231	-24.7%	190	6,199	49.6%	3,933	57.6%
Operating Expenses										
General and Administrative Expenses	-12	-380	-3.0%	-366	3.9%	-12	-380	-3.0%	-253	49.9%
Selling and Marketing Expenses	-10	-331	-2.6%	-555	-40.4%	-10	-331	-2.6%	144	-
Research and Development Expenses	-19	-615	-4.9%	-601	2.3%	-19	-615	-4.9%	-930	-33.9%
Total Operating Expenses	-41	-1,326	-10.6%	-1,522	-12.9%	-41	-1,326	-10.6%	-1,040	27.5%
Income from Operations	150	4,873	39.0%	6,709	-27.4%	150	4,873	39.0%	2,893	68.5%
Net Non-operating Income (Expenses)	-16	-536	-4.3%	-196	173.5%	-16	-536	-4.3%	115	-
Investment Income (Loss)	-7	-226	-1.8%	20	-	-7	-226	-1.8%	-483	-53.3%
Income before Income Tax	126	4,112	32.9%	6,533	-37.1%	126	4,112	32.9%	2,525	62.8%
Income Tax Credit (Expenses)	-1	-22	-0.2%	414	-	-1	-22	-0.2%	-1	2083.1%
Net Income	126	4,090	32.7%	6,947	-41.1%	126	4,090	32.7%	2,524	62.0%
Diluted Earnings Per Ordinary Share ⁽²⁾	0.02	0.68		1.15	-41.1%	0.02	0.68		0.42	62.0%
Earnings Per ADR ⁽³⁾	0.10	3.38		5.74		0.10	3.38		2.09	
Shares Outstanding		6,047,176		6,047,176			6,047,176		6,047,176	

Note (1) : New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 32.58 per U.S. dollar for the first quarter of 1999.

Note (2) : Earnings per share for the three months ended March 31, 1998 have been restated to reflect a 48% increase in shares outstanding in June 1998.

Note (3) : 1 ADR equals 5 ordinary shares. ADRs were issued in October 1997.