



TAIWAN SEMICONDUCTOR MANUFACTURING CO., LTD.
UNCONSOLIDATED INCOME STATEMENT

For the Three Months Ended December 31, 1998 and 1997

(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 December 31					Sequential Comparison				
	4Q 1998		% of	4Q 1997	YOY	4Q 1998		% of	3Q 1998	QOQ
	USD	NTD	Sales	NTD	Chg %	USD	NTD	Sales	NTD	Chg %
Net Sales	349	11,633	100.0%	15,331	-24.1%	349	11,633	100.0%	11,263	3.3%
Cost of Sales	(231)	(7,700)	-66.2%	(7,185)	7.2%	(231)	(7,700)	-66.2%	(7,144)	7.8%
Gross Profit	118	3,933	33.8%	8,145	-51.7%	118	3,933	33.8%	4,119	-4.5%
Operating Expenses										
General and Administrative Expenses	(8)	(253)	-2.2%	(415)	-39.0%	(8)	(253)	-2.2%	(273)	-7.2%
Selling and Marketing Expenses	4	144	1.2%	(633)	-	4	144	1.2%	(111)	-
Research and Development Expenses	(28)	(930)	-8.0%	(974)	-4.5%	(28)	(930)	-8.0%	(909)	2.4%
Total Operating Expenses	(31)	(1,040)	-8.9%	(2,022)	-48.6%	(31)	(1,040)	-8.9%	(1,292)	-19.5%
Income from Operations	87	2,893	24.9%	6,124	-52.8%	87	2,893	24.9%	2,827	2.3%
Non-operating Income	15	514	4.4%	62	734.4%	15	514	4.4%	354	45.2%
Non-operating Expenses	(26)	(881)	-7.6%	(219)	303.1%	(26)	(881)	-7.6%	(1,472)	-40.1%
Income before Income Tax	76	2,525	21.7%	5,966	-57.7%	76	2,525	21.7%	1,709	47.8%
Income Tax Credit (Expenses)	(0)	(1)	0.0%	790	-	(0)	(1)	0.0%	406	-100.3%
Net Income	76	2,524	21.7%	6,756	-62.6%	76	2,524	21.7%	2,115	19.4%
Diluted Earnings Per Ordinary Share ⁽²⁾	0.01	0.42		1.12	-62.6%	0.01	0.42		0.35	19.4%
Earnings Per ADR ⁽³⁾	0.06	2.09				0.06	2.09		1.75	
Shares Outstanding		6,047,176		4,081,300	48.2%		6,047,176		6,047,176	0.0%

Note (1) : New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 33.33 per U.S. dollar for the fourth quarter of 1998.

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