

## TSMC's Fab 6 Production Exceeds 70,000 8-inch Wafers per Month

*Fab 14 Successfully Delivers 300mm Customer Wafers ahead of Schedule*

**Hsinchu, Taiwan, June 11, 2004** – Taiwan Semiconductor Manufacturing Company (TSMC or the "Company") (TSE: 2330, NYSE: TSM) today held a ceremony at its Fab 6, located in the Tainan Science Industrial Park (TSIP), to celebrate its record production volume of 70,000 8-inch wafers per month. In addition, the company celebrated the successful production of high-yield 300mm wafers delivered from Fab 14, TSMC's second pure 12-inch fab, which is also located in TSIP. Fab 14 achieved this milestone in a short 90 days after installation of the first process equipment.

"With increasing market demand, TSMC's successful Fab 6 and Fab 14 ramps, clearly demonstrates that we are committed to continued leadership in foundry services for our customers," said Dr. Rick Tsai, President and Chief Operating Officer of TSMC.

"We believe that leadership in advanced technology, manufacturing efficiency, and customer service are the three most important factors to foundry success," Dr. Tsai continued. "These are TSMC's core competencies. With our demonstrated leadership in advanced technology, the marked expansion of Fab 6 production as well as Fab 14's high 300mm wafer yields equivalent to our first pure 12-inch fab – Fab 12, customers will continue to receive high satisfaction in foundry services."

TSMC's production lines in TSIP have become an important power house for the company. Fab 6 currently accounts for 16 percent of TSMC's total wafer capacity. With Fab 14's ramping up by the end of 2004, the total capacity of TSMC's fabs in TSIP is expected to increase to 17 percent of TSMC's total wafer capacity. The figure is expected to reach approximately 25 percent by the end of 2005.

With its record production volume of 70,000 8-inch wafers in May, Fab 6 outperformed its planned monthly installed capacity of 64,000 8-inch wafers in the second quarter of this year, to accommodate customers' increased demand. More than 50 percent of these wafers were manufactured using TSMC's leading 0.13-micron advanced process technology. In addition, the percentage of wafer output adopting low-k dielectrics has increased significantly.

Fab 14 has successfully produced 12-inch customer wafers with high yields equivalent to Fab 12, which has commenced volume production for more than one year, just three months after installing the first process equipment. This achievement exhibits the success of TSMC's copy exact strategy, which involves precise transfers of technologies and experiences between fabs.

TSMC's first 12-inch wafers were delivered at the end of 2000 from its Tainan site when the company's first 12-inch wafer pilot line was located at Fab 6. The 12-inch wafer manufacturing technologies and experiences were then transferred to its Fab 12, located in Hsinchu Science Park, in 2001, making TSMC mark another first in the foundry segment in delivering customer wafers with 12-inch, 0.13-micron, all copper process technology. Based on the solid foundation established at Fab 12, TSMC Fab 14 therefore was able to deliver high-yield 12-inch wafers ahead of its planned schedule.