

TSMC

2009 First Quarter Investor Conference

April 30, 2009

Agenda

- **Welcome** Elizabeth Sun
- **1Q09 Financial Results and 2Q09 Outlook** Lora Ho
- **CEO Comments** Rick Tsai
- **Q&A** Rick Tsai /
Lora Ho

Safe Harbor Notice

- TSMC's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- Information as to those factors that could cause actual results to vary can be found in TSMC's Annual Report on Form 20-F filed with the United States Securities and Exchange Commission (the "SEC") on April 17, 2009 and such other documents as TSMC may file with, or submit to, the SEC from time to time.
- Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

1Q09 Financial Highlights

(In NT billions except otherwise noted)

	1Q09	1Q09 Guidance	4Q08 Actual	1Q08 Actual	QoQ	YoY
Net Sales	39.50	36 - 38	64.56	87.48	-38.8%	-54.8%
Gross Margin	18.9%	14% - 16%	31.3%	43.7%	-12.4 ppt	-24.8 ppt
Operating Margin	3.1%	-2% - 0%	18.6%	33.3%	-15.5 ppt	-30.2 ppt
EPS - Diluted (NT\$)⁽¹⁾	0.06		0.48	1.08	-87.5%	-94.4%
Free Cash Flow	21.17		51.98	41.99	-59.3%	-49.6%
ROE (%)⁽²⁾	1.3%		10.6%	22.6%	-9.3 ppt	-21.3 ppt
Shipment (Kpcs, 8"-equiv. Wafer)	892		1,532	2,196	-41.8%	-59.4%
Average Exchange Rate-- NTD/USD	33.92		32.91	31.61	3.1%	7.3%

(1) Total outstanding shares were 25,626mn units on 3/31/09

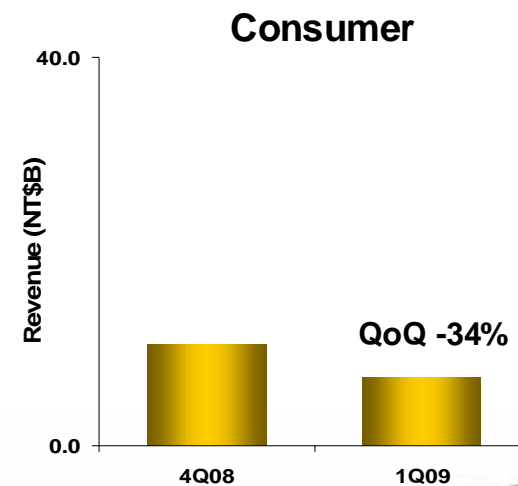
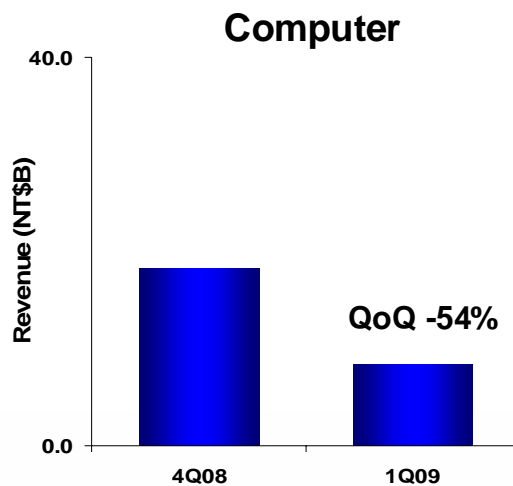
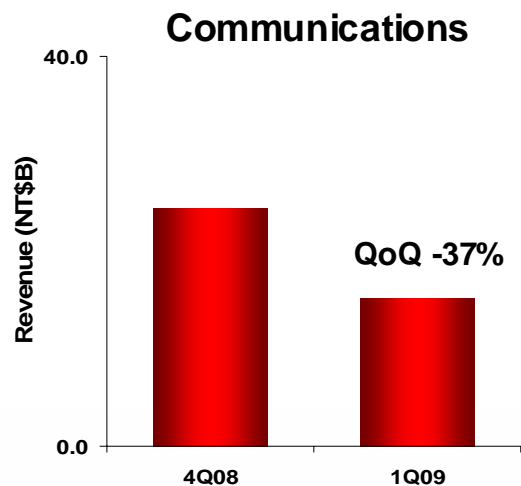
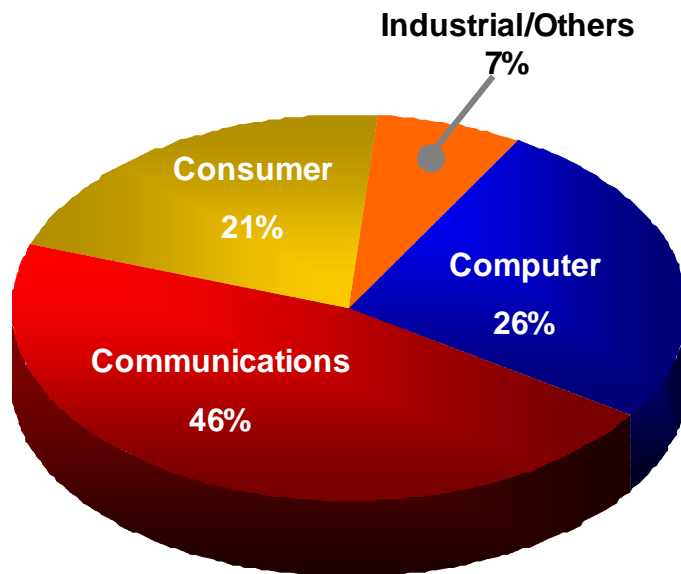
(2) Annualized ROE for the quarter based on average equity attributable to shareholders of the parent.

Income Statements

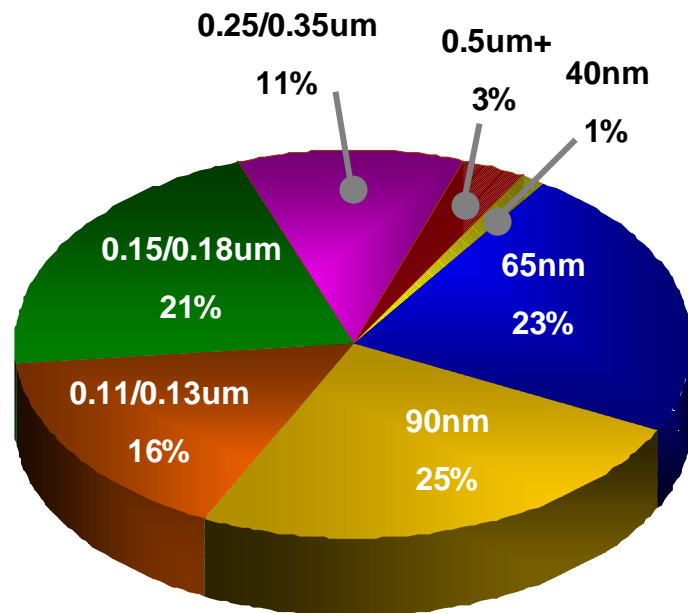
(In NT billions except otherwise noted)

	1Q09	4Q08	1Q08	QoQ	YoY
Net Sales	39.50	64.56	87.48	-38.8%	-54.8%
Gross Margin	18.9%	31.3%	43.7%	-12.4 ppt	-24.8 ppt
Operating Expenses	(6.27)	(8.17)	(9.12)	-23.3%	-31.2%
Operating Margin	3.1%	18.6%	33.3%	-15.5 ppt	-30.2 ppt
Non-Operating Items	0.35	1.41	1.87	-75.1%	-81.2%
Long-Term Investment Gains	(0.81)	(0.34)	0.58	138.6%	-240.7%
Taxes	0.74	(0.45)	(3.34)	-263.5%	-122.2%
Net Income	1.56	12.45	28.14	-87.5%	-94.5%
Net Margin	3.9%	19.3%	32.2%	-15.4 ppt	-28.3 ppt
EPS (NT Dollar)	0.06	0.48	1.08	-87.5%	-94.4%

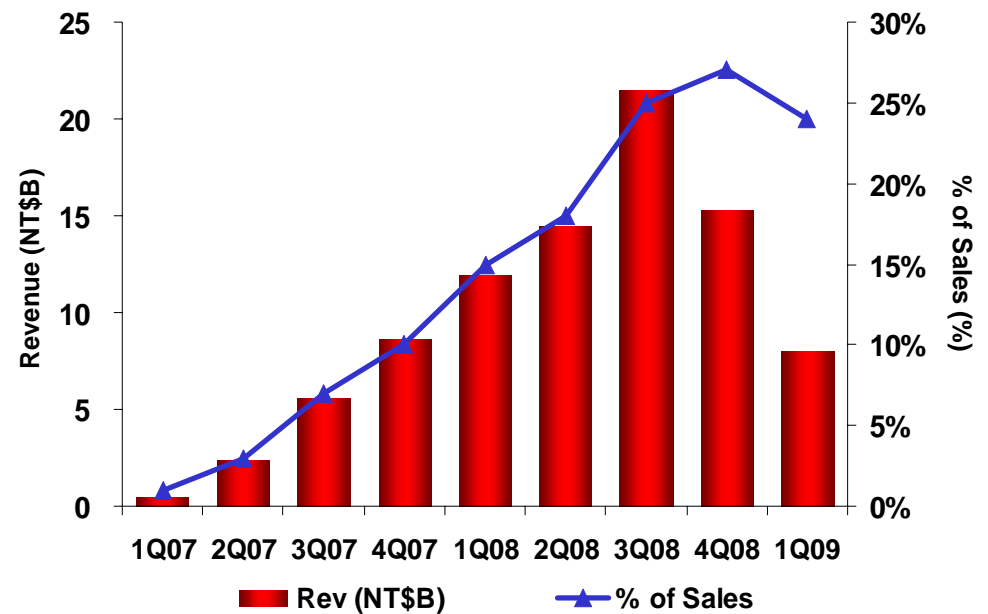
1Q09 Revenue by Applications



1Q09 Revenue by Technology



65nm/40nm Revenue



Balance Sheets & Key Indices

Selected Items from Balance Sheets

(In NT billions excepted otherwise noted)

	1Q09		4Q08		1Q08	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	229.79	41.6%	211.45	37.8%	210.31	35.3%
Accounts Receivable - Trade	13.82	2.5%	18.50	3.3%	37.95	6.3%
Inventory	14.78	2.7%	14.88	2.7%	21.89	3.7%
Long-Term Investment	35.68	6.5%	39.98	7.2%	33.69	5.6%
Net PP&E	227.08	41.1%	243.65	43.6%	261.61	43.8%
Total Assets	552.78	100.0%	558.92	100.0%	597.04	100.0%
Current Liabilities	45.37	8.2%	56.81	10.2%	62.04	10.4%
Long-Term Interest-bearing Debt	15.72	2.8%	15.22	2.7%	14.61	2.4%
Total Liabilities	67.46	12.2%	78.54	14.1%	84.07	14.1%
Total Shareholders' Equity	485.32	87.8%	480.38	85.9%	512.97	85.9%
Key Indices						
A/R Turnover Days	38		46		43	
Inventory Turnover Days	44		40		46	
Current Ratio (x)	5.9		4.4		4.5	
Asset Productivity (x)⁽¹⁾	0.7		1.0		1.3	

(1) Asset productivity = Annualized net sales / Average net fixed assets.

Cash Flows

(In NT billions except otherwise noted)

	1Q09	4Q08	1Q08
Beginning Balance	194.61	112.45	94.99
Cash from operating activities	26.79	63.24	57.30
Capital expenditures	(5.62)	(11.26)	(15.31)
Cash dividends	0.00	0.00	0.00
Share buyback	0.00	0.00	(3.05)
Repayment of corporate bonds	(8.00)	0.00	0.00
Short-term investments/others	15.48	30.18	10.35
Ending Balance	223.26	194.61	144.28
Free Cash Flow ⁽¹⁾	21.17	51.98	41.99

(1) Free cash flow = Operating cash flow – Capital expenditures.

Installed Capacity

2009 Overall Capacity +6%; Advanced Capacity +11%

FAB / (Wafer size)	2008 (A)	1Q09 (A)	2Q09 (F)	3Q09 (F)	4Q09 (F)	2009 (F)
Fab-2 (6") ⁽¹⁾	1,056	274	280	283	283	1,121
Fab-3 (8")	1,100	286	289	292	283	1,150
Fab-5 (8")	650	162	149	144	144	599
Fab-6 (8")	1,082	295	284	287	287	1,154
Fab-8 (8")	1,076	275	271	265	255	1,066
Fab-12 (12") ⁽²⁾	840	218	219	218	254	909
Fab-14 (12") ⁽²⁾	818	238	236	228	227	928
WaferTech (8")	420	106	107	109	109	431
TSMC (Shanghai) (8")	453	128	134	135	135	531
TSMC & Subsidiaries (8" Equivalent Kpcs)	9,104	2,431	2,414	2,394	2,455	9,695
SSMC (8")	272	64	65	65	65	259
Total TSMC-managed (8" Equivalent Kpcs)	9,377	2,495	2,479	2,460	2,520	9,954

(1) Figures represent number of 6" wafers. Conversion to 8"-equivalent wafers is obtained by dividing this number by 1.78.

(2) Figures represent number of 12" wafers. Conversion to 8"-equivalent wafers is obtained by multiplying this number by 2.25.

Capital Expenditures

<i>(In US millions)</i>	1Q09	4Q08
TSMC	161	326
XinTec and GUC	2	2
TSMC Shanghai & WaferTech	3	12
Other TSMC Subsidiaries	0	2
TSMC Consolidated	166	342

Note: 2009Q1 CapEx was based on the weighted average exchange rate of NT\$33.922 per US dollar.

2Q09 Guidance

- Revenue is expected to be between NT\$71 billion and NT\$74 billion, at a forecast exchange rate of 33.62 NT dollars to 1 US dollar averaged over 2Q09.
- Gross profit margin is expected to be between 43.5% and 45.5 %.
- Operating profit margin is expected to be between 30.5 % and 32.5 %.
- 2009 capital expenditure will be around US\$1.5 billion

Recap of Recent Major Events

- **TSMC Qualifies New 0.18-Micron Embedded Flash Family (2009/03/31)**
- **Ciranova and TSMC Announce Strategic Partnership on Advanced PDK Technology (2009/03/24)**
- **Barron's Names Dr. Rick Tsai to its Most Respected CEO List (2009/03/23)**
- **Intel, TSMC Reach Agreement to Collaborate on Technology Platform, IP Infrastructure, SoC Solutions (2009/03/02)**
- **TSMC and Tela Innovations Announce Strategic Partnership to Enhance Design and Process Co-Optimization (2009/02/24)**
- **TSMC Board Proposes Dividend of NT\$3.0 Cash and 0.5% Stock Per Share (2009/02/10)**

* Please visit TSMC's Web site (<http://www.tsmc.com>) for details and other announcements.



TSMC Property

<http://www.tsmc.com>
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