



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Balance Sheets

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

	September 30, 2010 (unaudited)			June 30, 2010 (audited)		September 30, 2009 (unaudited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$4,222	\$132,269	19.8	\$172,486	25.3	\$156,935	29.0	(\$40,217)	(23.3)	(\$24,666)	(15.7)
Investments in Marketable Financial Instruments	1,115	34,940	5.2	34,056	5.0	23,384	4.3	884	2.6	11,556	49.4
Accounts Receivable - Trade	1,512	47,381	7.1	48,062	7.1	35,881	6.6	(681)	(1.4)	11,500	32.1
Inventories	851	26,663	4.0	24,800	3.6	19,176	3.5	1,863	7.5	7,487	39.0
Other Current Assets	172	5,384	0.8	7,211	1.1	8,865	1.7	(1,827)	(25.3)	(3,481)	(39.3)
Total Current Assets	7,872	246,637	36.9	286,615	42.1	244,241	45.1	(39,978)	(13.9)	2,396	1.0
Long-term Investments	1,270	39,784	6.0	40,962	6.0	38,553	7.1	(1,178)	(2.9)	1,231	3.2
Properties, Plant and Equipment	35,197	1,102,720	165.2	1,062,915	156.1	911,844	168.3	39,805	3.7	190,876	20.9
Less: Accumulated Depreciation	(24,052)	(753,541)	(112.9)	(734,445)	(107.8)	(675,028)	(124.6)	(19,096)	2.6	(78,513)	11.6
Properties, Plant and Equipment, Net	11,145	349,179	52.3	328,470	48.3	236,816	43.7	20,709	6.3	112,363	47.4
Intangible and Other Assets	1,020	31,952	4.8	24,729	3.6	22,287	4.1	7,223	29.2	9,665	43.4
Total Assets	\$21,307	\$667,552	100.0	\$680,776	100.0	\$541,897	100.0	(\$13,224)	(1.9)	\$125,655	23.2
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-term Loans	\$1,210	\$37,910	5.7	\$18,083	2.7	\$ -	-	\$19,827	109.7	\$37,910	-
Accounts Payables	418	13,092	2.0	12,867	1.9	10,633	2.0	225	1.8	2,459	23.1
Payables to Contractors and Equipment Suppliers	850	26,645	4.0	25,922	3.8	15,666	2.9	723	2.8	10,979	70.1
Accrued Expenses and Other Current Liabilities	980	30,718	4.6	108,504	15.9	28,401	5.2	(77,786)	(71.7)	2,317	8.2
Current Portion of Bonds Payable and Long-term Debts	28	871	0.1	889	0.1	309	0.1	(18)	(2.1)	562	182.2
Total Current Liabilities	3,486	109,236	16.4	166,265	24.4	55,009	10.2	(57,029)	(34.3)	54,227	98.6
Bonds Payable	144	4,500	0.7	4,500	0.7	4,500	0.8	-	-	-	-
Other Long-term Liabilities	412	12,912	1.9	13,138	1.9	15,761	2.9	(226)	(1.7)	(2,849)	(18.1)
Total Liabilities	4,042	126,648	19.0	183,903	27.0	75,270	13.9	(57,255)	(31.1)	51,378	68.3
Shareholders' Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	8,269	259,074	38.8	259,050	38.0	259,007	47.8	23	0.0	66	0.0
Capital Surplus	1,776	55,634	8.3	55,567	8.2	55,440	10.2	67	0.1	194	0.4
Legal Capital Reserve ⁽²⁾	2,753	86,239	12.9	86,239	12.7	77,317	14.3	-	-	8,922	11.5
Special Capital Reserve ⁽²⁾	42	1,313	0.2	1,313	0.2	-	-	-	-	1,313	-
Unappropriated Earnings ⁽²⁾	4,389	137,506	20.6	90,567	13.3	71,899	13.3	46,940	51.8	65,608	91.2
Others	(104)	(3,243)	(0.5)	(52)	-	(778)	(0.2)	(3,190)	6091.5	(2,464)	316.9
Equity Attributable to Shareholders of the Parent	17,125	536,523	80.3	492,684	72.4	462,885	85.4	43,840	8.9	73,639	15.9
Minority Interests	140	4,381	0.7	4,189	0.6	3,742	0.7	191	4.6	638	17.1
Total Shareholders' Equity	17,265	540,904	81.0	496,873	73.0	466,627	86.1	44,031	8.9	74,277	15.9
Total Liabilities & Shareholders' Equity	\$21,307	\$667,552	100.0	\$680,776	100.0	\$541,897	100.0	(\$13,224)	(1.9)	\$125,655	23.2

Note :

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$31.330 as of September 30, 2010.

(2) Certain prior period balances have been reclassified to conform to the current period presentation.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Unaudited Consolidated Condensed Income Statements

For the Three Months Ended September 30, 2010, June 30, 2010, September 30, 2009

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

Except for Per Share Amounts and Shares Outstanding

	3Q 2010			2Q 2010		3Q 2009		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Net Sales	\$3,515	\$112,247	100.0	\$104,962	100.0	\$89,936	100.0	\$7,285	6.9	\$22,311	24.8
Cost of Sales	(1,758)	(56,122)	(50.0)	(53,036)	(50.5)	(47,078)	(52.3)	(3,086)	5.8	(9,044)	19.2
Gross Profit	1,757	56,125	50.0	51,926	49.5	42,858	47.7	4,199	8.1	13,267	31.0
Operating Expenses											
Research and Development Expenses	(252)	(8,035)	(7.2)	(7,190)	(6.9)	(6,202)	(6.9)	(845)	11.7	(1,833)	29.6
General and Administrative Expenses	(112)	(3,575)	(3.1)	(2,931)	(2.8)	(3,541)	(3.9)	(644)	22.0	(34)	1.0
Sales and Marketing Expenses	(45)	(1,449)	(1.3)	(1,337)	(1.2)	(1,131)	(1.3)	(112)	8.4	(318)	28.1
Total Operating Expenses	(409)	(13,059)	(11.6)	(11,458)	(10.9)	(10,874)	(12.1)	(1,601)	14.0	(2,185)	20.1
Income from Operations	1,348	43,066	38.4	40,468	38.6	31,984	35.6	2,598	6.4	11,082	34.6
Non-Operating Income, Net	179	5,707	5.1	1,413	1.3	519	0.5	4,294	304.1	5,188	998.6
Equity in Earnings of Equity Method Investees, Net	28	902	0.8	529	0.5	454	0.5	373	70.5	448	98.9
Income before Income Tax	1,555	49,675	44.3	42,410	40.4	32,957	36.6	7,265	17.1	16,718	50.7
Income Tax Expenses	(79)	(2,552)	(2.3)	(1,943)	(1.8)	(2,285)	(2.5)	(609)	31.3	(267)	11.7
Net Income	1,476	47,123	42.0	40,467	38.6	30,672	34.1	6,656	16.5	16,451	53.6
Net Income Attributable to Minority Interests	(6)	(183)	(0.2)	(185)	(0.2)	(121)	(0.1)	2	(0.2)	(62)	51.6
Net Income Attributable to Shareholders of the Parent	1,470	46,940	41.8	40,282	38.4	30,551	34.0	6,658	16.5	16,389	53.6
Earnings per Share - Diluted	\$0.06	\$1.81		\$1.55		\$1.18		\$0.26	16.5	\$0.63	54.0
Earnings per ADR - Diluted ⁽²⁾	\$0.28	\$9.06		\$7.77		\$5.88		\$1.29	16.5	\$3.18	54.0
Weighted Average Outstanding Shares - Diluted (M) ⁽³⁾		25,919		25,917		25,983					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD31.936 for the third quarter of 2010.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 25,917M and 25,983M shares for 2Q10 and 3Q09 after the retroactive adjustments for exercise price of stock option.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Unaudited Consolidated Condensed Income Statements

For the Nine Months Ended September 30, 2010 and 2009

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

Except for Per Share Amounts and Shares Outstanding)

	For The Nine Months Ended September 30						
	2010			2009		YoY	
	USD	NTD	%	NTD	%	Amount	%
Net Sales	\$9,699	\$309,396	100.0	\$203,648	100.0	\$105,748	51.9
Cost of Sales	(4,927)	(157,160)	(50.8)	(119,014)	(58.4)	(38,146)	32.1
Gross Profit	4,772	152,236	49.2	84,634	41.6	67,602	79.9
Operating Expenses							
Research and Development Expenses	(678)	(21,635)	(7.0)	(15,026)	(7.4)	(6,609)	44.0
General and Administrative Expenses	(281)	(8,978)	(2.9)	(8,017)	(4.0)	(961)	12.0
Sales and Marketing Expenses	(125)	(3,961)	(1.3)	(3,271)	(1.6)	(690)	21.1
Total Operating Expenses	(1,084)	(34,574)	(11.2)	(26,314)	(13.0)	(8,260)	31.4
Income from Operations	3,688	117,662	38.0	58,320	28.6	59,342	101.8
Non-Operating Income, Net	254	8,118	2.7	2,028	1.0	6,090	300.3
Equity in Earnings (Losses) of Equity Method Investees, Net	51	1,608	0.5	(253)	(0.1)	1,861	(735.3)
Income before Income Tax	3,993	127,388	41.2	60,095	29.5	67,293	112.0
Income Tax Expenses	(187)	(5,973)	(1.9)	(3,489)	(1.7)	(2,484)	71.2
Net Income	3,806	121,415	39.3	56,606	27.8	64,809	114.5
Net Income Attributable to Minority Interests	(17)	(530)	(0.2)	(54)	-	(476)	881.9
Net Income Attributable to Shareholders of the Parent	3,789	120,885	39.1	56,552	27.8	64,333	113.8
Earnings per Share - Diluted	\$0.15	\$4.66		\$2.18		\$2.48	114.3
Earnings per ADR - Diluted ⁽²⁾	\$0.73	\$23.32		\$10.88		\$12.44	114.3
Weighted Average Outstanding Shares - Diluted ('M) ⁽³⁾		25,918		25,981			

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 31.900 for the nine months ended September 30, 2010.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 25,981M shares for the nine months ended September 30, 2009 after the retroactive adjustment for exercise price of stock option.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Cash Flows

For the Nine Months Ended September 30, 2010, and for the Three Months Ended September 30, 2010, June 30, 2010 and September 30, 2009

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

	Nine Months 2010 (unaudited)		3Q 2010 (unaudited)	2Q 2010 (unaudited)	3Q 2009 (unaudited)
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Net Income Attributable to Shareholders of the Parent	\$ 3,789	\$ 120,885	\$ 46,940	\$ 40,282	\$ 30,551
Net Income Attributable to Minority Interest	17	530	183	185	121
Depreciation & Amortization	2,022	64,506	22,372	21,131	20,001
Deferred Income Tax	(8)	(257)	599	(138)	(426)
Equity in Earnings of Equity Method Investees, Net	(50)	(1,608)	(902)	(529)	(454)
Changes in Working Capital & Others	(788)	(25,144)	(5,240)	(12,005)	(3,138)
Net Cash Provided by Operating Activities	4,982	158,912	63,952	48,926	46,655
Cash Flows from Investing Activities:					
Acquisitions of:					
Marketable Financial Instruments	(1,427)	(45,509)	(9,074)	(10,577)	(20,827)
Investments Accounted for Using Equity Method	(196)	(6,242)	-	(13)	(32)
Property, Plant and Equipment	(4,420)	(141,008)	(42,151)	(52,721)	(32,038)
Financial Assets Carried at Cost	(55)	(1,754)	(31)	(1,612)	(139)
Proceeds from Disposal or Redemption of:					
Marketable Financial Instruments	1,455	46,413	13,443	10,750	1,886
Property, Plant and Equipment	4	133	21	76	2
Financial Assets Carried at Cost	7	222	42	154	19
Others	(244)	(7,784)	(7,281)	(266)	(381)
Net Cash Used In Investing Activities	(4,876)	(155,529)	(45,031)	(54,209)	(51,510)
Cash Flows from Financing Activities:					
Increase in Short-term Loans	1,188	37,910	19,827	17,765	-
Decrease in Guarantee Deposits	(6)	(185)	(57)	(38)	(77)
Proceeds from Exercise of Employee Stock Options	5	151	65	49	162
Cash Dividends Paid for Common Stock	(2,436)	(77,708)	(77,708)	-	(76,876)
Others	(47)	(1,503)	(235)	(160)	(191)
Net Cash Provided by (Used in) Financing Activities	(1,296)	(41,335)	(58,108)	17,616	(76,982)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,190)	(37,952)	(39,187)	12,333	(81,837)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(33)	(1,055)	(1,030)	353	(745)
Cash and Cash Equivalents at Beginning of Period	5,369	171,276	172,486	159,800	239,517
Cash and Cash Equivalents at End of Period	\$ 4,146	\$ 132,269	\$ 132,269	\$ 172,486	\$ 156,935

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD31.900 for the nine months ended September 30, 2010.