



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⁾

	June 30, 2012 (audited)			March 31, 2012 (unaudited)		June 30, 2011 (audited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$5,971	\$178,441	20.2	\$170,820	20.5	\$150,979	19.3	\$7,621	4.5	\$27,462	18.2
Investments in Marketable Financial Instruments	332	9,926	1.1	9,833	1.2	8,153	1.0	93	0.9	1,773	21.7
Accounts Receivable - Trade	1,838	54,939	6.2	48,015	5.8	46,188	5.9	6,924	14.4	8,751	18.9
Inventories	1,030	30,780	3.5	27,759	3.3	31,523	4.0	3,021	10.9	(743)	(2.4)
Other Current Assets	228	6,795	0.8	11,696	1.4	5,709	0.7	(4,901)	(41.9)	1,086	19.0
Total Current Assets	9,399	280,881	31.8	268,123	32.2	242,552	30.9	12,758	4.8	38,329	15.8
Long-term Investments	942	28,158	3.2	29,844	3.6	34,844	4.5	(1,686)	(5.6)	(6,686)	(19.2)
Properties, Plant and Equipment	49,569	1,481,363	167.6	1,410,957	169.6	1,297,378	165.6	70,406	5.0	183,985	14.2
Less: Accumulated Depreciation	(31,227)	(933,214)	(105.6)	(901,041)	(108.3)	(819,491)	(104.6)	(32,173)	3.6	(113,723)	13.9
Properties, Plant and Equipment, Net	18,342	548,149	62.0	509,916	61.3	477,887	61.0	38,233	7.5	70,262	14.7
Intangible and Other Assets	894	26,718	3.0	24,007	2.9	28,533	3.6	2,711	11.3	(1,815)	(6.4)
Total Assets	\$29,577	\$883,906	100.0	\$831,890	100.0	\$783,816	100.0	\$52,016	6.3	\$100,090	12.8
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-term Loans	\$1,030	\$30,773	3.5	\$34,688	4.2	\$33,141	4.2	(\$3,915)	(11.3)	(\$2,368)	(7.1)
Accounts Payables	517	15,437	1.7	14,168	1.7	13,253	1.7	1,269	9.0	2,184	16.5
Payables to Contractors and Equipment Suppliers	1,507	45,040	5.1	34,071	4.1	36,805	4.7	10,969	32.2	8,235	22.4
Accrued Expenses and Other Current Liabilities	4,031	120,472	13.6	43,180	5.1	117,790	15.0	77,292	179.0	2,682	2.3
Current Portion of Bonds Payable and Long-term Debts	4	125	-	94	-	4,500	0.6	31	33.0	(4,375)	(97.2)
Total Current Liabilities	7,089	211,847	23.9	126,201	15.1	205,489	26.2	85,646	67.9	6,358	3.1
Bonds Payable	1,171	35,000	4.0	35,000	4.2	-	-	-	-	35,000	
Other Long-term Liabilities	234	7,001	0.8	7,107	0.9	9,964	1.3	(106)	(1.5)	(2,963)	(29.7)
Total Liabilities	8,494	253,848	28.7	168,308	20.2	215,453	27.5	85,540	50.8	38,395	17.8
Shareholders' Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	8,673	259,207	29.3	259,206	31.2	259,143	33.1	1	0.0	64	0.0
Capital Surplus	1,875	56,025	6.3	56,008	6.7	55,802	7.1	17	0.0	223	0.4
Legal Capital Reserve	3,876	115,820	13.1	102,400	12.3	102,400	13.1	13,420	13.1	13,420	13.1
Special Capital Reserve	255	7,606	0.9	6,434	0.8	6,434	0.8	1,172	18.2	1,172	18.2
Unappropriated Earnings	6,569	196,303	22.2	246,831	29.7	151,444	19.3	(50,528)	(20.5)	44,859	29.6
Others	(252)	(7,496)	(0.8)	(9,947)	(1.2)	(11,273)	(1.4)	2,451	(24.6)	3,777	(33.5)
Equity Attributable to Shareholders of the Parent	20,996	627,465	71.0	660,932	79.5	563,950	72.0	(33,467)	(5.1)	63,515	11.3
Minority Interests	87	2,593	0.3	2,650	0.3	4,413	0.5	(57)	(2.2)	(1,820)	(41.2)
Total Shareholders' Equity	21,083	630,058	71.3	663,582	79.8	568,363	72.5	(33,524)	(5.1)	61,695	10.9
Total Liabilities & Shareholders' Equity	\$29,577	\$883,906	100.0	\$831,890	100.0	\$783,816	100.0	\$52,016	6.3	\$100,090	12.8

Note :

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$29.885 as of June 30, 2012.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Unaudited Consolidated Condensed Income Statements

For the Three Months Ended June 30, 2012, March 31, 2012 and June 30, 2011

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

Except for Per Share Amounts and Shares Outstanding)

	2Q 2012			1Q 2012		2Q 2011		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Net Sales	\$4,326	\$128,061	100.0	\$105,508	100.0	\$110,509	100.0	\$22,553	21.4	\$17,552	15.9
Cost of Sales	(2,223)	(65,805)	(51.4)	(55,147)	(52.3)	(59,653)	(54.0)	(10,658)	19.3	(6,152)	10.3
Gross Profit	2,103	62,256	48.6	50,361	47.7	50,856	46.0	11,895	23.6	11,400	22.4
Operating Expenses											
Research and Development Expenses	(340)	(10,073)	(7.9)	(9,163)	(8.7)	(8,493)	(7.7)	(910)	9.9	(1,580)	18.6
General and Administrative Expenses	(148)	(4,366)	(3.4)	(4,659)	(4.4)	(3,438)	(3.1)	293	(6.3)	(928)	27.0
Sales and Marketing Expenses	(37)	(1,105)	(0.8)	(1,101)	(1.0)	(1,059)	(0.9)	(4)	0.4	(46)	4.3
Total Operating Expenses	(525)	(15,544)	(12.1)	(14,923)	(14.1)	(12,990)	(11.7)	(621)	4.2	(2,554)	19.7
Income from Operations	1,578	46,712	36.5	35,438	33.6	37,866	34.3	11,274	31.8	8,846	23.4
Non-Operating Income (Expenses), Net	(47)	(1,377)	(1.1)	195	0.2	944	0.9	(1,572)	(806.2)	(2,321)	(245.9)
Equity in Earnings of Equity Method											
Investees, Net	20	589	0.5	21	0.0	245	0.1	568	2704.8	344	140.4
Income before Income Tax	1,551	45,924	35.9	35,654	33.8	39,055	35.3	10,270	28.8	6,869	17.6
Income Tax Expenses	(140)	(4,155)	(3.2)	(2,289)	(2.2)	(3,027)	(2.7)	(1,866)	81.5	(1,128)	37.3
Net Income	1,411	41,769	32.7	33,365	31.6	36,028	32.6	8,404	25.2	5,741	15.9
Net Loss (Income) Attributable to Minority Interests	1	44	-	109	0.1	(78)	(0.1)	(65)	(59.6)	122	(156.4)
Net Income Attributable to Shareholders of the Parent	1,412	41,813	32.7	33,474	31.7	35,950	32.5	8,339	24.9	5,863	16.3
Earnings per Share - Diluted	\$0.05	\$1.61		\$1.29		\$1.39		\$0.32	24.9	\$0.22	16.3
Earnings per ADR - Diluted ⁽²⁾	\$0.27	\$8.06		\$6.46		\$6.93		\$1.60	24.9	\$1.13	16.3
Weighted Average Outstanding Shares - Diluted (M) ⁽³⁾		25,927		25,926		25,924					

Note:
 (1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD29.604 for the second quarter of 2012.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 25,926M and 25,924M shares for 1Q12 and 2Q11 after the retroactive adjustments for exercise price of stock option.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Audited Consolidated Condensed Income Statements

For the Six Months Ended June 30, 2012 and 2011

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

Except for Per Share Amounts and Shares Outstanding)

	For The Six Months Ended June 30						
	2012			2011		YoY	
	USD	NTD	%	NTD	%	Amount	%
Net Sales	\$7,878	\$233,569	100.0	\$215,886	100.0	\$17,683	8.2
Cost of Sales	(4,080)	(120,952)	(51.8)	(113,359)	(52.5)	(7,593)	6.7
Gross Profit	3,798	112,617	48.2	102,527	47.5	10,090	9.8
Operating Expenses							
Research and Development Expenses	(649)	(19,236)	(8.2)	(16,457)	(7.6)	(2,779)	16.9
General and Administrative Expenses	(304)	(9,025)	(3.9)	(6,781)	(3.1)	(2,244)	33.1
Sales and Marketing Expenses	(74)	(2,206)	(0.9)	(2,260)	(1.1)	54	(2.4)
Total Operating Expenses	(1,027)	(30,467)	(13.0)	(25,498)	(11.8)	(4,969)	19.5
Income from Operations	2,771	82,150	35.2	77,029	35.7	5,121	6.6
Non-Operating Income (Expenses), Net	(40)	(1,182)	(0.5)	1,573	0.7	(2,755)	(175.1)
Equity in Earnings of Equity Method Investees, Net	20	610	0.3	765	0.4	(155)	(20.3)
Income before Income Tax	2,751	81,578	35.0	79,367	36.8	2,211	2.8
Income Tax Expenses	(217)	(6,444)	(2.8)	(6,912)	(3.2)	468	(6.8)
Net Income	2,534	75,134	32.2	72,455	33.6	2,679	3.7
Net Loss (Income) Attributable to Minority Interests	5	153	-	(227)	(0.1)	380	(167.4)
Net Income Attributable to Shareholders of the Parent	2,539	75,287	32.2	72,228	33.5	3,059	4.2
Earnings per Share - Diluted	\$0.10	\$2.90		\$2.79		\$0.11	4.2
Earnings per ADR - Diluted ⁽²⁾	\$0.49	\$14.52		\$13.93		\$0.59	4.2
Weighted Average Outstanding Shares - Diluted ('M) ⁽³⁾		25,927		25,924			

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 29.650 for the six months ended June 30, 2012.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 25,924M shares for the six months ended June 30, 2011 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 Six Months Ended June 30, 2012 and for the Three Months Ended June 30, 2012, March 31, 2012, and June 30, 2011

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

	Six Months 2012 (audited)		2Q 2012 (unaudited)	1Q 2012 (unaudited)	2Q 2011 (unaudited)
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Net Income Attributable to Shareholders of the Parent	\$ 2,539	\$ 75,287	\$ 41,813	\$ 33,474	\$ 35,950
Net Income (Loss) Attributable to Minority Interests	(5)	(153)	(44)	(109)	78
Depreciation & Amortization	2,039	60,466	32,461	28,005	27,159
Deferred Income Tax	(3)	(85)	523	(608)	(610)
Equity in Earnings of Equity Method Investees, Net	(20)	(610)	(589)	(21)	(245)
Changes in Working Capital & Others	(266)	(7,884)	(4,192)	(3,692)	731
Net Cash Provided by Operating Activities	4,284	127,021	69,972	57,049	63,063
Cash Flows from Investing Activities:					
Acquisitions of:					
Marketable Financial Instruments	-	(3)	(2)	(1)	(20,861)
Investments Accounted for Using Equity Method	-	-	-	-	-
Property, Plant and Equipment	(3,644)	(108,038)	(59,467)	(48,571)	(64,881)
Financial Assets Carried at Cost	(1)	(21)	(21)	-	(121)
Proceeds from Disposal or Redemption of:					
Marketable Financial Instruments	36	1,072	388	684	47,717
Property, Plant and Equipment and Other Assets	4	114	101	13	170
Financial Assets Carried at Cost	7	205	160	45	144
Others	(20)	(606)	(187)	(419)	(619)
Net Cash Used In Investing Activities	(3,618)	(107,277)	(59,028)	(48,249)	(38,451)
Cash Flows from Financing Activities:					
Increase (Decrease) in Short-term Loans	163	4,846	(3,915)	8,761	(1,035)
Decrease in Guarantee Deposits	(6)	(191)	(153)	(38)	(194)
Proceeds from Exercise of Employee Stock Options	5	140	4	136	4
Proceeds from issuance of Bonds	573	17,000	-	17,000	-
Repayment of Bonds Payable	(152)	(4,500)	-	(4,500)	-
Others	(41)	(1,218)	-	(1,218)	(668)
Net Cash Provided by (Used in) Financing Activities	542	16,077	(4,064)	20,141	(1,893)
Net Increase (Decrease) in Cash and Cash Equivalents	1,208	35,821	6,880	28,941	22,719
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(29)	(852)	741	(1,593)	(1,185)
Cash and Cash Equivalents at Beginning of Period	4,839	143,472	170,820	143,472	129,445
Cash and Cash Equivalents at End of Period	\$ 6,018	\$ 178,441	\$ 178,441	\$ 170,820	\$ 150,979

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD29.650 for the six months ended June 30, 2012.