



TSMC Reports Third Quarter EPS of NT\$1.90

Hsinchu, Taiwan, R.O.C., October 25, 2012 -- TSMC today announced consolidated revenue of NT\$141.38 billion, net income of NT\$49.30 billion, and diluted earnings per share of NT\$1.90 (US\$0.32 per ADR unit) for the third quarter ended September 30, 2012.

Year-over-year, third quarter revenue increased 32.8% while both net income and diluted EPS increased 62.2%. Compared to second quarter of 2012, third quarter of 2012 results represent a 10.4% increase in revenue, and a 17.9% increase in both net income and diluted EPS. All figures were prepared in accordance with R.O.C. GAAP on a consolidated basis.

In US dollars, third quarter revenue increased 9.5% from the previous quarter and increased 29.5% year-over-year.

Gross margin for the quarter was 48.8%, operating margin was 37.2%, and net margin was 34.9%.

Shipments of 28-nanometer process technology more than doubled during the quarter and accounted for 13% of total wafer revenues. 40-nanometer accounted for 27% of total wafer revenues, and 65-nanometer was 22%. These advanced technologies accounted for 62% of total wafer revenues.

“Due to the strong demand for our advanced technologies, we have enjoyed a record quarter of both revenue and net income in the third quarter,” said Lora Ho, SVP and Chief Financial Officer of TSMC. “However, we expect the IC supply chain to begin reducing inventories in the fourth quarter, which will affect the demand for our wafers. Based on our current business outlook and exchange rate assumption of 1 US dollar to 29.47 NT dollars, management expects overall performance for fourth quarter 2012 to be as follows”:

- Revenue is expected to be between NT\$129 billion and NT\$131 billion;
- Gross profit margin is expected to be between 45% and 47%;
- Operating profit margin is expected to be between 33% and 35%.

Conference Call & Webcast Notice:

TSMC's quarterly conference call will be held in conjunction with the Earnings Conference at 2 a.m. Eastern Time (2 p.m. Taiwan Time) on Thursday October 25, 2012. The event will be webcast live, and archived for replay within 3 hours on TSMC's website at <http://www.tsmc.com>. A transcript will be available for download within 24 hours after the Earnings Conference is finished. Investors wishing to access the live webcast should visit TSMC's web site at <http://www.tsmc.com> at least 15 minutes prior to the broadcast. Instructions will be provided on the web site to facilitate the download and installation of necessary audio applications. Investors without Internet access may listen to the conference call, in listen-only mode, by dialing **1-718-354-1231** in the U.S., **852-2475-0994** in Hong Kong, and **44-203-059-8139** in the U.K. (Password: TSMC).

Profile

TSMC is the world's largest dedicated semiconductor foundry, providing the industry's leading process technology and the foundry's largest portfolio of process-proven libraries, IPs, design tools and reference flows. The Company's managed capacity in 2012 is expected to be about 15 million (8-inch equivalent) wafers, including capacity from three advanced 12-inch GIGAFABs™, four eight-inch fabs, one six-inch fab, as well as TSMC's wholly owned subsidiaries, WaferTech and TSMC China, and its joint venture fab, SSMC. TSMC is the first foundry to provide 28nm production capabilities. Its corporate headquarters are in Hsinchu, Taiwan. For more information about TSMC please visit <http://www.tsmc.com>.

(Management Report and Tables Follow)

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Safe Harbor Notice:

The statements included in this press release that are not historical in nature are "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. TSMC cautions readers that forward-looking statements are subject to significant risks and uncertainties and are based on TSMC's current expectations. Actual results may differ materially from those contained in such forward-looking statements for a variety of reasons including, among others, risks associated with cyclical and market conditions in the semiconductor industry; demand and supply for TSMC's foundry manufacturing capacity in particular and for foundry manufacturing capacity in general; intense competition; the failure of one or more significant customers to continue to place the same level of orders with us; TSMC's ability to remain a technological leader in the semiconductor industry; TSMC's ability to manage its capacity; TSMC's ability to obtain, preserve and defend its intellectual property rights; natural disasters and other unexpected events which may disrupt production; and exchange rate fluctuations. Additional information as to these and other risk factors that may cause TSMC's actual results to differ materially from TSMC's forward-looking statements may be found in TSMC's Annual Report on Form 20-F, filed with the United States Securities and Exchange Commission (the "SEC") on April 13, 2012, 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.