



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, 2012 (Unaudited)			June 30, 2012 (Audited)		September 30, 2011 (Unaudited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$4,734	\$138,738	15.8	\$178,441	20.2	\$114,836	15.6	(\$39,703)	(22.2)	\$23,902	20.8
Investments in Marketable Financial Instruments	307	9,009	1.0	9,926	1.1	5,428	0.7	(917)	(9.2)	3,581	66.0
Accounts Receivable - Trade	1,993	58,412	6.6	54,939	6.2	45,459	6.2	3,473	6.3	12,953	28.5
Inventories	1,134	33,249	3.8	30,780	3.5	25,692	3.5	2,469	8.0	7,557	29.4
Other Current Assets	202	5,917	0.7	6,795	0.8	5,521	0.8	(878)	(12.9)	396	7.2
Total Current Assets	8,370	245,325	27.9	280,881	31.8	196,936	26.8	(35,556)	(12.7)	48,389	24.6
Long-term Investments	977	28,641	3.3	28,158	3.2	36,474	5.0	483	1.7	(7,833)	(21.5)
Property, Plant and Equipment	52,736	1,545,707	175.9	1,481,363	167.6	1,322,960	180.1	64,344	4.3	222,747	16.8
Less: Accumulated Depreciation	(32,945)	(965,627)	(109.9)	(933,214)	(105.6)	(850,006)	(115.7)	(32,413)	3.5	(115,621)	13.6
Property, Plant and Equipment, Net	19,791	580,080	66.0	548,149	62.0	472,954	64.4	31,931	5.8	107,126	22.7
Intangible and Other Assets	840	24,606	2.8	26,718	3.0	28,277	3.8	(2,112)	(7.9)	(3,671)	(13.0)
Total Assets	\$29,978	\$878,652	100.0	\$883,906	100.0	\$734,641	100.0	(\$5,254)	(0.6)	\$144,011	19.6
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-term Loans	\$1,015	\$29,750	3.4	\$30,773	3.5	\$36,020	4.9	(\$1,023)	(3.3)	(\$6,270)	(17.4)
Accounts Payables	497	14,556	1.6	15,437	1.7	10,525	1.4	(881)	(5.7)	4,031	38.3
Payables to Contractors and Equipment Suppliers	1,119	32,786	3.7	45,040	5.1	21,180	2.9	(12,254)	(27.2)	11,606	54.8
Accrued Expenses and Other Current Liabilities	1,427	41,836	4.8	120,472	13.6	36,109	4.9	(78,636)	(65.3)	5,727	15.9
Current Portion of Bonds Payable and Long-term Debts	4	125	-	125	-	4,531	0.6	-	-	(4,406)	(97.2)
Total Current Liabilities	4,062	119,053	13.5	211,847	23.9	108,365	14.7	(92,794)	(43.8)	10,688	9.9
Bonds Payable	2,579	75,600	8.6	35,000	4.0	18,000	2.5	40,600	116.0	57,600	320.0
Other Long-term Liabilities	234	6,853	0.8	7,001	0.8	7,153	1.0	(148)	(2.1)	(300)	(4.2)
Total Liabilities	6,875	201,506	22.9	253,848	28.7	133,518	18.2	(52,342)	(20.6)	67,988	50.9
Shareholders' Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	8,844	259,220	29.5	259,207	29.3	259,151	35.3	13	0.0	69	0.0
Capital Surplus	1,913	56,074	6.4	56,025	6.3	55,690	7.6	49	0.1	384	0.7
Legal Capital Reserve	3,952	115,820	13.2	115,820	13.1	102,400	13.9	-	-	13,420	13.1
Special Capital Reserve	259	7,606	0.9	7,606	0.9	6,434	0.9	-	-	1,172	18.2
Unappropriated Earnings	8,380	245,606	27.9	196,303	22.2	181,838	24.8	49,303	25.1	63,768	35.1
Others	(334)	(9,783)	(1.1)	(7,496)	(0.8)	(6,885)	(1.0)	(2,287)	30.5	(2,898)	42.1
Equity Attributable to Shareholders of the Parent	23,014	674,543	76.8	627,465	71.0	598,628	81.5	47,078	7.5	75,915	12.7
Minority Interests	89	2,603	0.3	2,593	0.3	2,495	0.3	10	0.4	108	4.3
Total Shareholders' Equity	23,103	677,146	77.1	630,058	71.3	601,123	81.8	47,088	7.5	76,023	12.6
Total Liabilities & Shareholders' Equity	\$29,978	\$878,652	100.0	\$883,906	100.0	\$734,641	100.0	(\$5,254)	(0.6)	\$144,011	19.6

Note :

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$29.310 as of September 30, 2012.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Unaudited Consolidated Condensed Income Statements

For the Three Months Ended September 30, 2012, June 30, 2012, September 30, 2011

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

Except for Per Share Amounts and Shares Outstanding)

	Q3 2012			Q2 2012		Q3 2011		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Net Sales	\$4,735	\$141,375	100.0	\$128,061	100.0	\$106,483	100.0	\$13,314	10.4	\$34,892	32.8
Cost of Sales	(2,423)	(72,345)	(51.2)	(65,805)	(51.4)	(61,713)	(58.0)	(6,540)	9.9	(10,632)	17.2
Gross Profit	2,312	69,030	48.8	62,256	48.6	44,770	42.0	6,774	10.9	24,260	54.2
Operating Expenses											
Research and Development Expenses	(357)	(10,662)	(7.5)	(10,073)	(7.9)	(8,619)	(8.1)	(589)	5.8	(2,043)	23.7
General and Administrative Expenses	(150)	(4,480)	(3.2)	(4,366)	(3.4)	(3,472)	(3.2)	(114)	2.6	(1,008)	29.0
Sales and Marketing Expenses	(41)	(1,235)	(0.9)	(1,105)	(0.8)	(1,081)	(1.0)	(130)	11.8	(154)	14.2
Total Operating Expenses	(548)	(16,377)	(11.6)	(15,544)	(12.1)	(13,172)	(12.3)	(833)	5.4	(3,205)	24.3
Income from Operations	1,764	52,653	37.2	46,712	36.5	31,598	29.7	5,941	12.7	21,055	66.6
Non-Operating Income (Expenses), Net Equity in Earnings of Equity Method	13	380	0.3	(1,377)	(1.1)	410	0.4	1,757	(127.6)	(30)	(7.3)
Investees, Net	23	696	0.5	589	0.5	152	0.1	107	18.2	544	357.9
Income before Income Tax	1,800	53,729	38.0	45,924	35.9	32,160	30.2	7,805	17.0	21,569	67.1
Income Tax Expenses	(147)	(4,383)	(3.1)	(4,155)	(3.2)	(1,726)	(1.7)	(228)	5.5	(2,657)	153.9
Net Income	1,653	49,346	34.9	41,769	32.7	30,434	28.5	7,577	18.1	18,912	62.1
Net Loss (Income) Attributable to Minority Interests	(1)	(43)	0.0	44	0.0	(39)	0.0	(87)	(197.7)	(4)	10.3
Net Income Attributable to Shareholders of the Parent	1,652	49,303	34.9	41,813	32.7	30,395	28.5	7,490	17.9	18,908	62.2
Earnings per Share - Diluted	\$0.06	\$1.90		\$1.61		\$1.17		\$0.29	17.9	\$0.73	62.2
Earnings per ADR - Diluted ⁽²⁾	\$0.32	\$9.51		\$8.06		\$5.86		\$1.45	17.9	\$3.65	62.2
Weighted Average Outstanding Shares - Diluted ('M)		25,927		25,927		25,924					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD29.857 for the third quarter of 2012.

(2) 1 ADR equals 5 ordinary shares.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Income Statements

For the Nine Months End September 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 Nine Months Ended September 30						
	2012 (Unaudited)			2011 (Unaudited)		YoY	
	USD	NTD	%	NTD	%	Amount	%
Net Sales	\$12,612	\$374,944	100.0	\$322,369	100.0	\$52,575	16.3
Cost of Sales	(6,502)	(193,297)	(51.6)	(175,072)	(54.3)	(18,225)	10.4
Gross Profit	6,110	181,647	48.4	147,297	45.7	34,350	23.3
Operating Expenses							
Research and Development Expenses	(1,006)	(29,898)	(8.0)	(25,076)	(7.8)	(4,821)	19.2
General and Administrative Expenses	(454)	(13,505)	(3.6)	(10,254)	(3.2)	(3,252)	31.7
Sales and Marketing Expenses	(116)	(3,441)	(0.9)	(3,340)	(1.0)	(101)	3.0
Total Operating Expenses	(1,576)	(46,844)	(12.5)	(38,670)	(12.0)	(8,174)	21.1
Income from Operations	4,534	134,803	35.9	108,627	33.7	26,176	24.1
Non-Operating Income (Expenses), Net	(27)	(802)	(0.2)	1,983	0.6	(2,785)	(140.4)
Equity in Earnings of Equity Method Investees, Net	44	1,306	0.4	917	0.3	389	42.4
Income before Income Tax	4,551	135,307	36.1	111,527	34.6	23,780	21.3
Income Tax Expenses	(364)	(10,827)	(2.9)	(8,638)	(2.7)	(2,189)	25.3
Net Income	4,187	124,480	33.2	102,889	31.9	21,591	21.0
Net Loss (Income) Attributable to Minority Interests	4	110	-	(266)	(0.1)	376	(141.4)
Net Income Attributable to Shareholders of the Parent	4,191	124,590	33.2	102,623	31.8	21,967	21.4
Earnings per Share - Diluted	\$0.16	\$4.81		\$3.96		\$0.85	21.4
Earnings per ADR - Diluted ⁽²⁾	\$0.81	\$24.03		\$19.79		\$4.24	21.4
Weighted Average Outstanding Shares - Diluted ('M)		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 29.728 for the nine months ended September 30, 2012.

(2) 1 ADR equals 5 ordinary shares.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES
Consolidated Condensed Statements of Cash Flows

For the Nine Months Ended September 30, 2012, and for the Three Months Ended September 30, 2012, June 30, 2012 and September 30, 2011

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

	Nine Months 2012 (Unaudited)		3Q 2012 (Unaudited)	2Q 2012 (Unaudited)	3Q 2011 (Unaudited)
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Net Income Attributable to Shareholders of the Parent	\$ 4,191	\$ 124,590	\$ 49,303	\$ 41,813	\$ 30,395
Net Income (Loss) Attributable to Minority Interests	(4)	(110)	43	(44)	39
Depreciation & Amortization	3,200	95,144	34,678	32,461	27,965
Deferred Income Tax	9	261	346	523	60
Equity in Earnings of Equity Method Investees, Net	(44)	(1,306)	(696)	(589)	(152)
Changes in Working Capital & Others	(501)	(14,927)	(7,043)	(4,192)	(3,098)
Net Cash Provided by Operating Activities	6,851	203,652	76,631	69,972	55,209
Cash Flows from Investing Activities:					
Acquisitions of:					
Marketable Financial Instruments	-	(4)	(1)	(2)	(16)
Property, Plant and Equipment	(6,269)	(186,372)	(78,334)	(59,467)	(38,048)
Financial Assets Carried at Cost	-	(7)	14	(21)	(35)
Proceeds from Disposal or Redemption of:					
Marketable Financial Instruments	64	1,895	823	388	1,981
Property, Plant and Equipment and Other Assets	4	117	3	101	(44)
Financial Assets Carried at Cost	8	237	32	160	-
Others	36	1,088	1,694	(187)	(190)
Net Cash Used In Investing Activities	(6,157)	(183,046)	(75,769)	(59,028)	(36,352)
Cash Flows from Financing Activities:					
Increase (Decrease) in Short-term Loans	129	3,823	(1,023)	(3,915)	2,879
Decrease in Guarantee Deposits	(7)	(215)	(24)	(153)	(6)
Proceeds from Exercise of Employee Stock Options	6	176	36	4	25
Proceeds from Issuance of Bonds	1,937	57,600	40,600	-	18,000
Repayment of Bonds Payable	(151)	(4,500)	-	-	-
Cash Dividends Paid for Common Stock	(2,616)	(77,749)	(77,749)	-	(77,730)
Repurchase of Treasury Stock	-	-	-	-	(72)
Others	(79)	(2,349)	(1,131)	-	16
Net Cash Used in Financing Activities	(781)	(23,214)	(39,291)	(4,064)	(56,888)
Net Increase (Decrease) in Cash and Cash Equivalents	(87)	(2,608)	(38,429)	6,880	(38,031)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(72)	(2,126)	(1,274)	741	3,361
Others					(1,473)
Cash and Cash Equivalents at Beginning of Period	4,826	143,472	178,441	170,820	150,979
Cash and Cash Equivalents at End of Period	\$ 4,667	\$ 138,738	\$ 138,738	\$ 178,441	\$ 114,836

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD29.728 for the nine months ended September 30, 2012.