

TSMC

2009 Third Quarter Investor Conference

October 29, 2009

Agenda

- **Welcome** Elizabeth Sun
- **3Q09 Financial Results and 4Q09 Outlook** Lora Ho
- **CEO Comments** Morris Chang
- **Q&A** Morris Chang /
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.

3Q09 Financial Highlights

<i>(In NT billions except otherwise noted)</i>	3Q09	3Q09 Guidance	2Q09 Actual	3Q08 Actual	QoQ	YoY
Net Sales	89.94	88 - 90	74.21	92.98	21.2%	-3.3%
Gross Margin	47.7%	46.5% - 48.5%	46.2%	46.3%	+1.5 ppt	+1.4 ppt
Operating Margin	35.6%	35% - 37%	33.9%	35.4%	+1.7 ppt	+0.2 ppt
EPS - Diluted (NT\$)	1.18		0.94	1.17	24.8%	0.3%
Free Cash Flow	14.62		17.10	45.53	-14.5%	-67.9%
ROE (%)	27.3%		21.4%	27.0%	+5.9 ppt	+0.3 ppt
Shipment (Kpcs, 8"-equiv. Wafer)	2,445		1,971	2,411	24.0%	1.4%
Average Exchange Rate--NTD/USD	32.80		33.10	31.16	-0.9%	5.2%

* Total outstanding shares were 25,901mn units at 9/30/09

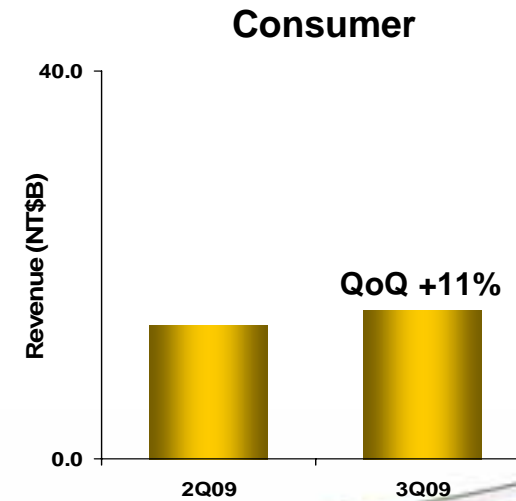
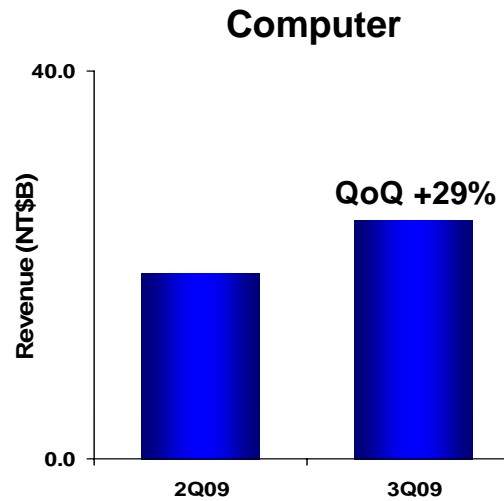
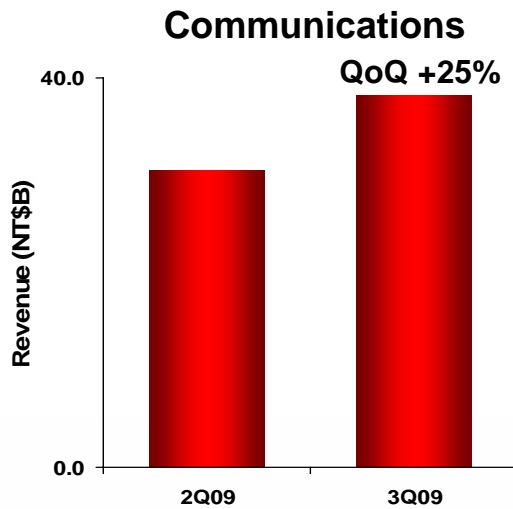
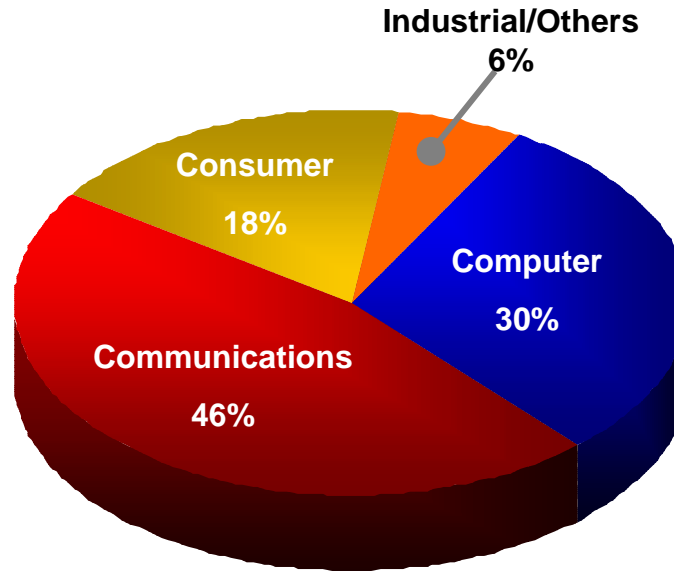
** ROE figures are annualized based on average equity attributable to shareholders of the parent.

Income Statements

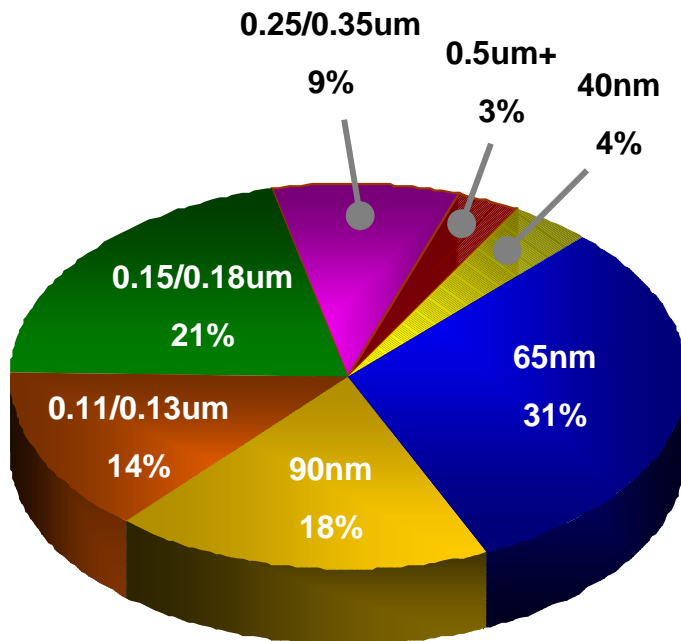
(In NT billions except otherwise noted)

	3Q09	2Q09	3Q08	QoQ	YoY
Net Sales	89.94	74.21	92.98	21.2%	-3.3%
Gross Margin	47.7%	46.2%	46.3%	+1.5 ppt	+1.4 ppt
Operating Expenses	(10.87)	(9.17)	(10.18)	18.6%	6.9%
Operating Margin	35.6%	33.9%	35.4%	+1.7 ppt	+0.2 ppt
Non-Operating Items	0.52	1.15	1.33	-55.1%	-60.9%
Long-Term Investment Gains	0.45	0.11	0.18	328.8%	144.5%
Taxes	(2.28)	(1.94)	(3.66)	17.6%	-37.5%
Net Income	30.55	24.44	30.57	25.0%	-0.1%
Net Margin	34.0%	32.9%	32.9%	+1.1 ppt	+1.1 ppt
EPS (NT Dollar)	1.18	0.94	1.17	24.8%	0.3%

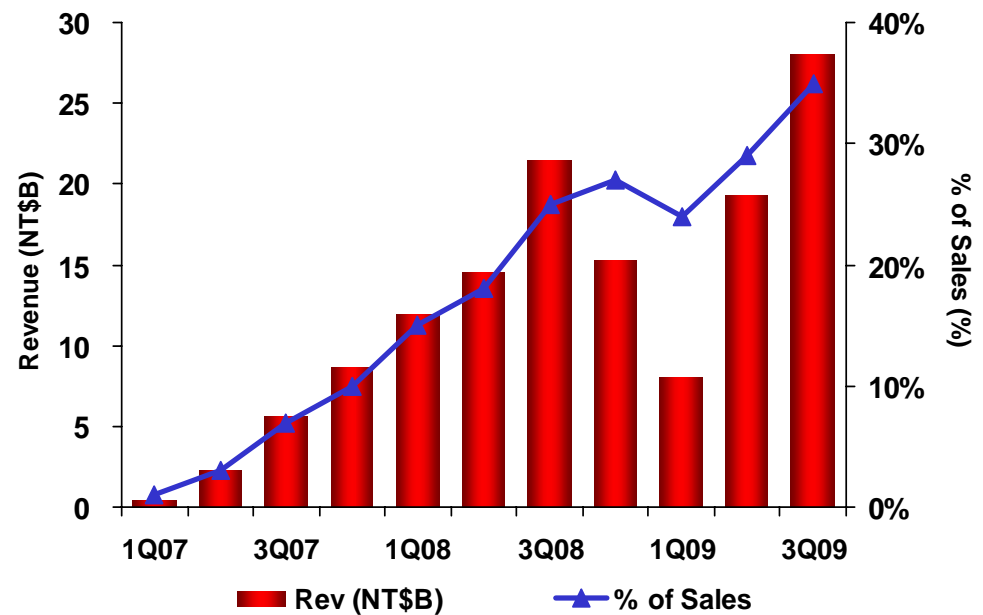
3Q09 Revenue by Applications



3Q09 Revenue by Technology



65nm/40nm Revenue



Balance Sheets & Key Indices

Selected Items from Balance Sheets

(In NT billions excepted otherwise noted)

	3Q09		2Q09		3Q08	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	180.32	33.3%	246.77	42.0%	158.17	28.7%
Accounts Receivable - Trade	35.88	6.6%	33.38	5.7%	45.33	8.2%
Inventory	19.18	3.5%	18.97	3.2%	21.82	4.0%
Long-Term Investment	38.55	7.1%	32.50	5.5%	41.87	7.6%
Net PP&E	236.82	43.7%	225.07	38.3%	252.29	45.9%
Total Assets	541.90	100.0%	587.54	100.0%	550.00	100.0%
Current Liabilities	55.01	10.2%	129.63	22.1%	62.13	11.3%
Long-Term Interest-bearing Debt	14.35	2.6%	14.58	2.5%	15.15	2.8%
Total Liabilities	75.27	13.9%	150.19	25.6%	84.18	15.3%
Total Shareholders' Equity	466.63	86.1%	437.35	74.4%	465.82	84.7%
Key Indices						
A/R Turnover Days	36		30		43	
Inventory Turnover Days	41		42		45	
Current Ratio (x)	4.4		2.4		3.7	
Asset Productivity (x) ⁽¹⁾	1.6		1.3		1.4	

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

Cash Flows

(In NT billions except otherwise noted)

	3Q09	2Q09	3Q08
Beginning Balance	239.52	223.26	185.35
Cash from operating activities	46.66	24.52	55.90
Capital expenditures	(32.04)	(7.42)	(10.38)
Cash dividends	(76.88)	0.00	(76.78)
Share buyback	0.00	0.00	(23.81)
Short-term investments/others	(20.32)	(0.84)	(17.83)
Ending Balance	156.94	239.52	112.45
Free Cash Flow ⁽¹⁾	14.62	17.10	45.53

(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 (A)	3Q09 (A)	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	199	243	879
Fab-14 (12") ⁽²⁾	818	238	238	239	243	958
WaferTech (8")	420	106	107	109	109	431
TSMC China (8")	453	128	134	135	135	531
TSMC & Subsidiaries (8" Equivalent Kpcs)	9,104	2,431	2,419	2,379	2,467	9,695
SSMC (8")	272	64	65	65	65	259
Total TSMC-managed (8" Equivalent Kpcs)	9,377	2,495	2,483	2,444	2,532	9,955

(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	2Q09	3Q09	YTD
TSMC	161	218	963	1,342
XinTec and GUC	2	3	6	11
TSMC China & WaferTech	3	3	0	6
Other TSMC Subsidiaries	0	0	2	2
TSMC Consolidated	166	224	971	1,361

Note: 2009 CapEx was based on the weighted average exchange rate of NT\$33.122 per US dollar.

4Q09 Guidance

- Revenue is expected to be between NT\$90 billion and NT\$92 billion, at a forecast exchange rate of 32.10 NT dollars to 1 US dollar averaged over 4Q09.
- Gross profit margin is expected to be between 47% and 48.5 %.
- Operating profit margin is expected to be between 35.5 % and 37 %.
- 2009 capital expenditure will be increased to around US\$2.7 billion

Recap of Recent Major Events

- **TSMC Collaborates With Suppliers To Complete Taiwan's First Supply Chain Carbon Inventory (2009/09/21)**
- **Fujitsu Microelectronics and TSMC To Collaborate On 28nm Process Technology (2009/08/27)**
- **TSMC Has Become the First Foundry Not Only To Achieve 28nm Functional 64Mb SRAM Yield, But Also To Achieve It Across All Three 28nm Nodes (2009/8/24)**
- **TSMC Adds High-K Metal Gate Low Power Process To 28nm Road Map. Risk Production Is Expected In Q3 2010 (2009/08/24)**
- **IDT And TSMC Enter Product Fabrication Agreement (2009/08/06)**
- **TSMC Extends Design Methodology Leadership To 28nm With Reference Flow 10.0 (2009/07/22)**

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



TSMC Property

<http://www.tsmc.com>
invest@tsmc.com