



TSMC Reports Third Quarter EPS of NT\$1.81

Hsin-Chu, Taiwan, R.O.C., October 28, 2010 -- TSMC today announced consolidated revenue of NT\$112.25 billion, net income of NT\$46.94 billion, and diluted earnings per share of NT\$1.81 (US\$0.28 per ADR unit) for the third quarter ended September 30, 2010.

Year-over-year, third quarter revenue increased 24.8% while net income increased 53.6% and diluted EPS increased 54%. Compared to second quarter of 2010, third quarter results represent a 6.9% increase in revenue, an increase of 16.5% both in net income and in diluted EPS. All figures were prepared in accordance with R.O.C. GAAP on a consolidated basis.

Gross margin for the quarter was 50%, operating margin was 38.4%, and net margin was 41.8%.

In the third quarter, demand for TSMC's wafers continued to increase, and wafer shipments in all major semiconductor market segments, except computer, increased from their second quarter levels.

Advanced process technologies (0.13-micron and below) accounted for 72% of wafer revenues. 90-nanometer process technology accounted for 14% of wafer revenues, 65-nanometer 29%, and 40-nanometer exceeded 17% of total wafer sales.

"For the fourth quarter, we expect the demand from communication related applications to continue to grow while computer and consumer related applications will decline," said Lora Ho, SVP and Chief Financial Officer of TSMC. "Based on our current business outlook and exchange rate assumption, management expects overall performance for fourth quarter 2010 to be as follows":

- Revenue is expected to be between NT\$107 billion and NT\$109 billion;
- Gross profit margin is expected to be between 48% and 50%;
- Operating profit margin is expected to be between 35.5% and 37.5%.

Conference Call & Webcast Notice:

TSMC's quarterly review conference call will be held at 8 a.m. Eastern Time (8 p.m. Taiwan Time) on Thursday, October 28, 2010. The conference call will also be webcast live on the Internet. 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 **1-857-350-1602** in the U.S., **852-3002-1672** in Hong Kong, and **44-207-365-8426** in the U.K. (Password: TSMC). An archived version of the webcast will be available on TSMC's web site for six months following the Company's quarterly review conference call and webcast.

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 2009 totaled 9.96 million (8-inch equivalent) wafers, including capacity from two 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 40nm 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 15, 2010, 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.