



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⁾

	March 31, 2011 (unaudited)			December 31, 2010 (audited)		March 31, 2010 (unaudited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$4,393	\$129,445	17.3	\$147,887	20.6	\$159,800	25.5	(\$18,442)	(12.5)	(\$30,355)	(19.0)
Investments in Marketable Financial Instruments	1,153	33,966	4.5	33,687	4.7	32,210	5.1	279	0.8	1,756	5.5
Accounts Receivable - Trade	1,589	46,826	6.2	42,982	6.0	39,771	6.3	3,844	8.9	7,055	17.7
Inventories	1,079	31,787	4.2	28,406	4.0	22,694	3.6	3,381	11.9	9,093	40.1
Other Current Assets	289	8,509	1.2	8,557	1.2	11,141	1.9	(48)	(0.6)	(2,632)	(23.6)
Total Current Assets	8,503	250,533	33.4	261,519	36.5	265,616	42.4	(10,986)	(4.2)	(15,083)	(5.7)
Long-term Investments	1,321	38,934	5.2	39,776	5.5	39,763	6.3	(842)	(2.1)	(829)	(2.1)
Properties, Plant and Equipment	41,805	1,231,916	164.2	1,161,722	161.6	1,012,982	161.6	70,194	6.0	218,934	21.6
Less: Accumulated Depreciation	(26,990)	(795,326)	(106.0)	(773,278)	(107.6)	(713,353)	(113.8)	(22,048)	2.9	(81,973)	11.5
Properties, Plant and Equipment, Net	14,815	436,590	58.2	388,444	54.0	299,629	47.8	48,146	12.4	136,961	45.7
Intangible and Other Assets	817	24,069	3.2	29,190	4.0	21,821	3.5	(5,121)	(17.5)	2,248	10.3
Total Assets	\$25,456	\$750,126	100.0	\$718,929	100.0	\$626,829	100.0	\$31,197	4.3	\$123,297	19.7
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-term Loans	\$1,160	\$34,176	4.6	\$31,214	4.3	\$318	-	\$2,962	9.5	\$33,858	10639.1
Accounts Payables	453	13,351	1.8	12,971	1.8	11,626	1.9	380	2.9	1,725	14.8
Payables to Contractors and Equipment Suppliers	1,151	33,906	4.5	43,260	6.0	28,785	4.6	(9,354)	(21.6)	5,121	17.8
Accrued Expenses and Other Current Liabilities	1,394	41,083	5.5	35,505	5.0	36,501	5.9	5,578	15.7	4,582	12.6
Current Portion of Bonds Payable and Long-term Debts	160	4,741	0.6	241	-	945	0.1	4,500	1863.8	3,796	401.8
Total Current Liabilities	4,318	127,257	17.0	123,191	17.1	78,175	12.5	4,066	3.3	49,082	62.8
Bonds Payable	-	-	-	4,500	0.6	4,500	0.7	(4,500)	(100.0)	(4,500)	(100.0)
Other Long-term Liabilities	356	10,477	1.4	12,533	1.8	11,849	1.9	(2,056)	(16.4)	(1,372)	(11.6)
Total Liabilities	4,674	137,734	18.4	140,224	19.5	94,524	15.1	(2,490)	(1.8)	43,210	45.7
Shareholders' Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	8,794	259,142	34.5	259,101	36.0	259,038	41.3	41	0.0	104	0.0
Capital Surplus	1,893	55,782	7.4	55,699	7.7	55,531	8.9	83	0.1	251	0.5
Legal Capital Reserve ⁽²⁾	2,927	86,239	11.5	86,239	12.0	77,317	12.3	-	-	8,922	11.5
Special Capital Reserve ⁽²⁾	45	1,313	0.2	1,313	0.2	-	-	-	-	1,313	-
Unappropriated Earnings ⁽²⁾	7,279	214,505	28.6	178,227	24.8	138,228	22.1	36,278	20.4	76,277	55.2
Others	(316)	(9,307)	(1.2)	(6,434)	(0.8)	(1,976)	(0.3)	(2,873)	44.7	(7,331)	370.8
Equity Attributable to Shareholders of the Parent	20,622	607,674	81.0	574,145	79.9	528,138	84.3	33,529	5.8	79,536	15.1
Minority Interests	160	4,718	0.6	4,560	0.6	4,167	0.6	158	3.5	551	13.2
Total Shareholders' Equity	20,782	612,392	81.6	578,705	80.5	532,305	84.9	33,687	5.8	80,087	15.0
Total Liabilities & Shareholders' Equity	\$25,456	\$750,126	100.0	\$718,929	100.0	\$626,829	100.0	\$31,197	4.3	\$123,297	19.7

Note :

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$29.468 as of March 31, 2011.

(2) Certain prior period balances have been reclassified to conform to the current period presentation.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Unaudited Consolidated Condensed Income Statements

For the Three Months Ended March 31, 2011, December 31, 2010 and March 31, 2010

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

Except for Per Share Amounts and Shares Outstanding)

	1Q 2011			4Q 2010		1Q 2010		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Net Sales	\$3,597	\$105,377	100.0	\$110,142	100.0	\$92,187	100.0	(\$4,765)	(4.3)	\$13,190	14.3
Cost of Sales	(1,833)	(53,706)	(51.0)	(55,324)	(50.2)	(48,002)	(52.1)	1,618	(2.9)	(5,704)	11.9
Gross Profit	1,764	51,671	49.0	54,818	49.8	44,185	47.9	(3,147)	(5.7)	7,486	16.9
Operating Expenses											
Research and Development Expenses	(272)	(7,964)	(7.6)	(8,072)	(7.3)	(6,410)	(7.0)	108	(1.3)	(1,554)	24.2
General and Administrative Expenses	(114)	(3,343)	(3.2)	(3,826)	(3.5)	(2,472)	(2.6)	483	(12.6)	(871)	35.2
Sales and Marketing Expenses	(41)	(1,201)	(1.0)	(1,407)	(1.3)	(1,175)	(1.3)	206	(14.6)	(26)	2.1
Total Operating Expenses	(427)	(12,508)	(11.8)	(13,305)	(12.1)	(10,057)	(10.9)	797	(6.0)	(2,451)	24.4
Income from Operations	1,337	39,163	37.2	41,513	37.7	34,128	37.0	(2,350)	(5.7)	5,035	14.8
Non-Operating Income, Net	21	629	0.6	679	0.6	998	1.1	(50)	(7.3)	(369)	(36.9)
Equity in Earnings of Equity Method											
Investees, Net	18	520	0.5	690	0.6	177	0.2	(170)	(24.6)	343	193.7
Income before Income Tax	1,376	40,312	38.3	42,882	38.9	35,303	38.3	(2,570)	(6.0)	5,009	14.2
Income Tax Expenses	(133)	(3,885)	(3.7)	(2,015)	(1.8)	(1,478)	(1.6)	(1,870)	92.8	(2,407)	163.0
Net Income	1,243	36,427	34.6	40,867	37.1	33,825	36.7	(4,440)	(10.9)	2,602	7.7
Net Income Attributable to Minority Interests	(5)	(149)	(0.2)	(147)	(0.1)	(162)	(0.2)	(2)	1.9	13	(7.9)
Net Income Attributable to Shareholders of the Parent	1,238	36,278	34.4	40,720	37.0	33,663	36.5	(4,442)	(10.9)	2,615	7.8
Earnings per Share - Diluted	\$0.05	\$1.40		\$1.57		\$1.30		(\$0.17)	(10.9)	\$0.10	7.7
Earnings per ADR - Diluted ⁽²⁾	\$0.24	\$7.00		\$7.85		\$6.49		(\$0.85)	(10.9)	\$0.51	7.7
Weighted Average Outstanding Shares - Diluted ⁽³⁾		25,924		25,921		25,916					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD29.299 for the first quarter of 2011.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 25,921M and 25,916M shares for 4Q10 and 1Q10 after the retroactive adjustments for exercise price of stock option.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Cash Flows

For the Three Months Ended March 31, 2011, December 31, 2010, and March 31, 2010

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

	1Q 2011 (unaudited)		4Q 2010 (unaudited)	1Q 2010 (unaudited)
	USD	NTD	NTD	NTD
Cash Flows from Operating Activities:				
Net Income Attributable to Shareholders of the Parent	\$ 1,238	\$ 36,278	\$ 40,720	\$ 33,663
Net Income Attributable to Minority Interest	5	149	147	162
Depreciation & Amortization	847	24,816	23,304	21,003
Deferred Income Tax	35	1,037	(120)	(718)
Equity in Earnings of Equity Method Investees, Net	(18)	(520)	(690)	(177)
Changes in Working Capital & Others	(179)	(5,282)	7,203	(7,899)
Net Cash Provided by Operating Activities	1,928	56,478	70,564	46,034
Cash Flows from Investing Activities:				
Acquisitions of:				
Marketable Financial Instruments	(473)	(13,865)	(6,933)	(25,858)
Investments Accounted for Using Equity Method	-	-	-	(6,229)
Property, Plant and Equipment	(2,774)	(81,262)	(45,936)	(46,136)
Financial Assets Carried at Cost	0	(2)	(59)	(111)
Proceeds from Disposal or Redemption of:				
Marketable Financial Instruments	459	13,459	7,346	22,220
Property, Plant and Equipment	13	381	(17)	36
Financial Assets Carried at Cost	2	63	20	26
Others	125	3,653	(978)	(237)
Net Cash Used In Investing Activities	(2,648)	(77,573)	(46,557)	(56,289)
Cash Flows from Financing Activities:				
Increase (Decrease) in Short-term Loans	101	2,962	(6,696)	318
Decrease in Guarantee Deposits	(3)	(74)	(48)	(90)
Proceeds from Exercise of Employee Stock Options	4	127	94	37
Others	27	754	(653)	(1,108)
Net Cash Used in Financing Activities	129	3,769	(7,303)	(843)
Net Increase (Decrease) in Cash and Cash Equivalents	(591)	(17,326)	16,704	(11,098)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(38)	(1,116)	(1,086)	(378)
Cash and Cash Equivalents at Beginning of Period	5,047	147,887	132,269	171,276
Cash and Cash Equivalents at End of Period	\$ 4,418	\$ 129,445	\$ 147,887	\$ 159,800

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD29.299 for the three months ended March 31, 2011.