



**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Consolidated Condensed Balance Sheets**

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

	December 31, 2011 (audited)			September 30, 2011 (unaudited)		December 31, 2010 (audited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash and Cash Equivalents	\$4,737	\$143,472	18.6	\$114,836	15.6	\$147,887	20.6	\$28,636	24.9	(\$4,415)	(3.0)
Investments in Marketable Financial Instruments	236	7,150	0.9	5,428	0.7	33,687	4.7	1,722	31.7	(26,537)	(78.8)
Accounts Receivable - Trade	1,352	40,948	5.3	45,459	6.2	42,982	6.0	(4,511)	(9.9)	(2,034)	(4.7)
Inventories	820	24,841	3.2	25,692	3.5	28,406	4.0	(851)	(3.3)	(3,565)	(12.6)
Other Current Assets	292	8,849	1.1	5,521	0.8	8,557	1.2	3,328	60.3	292	3.4
<b>Total Current Assets</b>	<b>7,437</b>	<b>225,260</b>	<b>29.1</b>	<b>196,936</b>	<b>26.8</b>	<b>261,519</b>	<b>36.5</b>	<b>28,324</b>	<b>14.4</b>	<b>(36,259)</b>	<b>(13.9)</b>
Long-term Investments	1,138	34,459	4.5	36,474	5.0	39,776	5.5	(2,015)	(5.5)	(5,317)	(13.4)
Properties, Plant and Equipment	45,121	1,366,627	176.5	1,322,960	180.1	1,161,722	161.6	43,667	3.3	204,905	17.6
Less: Accumulated Depreciation	(28,931)	(876,252)	(113.2)	(850,006)	(115.7)	(773,278)	(107.6)	(26,246)	3.1	(102,974)	13.3
Properties, Plant and Equipment, Net	16,190	490,375	63.3	472,954	64.4	388,444	54.0	17,421	3.7	101,931	26.2
Intangible and Other Assets	798	24,171	3.1	28,277	3.8	29,190	4.0	(4,106)	(14.5)	(5,019)	(17.2)
<b>Total Assets</b>	<b>\$25,563</b>	<b>\$774,265</b>	<b>100.0</b>	<b>\$734,641</b>	<b>100.0</b>	<b>\$718,929</b>	<b>100.0</b>	<b>\$39,624</b>	<b>5.4</b>	<b>\$55,336</b>	<b>7.7</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>											
<b>Current Liabilities</b>											
Short-term Loans	\$856	\$25,927	3.3	\$36,020	4.9	\$31,214	4.3	(\$10,093)	(28.0)	(\$5,287)	(16.9)
Accounts Payables	392	11,859	1.5	10,525	1.4	12,971	1.8	1,334	12.7	(1,112)	(8.6)
Payables to Contractors and Equipment Suppliers	1,173	35,541	4.6	21,180	2.9	43,260	6.0	14,361	67.8	(7,719)	(17.8)
Accrued Expenses and Other Current Liabilities	1,292	39,117	5.1	36,109	4.9	35,505	5.0	3,008	8.3	3,612	10.2
Current Portion of Bonds Payable and Long-term Debts	151	4,563	0.6	4,531	0.6	241	-	32	0.7	4,322	1793.4
<b>Total Current Liabilities</b>	<b>3,863</b>	<b>117,007</b>	<b>15.1</b>	<b>108,365</b>	<b>14.7</b>	<b>123,191</b>	<b>17.1</b>	<b>8,642</b>	<b>8.0</b>	<b>(6,184)</b>	<b>(5.0)</b>
Bonds Payable	594	18,000	2.3	18,000	2.5	4,500	0.6	-	-	13,500	300.0
Other Long-term Liabilities	238	7,214	1.0	7,153	1.0	12,533	1.8	61	0.9	(5,319)	(42.4)
<b>Total Liabilities</b>	<b>4,696</b>	<b>142,221</b>	<b>18.4</b>	<b>133,518</b>	<b>18.2</b>	<b>140,224</b>	<b>19.5</b>	<b>8,703</b>	<b>6.5</b>	<b>1,997</b>	<b>1.4</b>
<b>Shareholders' Equity Attributable to Shareholders of the Parent</b>											
Capital Stock at Par Value	8,557	259,162	33.5	259,151	35.3	259,101	36.0	11	0.0	61	0.0
Capital Surplus	1,844	55,847	7.2	55,690	7.6	55,699	7.7	157	0.3	148	0.3
Legal Capital Reserve	3,381	102,400	13.2	102,400	13.9	86,239	12.0	-	-	16,161	18.7
Special Capital Reserve	212	6,434	0.8	6,434	0.9	1,313	0.2	-	-	5,121	390.0
Unappropriated Earnings	7,044	213,357	27.6	181,838	24.8	178,227	24.8	31,519	17.3	35,130	19.7
Others	(251)	(7,606)	(1.0)	(6,885)	(1.0)	(6,434)	(0.8)	(721)	10.5	(1,172)	18.2
Equity Attributable to Shareholders of the Parent	20,787	629,594	81.3	598,628	81.5	574,145	79.9	30,966	5.2	55,449	9.7
Minority Interests	80	2,450	0.3	2,495	0.3	4,560	0.6	(45)	(1.8)	(2,110)	(46.3)
<b>Total Shareholders' Equity</b>	<b>20,867</b>	<b>632,044</b>	<b>81.6</b>	<b>601,123</b>	<b>81.8</b>	<b>578,705</b>	<b>80.5</b>	<b>30,921</b>	<b>5.1</b>	<b>53,339</b>	<b>9.2</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$25,563</b>	<b>\$774,265</b>	<b>100.0</b>	<b>\$734,641</b>	<b>100.0</b>	<b>\$718,929</b>	<b>100.0</b>	<b>\$39,624</b>	<b>5.4</b>	<b>\$55,336</b>	<b>7.7</b>

Note :

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$30.288 as of December 31, 2011.



**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Unaudited Consolidated Condensed Income Statements**

For the Three Months Ended December 31, 2011 September 30, 2011 and December 31, 2010

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

Except for Per Share Amounts and Shares Outstanding

	4Q 2011			3Q 2011		4Q 2010		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Net Sales	\$3,460	\$104,712	100.0	\$106,483	100.0	\$110,142	100.0	(\$1,771)	(1.7)	(\$5,430)	(4.9)
Cost of Sales	(1,914)	(57,940)	(55.3)	(61,713)	(58.0)	(55,324)	(50.2)	3,773	(6.1)	(2,616)	4.7
Gross Profit	1,546	46,772	44.7	44,770	42.0	54,818	49.8	2,002	4.5	(8,046)	(14.7)
Operating Expenses											
Research and Development Expenses	(289)	(8,754)	(8.4)	(8,619)	(8.1)	(8,072)	(7.3)	(135)	1.6	(682)	8.4
General and Administrative Expenses	(129)	(3,911)	(3.7)	(3,472)	(3.2)	(3,826)	(3.5)	(439)	12.6	(85)	2.2
Sales and Marketing Expenses	(39)	(1,177)	(1.2)	(1,081)	(1.0)	(1,407)	(1.3)	(96)	8.9	230	(16.3)
Total Operating Expenses	(457)	(13,842)	(13.3)	(13,172)	(12.3)	(13,305)	(12.1)	(670)	5.1	(537)	4.0
Income from Operations	1,089	32,930	31.4	31,598	29.7	41,513	37.7	1,332	4.2	(8,583)	(20.7)
Non-Operating Income, Net	23	710	0.7	410	0.4	679	0.6	300	72.9	31	4.5
Equity in Earnings of Equity Method											
Investees, Net	(1)	(19)	0.0	152	0.1	690	0.6	(171)	(112.6)	(709)	(102.8)
Income before Income Tax	1,111	33,621	32.1	32,160	30.2	42,882	38.9	1,461	4.5	(9,261)	(21.6)
Income Tax Expenses	(68)	(2,057)	(1.9)	(1,726)	(1.7)	(2,015)	(1.8)	(331)	19.1	(42)	2.0
Net Income	1,043	31,564	30.2	30,434	28.5	40,867	37.1	1,130	3.7	(9,303)	(22.8)
Net Income Attributable to Minority Interests	-	14	-	(39)	-	(147)	(0.1)	53	(136.4)	161	(109.7)
Net Income Attributable to Shareholders of the Parent	1,043	31,578	30.2	30,395	28.5	40,720	37.0	1,183	3.9	(9,142)	(22.5)
Earnings per Share - Diluted	\$0.04	\$1.22		\$1.17		\$1.57		\$0.05	3.9	(\$0.35)	(22.5)
Earnings per ADR - Diluted (2)	\$0.20	\$6.09		\$5.86		\$7.85		\$0.23	3.9	(\$1.76)	(22.5)
Weighted Average Outstanding Shares - Diluted (M) (3)		25,924		25,924		25,921					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD30.266 for the fourth quarter of 2011.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 25,924M and 25,921M shares for 3Q11 and 4Q10 after the retroactive adjustments for exercise price of stock option.



**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Audited Consolidated Condensed Income Statements**

**For the Year Ended December 31, 2011 and 2010**

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

Except for Per Share Amounts and Shares Outstanding)

	For Year Ended December 31						
	2011			2010		YoY	
	USD	NTD	%	NTD	%	Amount	%
Net Sales	\$14,543	\$427,081	100.0	\$419,538	100.0	\$7,543	1.8
Cost of Sales	(7,935)	(233,012)	(54.6)	(212,484)	(50.6)	(20,528)	9.7
Gross Profit	6,608	194,069	45.4	207,054	49.4	(12,985)	(6.3)
Operating Expenses							
Research and Development Expenses	(1,152)	(33,830)	(7.9)	(29,707)	(7.1)	(4,123)	13.9
General and Administrative Expenses	(482)	(14,164)	(3.3)	(12,804)	(3.1)	(1,360)	10.6
Sales and Marketing Expenses	(154)	(4,518)	(1.1)	(5,368)	(1.3)	850	(15.8)
Total Operating Expenses	(1,788)	(52,512)	(12.3)	(47,879)	(11.5)	(4,633)	9.7
Income from Operations	4,820	141,557	33.1	159,175	37.9	(17,618)	(11.1)
Non-Operating Income, Net	92	2,693	0.7	8,797	2.1	(6,104)	(69.4)
Equity in Earnings (Losses) of Equity Method Investees, Net	31	898	0.2	2,298	0.6	(1,400)	(60.9)
Income before Income Tax	4,943	145,148	34.0	170,270	40.6	(25,122)	(14.8)
Income Tax Expenses	(365)	(10,695)	(2.5)	(7,988)	(1.9)	(2,707)	33.9
Net Income	4,578	134,453	31.5	162,282	38.7	(27,829)	(17.1)
Net Income Attributable to Minority Interests	(8)	(252)	(0.1)	(677)	(0.2)	425	(62.8)
Net Income Attributable to Shareholders of the Parent	4,570	134,201	31.4	161,605	38.5	(27,404)	(17.0)
Earnings per Share - Diluted	\$0.18	\$5.18		\$6.23		(\$1.05)	(17.0)
Earnings per ADR - Diluted (2)	\$0.88	\$25.88		\$31.17		(\$5.29)	(17.0)
Weighted Average Outstanding Shares - Diluted ('M) (3)		25,925		25,920			

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 29.367 for the year ended December 31, 2011.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 25,920M shares for the year ended December 31, 2010 after the retroactive adjustment for exercise price of stock option.



**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Consolidated Condensed Statements of Cash Flows**

For the Year Ended December 31, 2011 and for the Three Months Ended December 31, 2011, September 30, 2011 and December 31, 2010

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

	2011 (audited)		4Q 2011 (unaudited)	3Q 2011 (unaudited)	4Q 2010 (unaudited)
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Net Income Attributable to Shareholders of the Parent	\$ 4,570	\$ 134,201	\$ 31,578	\$ 30,395	\$ 40,720
Net Income Attributable to Minority Interest	8	252	(14)	39	147
Depreciation & Amortization	3,667	107,682	27,742	27,965	23,304
Deferred Income Tax	(17)	(491)	(978)	60	(120)
Equity in Earnings of Equity Method Investees, Net	(31)	(898)	19	(152)	(690)
Changes in Working Capital & Others	234	6,841	14,490	(3,098)	7,203
Net Cash Provided by Operating Activities	8,431	247,587	72,837	55,209	70,564
Cash Flows from Investing Activities:					
Acquisitions of:					
Marketable Financial Instruments	(1,215)	(35,673)	(931)	(16)	(6,933)
Property, Plant and Equipment	(7,286)	(213,963)	(29,772)	(38,048)	(45,936)
Financial Assets Carried at Cost	(14)	(404)	(246)	(35)	(59)
Proceeds from Disposal or Redemption of:					
Marketable Financial Instruments	2,183	64,094	937	1,981	7,346
Property, Plant and Equipment	24	698	191	(44)	(17)
Financial Assets Carried at Cost	8	226	19	-	20
Others	85	2,499	(345)	(190)	(978)
Net Cash Used In Investing Activities	(6,215)	(182,523)	(30,147)	(36,352)	(46,557)
Cash Flows from Financing Activities:					
Increase (Decrease) in Short-term Loans	(180)	(5,287)	(10,093)	2,879	(6,696)
Decrease in Guarantee Deposits	(12)	(342)	(68)	(6)	(48)
Proceeds from Exercise of Employee Stock Options	7	218	62	25	94
Proceeds from Issuance of Bonds	613	18,000	-	18,000	-
Cash Dividends Paid for Common Stock	(2,647)	(77,730)	-	(77,730)	-
Repurchase of Treasury Stock	(2)	(72)	-	(72)	-
Others	(90)	(2,645)	(2,747)	16	(653)
Net Cash Used in Financing Activities	(2,311)	(67,858)	(12,846)	(56,888)	(7,303)
Net Increase (Decrease) in Cash and Cash Equivalents	(95)	(2,794)	29,844	(38,031)	16,704
Effect of Exchange Rate Changes	(5)	(148)	(1,208)	3,361	(1,086)
Others	(51)	(1,473)	-	(1,473)	-
Cash and Cash Equivalents at Beginning of Period	5,036	147,887	114,836	150,979	132,269
Cash and Cash Equivalents at End of Period	\$ 4,885	\$ 143,472	\$ 143,472	\$ 114,836	\$ 147,887

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD29.367 for the year ended december 31, 2011.