



**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>

	March 31, 2013 (Unaudited)			December 31, 2012 (Unaudited)		March 31, 2012 (Unaudited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash and Cash Equivalents	\$ 6,228	\$ 186,029	17.5	\$ 143,411	14.9	\$ 170,820	20.4	\$ 42,618	29.7	\$ 15,209	8.9
Investments in Marketable Financial Instruments	108	3,226	0.4	7,507	0.8	9,833	1.2	(4,281)	(57.0)	(6,607)	(67.2)
Accounts Receivable	2,207	65,907	6.2	58,131	6.0	53,443	6.4	7,776	13.4	12,464	23.3
Inventories	1,267	37,834	3.6	37,831	3.9	27,759	3.3	3	-	10,075	36.3
Other Current Assets	159	4,756	0.4	3,446	0.4	4,960	0.6	1,310	38.0	(204)	(4.1)
<b>Total Current Assets</b>	<b>9,969</b>	<b>297,752</b>	<b>28.1</b>	<b>250,326</b>	<b>26.0</b>	<b>266,815</b>	<b>31.9</b>	<b>47,426</b>	<b>18.9</b>	<b>30,937</b>	<b>11.6</b>
<b>Non-current Assets</b>											
Long-term Investments	2,367	70,702	6.6	65,717	6.9	29,791	3.5	4,985	7.6	40,911	137.3
Property, Plant and Equipment	22,312	666,447	62.8	617,562	64.2	509,954	60.9	48,885	7.9	156,493	30.7
Intangible and Other Non-current Assets	895	26,729	2.5	27,750	2.9	30,935	3.7	(1,021)	(3.7)	(4,206)	(13.6)
<b>Total Non-current Assets</b>	<b>25,574</b>	<b>763,878</b>	<b>71.9</b>	<b>711,029</b>	<b>74.0</b>	<b>570,680</b>	<b>68.1</b>	<b>52,849</b>	<b>7.4</b>	<b>193,198</b>	<b>33.9</b>
<b>Total Assets</b>	<b>\$ 35,543</b>	<b>\$ 1,061,630</b>	<b>100.0</b>	<b>\$ 961,355</b>	<b>100.0</b>	<b>\$ 837,495</b>	<b>100.0</b>	<b>\$ 100,275</b>	<b>10.4</b>	<b>\$ 224,135</b>	<b>26.8</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>											
<b>Current Liabilities</b>											
Short-term Loans	\$ 1,200	\$ 35,843	3.4	\$ 34,715	3.6	\$ 34,688	4.1	\$ 1,128	3.2	\$ 1,155	3.3
Accounts Payables	444	13,256	1.2	15,239	1.6	14,168	1.7	(1,983)	(13.0)	(912)	(6.4)
Payables to Contractors and Equipment Suppliers	1,627	48,601	4.6	44,832	4.7	34,071	4.1	3,769	8.4	14,530	42.6
Accrued Expenses and Other Current Liabilities	2,021	60,375	5.7	53,560	5.6	48,607	5.8	6,815	12.7	11,768	24.2
Current Portion of Bonds Payable and Long-term Debts	5	131	-	128	-	94	-	3	2.3	37	39.4
<b>Total Current Liabilities</b>	<b>5,297</b>	<b>158,206</b>	<b>14.9</b>	<b>148,474</b>	<b>15.5</b>	<b>131,628</b>	<b>15.7</b>	<b>9,732</b>	<b>6.6</b>	<b>26,578</b>	<b>20.2</b>
<b>Non-current Liabilities</b>											
Bonds Payable	4,185	125,000	11.8	80,000	8.3	35,000	4.2	45,000	56.3	90,000	257.1
Other Non-current Liabilities	327	9,775	0.9	9,787	1.0	9,422	1.1	(12)	(0.1)	353	3.7
<b>Total Non-current Liabilities</b>	<b>4,512</b>	<b>134,775</b>	<b>12.7</b>	<b>89,787</b>	<b>9.3</b>	<b>44,422</b>	<b>5.3</b>	<b>44,988</b>	<b>50.1</b>	<b>90,353</b>	<b>203.4</b>
<b>Total Liabilities</b>	<b>9,809</b>	<b>292,981</b>	<b>27.6</b>	<b>238,261</b>	<b>24.8</b>	<b>176,050</b>	<b>21.0</b>	<b>54,720</b>	<b>23.0</b>	<b>116,931</b>	<b>66.4</b>
<b>Shareholders' Equity Attributable to Shareholders of the Parent</b>											
Capital Stock at Par Value	8,681	259,282	24.4	259,245	27.0	259,206	31.0	38	-	76	-
Capital Surplus	1,867	55,763	5.3	55,675	5.8	55,593	6.6	88	0.2	170	0.3
Legal Capital Reserve	3,878	115,820	10.9	115,820	12.0	102,400	12.2	-	-	13,420	13.1
Special Capital Reserve	255	7,606	0.7	7,606	0.8	6,434	0.8	-	-	1,172	18.2
Unappropriated Earnings	10,866	324,562	30.6	284,985	29.6	245,122	29.3	39,577	13.9	79,440	32.4
Others	103	3,098	0.3	(2,780)	(0.3)	(9,947)	(1.2)	5,877	-	13,045	-
<b>Equity Attributable to Shareholders of the Parent</b>	<b>25,650</b>	<b>766,131</b>	<b>72.2</b>	<b>720,551</b>	<b>74.9</b>	<b>658,808</b>	<b>78.7</b>	<b>45,580</b>	<b>6.3</b>	<b>107,323</b>	<b>16.3</b>
Noncontrolling Interests	84	2,518	0.2	2,543	0.3	2,637	0.3	(25)	(1.0)	(119)	(4.5)
<b>Total Shareholders' Equity</b>	<b>25,734</b>	<b>768,649</b>	<b>72.4</b>	<b>723,094</b>	<b>75.2</b>	<b>661,445</b>	<b>79.0</b>	<b>45,555</b>	<b>6.3</b>	<b>107,204</b>	<b>16.2</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 35,543</b>	<b>\$ 1,061,630</b>	<b>100.0</b>	<b>\$ 961,355</b>	<b>100.0</b>	<b>\$ 837,495</b>	<b>100.0</b>	<b>\$ 100,275</b>	<b>10.4</b>	<b>\$ 224,135</b>	<b>26.8</b>

Note :

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$29.869 as of March 31, 2013

**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Consolidated Condensed Statements of Comprehensive Income (Unaudited)**

For the Three Months Ended March 31, 2013, December 31, 2012, March 31, 2012

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

Except for Per Share Amounts and Shares Outstanding)

	1Q 2013			4Q 2012		1Q 2012		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 4,509	\$ 132,755	100.0	\$ 131,445	100.0	\$ 105,615	100.0	\$ 1,310	1.0	\$ 27,140	25.7
Cost of Revenue											
Depreciation/Amortization	(1,132)	(33,338)	(25.1)	(33,126)	(25.2)	(25,169)	(23.8)	(212)	0.6	(8,169)	32.5
Other Manufacturing Cost	(1,313)	(38,647)	(29.1)	(36,219)	(27.6)	(29,967)	(28.4)	(2,428)	6.7	(8,680)	29.0
Total Cost of Revenue	(2,445)	(71,985)	(54.2)	(69,345)	(52.8)	(55,136)	(52.2)	(2,640)	3.8	(16,849)	30.6
Gross Profit	2,064	60,770	45.8	62,100	47.2	50,479	47.8	(1,330)	(2.1)	10,291	20.4
Operating Expenses											
Research and Development Expenses	(362)	(10,651)	(8.0)	(10,500)	(8.0)	(9,159)	(8.6)	(151)	1.4	(1,492)	16.3
Sales, General and Administrative Expenses	(194)	(5,725)	(4.3)	(5,187)	(3.9)	(5,757)	(5.5)	(538)	10.4	32	(0.6)
Total Operating Expenses	(556)	(16,376)	(12.3)	(15,687)	(11.9)	(14,916)	(14.1)	(689)	4.4	(1,460)	9.8
Other Income and Expenses	1	34	-	(23)	-	(446)	(0.4)	57	(247.8)	480	(107.6)
Income from Operations	1,509	44,428	33.5	46,390	35.3	35,117	33.3	(1,962)	(4.2)	9,311	26.5
Non-operating Income and Expenses											
Share of Profits of Associates and Joint Venture	22	654	0.5	735	0.5	22	-	(81)	(11.0)	632	2872.7
Interest Expenses	(16)	(494)	(0.4)	(335)	(0.2)	(218)	(0.2)	(159)	47.5	(276)	126.9
Other Gains and Losses	39	1,160	0.9	(506)	(0.4)	752	0.7	1,666	(329.3)	408	54.3
Total Non-operating Income and Expenses	45	1,320	1.0	(106)	(0.1)	556	0.5	1,426	(1345.3)	764	137.4
Income before Income Tax	1,554	45,748	34.5	46,284	35.2	35,673	33.8	(536)	(1.2)	10,075	28.2
Income Tax Expenses	(211)	(6,212)	(4.7)	(4,765)	(3.6)	(2,290)	(2.2)	(1,447)	30.4	(3,922)	171.3
Net Income	1,343	39,536	29.8	41,519	31.6	33,383	31.6	(1,983)	(4.8)	6,153	18.4
Other Comprehensive Income	200	5,907	4.4	6,406	4.9	(2,302)	(2.2)	(499)	(7.8)	8,209	-
Comprehensive Income	\$ 1,543	\$ 45,443	34.2	\$ 47,925	36.5	\$ 31,081	29.4	\$ (2,482)	(5.2)	\$ 14,362	46.2
Net Income (Losses) Attributable to:											
Shareholders of the Parent	\$ 1,344	\$ 39,577	29.8	\$ 41,603	31.7	\$ 33,492	31.7	\$ (2,026)	(4.9)	\$ 6,085	18.2
Noncontrolling interests	(1)	(41)	-	(84)	(0.1)	(109)	(0.1)	43	(51.2)	68	(62.4)
	\$ 1,343	\$ 39,536	29.8	\$ 41,519	31.6	\$ 33,383	31.6	\$ (1,983)	(4.8)	\$ 6,153	18.4
Earnings per Share - Diluted	\$ 0.05	\$ 1.53		\$ 1.61		\$ 1.29		\$ (0.08)	(4.9)	\$ 0.23	18.2
Earnings per ADR - Diluted (2)	\$ 0.26	\$ 7.63		\$ 8.03		\$ 6.46		\$ (0.39)	(4.9)	\$ 1.17	18.2
Weighted Average Outstanding Shares - Diluted (M)		25,929		25,928		25,926					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of 29.445 for the first quarter of 2013.

(2) 1 ADR equals 5 ordinary shares.

# TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

## Consolidated Condensed Cash Flow Statements

For the Three Months Ended March 31, 2013, December 31, 2012 and March 31, 2012

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

	1Q 2013 (unaudited)		4Q 2012 (unaudited)		1Q 2012 (unaudited)	
	USD	NTD	NTD		NTD	
<b>Cash Flows from Operating Activities:</b>						
Income before Income Tax	\$ 1,554	\$ 45,748	\$ 46,284			\$ 35,673
Depreciation & Amortization	1,239	36,496	36,205			28,005
Share of Profits of Associates and Joint Venture	(22)	(654)	(735)			(22)
Income Tax Paid	(1)	(39)	(956)			(48)
Changes in Working Capital & Others	(271)	(7,981)	4,000			(7,506)
Net Cash Provided by Operating Activities	<u>2,499</u>	<u>73,570</u>	<u>84,798</u>			<u>56,102</u>
<b>Cash Flows from Investing Activities:</b>						
Interest Received	\$ 11	\$ 315	\$ 378			\$ 492
Cash Dividend Received from Affiliates	-	-	1			-
Acquisitions of:						
Property, Plant and Equipment	(2,731)	(80,418)	(59,765)			(48,571)
Marketable Financial Instruments	-	(4)	(31,522)			(2)
Financial Assets Carried at Cost	(1)	(17)	(50)			-
Proceeds from Disposal or Redemption of:						
Property, Plant and Equipment	-	13	40			13
Marketable Financial Instruments	136	4,008	1,781			684
Financial Assets Carried at Cost	-	10	117			45
Others	(31)	(940)	(750)			(419)
Net Cash Used In Investing Activities	<u>(2,616)</u>	<u>(77,033)</u>	<u>(89,770)</u>			<u>(47,758)</u>
<b>Cash Flows from Financing Activities:</b>						
Increase in Short-term Loans	\$ 8	\$ 230	\$ 5,252			\$ 9,452
Issuance of Bonds Payable	1,528	45,000	4,400			17,000
Repayment of Bonds Payable	-	-	-			(4,500)
Repayment of Long-term Debts	(1)	(31)	(31)			-
Interest Paid	(11)	(332)	(53)			(235)
Proceeds from Exercise of Stock Options	3	107	66			136
Others	(1)	(35)	3			(1,256)
Net Cash Provided by Financing Activities	<u>1,526</u>	<u>44,939</u>	<u>9,637</u>			<u>20,597</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>\$ 1,409</b>	<b>\$ 41,476</b>	<b>\$ 4,665</b>			<b>\$ 28,941</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>39</b>	<b>1,142</b>	<b>8</b>			<b>(1,593)</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b><u>4,870</u></b>	<b><u>143,411</u></b>	<b><u>138,738</u></b>			<b><u>143,472</u></b>
<b>Cash and Cash Equivalents at End of Period</b>	<b><u>\$ 6,318</u></b>	<b><u>\$ 186,029</u></b>	<b><u>\$ 143,411</u></b>			<b><u>\$ 170,820</u></b>

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD29.445 for the three months ended March 31, 201.