



TSMC Reports Third Quarter EPS of NT\$2.00

Hsinchu, Taiwan, R.O.C., October 17, 2013 -- TSMC today announced consolidated revenue of NT\$162.58 billion, net income of NT\$51.95 billion, and diluted earnings per share of NT\$2.00 (US\$0.34 per ADR unit) for the third quarter ended September 30, 2013.

Year-over-year, third quarter revenue increased 14.9% while net income and diluted EPS both increased 5.2%. Compared to second quarter of 2013, third quarter of 2013 results represent a 4.3% increase in revenue, and a 0.3% increase in net income. The results included a NT\$1.35 billion write-off of investment in Stion which reduced the third quarter EPS by NT\$0.05. All figures were prepared in accordance with TIFRS on a consolidated basis.

In US dollars, third quarter revenue increased 4.1% from the previous quarter and increased 14.8% year-over-year.

Gross margin for the quarter was 48.5%, operating margin was 36.7%, and net profit margin was 32%.

Shipments of 28-nanometer process technology reached 32% of total wafer revenues. 40/45-nanometer accounted for 20% of total wafer revenues. Advanced technologies, defined as 40/45-nanometers and more advanced technologies, accounted for 52% of total wafer revenues.

“TSMC again set new record in both revenue and net income in the third quarter, thanks to our leadership in advanced technologies,” said Lora Ho, SVP and Chief Financial Officer of TSMC. “While we continue to make strides in technology progression, we expect our fourth quarter to be impacted by softer demand for certain high-end mobile devices and the inventory correction resulting from such softer demand. Based on our current business outlook and exchange rate assumption of 1 US dollar to 29.5 NT dollars, management expects overall performance for fourth quarter 2013 to be as follows”:

- Revenue is expected to be between NT\$144 billion and NT\$147 billion;
- Gross profit margin is expected to be between 44 % and 46%;
- Operating profit margin is expected to be between 32% and 34%.

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 owned capacity in 2013 is expected to be about 16.4 million (8-inch equivalent) wafers, including capacity from three advanced 12-inch GIGAFAB™, four eight-inch fabs, one six-inch fab, as well as TSMC's wholly owned subsidiaries, WaferTech and TSMC China. TSMC is the first foundry to provide 28nm 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 cyclicalities 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 2, 2013, 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.