



## **TSMC Reports Second Quarter EPS of NT\$3.06**

Hsinchu, Taiwan, R.O.C., July 16, 2015 -- TSMC today announced consolidated revenue of NT\$205.44 billion, net income of NT\$79.42 billion, and diluted earnings per share of NT\$3.06 (US\$0.50 per ADR unit) for the second quarter ended June 30, 2015.

Year-over-year, second quarter revenue increased 12.2% while net income and diluted EPS both increased 33.0%. Compared to first quarter 2015, second quarter results represent a 7.5% decrease in revenue, and a 0.5% increase in net income. All figures were prepared in accordance with TIFRS on a consolidated basis.

In US dollars, second quarter revenue decreased 5.4% from the previous quarter and increased 9.6% year-over-year.

Gross margin for the quarter was 48.5%, operating margin was 37.5%, and net profit margin was 38.7%.

Shipments of 20-nanometer process technology accounted for 20% of total wafer revenues. 28-nanometer accounted for 27% of total wafer revenues. Advanced technologies, defined as 28-nanometer and 20-nanometer technologies, accounted for 47% of total wafer revenues.

“Due to customers’ cautious inventory management and a less favorable exchange rate, our second quarter business had declined but was within our expectation and guidance,” said Lora Ho, SVP and Chief Financial Officer of TSMC. “However, the end market recovery is not as strong as was expected earlier; customers continue to remain cautious in inventory management. Combining these factors with customers’ product transition, demand for TSMC wafers in the third quarter is expected to recover only modestly. Based on our current business outlook and exchange rate assumption of 1 US dollar to 31 NT dollars, management expects overall performance for third quarter 2015 to be as follows”:

- Revenue is expected to be between NT\$207 billion and NT\$210 billion;
- Gross profit margin is expected to be between 47% and 49%;
- Operating profit margin is expected to be between 36.5% and 38.5%.

## 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 2015 is expected to be above 9 million (12-inch equivalent) wafers, including capacity from three advanced 12-inch GIGAFAB™ facilities, 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 both 20nm and 16nm 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 13, 2015, 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.