



TSMC Reports Second Quarter EPS of NT\$1.55

Hsin-Chu, Taiwan, R.O.C., July 29, 2010 -- TSMC today announced consolidated revenue of NT\$104.96 billion, net income of NT\$40.28 billion, and diluted earnings per share of NT\$1.55 (US\$0.24 per ADS unit) for the second quarter ended June 30, 2010.

Year-over-year, second quarter revenue increased 41.4% while net income increased 64.8% and diluted EPS increased 65%. Compared to first quarter of 2010, second quarter results represent a 13.9% increase in revenue, and a 19.7% increase in both net income and diluted EPS. All figures were prepared in accordance with R.O.C. GAAP on a consolidated basis.

Gross margin for the quarter was 49.5%, operating margin was 38.6%, and net margin was 38.4%.

In the second quarter, demand for TSMC's wafers continued to be strong, and wafer shipments in all major semiconductor market segments increased from their first quarter levels.

Advanced process technologies (0.13-micron and below) accounted for 72% of wafer revenues. 90-nanometer process technology accounted for 16% of wafer revenues, 65-nanometer 27%, and 40-nanometer 16% of total wafer sales.

"Both macroeconomic forecast and booking trend indicate that third quarter business will continue to grow. Relative to the second quarter, the consumer and communication segments in the third quarter will increase while the computer segment will decline slightly," said Lora Ho, VP and Chief Financial Officer of TSMC. "Based on our current business outlook, management expects overall performance for third quarter 2010 to be as follows":

- Revenue to be between NT\$109 billion and NT\$111 billion;
- Gross profit margin to be between 48% and 50%;
- Operating profit margin to be between 36% and 38%.

Conference Call & Webcast Notice:

TSMC's quarterly review conference call will be held at 8 a.m. Eastern Time (8 p.m. Taiwan Time) on Thursday, July 29, 2010. The conference call will also be webcast live on the Internet. Investors wishing to access the live webcast should visit TSMC's web site at <http://www.tsmc.com> at least 15 minutes prior to the broadcast. Instructions will be provided on the web site to facilitate the download and installation of necessary audio applications. Investors without Internet access may listen to the conference call, in listen-only mode, by dialing **1-617-213-8895** in the U.S., **852-3002-1672** in Hong Kong, and **44-207-365-8426** in the U.K. (Password: TSMC). An archived version of the webcast will be available on TSMC's web site for six months following the Company's quarterly review conference call and webcast.

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 managed capacity in 2009 totaled 9.96 million (8-inch equivalent) wafers, including capacity from two advanced 12-inch GIGAFABs™, four eight-inch fabs, one six-inch fab, as well as TSMC's wholly owned subsidiaries, WaferTech and TSMC China, and its joint venture fab, SSMC. TSMC is the first foundry to provide 40nm 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)

CONTACT

Elizabeth Sun

Investor Relations Division

TSMC

invest@tsmc.com

886-3-568-2085

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 15, 2010, 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.