



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Balance Sheets

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

	December 31, 2010 (audited)			September 30, 2010 (unaudited)		December 31, 2009 (audited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$4,870	\$147,887	20.6	\$132,269	19.8	\$171,276	28.8	\$15,618	11.8	(\$23,389)	(13.7)
Investments in Marketable Financial Instruments	1,109	33,687	4.7	34,940	5.2	24,521	4.1	(1,253)	(3.6)	9,166	37.4
Accounts Receivable - Trade	1,415	42,982	6.0	47,381	7.1	35,382	5.9	(4,399)	(9.3)	7,600	21.5
Inventories	935	28,406	4.0	26,663	4.0	20,914	3.5	1,743	6.5	7,492	35.8
Other Current Assets	283	8,557	1.2	5,384	0.8	7,711	1.4	3,173	58.9	846	11.0
Total Current Assets	8,612	261,519	36.5	246,637	36.9	259,804	43.7	14,882	6.0	1,715	0.7
Long-term Investments	1,310	39,776	5.5	39,784	6.0	37,845	6.4	(8)	(0.0)	1,931	5.1
Properties, Plant and Equipment	38,255	1,161,722	161.6	1,102,720	165.2	967,419	162.7	59,002	5.4	194,303	20.1
Less: Accumulated Depreciation	(25,464)	(773,278)	(107.6)	(753,541)	(112.9)	(693,744)	(116.7)	(19,737)	2.6	(79,534)	11.5
Properties, Plant and Equipment, Net	12,791	388,444	54.0	349,179	52.3	273,675	46.0	39,265	11.2	114,769	41.9
Intangible and Other Assets	961	29,190	4.0	31,952	4.8	23,372	3.9	(2,762)	(8.6)	5,818	24.9
Total Assets	\$23,674	\$718,929	100.0	\$667,552	100.0	\$594,696	100.0	\$51,377	7.7	\$124,233	20.9
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-term Loans	\$1,028	\$31,214	4.3	\$37,910	5.7	\$ -	-	(\$6,696)	(17.7)	\$31,214	-
Accounts Payables	427	12,971	1.8	13,092	2.0	11,689	2.0	(121)	(0.9)	1,282	11.0
Payables to Contractors and Equipment Suppliers	1,425	43,260	6.0	26,645	4.0	28,924	4.9	16,615	62.4	14,336	49.6
Accrued Expenses and Other Current Liabilities	1,169	35,505	5.0	30,718	4.6	37,571	6.2	4,787	15.6	(2,066)	(5.5)
Current Portion of Bonds Payable and Long-term Debts	8	241	-	871	0.1	949	0.2	(630)	(72.3)	(708)	(74.6)
Total Current Liabilities	4,057	123,191	17.1	109,236	16.4	79,133	13.3	13,955	12.8	44,058	55.7
Bonds Payable	148	4,500	0.6	4,500	0.7	4,500	0.8	-	-	-	-
Other Long-term Liabilities	413	12,533	1.8	12,912	1.9	12,015	2.0	(379)	(2.9)	518	4.3
Total Liabilities	4,618	140,224	19.5	126,648	19.0	95,648	16.1	13,576	10.7	44,576	46.6
Shareholders' Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	8,532	259,101	36.0	259,074	38.8	259,027	43.6	27	0.0	74	0.0
Capital Surplus	1,834	55,699	7.7	55,634	8.3	55,486	9.3	65	0.1	213	0.4
Legal Capital Reserve ⁽²⁾	2,840	86,239	12.0	86,239	12.9	77,317	13.0	-	-	8,922	11.5
Special Capital Reserve ⁽²⁾	43	1,313	0.2	1,313	0.2	-	-	-	-	1,313	-
Unappropriated Earnings ⁽²⁾	5,869	178,227	24.8	137,506	20.6	104,565	17.5	40,721	29.6	73,662	70.4
Others	(212)	(6,434)	(0.8)	(3,243)	(0.5)	(1,312)	(0.2)	(3,191)	98.4	(5,122)	390.0
Equity Attributable to Shareholders of the Parent	18,906	574,145	79.9	536,523	80.3	495,083	83.2	37,622	7.0	79,062	16.0
Minority Interests	150	4,560	0.6	4,381	0.7	3,965	0.7	179	4.1	595	15.0
Total Shareholders' Equity	19,056	578,705	80.5	540,904	81.0	499,048	83.9	37,801	7.0	79,657	16.0
Total Liabilities & Shareholders' Equity	\$23,674	\$718,929	100.0	\$667,552	100.0	\$594,696	100.0	\$51,377	7.7	\$124,233	20.9

Note :

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$30.368 as of December 31, 2010.

(2) Certain prior period balances have been reclassified to conform to the current period presentation.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Unaudited Consolidated Condensed Income Statements

For the Three Months Ended December 31, 2010, September 30, 2010 and December 31, 2009

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

Except for Per Share Amounts and Shares Outstanding)

	4Q 2010			3Q 2010		4Q 2009		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Net Sales	\$3,624	\$110,142	100.0	\$112,247	100.0	\$92,094	100.0	(\$2,105)	(1.9)	\$18,048	19.6
Cost of Sales	(1,820)	(55,324)	(50.2)	(56,122)	(50.0)	(47,399)	(51.5)	798	(1.4)	(7,925)	16.7
Gross Profit	1,804	54,818	49.8	56,125	50.0	44,695	48.5	(1,307)	(2.3)	10,123	22.6
Operating Expenses											
Research and Development Expenses	(266)	(8,072)	(7.3)	(8,035)	(7.2)	(6,567)	(7.1)	(37)	0.5	(1,505)	22.9
General and Administrative Expenses	(126)	(3,826)	(3.5)	(3,575)	(3.1)	(3,269)	(3.6)	(251)	7.0	(557)	17.0
Sales and Marketing Expenses	(46)	(1,407)	(1.3)	(1,449)	(1.3)	(1,217)	(1.3)	42	(3.0)	(190)	15.5
Total Operating Expenses	(438)	(13,305)	(12.1)	(13,059)	(11.6)	(11,053)	(12.0)	(246)	1.9	(2,252)	20.4
Income from Operations	1,366	41,513	37.7	43,066	38.4	33,642	36.5	(1,553)	(3.6)	7,871	23.4
Non-Operating Income, Net	22	679	0.6	5,707	5.1	1,427	1.6	(5,028)	(88.1)	(748)	(52.4)
Equity in Earnings of Equity Method											
Investees, Net	23	690	0.6	902	0.8	299	0.3	(212)	(23.5)	391	130.5
Income before Income Tax	1,411	42,882	38.9	49,675	44.3	35,368	38.4	(6,793)	(13.7)	7,514	21.2
Income Tax Expenses	(66)	(2,015)	(1.8)	(2,552)	(2.3)	(2,508)	(2.7)	537	(21.0)	493	(19.6)
Net Income	1,345	40,867	37.1	47,123	42.0	32,860	35.7	(6,256)	(13.3)	8,007	24.4
Net Income Attributable to Minority Interests	(5)	(147)	(0.1)	(183)	(0.2)	(194)	(0.2)	36	(20.4)	47	(24.6)
Net Income Attributable to Shareholders of the Parent	1,340	40,720	37.0	46,940	41.8	32,666	35.5	(6,220)	(13.2)	8,054	24.7
Earnings per Share - Diluted	\$0.05	\$1.57		\$1.81		\$1.26		(\$0.24)	(13.3)	\$0.31	24.6
Earnings per ADR - Diluted ⁽²⁾	\$0.26	\$7.85		\$9.06		\$6.30		(\$1.21)	(13.3)	\$1.55	24.6
Weighted Average Outstanding Shares - Diluted ⁽³⁾ ('M)		25,921		25,919		25,916					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD30.396 for the fourth quarter of 2010.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 25,919M and 25,916M shares for 3Q10 and 4Q09 after the retroactive adjustments for exercise price of stock option.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Unaudited Consolidated Condensed Income Statements

For the Year Ended December 31, 2010 and 2009

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

Except for Per Share Amounts and Shares Outstanding)

	For The Year Ended December 31								
	2010			2009		YoY			
	USD	NTD	%	NTD	%	Amount	%		
Net Sales	\$13,322	\$419,538	100.0	\$295,742	100.0	\$123,796	41.9		
Cost of Sales	(6,747)	(212,484)	(50.6)	(166,413)	(56.3)	(46,071)	27.7		
Gross Profit	6,575	207,054	49.4	129,329	43.7	77,725	60.1		
Operating Expenses									
Research and Development Expenses	(943)	(29,707)	(7.1)	(21,593)	(7.3)	(8,114)	37.6		
General and Administrative Expenses	(407)	(12,804)	(3.1)	(11,286)	(3.8)	(1,518)	13.5		
Sales and Marketing Expenses	(170)	(5,368)	(1.3)	(4,488)	(1.5)	(880)	19.6		
Total Operating Expenses	(1,520)	(47,879)	(11.5)	(37,367)	(12.6)	(10,512)	28.1		
Income from Operations	5,055	159,175	37.9	91,962	31.1	67,213	73.1		
Non-Operating Income, Net	279	8,797	2.1	3,455	1.2	5,342	154.6		
Equity in Earnings (Losses) of Equity Method Investees, Net	73	2,298	0.6	46	-	2,252	4896.6		
Income before Income Tax	5,407	170,270	40.6	95,463	32.3	74,807	78.4		
Income Tax Expenses	(254)	(7,988)	(1.9)	(5,997)	(2.0)	(1,991)	33.2		
Net Income	5,153	162,282	38.7	89,466	30.3	72,816	81.4		
Net Income Attributable to Minority Interests	(21)	(677)	(0.2)	(248)	(0.1)	(429)	172.5		
Net Income Attributable to Shareholders of the Parent	5,132	161,605	38.5	89,218	30.2	72,387	81.1		
Earnings per Share - Diluted	\$0.20	\$6.23		\$3.44		\$2.79	81.1		
Earnings per ADR - Diluted ⁽²⁾	\$0.99	\$31.17		\$17.21		\$13.96	81.1		
Weighted Average Outstanding Shares - Diluted ('M) ⁽³⁾		25,920		25,913					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 31.491 for the year ended December 31, 2010.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 25,913M shares for the year ended December 31, 2009 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, 2010, and for the Three Months Ended December 31, September 30, 2010, and December 31, 2009

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

	2010 (audited)		4Q 2010 (unaudited)	3Q 2010 (unaudited)	4Q 2009 (unaudited)
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Net Income Attributable to Shareholders of the Parent	\$ 5,132	\$ 161,605	\$ 40,720	\$ 46,940	\$ 32,666
Net Income Attributable to Minority Interest	21	677	147	183	194
Depreciation & Amortization	2,788	87,810	23,304	22,372	20,277
Deferred Income Tax	(12)	(377)	(120)	599	(630)
Equity in Earnings of Equity Method Investees, Net	(73)	(2,298)	(690)	(902)	(299)
Changes in Working Capital & Others	(569)	(17,941)	7,203	(5,240)	9,791
Net Cash Provided by Operating Activities	7,287	229,476	70,564	63,952	61,999
Cash Flows from Investing Activities:					
Acquisitions of:					
Marketable Financial Instruments	(1,665)	(52,442)	(6,933)	(9,074)	(19,979)
Investments Accounted for Using Equity Method	(198)	(6,242)	-	-	(11)
Property, Plant and Equipment	(5,936)	(186,944)	(45,936)	(42,151)	(42,715)
Financial Assets Carried at Cost	(58)	(1,813)	(59)	(31)	(51)
Proceeds from Disposal or Redemption of:					
Marketable Financial Instruments	1,707	53,759	7,346	13,443	16,394
Property, Plant and Equipment	4	116	(17)	21	17
Financial Assets Carried at Cost	8	242	20	42	37
Others	(279)	(8,762)	(978)	(7,281)	(794)
Net Cash Used In Investing Activities	(6,417)	(202,086)	(46,557)	(45,031)	(47,102)
Cash Flows from Financing Activities:					
Increase (Decrease) in Short-term Loans	991	31,214	(6,696)	19,827	-
Decrease in Guarantee Deposits	(7)	(233)	(48)	(57)	(151)
Proceeds from Exercise of Employee Stock Options	8	245	94	65	70
Cash Dividends Paid for Common Stock	(2,468)	(77,708)	-	(77,708)	-
Others	(69)	(2,156)	(653)	(235)	(196)
Net Cash Used in Financing Activities	(1,545)	(48,638)	(7,303)	(58,108)	(277)
Net Increase (Decrease) in Cash and Cash Equivalents	(675)	(21,248)	16,704	(39,187)	14,620
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(68)	(2,141)	(1,086)	(1,030)	(279)
Cash and Cash Equivalents at Beginning of Period	5,439	171,276	132,269	172,486	156,935
Cash and Cash Equivalents at End of Period	\$ 4,696	\$ 147,887	\$ 147,887	\$ 132,269	\$ 171,276

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD31.491 for the year ended December 31, 2010.