



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⁾

	March 31, 2015 (Unaudited)			December 31, 2014 (Audited) ⁽²⁾		March 31, 2014 (Unaudited) ⁽²⁾		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$ 13,930	\$ 437,412	28.1	\$ 358,449	24.0	\$ 231,697	17.8	\$ 78,963	22.0	\$ 205,715	88.8
Investments in Marketable Financial Instruments	2,597	81,562	5.2	78,475	5.2	3,251	0.3	3,087	3.9	78,311	2408.8
Accounts Receivable	3,157	99,122	6.4	115,048	7.7	74,333	5.7	(15,926)	(13.8)	24,789	33.3
Inventories	2,057	64,600	4.2	66,338	4.4	43,481	3.3	(1,738)	(2.6)	21,119	48.6
Other Current Assets	248	7,798	0.5	8,256	0.6	3,128	0.3	(458)	(5.5)	4,670	149.3
Total Current Assets	21,989	690,494	44.4	626,566	41.9	355,890	27.4	63,928	10.2	334,604	94.0
Non-current Assets											
Long-term Investments	1,025	32,181	2.1	30,056	2.0	90,852	7.0	2,125	7.1	(58,671)	(64.6)
Property, Plant and Equipment	25,898	813,220	52.2	818,199	54.7	828,012	63.8	(4,979)	(0.6)	(14,792)	(1.8)
Intangible and Other Non-current Assets	669	21,000	1.3	20,228	1.4	23,896	1.8	772	3.8	(2,896)	(12.1)
Total Non-current Assets	27,592	866,401	55.6	868,483	58.1	942,760	72.6	(2,082)	(0.2)	(76,359)	(8.1)
Total Assets	\$ 49,581	\$ 1,556,895	100.0	\$ 1,495,049	100.0	\$ 1,298,650	100.0	\$ 61,846	4.1	\$ 258,245	19.9
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-term Loans	\$ 595	\$ 18,683	1.2	\$ 36,159	2.4	\$ 24,844	1.9	\$ (17,476)	(48.3)	\$ (6,161)	(24.8)
Accounts Payable	643	20,205	1.3	23,370	1.6	16,711	1.3	(3,165)	(13.5)	3,494	20.9
Payables to Contractors and Equipment Suppliers	872	27,373	1.8	26,980	1.8	53,461	4.1	393	1.5	(26,088)	(48.8)
Accrued Expenses and Other Current Liabilities	3,863	121,304	7.8	114,505	7.7	79,381	6.1	6,799	5.9	41,923	52.8
Total Current Liabilities	5,973	187,565	12.1	201,014	13.5	174,397	13.4	(13,449)	(6.7)	13,168	7.6
Non-current Liabilities											
Bonds Payable	6,790	213,209	13.7	213,674	14.3	211,798	16.3	(465)	(0.2)	1,411	0.7
Other Non-current Liabilities	1,026	32,205	2.0	34,033	2.3	13,762	1.2	(1,828)	(5.4)	18,443	134.0
Total Non-current Liabilities	7,816	245,414	15.7	247,707	16.6	225,560	17.5	(2,293)	(0.9)	19,854	8.8
Total Liabilities	13,789	432,979	27.8	448,721	30.1	399,957	30.9	(15,742)	(3.5)	33,022	8.3
Shareholders' Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	8,258	259,303	16.7	259,297	17.4	259,291	20.0	6	0.0	12	0.0
Capital Surplus	1,792	56,275	3.6	55,990	3.7	55,835	4.3	285	0.5	440	0.8
Legal Capital Reserve	4,817	151,251	9.7	151,251	10.1	132,436	10.2	-	-	18,815	14.2
Special Capital Reserve	-	-	-	-	-	2,786	0.2	-	-	(2,786)	(100.0)
Unappropriated Earnings	20,155	632,904	40.7	553,914	37.0	431,537	33.2	78,990	14.3	201,367	46.7
Others	768	24,111	1.5	25,749	1.7	16,584	1.2	(1,638)	(6.4)	7,527	45.4
Equity Attributable to Shareholders of the Parent	35,790	1,123,844	72.2	1,046,201	69.9	898,469	69.1	77,643	7.4	225,375	25.1
Noncontrolling Interests	2	72	-	127	-	224	-	(55)	(43.3)	(152)	(67.9)
Total Shareholders' Equity	35,792	1,123,916	72.2	1,046,328	69.9	898,693	69.1	77,588	7.4	225,223	25.1
Total Liabilities & Shareholders' Equity	\$ 49,581	\$ 1,556,895	100.0	\$ 1,495,049	100.0	\$ 1,298,650	100.0	\$ 61,846	4.1	\$ 258,245	19.9

Note :

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$31.401 as of March 31, 2015

(2) Starting in 2015, TSMC prepares financial statements in accordance with 2013 IFRSs version endorsed by Taiwan. Under IFRS, the impact of newly effected GAAP shall be retroactively applied. The consolidated condensed balance sheets as of December 31, 2014 and March 31, 2014 have been updated accordingly.

TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES
Consolidated Condensed Statements of Comprehensive Income (Unaudited)
For the Three Months Ended March 31, 2015, December 31, 2014, March 31, 2014
(Expressed in Millions of New Taiwan Dollars ("NTD") and U.S. Dollars ("USD") ⁽¹⁾)
Except for Per Share Amounts and Shares Outstanding)

	1Q 2015			4Q 2014 ⁽²⁾		1Q 2014 ⁽²⁾		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	NTD	%	NTD	%
Net Revenue	\$ 7,041	\$ 222,034	100.0	\$ 222,521	100.0	\$ 148,215	100.0	\$ (487)	(0.2)	\$ 73,819	49.8
Cost of Revenue	(3,571)	(112,605)	(50.7)	(111,961)	(50.3)	(77,818)	(52.5)	(644)	0.6	(34,787)	44.7
Gross Profit	3,470	109,429	49.3	110,560	49.7	70,397	47.5	(1,131)	(1.0)	39,032	55.4
Operating Expenses											
Research and Development Expenses	(532)	(16,782)	(7.6)	(15,943)	(7.2)	(12,068)	(8.1)	(839)	5.3	(4,714)	39.1
Sales, General and Administrative Expenses	(183)	(5,757)	(2.6)	(5,634)	(2.5)	(5,809)	(4.0)	(123)	2.2	52	(0.9)
Total Operating Expenses	(715)	(22,539)	(10.2)	(21,577)	(9.7)	(17,877)	(12.1)	(962)	4.5	(4,662)	26.1
Other Operating Income and Expenses	(8)	(264)	(0.1)	(767)	(0.4)	(3)	-	503	(65.6)	(261)	8700.0
Income from Operations	2,747	86,626	39.0	88,216	39.6	52,517	35.4	(1,590)	(1.8)	34,109	64.9
Non-operating Income and Expenses											
Share of Profits of Associates and Joint Venture	36	1,135	0.5	911	0.4	955	0.6	224	24.6	180	18.8
Interest Expenses	(25)	(794)	(0.3)	(822)	(0.4)	(797)	(0.5)	28	(3.4)	3	(0.4)
Other Gains and Losses	41	1,292	0.6	1,007	0.5	622	0.5	285	28.3	670	107.7
Total Non-operating Income and Expenses	52	1,633	0.8	1,096	0.5	780	0.6	537	49.0	853	109.4
Income Before Income Tax	2,799	88,259	39.8	89,312	40.1	53,297	36.0	(1,053)	(1.2)	34,962	65.6
Income Tax Expenses	(294)	(9,275)	(4.2)	(9,346)	(4.2)	(5,455)	(3.7)	71	(0.8)	(3,820)	70.0
Net Income	2,505	78,984	35.6	79,966	35.9	47,842	32.3	(982)	(1.2)	31,142	65.1
Other Comprehensive Income	(52)	(1,646)	(0.8)	9,109	4.1	2,414	1.6	(10,755)	(118.1)	(4,060)	(168.2)
Comprehensive Income	\$ 2,453	\$ 77,338	34.8	\$ 89,075	40.0	\$ 50,256	33.9	\$ (11,737)	(13.2)	\$ 27,082	53.9
Net Income (Losses) Attributable to:											
Shareholders of the Parent	\$ 2,505	\$ 78,990	35.6	\$ 79,986	35.9	\$ 47,867	32.3	\$ (996)	(1.2)	\$ 31,123	65.0
Noncontrolling Interests	-	(6)	-	(20)	-	(25)	-	14	(70.0)	19	(76.0)
	\$ 2,505	\$ 78,984	35.6	\$ 79,966	35.9	\$ 47,842	32.3	\$ (982)	(1.2)	\$ 31,142	65.1
Earnings per Share - Diluted	\$ 0.10	\$ 3.05		\$ 3.08		\$ 1.85		\$ (0.03)	(1.3)	\$ 1.20	65.0
Earnings per ADR - Diluted (3)	\$ 0.48	\$ 15.23		\$ 15.42		\$ 9.23		\$ (0.19)	(1.3)	\$ 6.00	65.0
Weighted Average Outstanding Shares - Diluted ('M)		25,931		25,930		25,930					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$31.533 for the first quarter of 2015.

(2) Starting in 2015, TSMC prepares financial statements in accordance with 2013 IFRSs version endorsed by Taiwan. Under IFRS, the impact of newly effected GAAP shall be retroactively applied. The consolidated condensed statements of comprehensive income for the three months ended December 31, 2014 and March 31, 2014 have been updated accordingly.

(3) 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, 2015, December 31, 2014 and March 31, 2014
(Expressed in Millions of New Taiwan Dollars ("NTD") and U.S. Dollars ("USD")) ⁽¹⁾

	1Q 2015 (unaudited)		4Q 2014 (unaudited) ⁽²⁾	1Q 2014 (unaudited) ⁽²⁾
	USD	NTD	NTD	NTD
Cash Flows from Operating Activities:				
Income before Income Tax	\$ 2,799	\$ 88,259	\$ 89,312	\$ 53,297
Depreciation & Amortization	1,759	55,478	56,418	41,622
Share of Profits of Associates and Joint Venture	(36)	(1,135)	(911)	(955)
Income Taxes Paid	(4)	(118)	(69)	(179)
Changes in Working Capital & Others	429	13,517	8,919	1,076
Net Cash Generated by Operating Activities	4,947	156,001	153,669	94,861
Cash Flows from Investing Activities:				
Interest Received	\$ 28	\$ 875	\$ 704	\$ 596
Cash Dividend Received	-	-	2	-
Acquisitions of:				
Property, Plant and Equipment	(1,550)	(48,876)	(52,425)	(114,905)
Marketable Financial Instruments	(297)	(9,373)	(4,486)	(1,402)
Financial Assets Carried at Cost	(1)	(32)	(19)	(4)
Proceeds from Disposal or Redemption of:				
Property, Plant and Equipment	1	30	37	55
Marketable Financial Instruments	27	836	26	863
Financial Assets Carried at Cost	-	9	19	29
Others	(20)	(637)	700	(1,092)
Net Cash Used In Investing Activities	(1,812)	(57,168)	(55,442)	(115,860)
Cash Flows from Financing Activities:				
Increase (Decrease) in Short-term Loans	\$ (550)	\$ (17,341)	\$ (2,046)	\$ 8,819
Interest Paid	(27)	(862)	(449)	(864)
Proceeds from Exercise of Stock Options	1	30	14	22
Others	-	1	30,118	(27)
Net Cash Generated by (Used in) Financing Activities	(576)	(18,172)	27,637	7,950
Effect of Exchange Rate Changes on Cash and Cash Equivalents and others	\$ (54)	\$ (1,698)	\$ 6,701	\$ 2,051
Net Increase in Cash and Cash Equivalents	2,505	78,963	132,565	(10,998)
Cash and Cash Equivalents at Beginning of Period	11,367	358,449	225,884	242,695
Cash and Cash Equivalents at End of Period	\$ 13,872	\$ 437,412	\$ 358,449	\$ 231,697

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NT\$31.533 for the three months ended March 31, 2015.

(2) Starting in 2015, TSMC prepares financial statements in accordance with 2013 IFRSs version endorsed by Taiwan. Under IFRS, the impact of newly effected GAAP shall be retroactively applied. The consolidated condensed cash flow statements for the three months ended December 31, 2014 and March 31, 2014 have been updated accordingly.