



TSMC Reports Third Quarter EPS of NT\$1.18

Hsin-Chu, Taiwan, R.O.C., October 29, 2009 -- TSMC today announced consolidated revenue of NT\$89.94 billion, net income of NT\$30.55 billion, and diluted earnings per share of NT\$1.18 (US\$0.18 per ADS unit) for the third quarter ended September 30, 2009.

Year-over-year, third quarter revenue decreased 3.3% while net income decreased 0.1% and diluted EPS increased 0.3%. Compared to second quarter of 2009, third quarter results represent a 21.2% increase in revenue, an increase of 25% in net income, and an increase of 24.8% in diluted EPS. All figures were prepared in accordance with R.O.C. GAAP on a consolidated basis.

Gross margin for the quarter was 47.7%, operating margin was 35.6%, and net margin was 34%.

As demand outlook continued to improve, third quarter saw a solid growth in the demand for semiconductors across all major applications.

Advanced process technologies (0.13-micron and below) accounted for 67% of wafer revenues. 90-nanometer process technology accounted for 18% of wafer revenues, 65-nanometer 31%, and 40-nanometer exceeded 4% of total wafer sales.

“For the fourth quarter, we expect the demand from computer related applications to grow strongly while communication related applications will take a pause after two consecutive quarters’ strong momentum, and consumer applications will decline following their seasonal pattern,” said Lora Ho, VP and Chief Financial Officer of TSMC. “Based on our current business outlook, management expects overall performance for fourth quarter 2009 to be as follows”:

- Revenue is expected to be between NT\$90 billion and NT\$92 billion;
- Gross profit margin is expected to be between 47% and 48.5%;
- Operating profit margin is expected to be between 35.5% and 37%.

Lora Ho further said: Due to stronger demand for 40-nanometer and 65-nanometer technologies, TSMC 2009 capital expenditure is further raised and is expected to be around US\$2.7 billion”.

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, October 29, 2009. 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 **1-617-614-3518** 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 total managed capacity in 2008 exceeded nine 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 17, 2009, 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.