



**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Consolidated Condensed Balance Sheets**

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

	September 30, 2009 (unaudited)			June 30, 2009 (audited)		September 30, 2008 (unaudited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
<b>ASSETS</b>											
<b>Current Assets</b>											
Cash and Cash Equivalents	\$4,874	\$156,935	29.0	\$239,517	40.8	\$112,446	20.4	(\$82,582)	(34.5)	\$44,489	39.6
Investments in Marketable Financial Instruments	726	23,384	4.3	7,252	1.2	45,724	8.3	16,132	222.4	(22,340)	(48.9)
Accounts Receivable - Trade	1,114	35,881	6.6	33,384	5.7	45,333	8.2	2,497	7.5	(9,452)	(20.9)
Inventories, Net	596	19,176	3.5	18,974	3.2	21,817	4.0	202	1.1	(2,641)	(12.1)
Other Current Assets	275	8,865	1.7	10,292	1.8	7,029	1.3	(1,427)	(13.9)	1,836	26.1
Total Current Assets	7,585	244,241	45.1	309,419	52.7	232,349	42.2	(65,178)	(21.1)	11,892	5.1
Long-Term Investments	1,197	38,553	7.1	32,498	5.5	41,874	7.6	6,055	18.6	(3,321)	(7.9)
Properties, Plant and Equipment	28,318	911,844	168.3	881,897	150.1	849,818	154.5	29,947	3.4	62,026	7.3
Less: Accumulated Depreciation	(20,963)	(675,028)	(124.6)	(656,826)	(111.8)	(597,523)	(108.6)	(18,202)	2.8	(77,505)	13.0
Properties, Plant and Equipment, Net	7,355	236,816	43.7	225,071	38.3	252,295	45.9	11,745	5.2	(15,479)	(6.1)
Other Assets	692	22,287	4.1	20,555	3.5	23,481	4.3	1,732	8.4	(1,194)	(5.1)
Total Assets	\$16,829	\$541,897	100.0	\$587,543	100.0	\$549,999	100.0	(\$45,646)	(7.8)	(\$8,102)	(1.5)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>											
<b>Current Liabilities</b>											
Accounts Payables	\$330	\$10,633	2.0	\$10,105	1.7	\$9,671	1.8	\$528	5.2	\$962	10.0
Payables to Contractors and Equipment Suppliers	486	15,666	2.9	15,853	2.7	8,082	1.4	(187)	(1.2)	7,584	93.8
Accrued Expenses and Other Current Liabilities	882	28,401	5.2	103,363	17.6	36,124	6.6	(74,962)	(72.5)	(7,723)	(21.4)
Current Portion of Bonds Payable and Long-Term Debts	10	309	0.1	309	0.1	8,258	1.5	-	(0.1)	(7,949)	(96.3)
Total Current Liabilities	1,708	55,009	10.2	129,630	22.1	62,135	11.3	(74,621)	(57.6)	(7,126)	(11.5)
Bonds Payable	140	4,500	0.8	4,500	0.8	4,500	0.8	-	-	-	-
Other Long-Term Liabilities	489	15,761	2.9	16,060	2.7	17,541	3.2	(299)	(1.9)	(1,780)	(10.1)
Total Liabilities	2,337	75,270	13.9	150,190	25.6	84,176	15.3	(74,920)	(49.9)	(8,906)	(10.6)
<b>Shareholders' Equity Attributable to Shareholders of the Parent</b>											
Capital Stock at Par Value	8,044	259,007	47.8	258,964	44.1	259,042	47.1	43	0.0	(35)	(0.0)
Capital Surplus	1,722	55,440	10.2	55,331	9.4	50,463	9.2	109	0.2	4,977	9.9
Legal Capital Reserve <sup>(2)</sup>	2,401	77,317	14.3	77,317	13.2	67,324	12.2	-	-	9,993	14.8
Special Capital Reserve <sup>(2)</sup>	-	-	-	-	-	392	0.1	-	-	(392)	(100.0)
Unappropriated Earnings <sup>(2)</sup>	2,233	71,899	13.3	41,348	7.0	103,063	18.7	30,551	73.9	(31,164)	(30.2)
Treasury Stock	-	-	-	-	-	(16,500)	(3.0)	-	-	16,500	(100.0)
Others	(24)	(778)	(0.2)	801	0.1	(1,708)	(0.3)	(1,579)	(197.1)	930	(54.5)
Total Equity Attributable to Shareholders of the Parent	14,376	462,885	85.4	433,761	73.8	462,076	84.0	29,124	6.7	809	0.2
Minority Interests	116	3,742	0.7	3,592	0.6	3,747	0.7	150	4.2	(5)	(0.2)
Total Shareholders' Equity	14,492	466,627	86.1	437,353	74.4	465,823	84.7	29,274	6.7	804	0.2
Total Liabilities & Shareholders' Equity	\$16,829	\$541,897	100.0	\$587,543	100.0	\$549,999	100.0	(\$45,646)	(7.8)	(\$8,102)	(1.5)

Note :

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$32.2 as of September 30, 2009.

(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 September 30, 2009, June 30, 2009, September 30, 2008**

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

Except for Per Share Amounts and Shares Outstanding)

	3Q 2009			2Q 2009		3Q 2008		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Net Sales	\$2,742	\$89,936	100.0	\$74,212	100.0	\$92,979	100.0	\$15,724	21.2	(\$3,043)	(3.3)
Cost of Sales	(1,435)	(47,078)	(52.3)	(39,916)	(53.8)	(49,885)	(53.7)	(7,162)	17.9	2,807	(5.6)
Gross Profit	1,307	42,858	47.7	34,296	46.2	43,094	46.3	8,562	25.0	(236)	(0.5)
Operating Expenses											
Research and Development Expenses	(189)	(6,202)	(6.9)	(5,096)	(6.9)	(5,981)	(6.4)	(1,106)	21.7	(221)	3.7
General and Administrative Expenses	(108)	(3,541)	(3.9)	(2,881)	(3.8)	(2,979)	(3.2)	(660)	22.9	(562)	18.9
Sales and Marketing Expenses	(35)	(1,131)	(1.3)	(1,192)	(1.6)	(1,217)	(1.3)	61	(5.1)	86	(7.0)
Total Operating Expenses	(332)	(10,874)	(12.1)	(9,169)	(12.3)	(10,177)	(10.9)	(1,705)	18.6	(697)	6.9
Income from Operations	975	31,984	35.6	25,127	33.9	32,917	35.4	6,857	27.3	(933)	(2.8)
Non-Operating Income, Net	16	519	0.5	1,156	1.6	1,328	1.4	(637)	(55.1)	(809)	(60.9)
Investment Gains	14	454	0.5	106	0.1	185	0.2	348	328.8	269	144.5
Income before Income Tax	1,005	32,957	36.6	26,389	35.6	34,430	37.0	6,568	24.9	(1,473)	(4.3)
Income Tax Expenses	(70)	(2,285)	(2.5)	(1,943)	(2.7)	(3,658)	(3.9)	(342)	17.6	1,373	(37.5)
Net Income	935	30,672	34.1	24,446	32.9	30,772	33.1	6,226	25.5	(100)	(0.3)
Minority Interests	(3)	(121)	(0.1)	(4)	-	(198)	(0.2)	(117)	3055.4	77	(38.8)
Net Income Attributable to Shareholders of the Parent	932	30,551	34.0	24,442	32.9	30,574	32.9	6,109	25.0	(23)	(0.1)
Earnings per Share - Diluted	\$0.04	\$1.18		\$0.94		\$1.17		\$0.24	24.8	\$0.01	0.3
Earnings per ADR - Diluted <sup>(2)</sup>	\$0.18	\$5.88		\$4.71		\$5.86		\$1.17	24.8	\$0.02	0.3
Weighted Average Outstanding Shares - Diluted ('M') <sup>(3)</sup>		25,984		25,944		26,070					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD32.797 for the third quarter of 2009.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 26,070M shares for 3Q08 after the retroactive adjustments for stock dividends



**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES**

**Audited Consolidated Condensed Income Statements**

For the Nine Months Ended September 30, 2009 and 2008

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

Except for Per Share Amounts and Shares Outstanding)

	For the Nine Months Ended September 30						
	2009			2008		YoY	
	USD	NTD	%	NTD	%	Amount	%
Net Sales	\$6,148	\$203,648	100.0	\$268,595	100.0	(\$64,947)	(24.2)
Cost of Sales	(3,593)	(119,014)	(58.4)	(147,041)	(54.7)	28,027	(19.1)
Gross Profit	2,555	84,634	41.6	121,554	45.3	(36,920)	(30.4)
Operating Expenses							
Research and Development Expenses	(454)	(15,026)	(7.4)	(16,655)	(6.2)	1,629	(9.8)
General and Administrative Expenses	(242)	(8,017)	(4.0)	(8,811)	(3.3)	794	(9.0)
Sales and Marketing Expenses	(98)	(3,271)	(1.6)	(3,674)	(1.4)	403	(11.0)
Total Operating Expenses	(794)	(26,314)	(13.0)	(29,140)	(10.9)	2,826	(9.7)
Income from Operations	1,761	58,320	28.6	92,414	34.4	(34,094)	(36.9)
Non-Operating Income, Net	61	2,028	1.0	4,923	1.8	(2,895)	(58.8)
Investment Gains (Losses)	(8)	(253)	(0.1)	1,042	0.4	(1,295)	(124.3)
Income before Income Tax	1,814	60,095	29.5	98,379	36.6	(38,284)	(38.9)
Income Tax Expenses	(105)	(3,489)	(1.7)	(10,497)	(3.9)	7,008	(66.8)
Net Income	1,709	56,606	27.8	87,882	32.7	(31,276)	(35.6)
Minority Interests	(2)	(54)	-	(395)	(0.1)	341	(86.3)
Net Income Attributable to Shareholders of the Parent	1,707	56,552	27.8	87,487	32.6	(30,935)	(35.4)
Earnings per Share - Diluted	\$0.07	\$2.18		\$3.33		(\$1.15)	(34.6)
Earnings per ADR - Diluted <sup>(2)</sup>	\$0.33	\$10.88		\$16.64		(\$5.76)	(34.6)
Weighted Average Outstanding Shares - Diluted ('M) <sup>(3)</sup>		25,981		26,290			

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 33.122 for the nine months ended September 30, 2009.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 26,290M shares for the nine months ended September 30, 2008 after the retroactive adjustment for stock dividends.



# TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

## Consolidated Condensed Statements of Cash Flows

For the Nine Months Ended September 30, 2009 and for the Three Months Ended September 30, 2009, June 30, 2009, and September 30, 2008

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

	Nine Months 2009 (unaudited)		3Q 2009 (unaudited)	2Q 2009 (unaudited)	3Q 2008 (unaudited)
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Net Income	\$ 1,707	\$ 56,552	\$ 30,551	\$ 24,442	\$ 30,574
Net Income Attributable to Minority Interest	2	54	121	4	198
Depreciation & Amortization	1,828	60,537	20,001	20,053	20,686
Deferred Income Tax	(34)	(1,122)	(426)	697	410
Equity in Losses (Earnings) of Equity Method Investees, Net	8	253	(454)	(106)	(185)
Changes in Working Capital & Others	(553)	(18,307)	(3,138)	(20,566)	4,220
Net Cash Provided by Operating Activities	2,958	97,967	46,655	24,524	55,903
Cash Flows from Investing Activities:					
Acquisitions of:					
Marketable Financial Instruments	(937)	(31,046)	(20,827)	(968)	(40,201)
Investments Accounted for Using Equity Method	(1)	(32)	(32)	-	(55)
Property, Plant and Equipment	(1,361)	(45,070)	(32,038)	(7,415)	(10,378)
Financial Assets Carried at Cost	(8)	(271)	(139)	(48)	(87)
Proceeds from Disposal or maturity of:					
Marketable Financial Instruments	833	27,591	1,886	2,651	22,126
Property, Plant and Equipment	-	7	2	3	140
Financial Assets Carried at Cost	3	94	19	75	-
Others	(20)	(640)	(381)	(291)	1,930
Net Cash Used In Investing Activities	(1,491)	(49,367)	(51,510)	(5,993)	(26,525)
Cash Flows from Financing Activities:					
Decrease in Guarantee Deposits	(10)	(327)	(77)	(86)	(83)
Proceeds from Exercise of Stock Options	6	191	162	14	51
Bonus Paid to Directors and Supervisors	-	-	-	-	(177)
Repayment of Long-Term Bonds Payable	(242)	(8,000)	-	-	-
Cash Dividends Paid for Common Stock	(2,321)	(76,876)	(76,876)	-	(76,779)
Repurchase of Treasury Stock	-	-	-	-	(23,812)
Cash Bonus Paid to Employees	-	-	-	-	(3,940)
Others	(5)	(182)	(191)	(265)	(222)
Net Cash Used in Financing Activities	(2,572)	(85,194)	(76,982)	(337)	(104,962)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,105)	(36,594)	(81,837)	18,194	(75,584)
Effect of Exchange Rate Changes and Others	(33)	(1,085)	(745)	(1,939)	2,684
Cash and Cash Equivalents at Beginning of Period	5,876	194,614	239,517	223,262	185,346
Cash and Cash Equivalents at End of Period	\$ 4,738	\$ 156,935	\$ 156,935	\$ 239,517	\$ 112,446

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD33.122 for the nine months ended September 30, 2009.