



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⁾

	June 30, 2010 (audited)			March 31, 2010 (unaudited)		June 30, 2009 (audited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$5,344	\$172,486	25.3	\$159,800	25.5	\$239,517	40.8	\$12,686	7.9	(\$67,031)	(28.0)
Investments in Marketable Financial Instruments	1,055	34,056	5.0	32,210	5.1	7,252	1.2	1,846	5.7	26,804	369.6
Accounts Receivable - Trade	1,489	48,062	7.1	39,771	6.3	33,384	5.7	8,291	20.8	14,678	44.0
Inventories	768	24,800	3.6	22,694	3.6	18,974	3.2	2,106	9.3	5,826	30.7
Other Current Assets	224	7,211	1.1	11,141	1.9	10,292	1.8	(3,930)	(35.3)	(3,081)	(29.9)
Total Current Assets	8,880	286,615	42.1	265,616	42.4	309,419	52.7	20,999	7.9	(22,804)	(7.4)
Long-term Investments	1,269	40,962	6.0	39,763	6.3	32,498	5.5	1,199	3.0	8,464	26.0
Properties, Plant and Equipment	32,930	1,062,915	156.1	1,012,982	161.6	881,897	150.1	49,933	4.9	181,018	20.5
Less: Accumulated Depreciation	(22,754)	(734,445)	(107.8)	(713,353)	(113.8)	(656,826)	(111.8)	(21,092)	3.0	(77,619)	11.8
Properties, Plant and Equipment, Net	10,176	328,470	48.3	299,629	47.8	225,071	38.3	28,841	9.6	103,399	45.9
Intangible and Other Assets	766	24,729	3.6	21,821	3.5	20,555	3.5	2,908	13.3	4,174	20.3
Total Assets	\$21,091	\$680,776	100.0	\$626,829	100.0	\$587,543	100.0	\$53,947	8.6	\$93,233	15.9
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-term Loans	\$560	\$18,083	2.7	\$318	-	\$-	-	\$17,765	5582.0	\$18,083	
Accounts Payables	398	12,867	1.9	11,626	1.9	10,105	1.7	1,241	10.7	2,762	27.3
Payables to Contractors and Equipment Suppliers	803	25,922	3.8	28,785	4.6	15,853	2.7	(2,863)	(9.9)	10,069	63.5
Accrued Expenses and Other Current Liabilities	3,362	108,504	15.9	36,501	5.9	103,363	17.6	72,003	197.3	5,141	5.0
Current Portion of Bonds Payable and Long-term Debts	28	889	0.1	945	0.1	309	0.1	(56)	(5.9)	580	187.8
Total Current Liabilities	5,151	166,265	24.4	78,175	12.5	129,630	22.1	88,090	112.7	36,635	28.3
Bonds Payable	139	4,500	0.7	4,500	0.7	4,500	0.8	-	-	-	-
Other Long-term Liabilities	407	13,138	1.9	11,849	1.9	16,060	2.7	1,289	10.9	(2,922)	(18.2)
Total Liabilities	5,697	183,903	27.0	94,524	15.1	150,190	25.6	89,379	94.6	33,713	22.4
Shareholders' Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	8,026	259,050	38.0	259,038	41.3	258,964	44.1	12	0.0	86	0.0
Capital Surplus	1,721	55,567	8.2	55,531	8.9	55,331	9.4	36	0.1	236	0.4
Legal Capital Reserve ⁽²⁾	2,672	86,239	12.7	77,317	12.3	77,317	13.2	8,922	11.5	8,922	11.5
Special Capital Reserve ⁽²⁾	41	1,313	0.2	-	-	-	-	1,313		1,313	
Unappropriated Earnings ⁽²⁾	2,806	90,567	13.3	138,228	22.1	41,348	7.0	(47,661)	(34.5)	49,219	119.0
Treasury Stock	-	-	-	-	-	-	-	-	-	-	-
Others	(2)	(52)	-	(1,976)	(0.3)	801	0.1	1,924	(97.4)	(853)	(106.5)
Equity Attributable to Shareholders of the Parent	15,264	492,684	72.4	528,138	84.3	433,761	73.8	(35,454)	(6.7)	58,923	13.6
Minority Interests	130	4,189	0.6	4,167	0.6	3,592	0.6	22	0.5	597	16.6
Total Shareholders' Equity	15,394	496,873	73.0	532,305	84.9	437,353	74.4	(35,432)	(6.7)	59,520	13.6
Total Liabilities & Shareholders' Equity	\$21,091	\$680,776	100.0	\$626,829	100.0	\$587,543	100.0	\$53,947	8.6	\$93,233	15.9

Note :

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$32.278 as of June 30, 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 June 30, 2010, March 31, 2010, June 30, 2009

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

Except for Per Share Amounts and Shares Outstanding

	2Q 2010			1Q 2010		2Q 2009		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Net Sales	\$3,299	\$104,962	100.0	\$92,187	100.0	\$74,212	100.0	\$12,775	13.9	\$30,750	41.4
Cost of Sales	(1,667)	(53,036)	(50.5)	(48,002)	(52.1)	(39,916)	(53.8)	(5,034)	10.5	(13,120)	32.9
Gross Profit	1,632	51,926	49.5	44,185	47.9	34,296	46.2	7,741	17.5	17,630	51.4
Operating Expenses											
Research and Development Expenses	(226)	(7,190)	(6.9)	(6,410)	(7.0)	(5,096)	(6.9)	(780)	12.2	(2,094)	41.1
General and Administrative Expenses	(92)	(2,931)	(2.8)	(2,472)	(2.6)	(2,881)	(3.8)	(459)	18.6	(50)	1.7
Sales and Marketing Expenses	(42)	(1,337)	(1.2)	(1,175)	(1.3)	(1,192)	(1.6)	(162)	13.6	(145)	12.1
Total Operating Expenses	(360)	(11,458)	(10.9)	(10,057)	(10.9)	(9,169)	(12.3)	(1,401)	13.9	(2,289)	25.0
Income from Operations	1,272	40,468	38.6	34,128	37.0	25,127	33.9	6,340	18.6	15,341	61.1
Non-Operating Income, Net	44	1,413	1.3	998	1.1	1,156	1.6	415	41.5	257	22.1
Equity in Earnings of Equity Method Investees, Net	17	529	0.5	177	0.2	106	0.1	352	198.8	423	400.3
Income before Income Tax	1,333	42,410	40.4	35,303	38.3	26,389	35.6	7,107	20.1	16,021	60.7
Income Tax Expenses	(61)	(1,943)	(1.8)	(1,478)	(1.6)	(1,943)	(2.7)	(465)	31.6	0	0.0
Net Income	1,272	40,467	38.6	33,825	36.7	24,446	32.9	6,642	19.6	16,021	65.5
Net Income Attributable to Minority Interests	(6)	(185)	(0.2)	(162)	(0.2)	(4)	-	(23)	13.6	(181)	4693.7
Net Income Attributable to Shareholders of the Parent	1,266	40,282	38.4	33,663	36.5	24,442	32.9	6,619	19.7	15,840	64.8
Earnings per Share - Diluted	\$0.05	\$1.55		\$1.30		\$0.94		\$0.25	19.7	\$0.61	65.0
Earnings per ADR - Diluted ⁽²⁾	\$0.24	\$7.77		\$6.49		\$4.71		\$1.28	19.7	\$3.06	65.0
Weighted Average Outstanding Shares - Diluted (M) ⁽³⁾		25,917		25,916		25,943					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD31.813 for the second quarter of 2010.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 25,916M and 25,943M shares for 1Q10 and 2Q09 after the retroactive adjustments for stock dividends and stock bonus.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Audited Consolidated Condensed Income Statements

For the Six Months Ended June 30, 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 Six Months Ended June 30						YoY	
	2010			2009		Amount	%	
	USD	NTD	%	NTD	%			
Net Sales	\$6,184	\$197,149	100.0	\$113,712	100.0	\$83,437	73.4	
Cost of Sales	(3,169)	(101,038)	(51.2)	(71,936)	(63.3)	(29,102)	40.5	
Gross Profit	3,015	96,111	48.8	41,776	36.7	54,335	130.1	
Operating Expenses								
Research and Development Expenses	(427)	(13,600)	(6.9)	(8,825)	(7.8)	(4,775)	54.1	
General and Administrative Expenses	(169)	(5,403)	(2.7)	(4,476)	(3.9)	(927)	20.7	
Sales and Marketing Expenses	(79)	(2,512)	(1.4)	(2,139)	(1.8)	(373)	17.4	
Total Operating Expenses	(675)	(21,515)	(11.0)	(15,440)	(13.5)	(6,075)	39.3	
Income from Operations	2,340	74,596	37.8	26,336	23.2	48,260	183.2	
Non-Operating Income, Net	76	2,411	1.2	1,508	1.3	903	59.8	
Equity in Earnings (Losses) of Equity Method Investees, Net	22	706	0.4	(707)	(0.6)	1,413	(199.9)	
Income before Income Tax	2,438	77,713	39.4	27,137	23.9	50,576	186.4	
Income Tax Expenses	(107)	(3,421)	(1.7)	(1,204)	(1.1)	(2,217)	184.1	
Net Income	2,331	74,292	37.7	25,933	22.8	48,359	186.5	
Net Income Attributable to Minority Interests	(11)	(347)	(0.2)	68	0.1	(415)	(614.9)	
Net Income Attributable to Shareholders of the Parent	2,320	73,945	37.5	26,001	22.9	47,944	184.4	
Earnings per Share - Diluted	\$0.09	\$2.85		\$1.00		\$1.85	184.7	
Earnings per ADR - Diluted ⁽²⁾	\$0.45	\$14.27		\$5.01		\$9.26	184.7	
Weighted Average Outstanding Shares - Diluted ('M) ⁽³⁾		25,917		25,944				

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 31.879 for the six months ended June 30, 2010.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 25,944M shares for the six months ended June 30, 2009 after the retroactive adjustment for stock dividends.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Condensed Statements of Cash Flows

For the Six Months Ended June 30, 2010, and for the Three Months Ended June 30, 2010, March 31, 2010 and June 30, 2009

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

	Six Months 2010 (Audited)		2Q 2010 (unaudited)	1Q 2010 (unaudited)	2Q 2009 (unaudited)
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Net Income Attributable to Shareholders of the Parent	\$ 2,320	\$ 73,945	\$ 40,282	\$ 33,663	\$ 24,442
Net Income Attributable to Minority Interest	11	347	185	162	4
Depreciation & Amortization	1,322	42,134	21,131	21,003	20,053
Deferred Income Tax	(27)	(856)	(138)	(718)	697
Equity in Earnings of Equity Method Investees, Net	(22)	(706)	(529)	(177)	(106)
Changes in Working Capital & Others	(625)	(19,904)	(12,005)	(7,899)	(20,566)
Net Cash Provided by Operating Activities	<u>2,979</u>	<u>94,960</u>	<u>48,926</u>	<u>46,034</u>	<u>24,524</u>
Cash Flows from Investing Activities:					
Acquisitions of:					
Marketable Financial Instruments	(1,143)	(36,435)	(10,577)	(25,858)	(968)
Investments Accounted for Using Equity Method	(196)	(6,242)	(13)	(6,229)	-
Property, Plant and Equipment	(3,101)	(98,857)	(52,721)	(46,136)	(7,415)
Financial Assets Carried at Cost	(54)	(1,723)	(1,612)	(111)	(48)
Proceeds from Disposal or Redemption of:					
Marketable Financial Instruments	1,034	32,970	10,750	22,220	2,651
Property, Plant and Equipment	4	112	76	36	3
Financial Assets Carried at Cost	6	180	154	26	75
Others	(16)	(503)	(266)	(237)	(291)
Net Cash Used In Investing Activities	<u>(3,466)</u>	<u>(110,498)</u>	<u>(54,209)</u>	<u>(56,289)</u>	<u>(5,993)</u>
Cash Flows from Financing Activities:					
Increase in Short-term Loans	567	18,083	17,765	318	-
Decrease in Guarantee Deposits	(4)	(128)	(38)	(90)	(86)
Proceeds from Exercise of Employee Stock Options	3	86	49	37	14
Others	(40)	(1,268)	(160)	(1,108)	(265)
Net Cash Provided by (Used in) Financing Activities	<u>526</u>	<u>16,773</u>	<u>17,616</u>	<u>(843)</u>	<u>(337)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>39</u>	<u>1,235</u>	<u>12,333</u>	<u>(11,098)</u>	<u>18,194</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(1)	(25)	353	(378)	(1,939)
Cash and Cash Equivalents at Beginning of Period	<u>5,373</u>	<u>171,276</u>	<u>159,800</u>	<u>171,276</u>	<u>223,262</u>
Cash and Cash Equivalents at End of Period	<u>\$ 5,411</u>	<u>\$ 172,486</u>	<u>\$ 172,486</u>	<u>\$ 159,800</u>	<u>\$ 239,517</u>

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD31.879 for the six months ended June 30, 2010.