



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⁾

	September 30, 2011 (unaudited)			June 30, 2011 (audited)		September 30, 2010 (unaudited)		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
ASSETS											
Current Assets											
Cash and Cash Equivalents	\$3,758	\$114,836	15.6	\$150,979	19.3	\$132,269	19.8	(\$36,143)	(23.9)	(\$17,433)	(13.2)
Investments in Marketable Financial Instruments	178	5,428	0.7	8,153	1.0	34,940	5.2	(2,725)	(33.4)	(29,512)	(84.5)
Accounts Receivable - Trade	1,488	45,459	6.2	46,188	5.9	47,381	7.1	(729)	(1.6)	(1,922)	(4.1)
Inventories	841	25,692	3.5	31,523	4.0	26,663	4.0	(5,831)	(18.5)	(971)	(3.6)
Other Current Assets	181	5,521	0.8	5,709	0.7	5,384	0.8	(188)	(3.3)	137	2.5
Total Current Assets	6,446	196,936	26.8	242,552	30.9	246,637	36.9	(45,616)	(18.8)	(49,701)	(20.2)
Long-term Investments	1,194	36,474	5.0	34,844	4.5	39,784	6.0	1,630	4.7	(3,310)	(8.3)
Properties, Plant and Equipment	43,299	1,322,960	180.1	1,297,378	165.6	1,102,720	165.2	25,582	2.0	220,240	20.0
Less: Accumulated Depreciation	(27,820)	(850,006)	(115.7)	(819,491)	(104.6)	(753,541)	(112.9)	(30,515)	3.7	(96,465)	12.8
Properties, Plant and Equipment, Net	15,479	472,954	64.4	477,887	61.0	349,179	52.3	(4,933)	(1.0)	123,775	35.4
Intangible and Other Assets	925	28,277	3.8	28,533	3.6	31,952	4.8	(256)	(0.9)	(3,675)	(11.5)
Total Assets	\$24,044	\$734,641	100.0	\$783,816	100.0	\$667,552	100.0	(\$49,175)	(6.3)	\$67,089	10.1
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current Liabilities											
Short-term Loans	\$1,179	\$36,020	4.9	\$33,141	4.2	\$37,910	5.7	\$2,879	8.7	(\$1,890)	(5.0)
Accounts Payables	344	10,525	1.4	13,253	1.7	13,092	2.0	(2,728)	(20.6)	(2,567)	(19.6)
Payables to Contractors and Equipment Suppliers	693	21,180	2.9	36,805	4.7	26,645	4.0	(15,625)	(42.5)	(5,465)	(20.5)
Accrued Expenses and Other Current Liabilities	1,182	36,109	4.9	117,790	15.0	30,718	4.6	(81,681)	(69.3)	5,391	17.5
Current Portion of Bonds Payable and Long-term Debts	149	4,531	0.6	4,500	0.6	871	0.1	31	0.7	3,660	420.2
Total Current Liabilities	3,547	108,365	14.7	205,489	26.2	109,236	16.4	(97,124)	(47.3)	(871)	(0.8)
Bonds Payable	589	18,000	2.5	-	-	4,500	0.7	18,000	-	13,500	300.0
Other Long-term Liabilities	234	7,153	1.0	9,964	1.3	12,912	1.9	(2,811)	(28.2)	(5,759)	(44.6)
Total Liabilities	4,370	133,518	18.2	215,453	27.5	126,648	19.0	(81,935)	(38.0)	6,870	5.4
Shareholders' Equity Attributable to Shareholders of the Parent											
Capital Stock at Par Value	8,482	259,151	35.3	259,143	33.1	259,074	38.8	8	0.0	77	0.0
Capital Surplus	1,823	55,690	7.6	55,802	7.1	55,634	8.3	(112)	(0.2)	56	0.1
Legal Capital Reserve ⁽²⁾	3,351	102,400	13.9	102,400	13.1	86,239	12.9	-	-	16,161	18.7
Special Capital Reserve ⁽²⁾	211	6,434	0.9	6,434	0.8	1,313	0.2	-	-	5,121	390.0
Unappropriated Earnings ⁽²⁾	5,951	181,838	24.8	151,444	19.3	137,506	20.6	30,394	20.1	44,332	32.2
Others	(226)	(6,885)	(1.0)	(11,273)	(1.4)	(3,243)	(0.5)	4,388	(39.6)	(3,642)	110.1
Equity Attributable to Shareholders of the Parent	19,592	598,628	81.5	563,950	72.0	536,523	80.3	34,678	6.1	62,105	11.6
Minority Interests	82	2,495	0.3	4,413	0.5	4,381	0.7	(1,918)	(43.5)	(1,886)	(43.0)
Total Shareholders' Equity	19,674	601,123	81.8	568,363	72.5	540,904	81.0	32,760	5.8	60,219	11.1
Total Liabilities & Shareholders' Equity	\$24,044	\$734,641	100.0	\$783,816	100.0	\$667,552	100.0	(\$49,175)	(6.3)	\$67,089	10.1

Note :

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the rate of NT\$30.554 as of September 30, 2011.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Unaudited Consolidated Condensed Income Statements

For the Three Months Ended September 30, 2011, June 30, 2011 and September 30, 2010

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

Except for Per Share Amounts and Shares Outstanding)

	3Q 2011			2Q 2011		3Q 2010		QoQ		YoY	
	USD	NTD	%	NTD	%	NTD	%	Amount	%	Amount	%
Net Sales	\$3,657	\$106,483	100.0	\$110,509	100.0	\$112,247	100.0	(\$4,026)	(3.6)	(\$5,764)	(5.1)
Cost of Sales	(2,120)	(61,713)	(58.0)	(59,653)	(54.0)	(56,122)	(50.0)	(2,060)	3.5	(5,591)	10.0
Gross Profit	1,537	44,770	42.0	50,856	46.0	56,125	50.0	(6,086)	(12.0)	(11,355)	(20.2)
Operating Expenses											
Research and Development Expenses	(296)	(8,619)	(8.1)	(8,493)	(7.7)	(8,035)	(7.2)	(126)	1.5	(584)	7.3
General and Administrative Expenses	(119)	(3,472)	(3.2)	(3,438)	(3.1)	(3,575)	(3.1)	(34)	1.0	103	(2.9)
Sales and Marketing Expenses	(37)	(1,081)	(1.0)	(1,059)	(0.9)	(1,449)	(1.3)	(22)	2.2	368	(25.4)
Total Operating Expenses	(452)	(13,172)	(12.3)	(12,990)	(11.7)	(13,059)	(11.6)	(182)	1.4	(113)	0.9
Income from Operations	1,085	31,598	29.7	37,866	34.3	43,066	38.4	(6,268)	(16.6)	(11,468)	(26.6)
Non-Operating Income, Net	14	410	0.4	944	0.9	5,707	5.1	(534)	(56.5)	(5,297)	(92.8)
Equity in Earnings of Equity Method											
Investees, Net	5	152	0.1	245	0.1	902	0.8	(93)	(38.4)	(750)	(83.2)
Income before Income Tax	1,104	32,160	30.2	39,055	35.3	49,675	44.3	(6,895)	(17.7)	(17,515)	(35.3)
Income Tax Expenses	(59)	(1,726)	(1.7)	(3,027)	(2.7)	(2,552)	(2.3)	1,301	(43.0)	826	(32.3)
Net Income	1,045	30,434	28.5	36,028	32.6	47,123	42.0	(5,594)	(15.5)	(16,689)	(35.4)
Net Income Attributable to Minority Interests	(1)	(39)	-	(78)	(0.1)	(183)	(0.2)	39	(49.9)	144	(78.8)
Net Income Attributable to Shareholders of the Parent	1,044	30,395	28.5	35,950	32.5	46,940	41.8	(5,555)	(15.5)	(16,545)	(35.2)
Earnings per Share - Diluted	\$0.04	\$1.17		\$1.39		\$1.81		(\$0.22)	(15.5)	(\$0.64)	(35.3)
Earnings per ADR - Diluted ⁽²⁾	\$0.20	\$5.86		\$6.93		\$9.06		(\$1.07)	(15.5)	(\$3.20)	(35.3)
Weighted Average Outstanding Shares - Diluted ⁽³⁾		25,924		25,924		25,918					

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD29.115 for the third quarter of 2011.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 25,924M and 25,918M shares for 2Q11 and 3Q10 after the retroactive adjustments for exercise price of stock option.



TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND SUBSIDIARIES

Unaudited Consolidated Condensed Income Statements

For the Nine Months Ended September 30, 2011 and 2010

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

Except for Per Share Amounts and Shares Outstanding)

	For The Nine Months Ended September 30						
	2011			2010		YoY	
	USD	NTD	%	NTD	%	Amount	%
Net Sales	\$11,083	\$322,369	100.0	\$309,396	100.0	\$12,973	4.2
Cost of Sales	(6,019)	(175,072)	(54.3)	(157,160)	(50.8)	(17,912)	11.4
Gross Profit	5,064	147,297	45.7	152,236	49.2	(4,939)	(3.2)
Operating Expenses							
Research and Development Expenses	(862)	(25,076)	(7.8)	(21,635)	(7.0)	(3,441)	15.9
General and Administrative Expenses	(353)	(10,254)	(3.2)	(8,978)	(2.9)	(1,276)	14.2
Sales and Marketing Expenses	(114)	(3,340)	(1.0)	(3,961)	(1.3)	621	(15.7)
Total Operating Expenses	(1,329)	(38,670)	(12.0)	(34,574)	(11.2)	(4,096)	11.8
Income from Operations	3,735	108,627	33.7	117,662	38.0	(9,035)	(7.7)
Non-Operating Income, Net	67	1,983	0.6	8,118	2.7	(6,135)	(75.6)
Equity in Earnings (Losses) of Equity Method Investees, Net	32	917	0.3	1,608	0.5	(691)	(43.0)
Income before Income Tax	3,834	111,527	34.6	127,388	41.2	(15,861)	(12.5)
Income Tax Expenses	(297)	(8,638)	(2.7)	(5,973)	(1.9)	(2,665)	44.6
Net Income	3,537	102,889	31.9	121,415	39.3	(18,526)	(15.3)
Net Income Attributable to Minority Interests	(9)	(266)	(0.1)	(530)	(0.2)	264	(49.8)
Net Income Attributable to Shareholders of the Parent	3,528	102,623	31.8	120,885	39.1	(18,262)	(15.1)
Earnings per Share - Diluted	\$0.14	\$3.96		\$4.66		(\$0.70)	(15.1)
Earnings per ADR - Diluted ⁽²⁾	\$0.68	\$19.79		\$23.32		(\$3.53)	(15.1)
Weighted Average Outstanding Shares - Diluted ('M) ⁽³⁾		25,924		25,918			

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD 29.086 for the nine months ended September 30, 2011.

(2) 1 ADR equals 5 ordinary shares.

(3) Total diluted weighted average outstanding shares were 25,918M shares for the nine months ended September 30, 2010 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 Nine Months Ended September 30, 2011 and for the Three Months Ended September 30, 2011, June 30, 2011, and September 30, 2010

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

	Nine Months 2011 (unaudited)		3Q 2011 (unaudited)	2Q 2011 (unaudited)	3Q 2010 (unaudited)
	USD	NTD	NTD	NTD	NTD
Cash Flows from Operating Activities:					
Net Income Attributable to Shareholders of the Parent	\$ 3,528	\$ 102,623	\$ 30,395	\$ 35,950	\$ 46,940
Net Income Attributable to Minority Interest	9	266	39	78	183
Depreciation & Amortization	2,748	79,940	27,965	27,159	22,372
Deferred Income Tax	17	487	60	(610)	599
Equity in Earnings of Equity Method Investees, Net	(32)	(917)	(152)	(245)	(902)
Changes in Working Capital & Others	(263)	(7,649)	(3,098)	731	(5,240)
Net Cash Provided by Operating Activities	6,007	174,750	55,209	63,063	63,952
Cash Flows from Investing Activities:					
Acquisitions of:					
Marketable Financial Instruments	(1,194)	(34,742)	(16)	(20,861)	(9,074)
Investments Accounted for Using Equity Method	-	-	-	-	-
Property, Plant and Equipment	(6,333)	(184,191)	(38,048)	(64,881)	(42,151)
Financial Assets Carried at Cost	(5)	(158)	(35)	(121)	(31)
Proceeds from Disposal or Redemption of:					
Marketable Financial Instruments	2,171	63,157	1,981	47,717	13,443
Property, Plant and Equipment	17	507	(44)	170	21
Financial Assets Carried at Cost	7	207	-	144	42
Others	98	2,844	(190)	(619)	(7,281)
Net Cash Used In Investing Activities	(5,239)	(152,376)	(36,352)	(38,451)	(45,031)
Cash Flows from Financing Activities:					
Increase (Decrease) in Short-term Loans	165	4,806	2,879	(1,035)	19,827
Decrease in Guarantee Deposits	(9)	(274)	(6)	(194)	(57)
Proceeds from Exercise of Employee Stock Options	5	156	25	4	65
Proceeds from Issuance of Bonds	619	18,000	18,000	-	-
Cash Dividends Paid for Common Stock	(2,672)	(77,730)	(77,730)	-	(77,708)
Repurchase of Treasury Stock	(2)	(72)	(72)	-	-
Others	4	102	16	(668)	(235)
Net Cash Used in Financing Activities	(1,890)	(55,012)	(56,888)	(1,893)	(58,108)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,122)	(32,638)	(38,031)	22,719	(39,187)
Effect of Exchange Rate Changes	36	1,060	3,361	(1,185)	(1,030)
Others	(50)	(1,473)	(1,473)	-	-
Cash and Cash Equivalents at Beginning of Period	5,084	147,887	150,979	129,445	172,486
Cash and Cash Equivalents at End of Period	\$ 3,948	\$ 114,836	\$ 114,836	\$ 150,979	\$ 132,269

Note:

(1) Amounts in New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD29.086 for the nine months ended September 30, 2011.