

2012 First Quarter Investor Conference

April 26, 2012

Agenda

- **Welcome** Elizabeth Sun
- **1Q12 Financial Results and 2Q12 Outlook** Lora Ho
- **CEO Message** Morris Chang
- **Q&A** Morris Chang /
Lora Ho

Safe Harbor Notice

- TSMC's statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- Information as to those factors that could cause actual results to vary can be found in TSMC's Annual Report on Form 20-F filed with the United States Securities and Exchange Commission (the "SEC") on April 13, 2012 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.

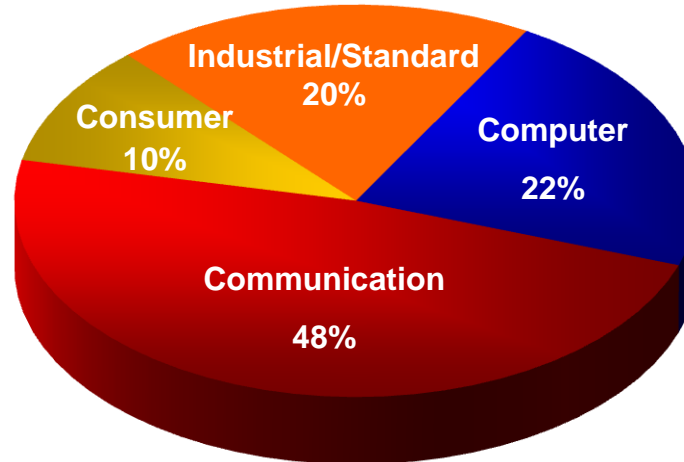
Income Statements

Selected Items from Income Statements <i>(In NT billions)</i>	1Q12	1Q12 Guidance	4Q11	1Q11	1Q12 over 4Q11	1Q12 over 1Q11
Net Sales	105.51	103 - 105	104.71	105.38	+0.8%	+0.1%
Gross Margin	47.7%	42.5% - 44.5%	44.7%	49.0%	+3.0 ppts	-1.3 ppts
Operating Expenses	(14.92)		(13.84)	(12.51)	+7.8%	+19.3%
Operating Margin	33.6%	28.5% - 30.5%	31.4%	37.2%	+2.2 ppts	-3.6 ppts
Non-Operating Items	0.22		0.69	1.15	-68.7%	-81.2%
Net Income	33.47		31.58	36.28	+6.0%	-7.7%
Net Margin	31.7%		30.2%	34.4%	+1.5 ppts	-2.7 ppts
EPS (NT Dollar)	1.29		1.22	1.40	+6.0%	-7.7%
ROE	20.8%		20.6%	24.6%	+0.2 ppt	-3.8 ppts
Shipment (Kpcs, 8"-equiv. Wafer)	2,919		2,917	3,161	+0.1%	-7.7%
Average Exchange Rate--NTD/USD	29.71		30.27	29.30	-1.8%	+1.4%

* Total outstanding shares were 25,921mn units at 3/31/12

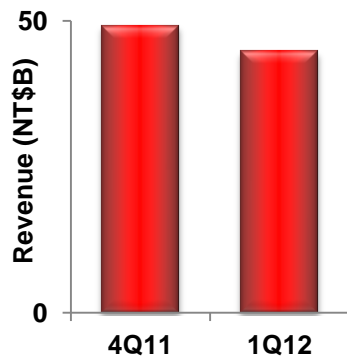
** ROE figures are annualized based on average equity attributable to shareholders of the parent.

1Q12 Revenue by Applications



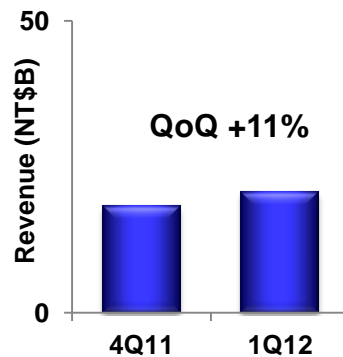
Communication

QoQ -9%



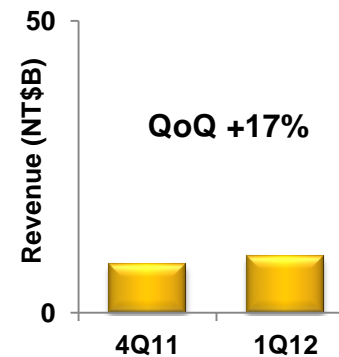
Computer

QoQ +11%



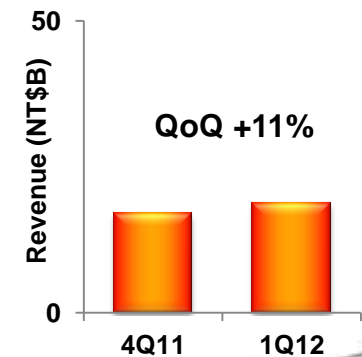
Consumer

QoQ +17%

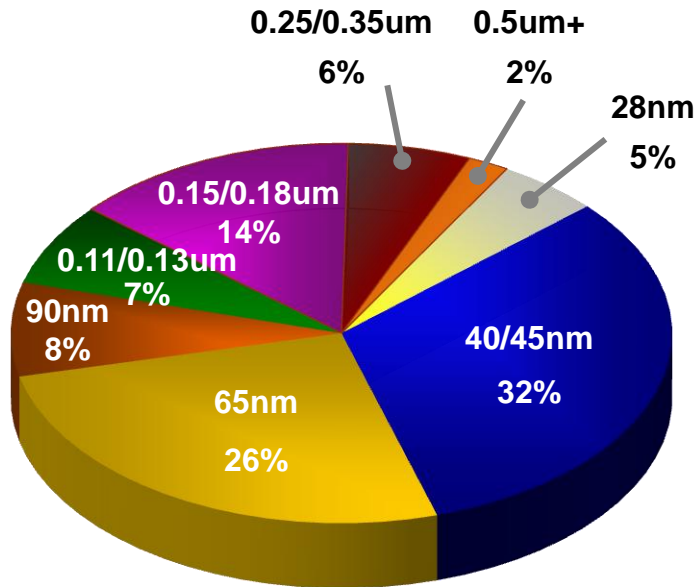


Industrial/Standard

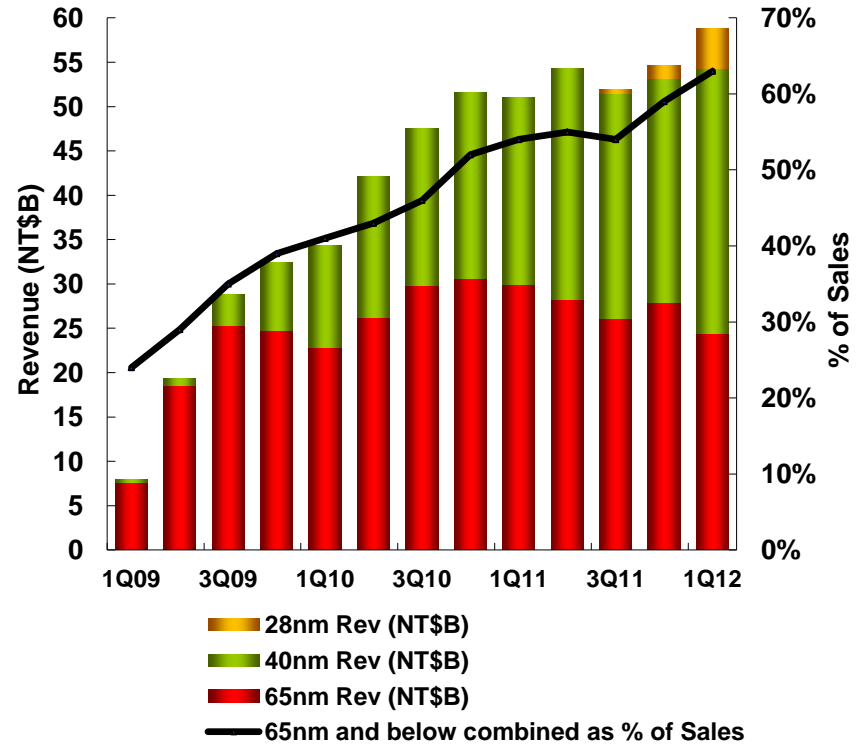
QoQ +11%



1Q12 Revenue by Technology



65nm and below revenue



Balance Sheets & Key Indices

Selected Items from Balance Sheets

(In NT billions)

	1Q12		4Q11		1Q11	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	180.65	21.7%	150.62	19.5%	163.41	21.8%
Accounts Receivable - Trade	48.02	5.8%	40.95	5.3%	46.83	6.2%
Inventory	27.76	3.3%	24.84	3.2%	31.79	4.2%
Long-Term Investment	29.84	3.6%	34.46	4.5%	38.93	5.2%
Net PP&E	509.92	61.3%	490.38	63.3%	436.59	58.2%
Total Assets	831.89	100.0%	774.27	100.0%	750.13	100.0%
Current Liabilities	126.20	15.1%	117.01	15.1%	127.26	17.0%
Long-Term Interest-bearing Debt	37.30	4.5%	20.46	2.6%	5.51	0.7%
Total Liabilities	168.31	20.2%	142.22	18.4%	137.74	18.4%
Total Shareholders' Equity	663.58	79.8%	632.04	81.6%	612.39	81.6%
Key Indices						
A/R Turnover Days	39		38		39	
Inventory Turnover Days	47		43		56	
Current Ratio (x)	2.1		1.9		2.0	
Asset Productivity (x) ⁽¹⁾	0.8		0.9		1.0	

(1) Asset productivity = Annualized net sales / Average net fixed assets.

Cash Flows

(In NT billions)

	1Q12	4Q11	1Q11
Beginning Balance	143.47	114.84	147.89
Cash from operating activities	57.05	72.84	56.48
Capital expenditures	(48.57)	(29.77)	(81.26)
Short-term loans	8.76	(10.09)	2.97
Proceeds from issuance of bonds	17.00	0.00	0.00
Repayment of bonds payable	(4.50)	0.00	0.00
Investments and others	(2.39)	(4.35)	3.37
Ending Balance	170.82	143.47	129.45
Free Cash Flow ⁽¹⁾	8.48	43.07	(24.78)

(1) Free cash flow = Cash from operating activities – Capital expenditures.

Capital Expenditures

<i>(In US millions)</i>	1Q12	4Q11
TSMC	1,587	882
TSMC China & WaferTech	27	47
Other TSMC Subsidiaries	21	24
TSMC Consolidated	1,635	953

Note: 2012Q1 CapEx was based on the weighted average exchange rate of NT\$29.707 per US dollar.

Installed Capacity

2012 Overall Capacity +12%; 12-inch Capacity +17%

FAB / (Wafer size)	4Q11 (A)	2011 (A)	1Q12 (A)	2Q12 (F)	3Q12 (F)	4Q12 (F)	2012 (F)
Fab-2 (6") ⁽¹⁾	255	1,000	253	247	256	256	1,012
Fab-3 (8")	304	1,184	298	300	304	306	1,208
Fab-5 (8")	136	547	145	146	148	148	587
Fab-6 (8")	286	1,128	298	296	298	298	1,191
Fab-8 (8")	255	1,003	262	263	266	266	1,057
Fab-12 (12") ⁽²⁾	337	1,334	373	367	377	373	1,490
Fab-14 (12") ⁽²⁾	504	1,927	549	512	519	534	2,114
Fab-15 (12") ⁽²⁾	0	0	0	18	68	134	220
WaferTech (8")	107	429	110	111	112	112	444
TSMC China (8")	230	772	222	230	232	232	917
TSMC & Subsidiaries (8" Equivalent Kpcs)	3,352	12,963	3,553	3,504	3,672	3,848	14,576
SSMC (8")	65	258	64	64	65	65	258
Total TSMC-managed (8" Equivalent Kpcs)	3,417	13,221	3,616	3,568	3,737	3,913	14,834

(1) Figures represent number of 6" wafers. Conversion to 8"-equivalent wafers is obtained by dividing this number by 1.78.

(2) Figures represent number of 12" wafers. Conversion to 8"-equivalent wafers is obtained by multiplying this number by 2.25.

2Q12 Guidance

Based on our current business outlook and exchange rate assumption, management expects:

- **Revenue to be between NT\$ 126 billion and NT\$ 128 billion, at a forecast exchange rate of 29.58 NT dollars to 1 US dollar**
- **Gross profit margin to be between 47 % and 49 %**
- **Operating profit margin to be between 34.5 % and 36.5 %**

Recap of Recent Major Events

- **TSMC Holds a Groundbreaking Ceremony for Phase 5 of its Fab 14 GigaFab, One of the Key Production Centers for TSMC's advanced 20nm technology. (2012/04/09)**
- **Dialog Semiconductor and TSMC Create a Process Platform to Advance BCD Power Management Leadership (2012/03/29)**
- **Altera and TSMC Jointly Develop World's First Heterogeneous 3D IC Test Vehicle Using CoWoS Process (2012/03/22)**
- **TSMC Board of Directors Approves the Appointment of Senior Vice President of R&D Dr. Shang-yi Chiang, Senior Vice President of Operations Dr. Mark Liu, and Senior Vice President of Business Development Dr. C.C. Wei as Executive Vice Presidents and Co-Chief Operating Officers of TSMC. (2012/03/02)**
- **TSMC Board of Directors Proposes NT\$3.0 Cash Dividend per Share and Approves the Election for its Nine-Member Board of Directors at the 2012 Annual Shareholders' Meeting on June 12. (2012/02/14)**
- **TSMC Receives LEED Gold Certification for Two Green Buildings (2012/02/03)**

- **Please visit TSMC's Web site (<http://www.tsmc.com>) and Market Observation Post System (<http://mops.twse.com.tw>) for details and other announcements**

<http://www.tsmc.com>
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