



Dividend Announcement

11-Aug-09

3:56 PM

To: New York Stock Exchange
Attn: Mr. Rich Ginivan
20 Broad St. - 8th Floor
New York, NY 10005

Please be advised of the following dividend information:

Approximate

Some users may need to
use A4 paper to properly
print this document.

Final

☒

DR Program: TAIWAN SEMICONDUCTOR

CUSIP: 874039100
ISIN: US8740391003
Ticker: TSM
Country: TAIWAN
Ratio (ADR:ORD): 1 : 5

Type of Distribution:

Ordinary Record Date: 21-Jul-09
ADR Record Date: 17-Jul-09
Ordinary Payable Date: 11-Aug-09
ADR Payable Date: 14-Aug-09
Ordinary Ex-Date: 15-Jul-09
(For stock dividends)

Stock Rate: 0.49998207230494 %

Note: (1) & (2)

Tax Rate: 20%

Note: (3)

Note:

(1) The company has announced an 0.49998207230494% stock distribution whereby holders will receive 4.9998207230494 new shares for every 1,000 old shares held as of record date. The resulting shares will rank pari-passu with existing common shares.

Cash in Lieu rate will be advised upon sale of fractional shares. Of the stock dividend 40% is taxable in the local market (Taiwan) and 60% is tax free, and At Source withholding will apply to the stock distribution. The payment is not taxable in the US ADR market. However, US holders may be able to claim a tax credit for the At Source withholding paid in Taiwan.

(2) 128,127,187 (ordinary shares to be issued as stock dividends) divided by 25,626,356,243 (total outstanding ordinary shares) = 0.49998207230494% stock rate.

(3) 0.49998207230494% (stock rate) x 5 (5 ords: 1 ADR) x NT\$10 (par value) x 40% (share amount taxable) x 20% (withholding tax at source) divided by 32.730 (final conversion rate) = US\$0.0006110 withholding tax on stock dividend per record date.

Please note that 32.730 is a final conversion rate.

The 20% withholding tax at source for this distribution will be deducted from the concurrent ADR cash dividend. Both the stock and cash distribution are based on the same ADR record date of July 17, 2009.

Questions may be directed to Elyne Padmore @ 212-657-8796



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 Ordinary Ex-Date: 15-Jul-09

Ordinary Rate: 2.9998924169720 Note: (1)
 Currency: NT\$

Conversion Rate: 32.9149992401 Note: (2)

Gross Rate \$: 0.4557029 Note: (3)

Tax Rate: 20 %

Cash Tax \$: 0.0911406 Note: (4)

Stock Dividend Tax \$: 0.0006110 Note: (5)

Dividend Fee \$: 0.0000000

Net Dividend Rate \$: 0.3639513

Note following formula:

(1) NT\$ 76,876,311,768(ordinary cash dividends approved) divided by 25,626,356,243 (total outstanding ordinary shares) = NT\$2.9998924169720 cash dividend per ordinary share

(2) This is a **final Conversion Rate**

(3) Gross rate = 2.9998924169720 x (5 ords : 1 ADR)divided by 32.9149992401(**final conversion rate**) = 0.455702

(4) 2.9998924169720(cash dividend per ordinary share)x 5(5 ords : 1 ADR)x 20%(withholding tax at source)divided I 32.9149992401 (**final conversion rate**) = US\$ 0.0911406 withholding tax on cash dividend per record date share.

(5) 0.49998207230494% (stock rate) x 5 (5 ords : 1 ADR) x NT\$10 (par value) x 40% (share amount taxable) x 20% (withholding tax at source) divided by 32.73 (**final conversion rate**) = USD 0.0006110
 Withholding tax on stock dividend per record date share

The 20% withholding tax at source for the stock dividend distribution will be deducted from the concurrent ADR cash dividend. Both the stock and cash distribution are based on the same ADR record date of