

TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD
Form 6-K/A
October 30, 2009

1934 Act Registration No. 1-14700

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 6-K/A

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of October 2009

Taiwan Semiconductor Manufacturing Company Ltd.

(Translation of Registrant's Name Into English)

No. 8, Li-Hsin Rd. 6,

Hsinchu Science Park,

Taiwan

(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No

(If Yes is marked, indicated below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82: ____.)

FOR IMMEDIATE RELEASE

CONTACT

Elizabeth Sun

Investor Relations Division

TSMC

invest@tsmc.com

886-3-568-2085

Topics in This Report

Revenue Analysis

Profit & Expense Analysis

Financial Condition Review

Cash Flow

CapEx & Capacity

Recap of Recent Important Events & Announcements

Operating Results Review:

Summary:

(Amounts are on consolidated basis and are in NT billions except otherwise noted)

| | 3Q09 | 2Q09 | 3Q08 | QoQ | YoY |
|-------------------------------------|--------------|--------------|--------------|-------|--------|
| EPS (NT\$ per common share) | 1.18 | 0.94 | 1.17 | 24.8% | 0.3% |
| (US\$ per ADR unit) | 0.18 | 0.14 | 0.19 | | |
| Consolidated Net Sales | 89.94 | 74.21 | 92.98 | 21.2% | (3.3%) |
| Gross Profit | 42.86 | 34.30 | 43.09 | 25.0% | (0.5%) |
| <i>Gross Margin</i> | <i>47.7%</i> | <i>46.2%</i> | <i>46.3%</i> | | |
| Operating Expense | (10.87) | (9.17) | (10.18) | 18.6% | 6.9% |
| Operating Income | 31.99 | 25.13 | 32.91 | 27.3% | (2.8%) |
| <i>Operating Margin</i> | <i>35.6%</i> | <i>33.9%</i> | <i>35.4%</i> | | |
| Non-Operating Items | 0.97 | 1.26 | 1.51 | | |
| Net Income | 30.55 | 24.44 | 30.57 | 25.0% | (0.1%) |
| <i>Net Profit Margin</i> | <i>34.0%</i> | <i>32.9%</i> | <i>32.9%</i> | | |
| Wafer Shipment (kpcs 8 inch-equiv.) | 2,445 | 1,971 | 2,411 | 24.0% | 1.4% |

Note: Total outstanding shares were 25,901mn units on 9/30/09

Financial Highlights:

Third Quarter 2009

Consolidated net sales were NT\$89.94 billion, representing a 21.2% growth from NT\$74.21 billion in 2Q09 and a 3.3% decline from NT\$92.98 billion in 3Q08.

Gross margin was 47.7%, 1.5 percentage points higher than 2Q09 and 1.4 percentage points higher than 3Q08.

Operating margin was 35.6%, 1.7 percentage points higher than 2Q09 and 0.2 percentage point higher than 3Q08. Operating expenses were NT\$10.87 billion, NT\$1.7 billion and NT\$0.69 billion higher than prior and year-ago quarter, respectively.

The combined result from non-operating income and long-term investments was a gain of NT\$0.97 billion, comparing with a gain of NT\$1.26 billion in 2Q09 and a gain of NT\$1.51 billion in 3Q08.

Consolidated net income attributable to shareholders of the parent company was NT\$30.55 billion, 25.0% increase from prior quarter. Net profit margin was 34.0% and diluted EPS was NT\$1.18.

TSMC

Page 2

October 29, 2009

I. Revenue Analysis**I. Wafer Sales Analysis**

| By Application | 3Q09 | 2Q09 | 3Q08 |
|-------------------|------|------|------|
| Computer | 30% | 28% | 33% |
| Communication | 46% | 45% | 41% |
| Consumer | 18% | 21% | 20% |
| Industrial/Others | 6% | 6% | 6% |

| By Technology | 3Q09 | 2Q09 | 3Q08 |
|---------------|------|------|------|
| 40/45nm | 4% | 1% | 0% |
| 65nm | 31% | 28% | 25% |
| 90nm | 18% | 23% | 26% |
| 0.11/0.13um | 14% | 13% | 15% |
| 0.15/0.18um | 21% | 23% | 22% |
| 0.25/0.35um | 9% | 9% | 9% |
| 0.50um+ | 3% | 3% | 3% |

| By Customer Type | 3Q09 | 2Q09 | 3Q08 |
|------------------|------|------|------|
| Fabless/System | 80% | 82% | 70% |
| IDM | 20% | 18% | 30% |

| By Geography | 3Q09 | 2Q09 | 3Q08 |
|---------------|------|------|------|
| North America | 70% | 65% | 74% |
| Asia Pacific | 13% | 18% | 11% |
| China | 3% | 3% | 1% |
| Europe | 11% | 11% | 11% |
| Japan | 3% | 3% | 3% |

Revenue Analysis:

3Q09 business saw a continued improvement with demand growing across the board. Sequentially, revenues from computer applications grew the most with 29% quarter-over-quarter growth rate, followed by communication s 25% and consumer s 11%, respectively.

As a result of continued ramp-up of our 40/45nm technology, revenues from 40/45nm were more than quadrupled during the quarter and accounted for 4% of total wafer sales. Meanwhile, revenues from 65nm and 90nm each accounted for 31% and 18% of total wafer sales. Overall, revenues from advanced technologies (0.13-micron and below) represented 67% of total wafer sales, two percentage points up from prior quarter.

Revenues from IDM customers accounted for 20% of total wafer sales in 3Q09, two percentage points increase from 2Q09.

From a geographic perspective, revenues from customers based in North America accounted for 70% of total wafer sales, five percentage points up from prior quarter. Meanwhile, sales from Asia Pacific, China, Europe and Japan accounted for 13%, 3%, 11%, and 3% of total wafer sales, respectively.

II. Profit & Expense Analysis**II - 1. Gross Profit Analysis**

| (In NT billions) | 3Q09 | 2Q09 | 3Q08 |
|------------------|--------------|--------------|--------------|
| COGS | 47.08 | 39.91 | 49.89 |
| Depreciation | 18.37 | 18.54 | 19.06 |

| | | | |
|---------------------|--------------|--------------|--------------|
| Other MFG Cost | 28.71 | 21.37 | 30.83 |
| Gross Profit | 42.86 | 34.30 | 43.09 |
| Gross Margin | 47.7% | 46.2% | 46.3% |

Gross Profit Analysis:

Gross margin for the third quarter 2009 was 47.7%, up from 46.2% of prior quarter. The 1.5 percentage points improvement in gross margin was primarily due to a higher level of capacity utilization and continued cost improvement, partially offset by a decline in pure price and unfavorable exchange rate.

TSMC

October 29, 2009

Page 3

II - 2. Operating Expenses

| (In NT billions) | 3Q09 | 2Q09 | 3Q08 |
|---|--------------|--------------|--------------|
| Total Operating Exp. | 10.87 | 9.17 | 10.18 |
| SG&A | 4.67 | 4.07 | 4.20 |
| Research & Development | 6.20 | 5.10 | 5.98 |
| Total Operating Exp. as a % of Sales | 12.1% | 12.3% | 10.9% |

Operating Expenses:

Total operating expenses for 3Q09 increased by NT\$1.70 billion to NT\$10.87 billion, representing 12.1% of net sales, better than 12.3% of net sales in 2Q09.

SG&A expenses increased by NT\$0.60 billion from 2Q09. The increase was mainly due to higher legal fee and a one-time donation.

Research and development expenditures increased by NT\$1.1 billion sequentially, primarily due to increased activities in 28nm and 22nm technology development.

II 3. Non-Operating Items

| (In NT billions) | 3Q09 | 2Q09 | 3Q08 |
|----------------------------------|-------------|-------------|-------------|
| Non-Operating Inc./(Exp.) | 0.52 | 1.15 | 1.33 |
| Net Interest Income/(Exp.) | 0.42 | 0.56 | 1.15 |
| Other Non-Operating | 0.10 | 0.59 | 0.18 |
| L-T Investments | 0.45 | 0.11 | 0.18 |
| SSMC | 0.26 | 0.19 | 0.15 |
| Others | 0.19 | (0.08) | 0.03 |
| Total Non-Operating Items | 0.97 | 1.26 | 1.51 |

Non-Operating Items:

Combined result from non-operating income and long-term investments was a gain of NT\$0.97 billion for third quarter 2009.

Non-operating income was NT\$0.52 billion, lower than NT\$1.15 billion in 2Q09. The sequential decline was primarily due to the absence of litigation compensation and less interest income.

Net investment gain was NT\$0.45 billion, higher than NT\$0.11 billion of prior quarter, mainly due to continued business improvement among invested companies.

III. Financial Condition Review**III 1. Liquidity Analysis****(Selected Balance Sheet Items)**

| (In NT billions) | 3Q09 | 2Q09 | 3Q08 |
|------------------------------|---------------|---------------|---------------|
| Cash & Marketable Securities | 180.32 | 246.77 | 158.17 |
| Accounts Receivable Trade | 35.88 | 33.38 | 45.33 |
| Inventory | 19.18 | 18.97 | 21.82 |
| Total Current Assets | 244.24 | 309.42 | 232.35 |
| Accounts Payable | 26.30 | 25.96 | 17.75 |

| | | | |
|----------------------------------|---------------|---------------|---------------|
| Current Portion of Bonds Payable | 0.00 | 0.00 | 8.00 |
| Dividends Payable | 0.00 | 77.17 | 0.00 |
| Accrued Employee Profit Sharing | 8.62 | 11.49 | 13.28 |
| Accrued Liabilities and Others | 20.09 | 15.01 | 23.10 |
| Total Current Liabilities | 55.01 | 129.63 | 62.13 |
| Current Ratio (x) | 4.4 | 2.4 | 3.7 |
| Net Working Capital | 189.23 | 179.79 | 170.22 |

Liquidity Analysis:

At the end of 3Q09, total cash and marketable securities decreased by NT\$66.45 billion to NT\$180.32 billion. We paid NT\$76.88 billion for cash dividends and generated NT\$14.62 billion of free cash flow during this quarter. Total current liabilities decreased by NT\$74.62 billion in this quarter, primarily due to payment of cash dividends. Net working capital was NT\$189.23 billion and current ratio increased to 4.4x.

TSMC

October 29, 2009

Page 4

III - 2. Receivable/Inventory Days

| (In Number of Days) | 3Q09 | 2Q09 | 3Q08 |
|---------------------|-------------|-------------|-------------|
| Days of Receivable | 36 | 30 | 43 |
| Days of Inventory | 41 | 42 | 45 |

Receivable and Inventory Days:

Sequentially, days of receivable increased by six days to 36 days in 3Q09, mainly due to average accounts receivable growing faster than sales. The quality of collection remains the same.

Days of inventory decreased by one day to 41 days.

III - 3. Debt Service

| (In NT billions) | 3Q09 | 2Q09 | 3Q08 |
|------------------------------|-------------|-------------|-------------|
| Cash & Marketable Securities | 180.32 | 246.77 | 158.17 |
| Interest-Bearing Debt | 15.33 | 15.57 | 23.41 |
| Net Cash Reserves | 164.99 | 231.20 | 134.76 |

Debt Service:

Net cash reserves, defined as the excess of cash and short-term marketable securities over interest-bearing debt, decreased by NT\$66.21 billion to NT\$164.99 billion at the end of 3Q09, primarily due to cash dividend payment, net off by free cash flow generated during this quarter.

IV. Cash Flow**IV - 1.1. Cash Flow Analysis**

| (In NT billions) | 3Q09 | 2Q09 | 3Q08 |
|---------------------------------------|----------------|---------------|-----------------|
| Net Income | 30.55 | 24.44 | 30.57 |
| Depreciation & Amortization | 20.00 | 20.05 | 20.69 |
| Employee Profit Sharing Payment* | (7.49) | n.a | n.a |
| Other Operating Sources/(Uses) | 3.60 | (19.97) | 4.64 |
| Total Operating Sources/(Uses) | 46.66 | 24.52 | 55.90 |
| Capital Expenditure | (32.04) | (7.42) | (10.38) |
| Marketable Financial Instruments | (18.94) | 1.68 | (18.07) |
| Other Investing Sources/(Uses) | (0.53) | (0.25) | 1.93 |
| Net Investing Sources/(Uses) | (51.51) | (5.99) | (26.52) |
| Cash Dividends | (76.88) | 0.00 | (76.78) |
| Employee Profit Sharing Payment* | n.a | n.a | (3.94) |
| Purchase of Treasury Stock | 0.00 | 0.00 | (23.81) |
| Other Financing Sources/(Uses) | (0.11) | (0.34) | (0.43) |
| Net Financing Sources/(Uses) | (76.99) | (0.34) | (104.96) |

| | | | |
|---|----------------|---------------|----------------|
| Net Cash Position Changes | (81.84) | 18.19 | (75.58) |
| Exchange Rate Changes & Others | (0.74) | (1.93) | 2.68 |
| Ending Cash Balance | 156.94 | 239.52 | 112.45 |

* Starting 2008,
Taiwan
accounting rule
requires
company to
expense
employee profit
sharing

Summary of Cash Flow:

Cash generated from operating activities totaled NT\$46.66 billion during the quarter, up from NT\$24.52 billion in 2Q09 as a result of higher level of business activities, partially offset by NT\$7.49 billion for 2008 employee profit sharing payment.

Net cash used in investing activities was NT\$51.51 billion in 3Q09, reflecting the capital expenditures of NT\$32.04 billion and investments in fixed income instruments of NT\$14.83 billion.

Net cash used in financing activities was NT\$76.99 billion during the quarter, as we paid NT\$76.88 billion for cash dividends.

As a result, TSMC ended 3Q09 with a cash balance of NT\$156.94 billion.

TSMC

October 29, 2009

Page 5

Operating and Free Cash Flows:

Cash flows generated from operating activities were NT\$46.66 billion during the quarter. Free cash flow, defined as the excess of operating cash flows over capital expenditures, totaled NT\$14.62 billion in 3Q09, compared to NT\$17.10 billion in 2Q09.

V. CapEx & Capacity**V - 1. Capital Expenditures**

| (In US millions) | 1Q09 | 2Q09 | 3Q09 | YTD |
|-------------------------|------------|------------|------------|--------------|
| TSMC | 161 | 218 | 963 | 1,342 |
| XinTec and GUC | 2 | 3 | 6 | 11 |
| TSMC China & WaferTech | 3 | 3 | 0 | 6 |
| Other TSMC Subsidiaries | 0 | 0 | 2 | 2 |
| Total TSMC | 166 | 224 | 971 | 1,361 |

Capital Expenditures:

Capital expenditures for TSMC on a consolidated basis totaled US\$971 million in 3Q09.

First quarter through third quarter 2009, total capital expenditures reached US\$1.36 billion. Due to stronger demand for 40nm and 65nm technologies, TSMC 2009 capital expenditures are further raised and expected to be around US\$2.7 billion.

V-2. Capacity

| | 2008 (A) | 1Q09 (A) | 2Q09 (A) | 3Q09 (A) | 4Q09 (F) | 2009 (F) |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Fab / (Wafer size) | | | | | | |
| Fab-2 (6 ") | 1,056 | 274 | 280 | 283 | 283 | 1,121 |
| Fab-3 (8 ") | 1,100 | 286 | 289 | 292 | 283 | 1,150 |
| Fab-5 (8 ") | 650 | 162 | 149 | 144 | 144 | 599 |
| Fab-6 (8 ") | 1,082 | 295 | 284 | 287 | 287 | 1,154 |
| Fab-8 (8 ") | 1,076 | 275 | 271 | 265 | 255 | 1,066 |
| Fab-12 (12 ") | 840 | 218 | 219 | 199 | 243 | 879 |
| Fab-14 (12 ") | 818 | 238 | 238 | 239 | 243 | 958 |
| WaferTech (8 ") | 420 | 106 | 107 | 109 | 109 | 431 |
| TSMC China (8 ") | 453 | 128 | 134 | 135 | 135 | 531 |
| TSMC total capacity (8 equiv. Kpcs) | 9,104 | 2,431 | 2,419 | 2,379 | 2,467 | 9,695 |
| SSMC (8 ") | 272 | 64 | 65 | 65 | 65 | 259 |
| Total managed capacity (8 equiv. Kpcs) | 9,377 | 2,495 | 2,483 | 2,444 | 2,532 | 9,955 |

(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

Capacity:

Total managed capacity was 2,444K 8-inch equivalent wafers in the third quarter, decreased by 1.6% from 2,483K in 2Q09, mainly due to capacity migration to advanced nodes.

TSMC managed capacity in 4Q09 is expected to increase by 3.6% to reach 2,532K 8-inch equivalent wafers.

Total managed capacity in 2009 is expected to reach 9,955K 8-inch equivalent wafers, representing an increase of 6.2% from 9,377K 8-inch equivalent wafers in 2008, while capacity for 12-inch wafer fabs is expected to increase by 11% year-over-year, reaching 42% of total capacity.

TSMC

October 29, 2009

Page 6

VI. Recap of Recent Important Events & Announcements

TSMC Collaborates With Suppliers To Complete Taiwan's First Supply Chain Carbon Inventory. (2009/09/21)

Fujitsu Microelectronics and TSMC To Collaborate On 28nm Process Technology. (2009/08/27)

TSMC Has Become the First Foundry Not Only To Achieve 28nm Functional 64Mb SRAM Yield, But Also To Achieve It Across All Three 28nm Nodes. (2009/8/24)

TSMC Adds High-K Metal Gate Low Power Process To 28nm Road Map. Risk Production Is Expected In Q3 2010. (2009/08/24)

IDT And TSMC Enter Product Fabrication Agreement. (2009/08/06)

TSMC Extends Design Methodology Leadership To 28nm With Reference Flow 10.0. (2009/07/22)

**TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED AND
SUBSIDIARIES**

Consolidated Condensed Balance Sheets

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

| | September 30, 2009 (unaudited) | | | June 30, 2009 (audited) | | September 30, 2008 (unaudited) | | QoQ | | YoY | |
|---|-----------------------------------|------------|---------|----------------------------|---------|-----------------------------------|---------|------------|--------|-----------|--------|
| | USD | NTD | % | NTD | % | NTD | % | Amount | % | Amount | % |
| ASSETS | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | |
| Cash and Cash Equivalents | \$ 4,874 | \$ 156,935 | 29.0 | \$ 239,517 | 40.8 | \$ 112,446 | 20.4 | (\$82,582) | (34.5) | \$ 44,489 | 39.0 |
| Investments in Marketable Financial Instruments | 726 | 23,384 | 4.3 | 7,252 | 1.2 | 45,724 | 8.3 | 16,132 | 222.4 | (22,340) | (48.3) |
| Accounts Receivable | 1,114 | 35,881 | 6.6 | 33,384 | 5.7 | 45,333 | 8.2 | 2,497 | 7.5 | (9,452) | (20.6) |
| 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 | 26.2 |
| 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) | (13.1) |
| 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) | (6.5) |
| 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) | (1.4) |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | |
| Accounts Payables | \$ 330 | \$ 10,633 | 2.0 | \$ 10,105 | 1.7 | \$ 9,671 | 1.8 | \$ 528 | 5.2 | \$ 962 | 10.0 |

Edgar Filing: TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD - Form 6-K/A

| | | | | | | | | | | | |
|--|-----------|------------|-------|------------|-------|------------|-------|------------|---------|-----------|-------|
| Liabilities to Contractors and Equipment Suppliers | 486 | 15,666 | 2.9 | 15,853 | 2.7 | 8,082 | 1.4 | (187) | (1.2) | 7,584 | 93 |
| 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) |
| 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) |
| Total Current Liabilities | 1,708 | 55,009 | 10.2 | 129,630 | 22.1 | 62,135 | 11.3 | (74,621) | (57.6) | (7,126) | (11) |
| 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) |
| Total Liabilities | 2,337 | 75,270 | 13.9 | 150,190 | 25.6 | 84,176 | 15.3 | (74,920) | (49.9) | (8,906) | (10) |
| Shareholders' Equity | | | | | | | | | | | |
| Attributable to Shareholders of the Parent | | | | | | | | | | | |
| Capital Stock at Par Value | 8,044 | 259,007 | 47.8 | 258,964 | 44.1 | 259,042 | 47.1 | 43 | 0.0 | (35) | (0) |
| Capital Surplus | 1,722 | 55,440 | 10.2 | 55,331 | 9.4 | 50,463 | 9.2 | 109 | 0.2 | 4,977 | 9 |
| Legal Capital Reserve ⁽²⁾ | 2,401 | 77,317 | 14.3 | 77,317 | 13.2 | 67,324 | 12.2 | | | 9,993 | 14 |
| Special Capital Reserve ⁽²⁾ | | | | | | 392 | 0.1 | | | (392) | (100) |
| Appropriated Earnings ⁽²⁾ | 2,233 | 71,899 | 13.3 | 41,348 | 7.0 | 103,063 | 18.7 | 30,551 | 73.9 | (31,164) | (30) |
| Treasury Stock | | | | | | (16,500) | (3.0) | | | 16,500 | (100) |
| Others | (24) | (778) | (0.2) | 801 | 0.1 | (1,708) | (0.3) | (1,579) | (197.1) | 930 | (54) |
| 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 |
| Minority Interests | 116 | 3,742 | 0.7 | 3,592 | 0.6 | 3,747 | 0.7 | 150 | 4.2 | (5) | (0) |
| Total Shareholders' Equity | 14,492 | 466,627 | 86.1 | 437,353 | 74.4 | 465,823 | 84.7 | 29,274 | 6.7 | 804 | 0 |
| 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) |

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)

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 ⁽²⁾ | \$ 0.18 | \$ 5.88 | | \$ 4.71 | | \$ 5.86 | | \$ 1.17 | 24.8 | \$ 0.02 | 0.3 |
| Weighted Average Outstanding Shares - Diluted (M ³) | | 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)
Except for Per Share Amounts and Shares Outstanding)**

| | For the Nine Months Ended September 30 | | | | | | |
|---|--|-------------|--------|-------------|--------|---------------|---------|
| | USD | 2009 NTD | % | 2008 NTD | % | YoY 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) |
| | 1,707 | 56,552 | 27.8 | 87,487 | 32.6 | (30,935) | (35.4) |

Net Income
Attributable to
Shareholders of the
Parent

| | | | | | |
|---|---------|----------|----------|----------|--------|
| Earnings per Share Diluted | \$ 0.07 | \$ 2.18 | \$ 3.33 | (\$1.15) | (34.6) |
| Earnings per ADR Diluted ⁽²⁾ | \$ 0.33 | \$ 10.88 | \$ 16.64 | (\$5.76) | (34.6) |
| Weighted Average Outstanding Shares Diluted (M) ⁽³⁾ | | 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))

| | 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 Changes in Working Capital & Others | 8 | 253 | (454) | (106) | (185) |
| | (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.



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Taiwan Semiconductor Manufacturing
Company Ltd.

Date: October 29, 2009

By /s/ Lora Ho
Lora Ho
Vice President & Chief Financial
Officer