



## **TSMC Reports Third Quarter EPS of NT\$3.44**

**Hsinchu, Taiwan, R.O.C., October 18, 2018** -- TSMC today announced consolidated revenue of NT\$260.35 billion, net income of NT\$89.07 billion, and diluted earnings per share of NT\$3.44 (US\$0.56 per ADR unit) for the third quarter ended September 30, 2018.

Year-over-year, third quarter revenue increased 3.3% while net income and diluted EPS both decreased 0.9%. Compared to second quarter 2018, third quarter results represented an 11.6% increase in revenue and a 23.2% increase in net income. All figures were prepared in accordance with TIFRS on a consolidated basis.

In US dollars, third quarter revenue was \$8.49 billion, which increased 8.1% from the previous quarter and 1.9% year-over-year.

Gross margin for the quarter was 47.4%, operating margin was 36.6%, and net profit margin was 34.2%.

In the third quarter, shipments of 7-nanometer accounted for 11% of total wafer revenue; 10-nanometer and 16/20-nanometer process technology accounted for 6% and 25% of total wafer revenue respectively; and advanced technologies, defined as 28-nanometer and more advanced technologies, accounted for 61% of total wafer revenue.

“Our third quarter business benefited from new product launches using TSMC 7-nanometer technology. Although the computer virus incident on August 3 was estimated to have impacted our third quarter revenue and gross margin by about 2 percent and 1 percent respectively, we were able to make up about 75 percent of the affected shipments in the third quarter,” said Lora Ho, SVP and Chief Financial Officer of TSMC. “Moving into fourth quarter 2018, we anticipate our business will continue to benefit from the strong demand for our 7-nanometer technology. Based on our current business outlook, management expects the overall performance for fourth quarter 2018 to be as follows”:

- Revenue is expected to be between US\$9.35 billion and US\$9.45 billion;

And, based on the exchange rate assumption of 1 US dollar to 30.8 NT dollars,

- Gross profit margin is expected to be between 47% and 49%;
- Operating profit margin is expected to be between 36% and 38%.



**TSMC's 2018 third quarter consolidated results:**

(Unit: NT\$ million, except for EPS)

	3Q18 Amount <sup>a</sup>	3Q17 Amount	YoY Inc. (Dec.) %	2Q18 Amount	QoQ Inc. (Dec.) %
Net sales	260,348	252,107	3.3	233,276	11.6
Gross profit	123,367	125,880	(2.0)	111,530	10.6
Income from operations	95,245	98,056	(2.9)	84,428	12.8
Income before tax	98,897	100,518	(1.6)	87,587	12.9
Net income	89,072	89,925	(0.9)	72,290	23.2
EPS (NT\$)	3.44 <sup>b</sup>	3.47 <sup>b</sup>	(0.9)	2.79 <sup>b</sup>	23.2

*a: 3Q2018 figures have not been approved by Board of Directors*

*b: Based on 25,930 million weighted average outstanding shares*

**About TSMC**

TSMC is the world's largest dedicated semiconductor foundry, providing the industry's leading process technology and foundry's largest portfolio of process-proven libraries, IPs, design tools and reference flows. The Company's owned capacity in 2018 is expected to exceed 12 million (12-inch equivalent) wafers, including capacity from three advanced 12-inch GIGAFAB® facilities, four eight-inch fabs, and one six-inch fab, in Taiwan, as well as TSMC's wholly owned subsidiaries, WaferTech, TSMC China, and TSMC Nanjing. TSMC is the first foundry to provide 7-nanometer production capabilities. Its corporate headquarters are in Hsinchu, Taiwan. For more information about TSMC please visit <http://www.tsmc.com>.

# # #

**TSMC Spokesperson:**

Lora Ho  
Senior VP & CFO  
Tel: 886-3-505-4602

**TSMC Acting Spokesperson:**

Elizabeth Sun  
Senior Director  
Corporate Communications  
Division  
Tel: 886-3-568-2085  
Mobile: 886-988-937-999  
E-Mail: elizabeth\_sun@tsmc.com

**For Further Information:**

Michael Kramer  
Project Manager  
Tel: 886-3-563-6688  
Ext. 7125031  
Mobile: 886-988-931-352  
E-Mail: pdkramer@tsmc.com

Hui-Chung Su  
Senior Administrator  
PR Department  
Tel: 886-3-563-6688  
Ext. 7125033  
Mobile: 886-988-930-039  
E-Mail: hcsuq@tsmc.com