



TSMC Board Approves Plan to Buy Back Shares

Hsinchu, Taiwan, R.O.C., Aug 12, 2008 –TSMC’s Board of Directors today approved a plan to repurchase up to NT\$16.5 billion (approximately US\$542 million), or no more than 283 million shares, of the Company’s common shares from the open market. TSMC plans to buy back shares at a price in the range of NT\$42.85 to NT\$86.20 per share from August 13 to October 12, 2008 and cancel the repurchased shares.

"The sole purpose of this buyback is to remove partially the dilution from employee profit-sharing," said TSMC Spokesperson and Chief Financial Officer Ms. Lora Ho. "This repurchase program is separate from the multi-phase plan with Philips, and Philips will not use this program to dispose of its remaining stake in TSMC."

In addition, the Board of Directors also passed the following resolutions at its meeting:

1. Approved capital appropriations of US\$687.60 million to expand 45nm and 40nm manufacturing capacity at 12-inch fabs.
2. Approved capital appropriations of US\$107.40 million in eight-inch fab equipment to upgrade a portion of 0.18 micron logic process capacity to 0.11 micron CMOS image sensor, 0.11 micron logic, 0.13 micron high voltage, and 0.18 RF process capacity. In addition, the appropriation will also be used to upgrade a portion of 0.35 micron logic process capacity to MEMS process.
3. Approved TSMC’s merger of its 100%-owned subsidiary, Hsin Ruey Investment Co. Ltd.
4. Approved semi-annual financial statements for the first half of 2008. Consolidated revenue for the January-June period was NT\$175.617 billion, and net profits were NT\$56.914 billion.

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For further information, please contact:

TSMC Spokesperson:
Ms. Lora Ho
Vice President and CFO
Tel: 886-3-566-4602