

# TSMC reports shrinking profit, revenue in 3Q

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(AP) -- Taiwan Semiconductor Manufacturing Co., the world's largest contract chip maker, said Thursday its earnings dropped by more than a third in the latest quarter amid uncertainties about the global economy.

The company which supplies chips for use in gadgets including Apple's iPhones and [iPads](#) said its third quarter net profit of 30.4 billion New Taiwan dollars (\$1 billion) was down 35 percent from last year and down 15.5 percent from the second quarter of this year.

Quarterly revenue totaled \$3.5 billion, down 5 percent from a year earlier and 3.6 percent lower than the second quarter.

TSMC's customers are either uncertain about their outlook or expecting a weaker first quarter of 2012, Chairman Morris Chang told an investor conference in Taipei.

Company officials said shipments have declined for chips used in computers, consumer and industrial electronics, while handset chips sales have expanded. But newly installed production using the cutting-edge 28 nanometer process could help improve [profit margins](#) next year, they said.

Chang said the current economic landscape was not as severe as the winter of 2008 when the world was mired in a financial crisis. He said TSMC expects its wafer shipments to pick up by March next year with customers rebuilding the inventories they've depleted in the last quarter.

"Perhaps ... we may suddenly find a surge that's amazingly strong," he said.

TSMC has diversified into solar panels and LED lights, two sectors facing losses because of oversupplies.

But Chang said TSMC is in the startup stage in both sectors and has not been hurt by the sharp price declines.

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