

TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD

Form 6-K

July 26, 2005

1934 Act Registration No. 1-14700

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 6-K

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

For the month of July 2005

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 V

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 V

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

(TSMC LOGO)

TSMC REPORTS 5% SEQUENTIAL INCREASE IN
SECOND QUARTER REVENUE WITH EPS OF NT\$0.74

HSINCHU, TAIWAN, R.O.C., JULY 26, 2005 -- TSMC today announced revenue and net income for the quarter ended June 30, 2005. Second quarter revenue reached NT\$58.52 billion while net income and fully diluted earnings per share came to NT\$18.37 billion and NT\$0.74 per share (US\$0.12 per ADS unit), respectively.

On a sequential basis, second quarter results represent a 5.1% increase in revenue, a 9.2% increase in net income and fully diluted EPS. Year-over-year comparison shows decreases in revenue, net income, and fully diluted EPS to be 9.8%, 21.5%, and 21.3%, respectively. All figures were prepared in accordance with R.O.C. GAAP on an unconsolidated basis.

The 5.1% increase in second quarter revenue mainly resulted from a 14.5% increase in wafer shipments and a 5.4% decline in average wafer selling price (ASP). Gross margin for the second quarter improved to 39.7% from the previous

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quarter's 38.9%, due to higher levels of capacity utilization, but a lower ASP partially reduced the magnitude of the improvement. Revenues from advanced process technologies (0.13-micron and below) accounted for 43% of total wafer sales, compared to 45% previously. Net margin for the quarter improved to 31.4% from 30.2% in the last quarter.

"Due primarily to demand recovery from our customers, our second quarter business had improved better than we guided previously," said Lora Ho, VP and Chief Financial Officer of TSMC. "We expect the recovery to continue for the coming quarter," noted Ho, "and based on the current business outlook, management's expectations for third quarter 2005 performance are the following":

TSMC'S 2005 SECOND QUARTER RESULTS :

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

	2Q05 Amount*	2Q04 Amount	YoY Inc. (Dec.) %	1Q05 Amount
Net sales	58,516	64,869	(9.8)	55,653
Gross profit	23,205	28,139	(17.5)	21,649
Income from operations	17,784	22,134	(19.7)	16,076
Income before tax	17,733	23,121	(23.3)	16,265
Net income	18,369	23,410	(21.5)	16,818
EPS (NT\$)	0.74**	0.95***	(21.3)	0.68****

* 2005 second quarter figures have not been approved by Board of Directors

** Based on 24,687 million weighted average outstanding shares

*** Based on 24,770 million weighted average outstanding shares

**** Based on 24,684 million weighted average outstanding shares

(TSMC LOGO)

TSMC SPOKESPERSON:

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

TSMC ACTING SPOKESPERSON:

 Mr. J.H. Tzeng
 PR Department Manager, TSMC
 Tel: 886-3-666-5028

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Mobile: 0928-882607
Fax: 886-3-567-0121
E-Mail: jhtzeng@tsmc.com

FOR FURTHER INFORMATION, PLEASE CONTACT:

Richard C.Y. Chung
Media Relations Manager, TSMC
Tel: 886-3-666-5038
Mobile: 886-911-258751
Fax: 886-3-567-0121
E-Mail: cychung@tsmc.com

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: July 26, 2005

By /s/ Lora Ho

Lora Ho
Vice President & Chief Financial Officer