

TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD

Form 6-K

October 26, 2004

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 October 2004

**Taiwan Semiconductor Manufacturing Company Ltd.**

(Translation of Registrant's Name Into English)

**No.8, Li-Hsin Rd. 6,  
Hsin-chu 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: \_\_\_\_\_.)

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**TSMC 2004 Third Quarter Report***20% Increase in Sequential EPS*

Hsinchu, Taiwan, R.O.C., October 26, 2004 Taiwan Semiconductor Manufacturing Company, Ltd. today announced revenue and net income for the quarter ended September 30, 2004. Third quarter revenue reached NT\$69.74 billion while net income and fully diluted earnings per share came to NT\$27.93 billion and NT\$1.20 per share (US\$0.18 per ADS unit), respectively.

On a sequential basis, third quarter results represent a 7.5% increase in revenue, a 19.3% increase in net income and a 19.5% increase in fully diluted EPS. Year-over-year comparison shows the increases in revenue, net income, and fully diluted EPS to be 27%, 84%, and 85%, respectively. All figures were prepared in accordance with R.O.C. GAAP on an unconsolidated basis.

The 7.5% increase in third quarter revenue mainly resulted from a 4.0% increase in wafer shipments and a 1.4% increase in wafer average selling price (ASP), further helped by a 1.8% weaker local currency to US dollar exchange rate. Gross margin for the third quarter rose to 46.1%, another significant increase sequentially from the previous quarter's 43.4%, due to higher levels of wafer output, continuing improvement on 12-inch wafer yield, and a better product mix. Revenues from advanced process technologies (0.13-micron and below) reached 30 percent of total wafer sales. Net margin for the quarter rose to 40.1% from 36.1% in the previous quarter.

Building upon five consecutive quarters of strong financial performance, TSMC has delivered another set of record-breaking financial results for both the top-line and the bottom-line, said Lora Ho, VP and Chief Financial Officer of TSMC.

Ms. Ho also noted that there has been some near-term softening in customer demand. The Company's fourth quarter revenues would decline slightly versus the third quarter of 2004.

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**TSMC's 2004 third quarter results**

|                        | 3Q04    | 3Q03   | (Unit: NT\$million, except for EPS)<br>YoY<br>Change | 2Q04   | QoQ<br>Change |
|------------------------|---------|--------|--|--------|---------------|
|                        | Amount* | Amount | %  | Amount | %             |
| Net sales              | 69,735  | 54,877 | 27.1   | 64,869 | 7.5           |
| Gross profit           | 32,140  | 21,447 | 49.9   | 28,139 | 14.2          |
| Income from operations | 26,121  | 16,487 | 58.4   | 22,134 | 18.0          |
| Income before tax      | 28,129  | 16,708 | 68.4   | 23,121 | 21.7          |

|            |               |                |             |                 |             |
|------------|---------------|----------------|-------------|-----------------|-------------|
| Net income | <u>27,933</u> | <u>15,169</u>  | <u>84.1</u> | <u>23,410</u>   | <u>19.3</u> |
| EPS(NT\$)  | <u>1.20**</u> | <u>0.65***</u> | <u>84.6</u> | <u>1.00****</u> | <u>19.5</u> |

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\* 2004 third quarter figures have not been approved by Board of Directors

\*\* Based on 23,270 million weighted average outstanding shares

\*\*\* Based on 23,331 million weighted average outstanding shares

\*\*\*\* Based on 23,301 million weighted average outstanding shares

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**TSMC Spokesperson:**

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**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 26, 2004

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