

TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD

Form 6-K

October 27, 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 October 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

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: ____.)

**TSMC Reports 18% Sequential Increase
in Third Quarter Revenue with EPS of NT\$0.99**

Hsinchu, Taiwan, R.O.C., October 27, 2005 TSMC today announced revenue and net income for the quarter ended September 30, 2005. Third quarter revenue reached NT\$69.26 billion while net income and fully diluted earnings per share came to NT\$24.49 billion and NT\$0.99 per share (US\$0.15 per ADS unit), respectively.

On a sequential basis, third quarter results represent an 18.4% increase in revenue, and a 33.3% increase in both net income and fully diluted EPS. Year-over-year comparison shows decreases in revenue, net income, and fully diluted EPS to be 0.7%, 12.3%, and 12.2%, respectively. All figures were prepared in accordance with R.O.C. GAAP on an unconsolidated basis.

The 18.4% increase in third quarter revenue mainly resulted from a 19.8% increase in wafer shipments. Gross margin for the third quarter jumped 4.4 percentage points to 44.1%, due to higher levels of capacity utilization and more favorable exchange rates. Advanced process technologies (0.13-micron and below) accounted for 43% of wafer revenues, same as in the previous quarter. Meanwhile, revenues from 90-nanometer process technology reached 10% of the total wafer sales. Overall utilization was 96%. Operating margin improved from 30.4% in second quarter to 36% in third quarter, and net margin improved to 35.4% from 31.4% in the last quarter.

Due primarily to continual demand recovery from our customers, our third quarter business had improved better than we guided previously, said Lora Ho, VP and Chief Financial Officer of TSMC.

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TSMC's 2005 third quarter results :

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

| | 3Q05 | 3Q04 | YoY | 2Q05 | QoQ |
|------------------------|--------|---------|-------------|----------|-------------|
| | Amount | Amount | Inc. (Dec.) | Amount | Inc. (Dec.) |
| | * | | % | | % |
| Net sales | 69,258 | 69,735 | (0.7) | 58,516 | 18.4 |
| Gross profit | 30,525 | 32,140 | (5.0) | 23,205 | 31.5 |
| Income from operations | 24,930 | 26,121 | (4.6) | 17,784 | 40.2 |
| Income before tax | 24,420 | 28,129 | (13.2) | 17,733 | 37.7 |
| Net income | 24,488 | 27,933 | (12.3) | 18,369 | 33.3 |
| EPS(NT\$) | 0.99** | 1.13*** | (12.2) | 0.74**** | 33.3 |

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

** Based on 24,690 million weighted average outstanding shares

*** Based on 24,739 million weighted average outstanding shares

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

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Ms. Lora Ho

Vice President and CFO

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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 27, 2005

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