

TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD

Form 6-K

January 25, 2007

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 January 2007

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 Fourth Quarter EPS of NT\$1.08

Hsinchu, Taiwan, R.O.C., January 25, 2007 TSMC today announced consolidated revenue of NT\$74.96 billion, net income of NT\$27.91 billion, and diluted earnings per share of NT\$1.08 (US\$0.16 per ADS unit) for the fourth quarter ended December 31, 2006.

Year-over-year, fourth quarter revenue decreased 5.4% while net income and diluted EPS decreased 17.7% and 17.8%, respectively. On a sequential basis, fourth quarter results represent a 9.1% decrease in revenue, and a decrease of 14.1% both in net income and in diluted EPS. All figures were prepared in accordance with R.O.C. GAAP on a consolidated basis.

Fourth quarter business was affected by inventory correction, and revenue came to the mid point of the guidance. Advanced process technologies (0.13-micron and below) accounted for 48% of wafer revenues with 90-nanometer process technology accounting for 22% and 65-nanometer approaching 1% of total wafer sales. Gross margin of 46% reached the mid point of the guidance, while operating margin of 36.6% was close to the high end of guidance. Net margin decreased 2.2 percentage points to 37.2% from the previous quarter.

The current inventory correction which started in the third quarter of last year is expected to continue through the first quarter of 2007, but we expect the overall demand of our business to begin to recover by the end of first quarter, said Lora Ho, VP and Chief Financial Officer of TSMC. Relative to the fourth quarter, the wireless communication segment appears to experience a more severe decline than the consumer and computer segments in the first quarter, said Ho. Based on our current business outlook, management's expectations for first quarter 2007 performance are as follows :

Revenue to be between NT\$62 billion and NT\$64 billion;

Gross profit margin to be between 37% and 39%;

Operating profit margin to be between 26% and 28%.

Ho said management also expects that 2007 capital expenditure will be in the range of US\$2.6 billion to US\$2.8 billion.

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TSMC's 2006 fourth quarter consolidated results :

| | (Unit: NT\$ million, except for EPS) | | | | |
|------------------------|--------------------------------------|---------|-------------------------|----------|-------------------------|
| | 4Q06 | 4Q05 | YoY Inc. (Dec.) % | 3Q06 | QoQ Inc. (Dec.) % |
| | Amount* | Amount | | Amount | |
| Net sales | 74,963 | 79,228 | (5.4) | 82,476 | (9.1) |
| Gross profit | 34,453 | 41,313 | (16.6) | 41,132 | (16.2) |
| Income from operations | 27,407 | 34,409 | (20.3) | 33,632 | (18.5) |
| Income before tax | 29,508 | 35,589 | (17.1) | 34,663 | (14.9) |
| Net income | 27,912 | 33,900 | (17.7) | 32,489 | (14.1) |
| EPS(NT\$) | 1.08** | 1.31*** | (17.8) | 1.26**** | (14.1) |

* 2006 fourth quarter figures have not been approved by Board of Directors

** Based on 25,815 million weighted average outstanding shares

*** Based on 25,809 million weighted average outstanding shares

**** Based on 25,787 million weighted average outstanding shares

TSMC's 2006 consolidated results :

| | (Unit: NT\$ million, except for EPS) | | |
|------------------------|--------------------------------------|---------|-------------------------|
| | 2006 | 2005 | YoY Inc. (Dec.) % |
| | Amount* | Amount | |
| Net sales | 317,407 | 266,565 | 19.1 |
| Gross profit | 155,810 | 118,203 | 31.8 |
| Income from operations | 127,265 | 90,968 | 39.9 |
| Income before tax | 133,362 | 94,264 | 41.5 |
| Net income | 127,010 | 93,575 | 35.7 |
| EPS(NT\$) | 4.92** | 3.63*** | 35.5 |

* 2006 figures have not been approved by Board of Directors

** Based on 25,813 million weighted average outstanding shares

*** Based on 25,776 million weighted average outstanding shares

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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: January 25, 2007

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