

TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD
Form 6-K
July 19, 2018

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 2018

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: .)

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 19, 2018

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

TSMC Reports Second Quarter EPS of NT\$2.79

Hsinchu, Taiwan, R.O.C., July 19, 2018 TSMC today announced consolidated revenue of NT\$233.28 billion, net income of NT\$72.29 billion, and diluted earnings per share of NT\$2.79 (US\$0.47 per ADR unit) for the second quarter ended June 30, 2018.

Year-over-year, second quarter revenue, net income and diluted EPS all increased 9.1%. Compared to first quarter 2018, second quarter results represented a 6.0% decrease in revenue and a 19.5% decrease in net income. All figures were prepared in accordance with TIFRS on a consolidated basis.

In US dollars, second quarter revenue was \$7.85 billion, which decreased 7.2% from the previous quarter but increased 11.2% year-over-year.

Gross margin for the quarter was 47.8%, operating margin was 36.2%, and net profit margin was 31.0%.

In the second quarter, shipments of 10-nanometer accounted for 13% of total wafer revenue; 16/20-nanometer process technology accounted for 25% of total wafer revenue; and advanced technologies, defined as 28-nanometer and more advanced technologies, accounted for 61% of total wafer revenue.

Our second quarter business was mainly impacted by the mobile product seasonality, while the continuing strong demand from cryptocurrency mining and a more favorable currency exchange rate moderated the mobile softness, said Lora Ho, SVP and Chief Financial Officer of TSMC. Moving into third quarter 2018, we anticipate our business will benefit from new product launches using TSMC 7-nanometer technology while cryptocurrency mining demand will decrease from second quarter. Based on our current business outlook, management expects the overall performance for third quarter 2018 to be as follows :

Revenue is expected to be between US\$8.45 billion and US\$8.55 billion;
And, based on the exchange rate assumption of 1 US dollar to 30.5 NT dollars,

Gross profit margin is expected to be between 48% and 50%;

Operating profit margin is expected to be between 36.5% and 38.5%.

TSMC's 2018 second quarter consolidated results:

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

	2Q18 Amount ^a	2Q17 Amount	YoY Inc. (Dec.) %	1Q18 Amount	QoQ Inc. (Dec.) %
Net sales	233,276	213,856	9.1	248,079	(6.0)
Gross profit	111,530	108,708	2.6	124,858	(10.7)
Income from operations	84,428	83,256	1.4	96,827	(12.8)
Income before tax	87,587	86,118	1.7	99,944	(12.4)
Net income	72,290	66,271	9.1	89,785	(19.5)
EPS (NT\$)	2.79 ^b	2.56 ^b	9.1	3.46 ^b	(19.5)

a: 2Q2018 figures have not been approved by Board of Directors

b: Based on 25,930 million weighted average outstanding shares

About TSMC

TSMC is the world's largest dedicated semiconductor foundry, providing the industry's leading process technology and foundry's largest portfolio of process-proven libraries, IPs, design tools and reference flows. The Company's owned capacity in 2018 is expected to exceed 12 million (12-inch equivalent) wafers, including capacity from three advanced 12-inch GIGAFAB[®] facilities, four eight-inch fabs, and one six-inch fab, in Taiwan, as well as TSMC's wholly owned subsidiaries, WaferTech, TSMC China, and TSMC Nanjing. TSMC is the first foundry to provide 7-nanometer production capabilities. Its corporate headquarters are in Hsinchu, Taiwan. For more information about TSMC please visit <http://www.tsmc.com>.

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**TSMC
Spokesperson:****TSMC Acting Spokesperson:****For Further Information:**

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