

TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD
Form 6-K
January 17, 2019

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 2019

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: January 17, 2019

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

TSMC Reports Fourth Quarter EPS of NT\$3.86

Hsinchu, Taiwan, R.O.C., January 17, 2019 TSMC today announced consolidated revenue of NT\$289.77 billion, net income of NT\$99.98 billion, and diluted earnings per share of NT\$3.86 (US\$0.63 per ADR unit) for the fourth quarter ended December 31, 2018.

Year-over-year, fourth quarter revenue increased 4.4% while net income and diluted EPS both increased 0.7%. Compared to third quarter 2018, fourth quarter results represented an 11.3% increase in revenue and a 12.3% increase in net income. All figures were prepared in accordance with TIFRS on a consolidated basis.

In US dollars, fourth quarter revenue was \$9.40 billion, which increased 10.7% from the previous quarter and 2.0% year-over-year.

Gross margin for the quarter was 47.7%, operating margin was 37.0%, and net profit margin was 34.5%.

In the fourth quarter, shipments of 7-nanometer accounted for 23% of total wafer revenue and 10-nanometer process technology contributed 6% while 16/20-nanometer accounted for 21%. Advanced technologies, defined as 28-nanometer and more advanced technologies, accounted for 67% of total wafer revenue.

Our fourth quarter business benefited from the strong demand for our 7 nanometer technology covering both mobile and high performance computing applications, said Lora Ho, SVP and Chief Financial Officer of TSMC. Moving into first quarter 2019, we anticipate our business will be dampened by the overall weakening of the macroeconomic outlook, mobile product seasonality, and high levels of inventory in the semiconductor supply chain. Based on our current business outlook, management expects the overall performance for first quarter 2019 to be as follows :

Revenue is expected to be between US\$7.3 billion and US\$7.4 billion;
And, based on the exchange rate assumption of 1 US dollar to 30.8 NT dollars,

Gross profit margin is expected to be between 43% and 45%;

Operating profit margin is expected to be between 31% and 33%.
The management further expects the 2019 capital budget to be between US\$10 billion and US\$11 billion.

TSMC's 2018 fourth quarter consolidated results:

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

| | 4Q18 Amount ^a | 4Q17 Amount | YoY Inc. (Dec.) % | 3Q18 Amount | QoQ Inc. (Dec.) % |
|------------------------|-----------------------------|-------------------|----------------------|-------------------|----------------------|
| Net sales | 289,771 | 277,570 | 4.4 | 260,348 | 11.3 |
| Gross profit | 138,119 | 138,748 | (0.5) | 123,367 | 12.0 |
| Income from operations | 107,124 | 108,895 | (1.6) | 95,245 | 12.5 |
| Income before tax | 111,082 | 111,675 | (0.5) | 98,897 | 12.3 |
| Net income | 99,984 | 99,286 | 0.7 | 89,072 | 12.3 |
| EPS (NT\$) | 3.86 ^b | 3.83 ^b | 0.7 | 3.44 ^b | 12.3 |

a: 4Q2018 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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