

# Taiwan Semiconductor Manufacturing Company Limited

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Capital Stock - Common Stock		Capital Surplus	Retained Earnings				Others				Total Shareholders' Equity
	Shares (In Thousands)	Amount		Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Total	Cumulative Translation Adjustments	Net Loss Not Recognized as Pension Cost	Unrealized Gain/Loss on Financial Instruments	Treasury Stock	
BALANCE, JANUARY 1, 2011	25,910,078	\$ 259,100,787	\$ 55,698,434	\$ 86,239,494	\$ 1,313,047	\$ 178,227,030	\$ 265,779,571	\$ (6,543,163)	\$ -	\$ 109,289	\$ -	\$ 574,144,918
Appropriations of prior year's earnings												
Legal capital reserve	-	-	-	16,160,501	-	(16,160,501)	-	-	-	-	-	-
Special capital reserve	-	-	-	-	5,120,827	(5,120,827)	-	-	-	-	-	-
Cash dividends to shareholders - NT\$3.00 per share	-	-	-	-	-	(77,730,236)	(77,730,236)	-	-	-	-	(77,730,236)
Net income in 2011	-	-	-	-	-	134,201,279	134,201,279	-	-	-	-	134,201,279
Adjustment arising from changes in percentage of ownership in equity method investees	-	-	59,898	-	-	-	-	-	-	-	-	59,898
Translation adjustments	-	-	-	-	-	-	-	(112,326)	-	-	-	(112,326)
Issuance of stock from exercising employee stock options	7,144	71,439	146,258	-	-	-	-	-	-	-	-	217,697
Net changes of valuation gain/loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	(1,112,995)	-	(1,112,995)
Net change in shareholders' equity from equity method investees	-	-	-	-	-	-	-	-	-	(165,851)	-	(165,851)
Acquisition of treasury stock - shareholders executed the appraisal right	-	-	-	-	-	-	-	-	-	-	(71,598)	(71,598)
Retirement of treasury stock	(1,000)	(10,000)	(2,139)	-	-	(59,459)	(59,459)	-	-	-	71,598	-
Effect of spin-off	-	-	(56,094)	-	-	-	-	222,120	-	(3,298)	-	162,728
BALANCE, DECEMBER 31, 2011	25,916,222	259,162,226	55,846,357	102,399,995	6,433,874	213,357,286	322,191,155	(6,433,369)	-	(1,172,855)	-	629,593,514
Appropriations of prior year's earnings												
Legal capital reserve	-	-	-	13,420,128	-	(13,420,128)	-	-	-	-	-	-
Special capital reserve	-	-	-	-	1,172,350	(1,172,350)	-	-	-	-	-	-
Cash dividends to shareholders - NT\$3.00 per share	-	-	-	-	-	(77,748,668)	(77,748,668)	-	-	-	-	(77,748,668)
Net income in 2012	-	-	-	-	-	166,158,802	166,158,802	-	-	-	-	166,158,802
Adjustment arising from changes in percentage of ownership in equity method investees	-	-	131,095	-	-	-	-	-	-	-	-	131,095
Translation adjustments	-	-	-	-	-	-	-	(4,320,394)	-	-	-	(4,320,394)
Issuance of stock from exercising employee stock options	8,213	82,131	160,357	-	-	-	-	-	-	-	-	242,488
Net changes of valuation gain/loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	1,998,347	-	1,998,347
Net change in shareholders' equity from equity method investees	-	-	-	-	-	-	-	-	(5,299)	7,147,829	-	7,142,530
BALANCE, DECEMBER 31, 2012	25,924,435	\$ 259,244,357	\$ 56,137,809	\$ 115,820,123	\$ 7,606,224	\$ 287,174,942	\$ 410,601,289	\$ (10,753,763)	\$ (5,299)	\$ 7,973,321	\$ -	\$ 723,197,714

The accompanying notes are an integral part of the financial statements.