

Taiwan Semiconductor Manufacturing Company Limited and Subsidiaries

CONSOLIDATED 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)

	Equity Attributable to Shareholders of the Parent											Minority Interests	Total Shareholders' Equity	
	Capital Stock - Common Stock		Capital Surplus	Retained Earnings				Others						Total
	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	\$ 4,559,487	\$ 578,704,405
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)	-	(77,730,236)
Net income in 2011	-	-	-	-	-	134,201,279	134,201,279	-	-	-	-	134,201,279	251,981	134,453,260
Adjustment arising from changes in percentage of ownership in equity method investees	-	-	59,898	-	-	-	-	-	-	-	-	59,898	1,152	61,050
Translation adjustments	-	-	-	-	-	-	-	109,794	-	-	-	109,794	7,587	117,381
Issuance of stock from exercising employee stock options	7,144	71,439	146,258	-	-	-	-	-	-	-	-	217,697	-	217,697
Net changes of valuation gain/loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	(1,241,249)	-	(1,241,249)	(3,325)	(1,244,574)
Net change in shareholders' equity from equity method investees	-	-	(56,094)	-	-	-	-	-	-	(41,133)	-	(97,227)	-	(97,227)
Net change in unrealized gain/loss on hedging derivative financial instruments	-	-	-	-	-	-	-	-	-	238	-	238	344	582
Acquisition of treasury stock - shareholders executed the appraisal right	-	-	-	-	-	-	-	-	-	-	(71,598)	(71,598)	-	(71,598)
Retirement of treasury stock	(1,000)	(10,000)	(2,139)	-	-	(59,459)	(59,459)	-	-	-	71,598	-	-	-
Decrease in minority interests	-	-	-	-	-	-	-	-	-	-	-	-	(379,334)	(379,334)
Effect of changes in consolidated entities	-	-	-	-	-	-	-	-	-	-	-	-	(1,987,855)	(1,987,855)
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	2,450,037	632,043,551
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)	-	(77,748,668)
Net income in 2012	-	-	-	-	-	166,158,802	166,158,802	-	-	-	-	166,158,802	(195,113)	165,963,689
Adjustment arising from changes in percentage of ownership in equity method investees	-	-	128,595	-	-	-	-	-	-	-	-	128,595	(38,233)	90,362
Translation adjustments	-	-	-	-	-	-	-	(4,320,394)	-	-	-	(4,320,394)	52,900	(4,267,494)
Net loss not recognized as pension cost	-	-	-	-	-	-	-	-	(4,416)	-	-	(4,416)	-	(4,416)
Issuance of stock from exercising employee stock options	8,213	82,131	160,357	-	-	-	-	-	-	-	-	242,488	-	242,488
Stock option compensation cost	-	-	2,500	-	-	-	-	-	-	-	-	2,500	3,719	6,219
Net changes of valuation gain/loss on available-for-sale financial assets	-	-	-	-	-	-	-	-	-	9,128,633	-	9,128,633	(3,664)	9,124,969
Net change in shareholders' equity from equity method investees	-	-	-	-	-	-	-	-	(883)	17,450	-	16,567	-	16,567
Net change in unrealized gain/loss on hedging derivative financial instruments	-	-	-	-	-	-	-	-	-	93	-	93	139	232
Increase in minority interests	-	-	-	-	-	-	-	-	-	-	-	-	286,200	286,200
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	\$ 2,555,985	\$ 725,753,699

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