

07.31.2001

UMC

2001 Q2 Financial Review

THE FUTURE OF SILICON
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NOTE CONCERNING FORWARD-LOOKING STATEMENTS

Except for statements in respect of historical matters, the statements in this release are "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual performance, financial condition or results of operations of UMC to be materially different from any future such matters implied by such forward-looking statements. Investors are cautioned that actual events and results could differ materially from these statements as a result of a variety of factors, including conditions in the overall semiconductor market and economy, acceptance and demand for products, and technological and development risks.

The risks, uncertainties and factors include, among others, those stated in the section entitled "Risk Factors" in our Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on June 28, 2001.

The financial statements included in this release were prepared and published in accordance with ROC GAAP. Investors are cautioned that there are differences between ROC GAAP and US GAAP, as described in the notes to the financial statements included in our Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission.

The financial forecasts and forward-looking statements in this release reflect the current belief of UMC as of the date of this release and UMC undertakes no obligation to update these forecasts and forward-looking statements for events or circumstances that occur subsequent to such date.

Income Statement - QoQ

Unit: NT M

	Q2-01	%	Q1-01	%	Change %
Net Operating Revenues	15,003	100.0	23,593	100.0	(36.4)
Gross Margin	2,351	15.7	9,603	40.7	(75.5)
Operating Expenses	3,121	20.8	2,998	12.8	4.1
Operating Income (Loss)	(770)	(5.1)	6,605	27.9	-
Net Non-operating Income (Loss)	(2,283)	(15.2)	(123)	(0.5)	1,756.1
Net Income (Loss)	(1,854)	(12.4)	6,474	27.4	-
EPS (NTD)	(0.16)		0.57		
EPADS (USD)	(0.02)				

Note: 1. Information enclosed is UMC unconsolidated financial data.

2. Exchange rate 34.45 is used to translate NTD to USD.

Income Statement - YoY: 6 Months

Unit: NT M

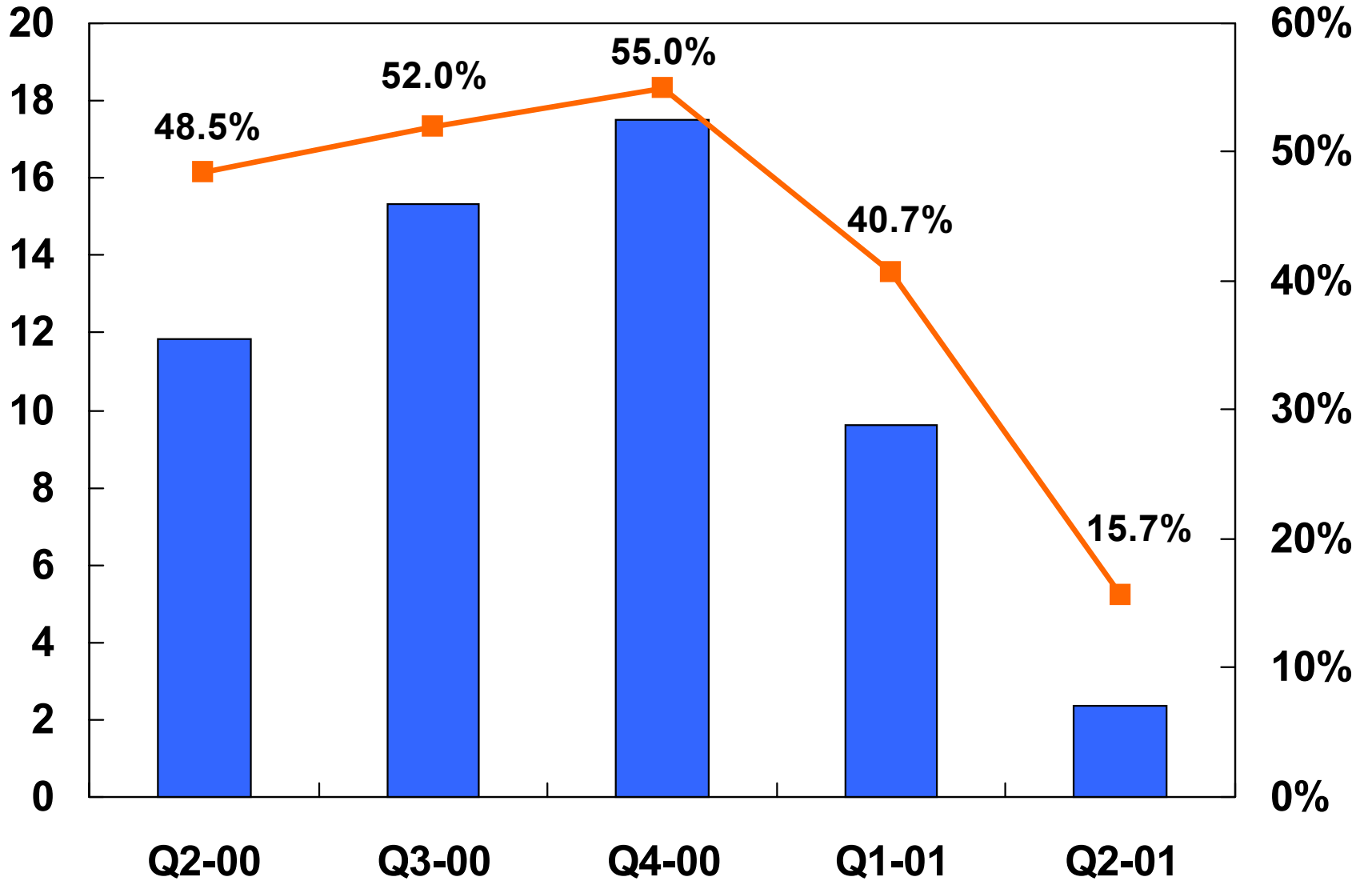
	2001	%	2000	%	Change %
Net Operating Revenues	38,596	100.0	43,754	100.0	(11.8)
Gross Margin	11,954	31.0	20,746	47.4	(42.4)
Operating Expenses	6,119	15.9	4,739	10.8	29.1
Operating Income (Loss)	5,835	15.1	16,007	36.6	(63.5)
Net Non-operating Income (Loss)	(2,406)	(6.2)	3,265	7.5	-
Net Income (Loss)	4,620	12.0	19,512	44.6	(76.3)
EPS (NTD)	0.40		1.79		
EPADS (USD)	0.06				

Note: 1. Information enclosed is UMC unconsolidated financial data.

2. Exchange rate 34.45 is used to translate NTD to USD.

Gross Margin Trend

Unit: NT B



Investment Income

UNIT: NT M

	Q2-01	Q1-01	Q2-00
UMC RECOGNIZED INVESTMENT INCOME	(447)	140	1,748
<i>NIPPON FOUNDRY INC. (NFI)</i>	<i>168</i>	<i>188</i>	<i>940</i>
<i>UNIPAC</i>	<i>(370)</i>	<i>(202)</i>	<i>128</i>
<i>WWEI</i>	<i>36</i>	<i>87</i>	<i>19</i>
<i>FARADAY</i>	<i>28</i>	<i>33</i>	<i>38</i>
<i>OTHERS</i>	<i>(309)</i>	<i>34</i>	<i>623</i>
IMPAIRMENT ON LONG-TERM INVESTMENT	(416)	-	-
OTHERS	10	-	27
TOTAL	(853)	140	1,775

Loss Due to Impairment of Assets for Q2'01

UNIT: NT M

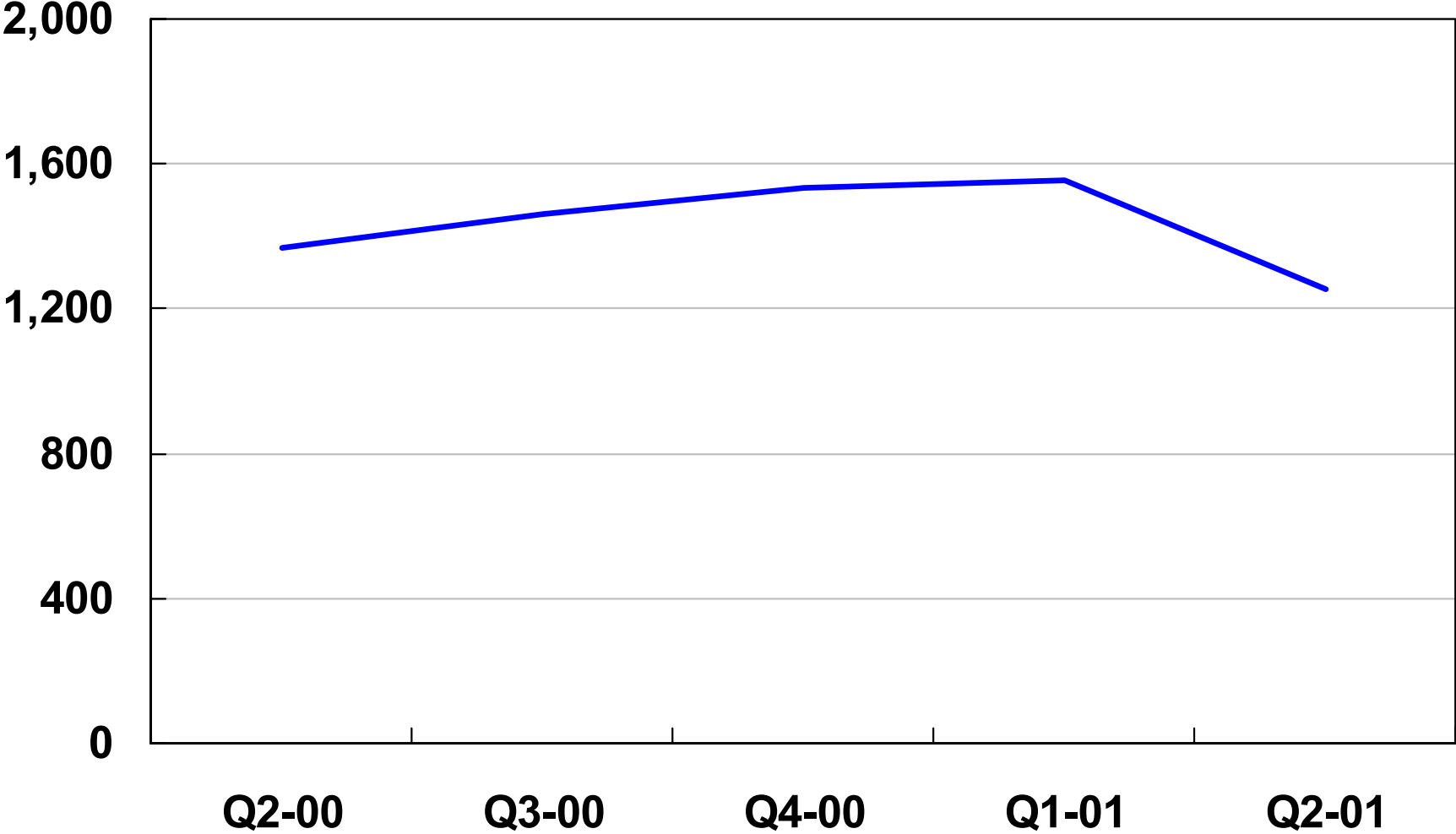
LOSS ON VALUATION OF INVENTORIES	(1,586)
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IMPAIRMENT ON LONG-TERM INVESTMENT	(416)
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NET EFFECT ON INCOME	(2,002)
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Average Selling Price Trend- 8" Wafer Equivalent

Unit: USD



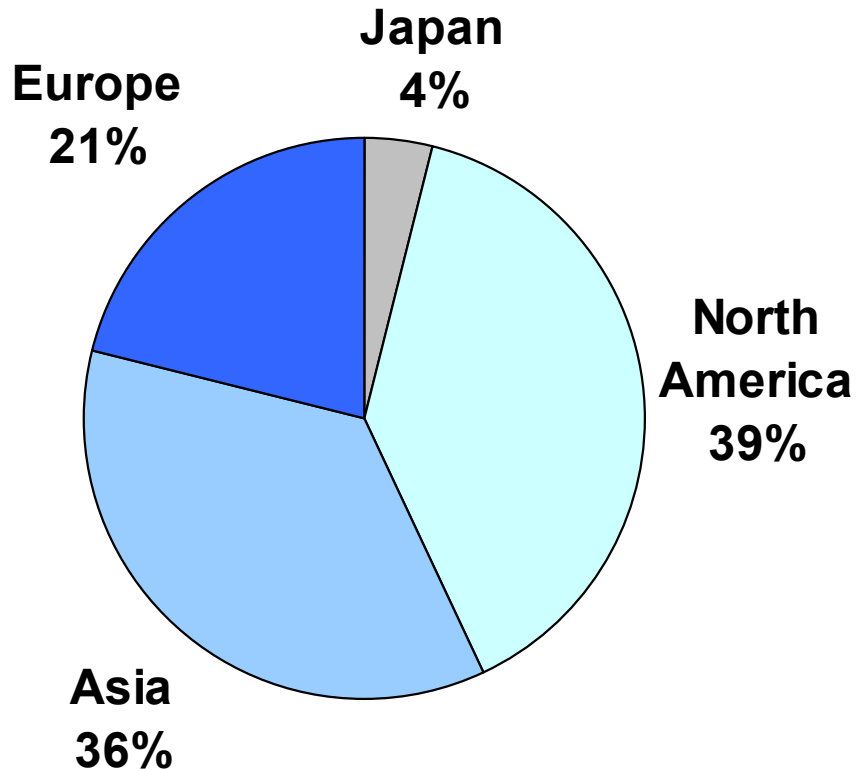
Balance Sheet Highlight - June 30, 2001

Unit: NT M

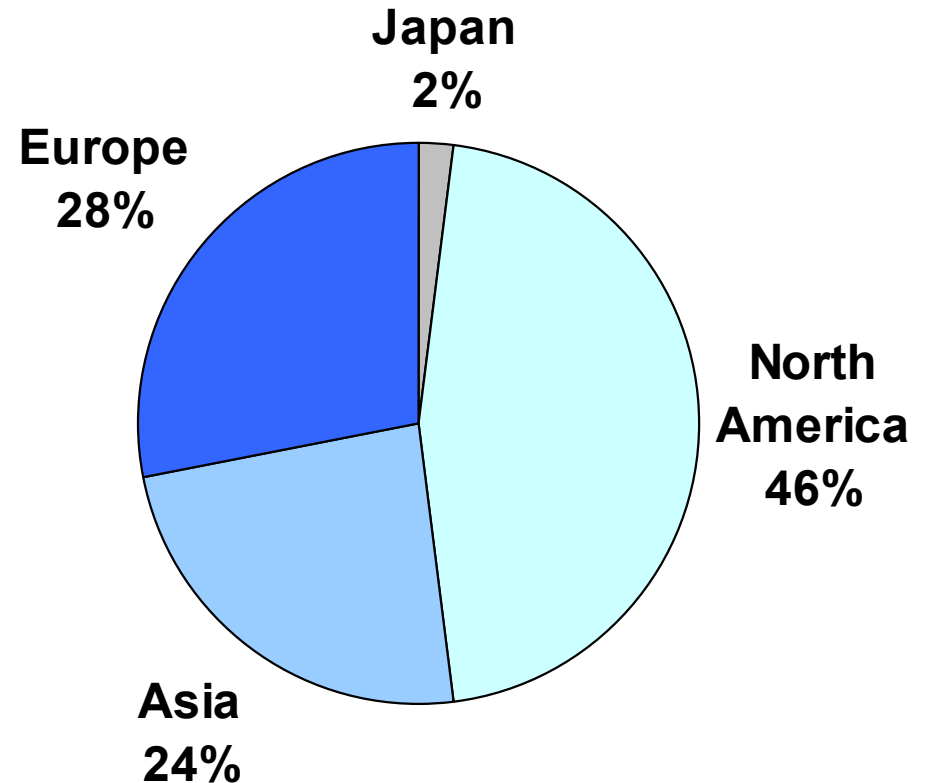
Cash	60,187
Long-term Investments	71,456
Fixed Assets	163,480
Total Assets	321,378
Current Liabilities	32,594
Long-term Liabilities	46,573
Stockholders' Equity	242,211
<i>Depreciation</i>	<i>15,676</i>

Sales Breakdown by Geography

2001 Q2

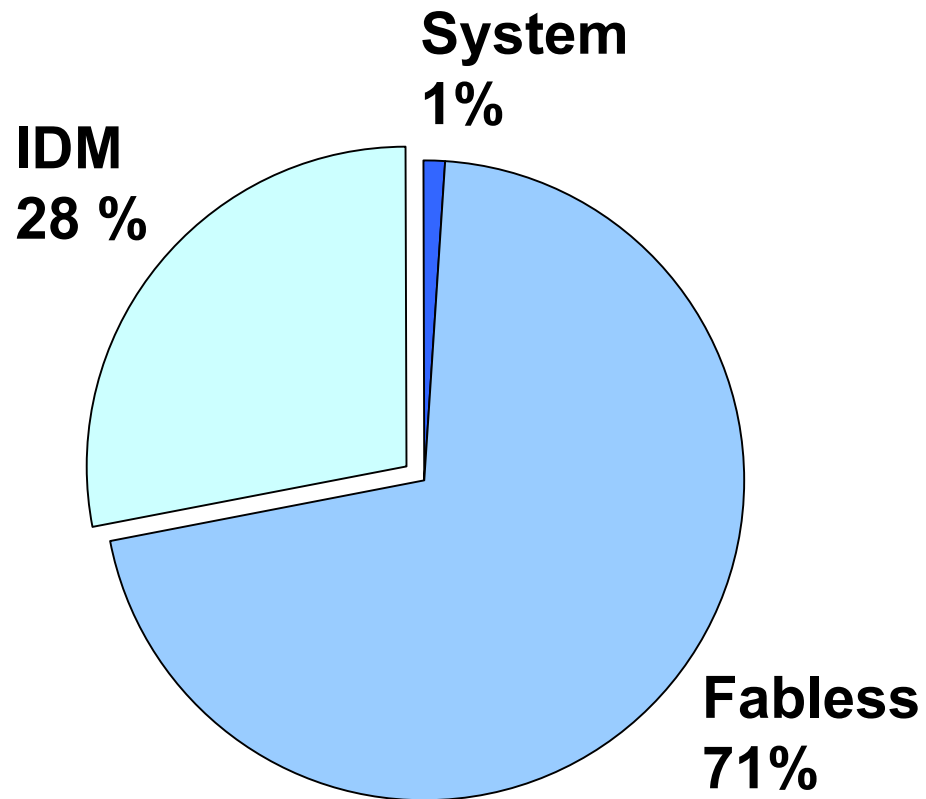


2001 Q1

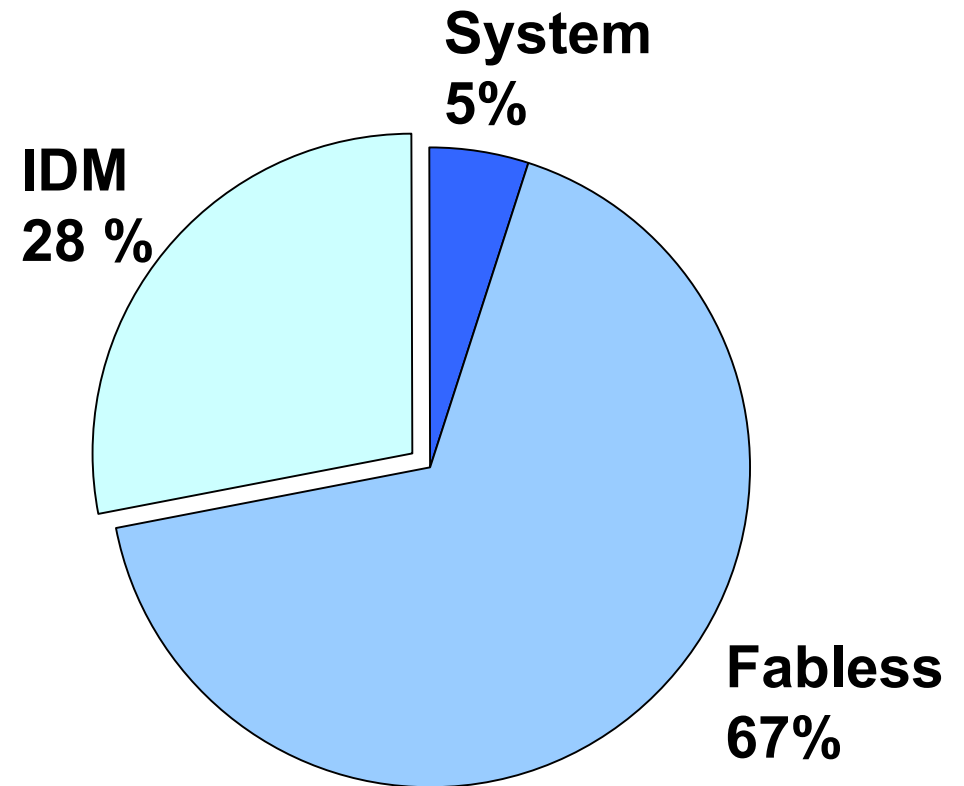


Sales Breakdown by Customer

2001 Q2

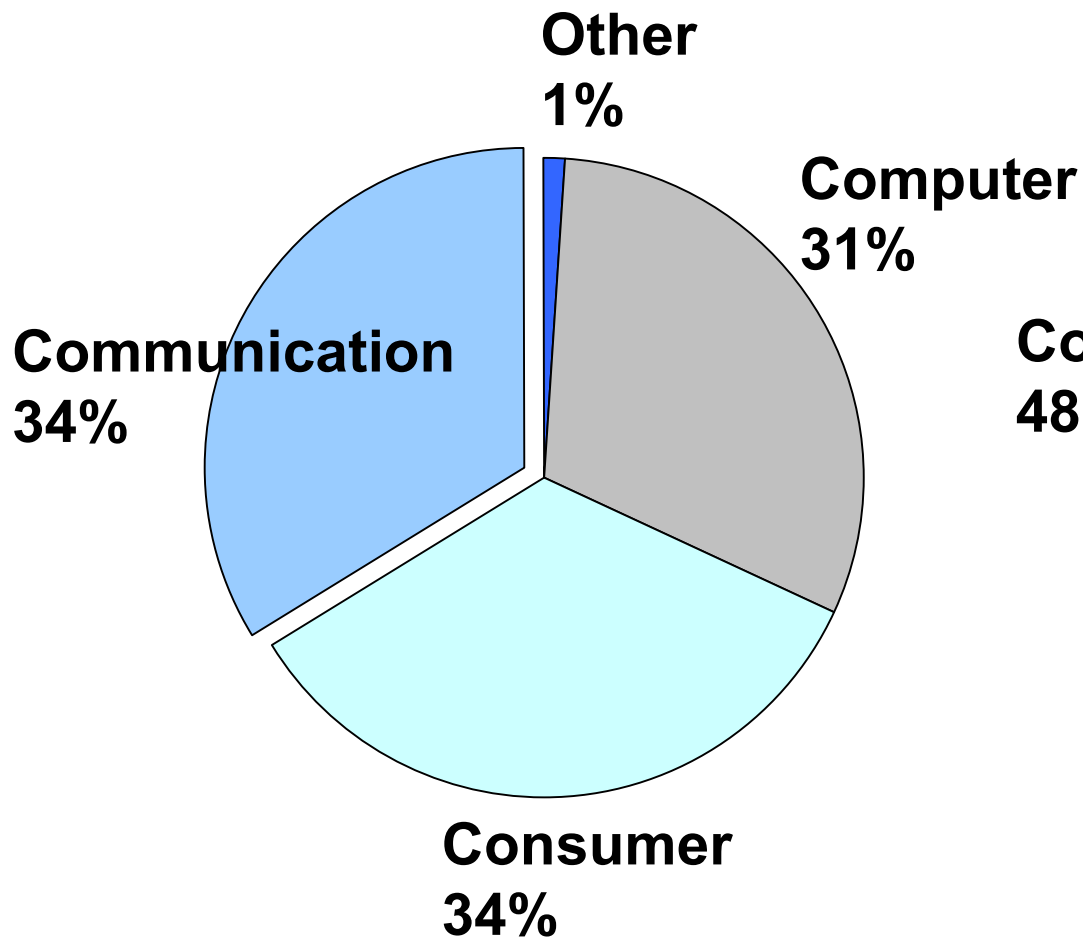


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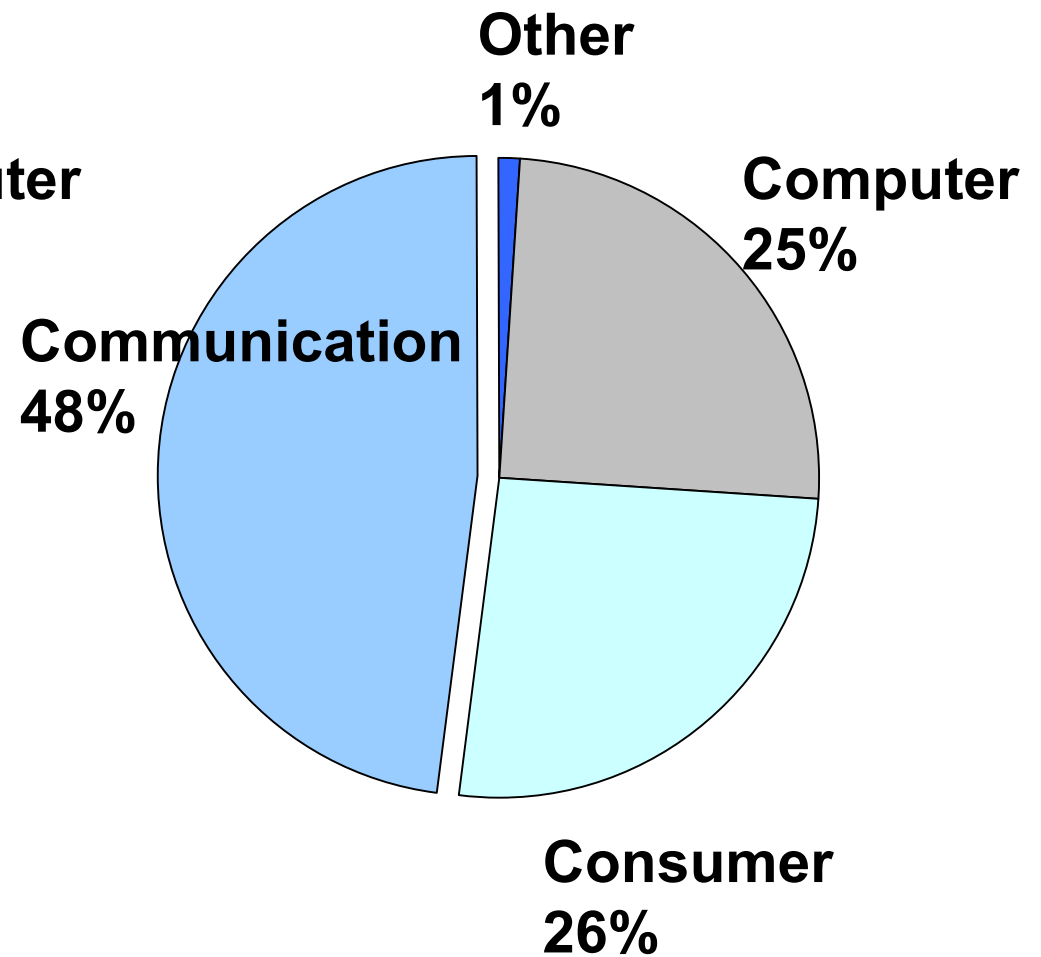


Sales Breakdown by Application

2001 Q2

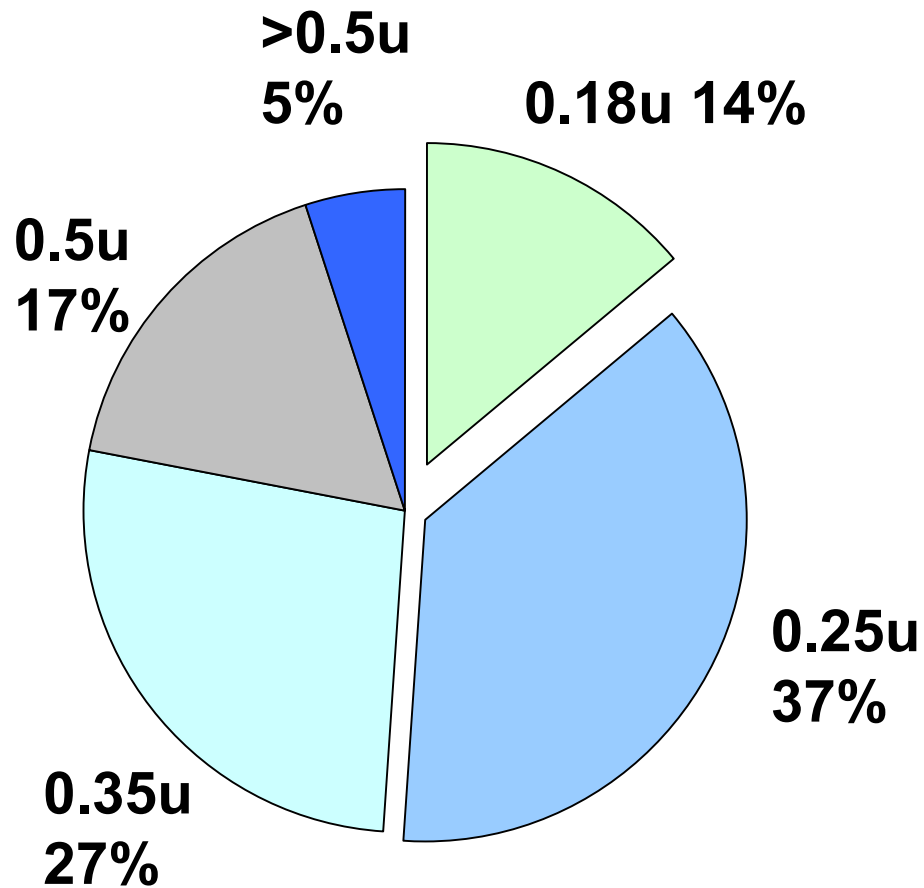


2001 Q1

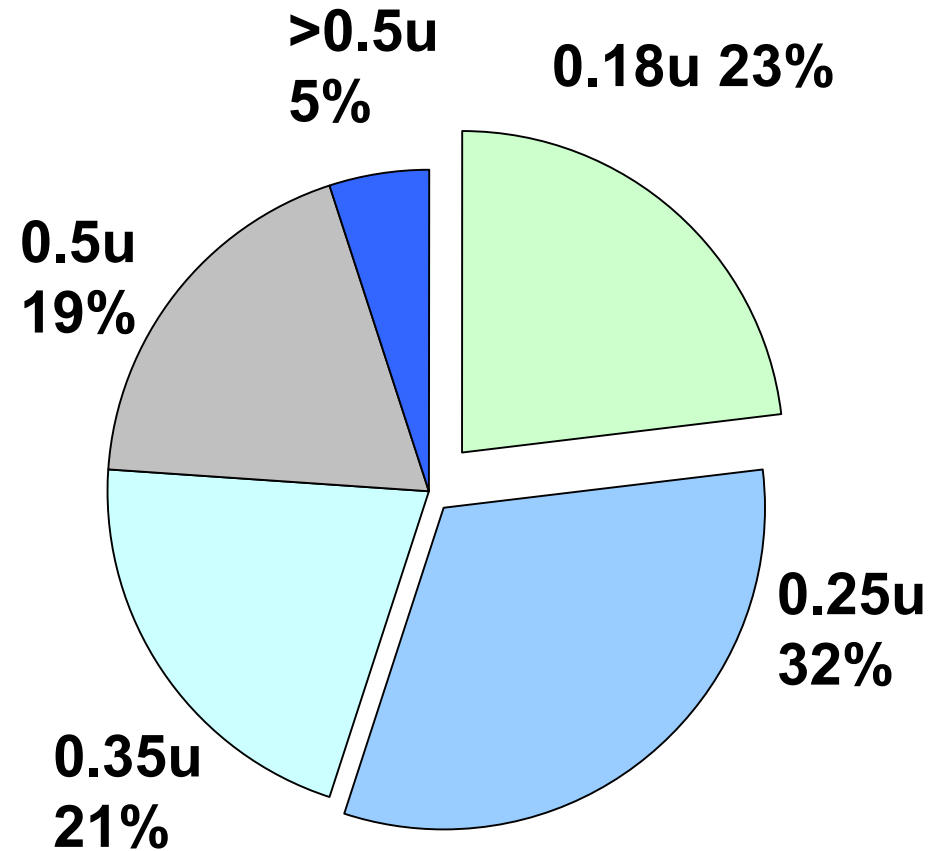


Sales Breakdown by Technology

2001 Q2

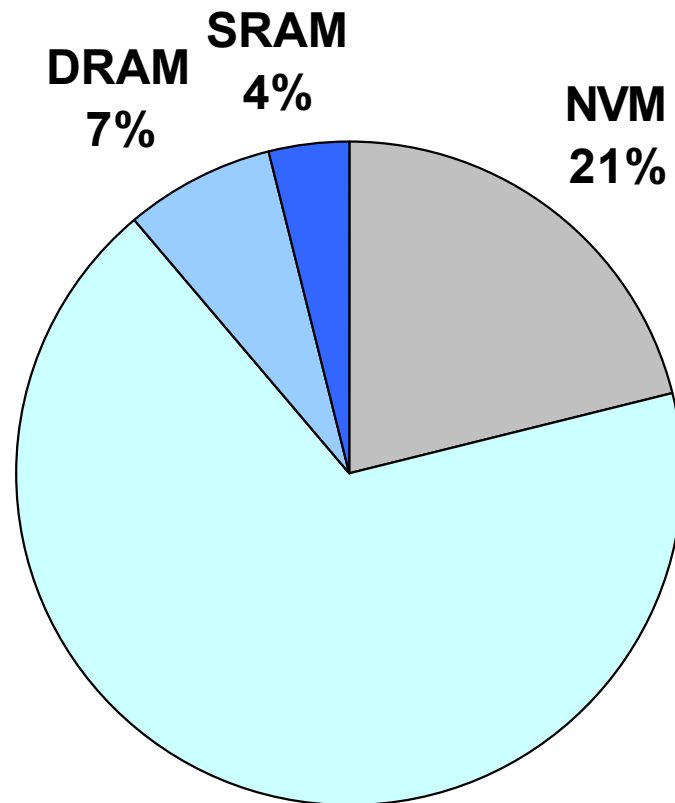


2001 Q1



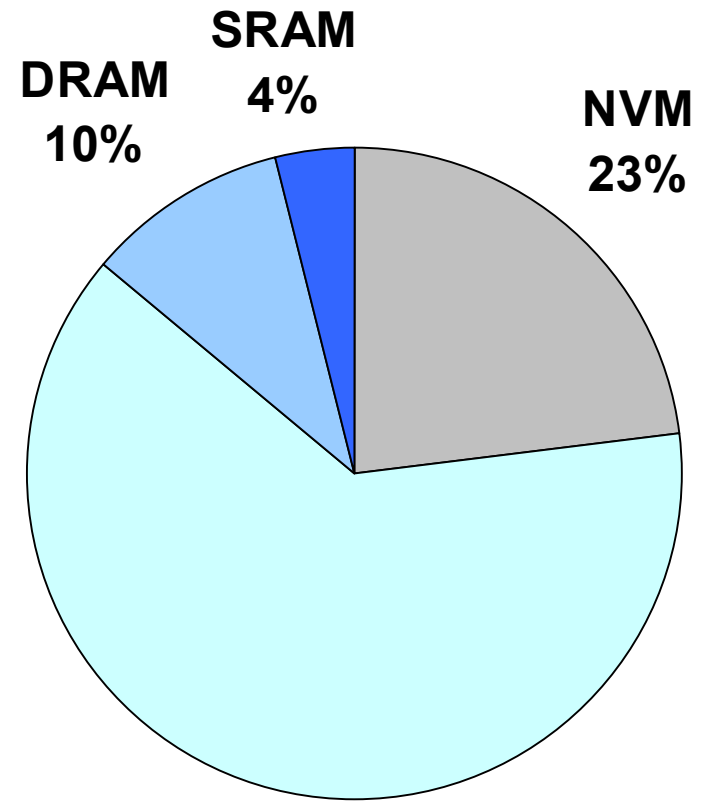
Sales Breakdown by Device Type

2001 Q2



Logic/Mixed
mode 68%

2001 Q1



Logic/Mixed
mode 63%

For more information regarding UMC

www.umc.com

For all inquiries, suggestions, and comments

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