



The Foundry of Choice

UMC
2002 Q2 Financial Review

July 30, 2002

UMC

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 what may be implied by such forward-looking statements. Investors are cautioned that actual events and results could differ materially from those statements as a result of a number of factors, including, among other things: our dependence upon frequent introduction of new services and technologies based on the latest developments; the intensely competitive semiconductor, personal computer and communications industries and markets; the risks associated with international global business activities; our dependence upon key personnel; general economic and political conditions, including those related to the semiconductor, personal computer and communications industries; possible disruptions in commercial activities caused by natural and human induced disasters, including terrorist activity and armed conflict, such as reduced end-user purchases relative to expectations and orders; fluctuations in foreign currency exchange rates; and those risks identified in the section entitled "Risk Factors" in UMC's Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on June 13, 2002.

The financial statements included in this release were unaudited, and prepared and published in accordance with ROC GAAP. Investors are cautioned that there are many differences between ROC GAAP and U.S. GAAP, as described in the note 29 to the financial statements included in our Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on June 13, 2002.

The 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 forward-looking statements for events or circumstances that occur subsequent to such date.

Income Statement - QoQ

Unit: NT M

	Q2-02	%	Q1-02	%	Change %
Net Operating Revenues	18,580	100.0	12,159	100.0	52.8
Gross Margin	4,205	22.6	674	5.5	523.9
Operating Expenses	(3,196)	(17.2)	(3,126)	(25.7)	2.2
Operating Income (Loss)	1,009	5.4	(2,452)	(20.2)	-
Net Non-operating Income	3,441	18.5	2,670	22.0	28.9
Net Income	4,446	23.9	216	1.8	1,958.3
EPS (NTD)	0.35		0.02		
EPADS (USD)	0.052		0.003		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 33.55 was used to translate NTD to USD.
3. 12,684 million and 12,714 million shares were used in EPS calculation for Q2-02 and Q1-02, respectively.

Income Statement - YoY: 6 Months

Unit: NT M

	1H-02	%	1H-01	%	Change %
Net Operating Revenues	30,739	100.0	38,596	100.0	(20.4)
Gross Margin	4,879	15.9	11,954	31.0	(59.2)
Operating Expenses	(6,322)	(20.6)	(6,119)	(15.9)	3.3
Operating Income (Loss)	(1,443)	(4.7)	5,835	15.1	-
Net Non-operating Income (Expenses)	6,111	19.9	(2,406)	(6.2)	-
Net Income	4,662	15.2	4,620	12.0	0.9
EPS (NTD)	0.37		0.35		
EPADS (USD)	0.055		0.052		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 33.55 was used to translate NTD to USD.
3. 12,699 million and 13,298 million shares were used in EPS calculation for 1H-02 and 1H-01, respectively.

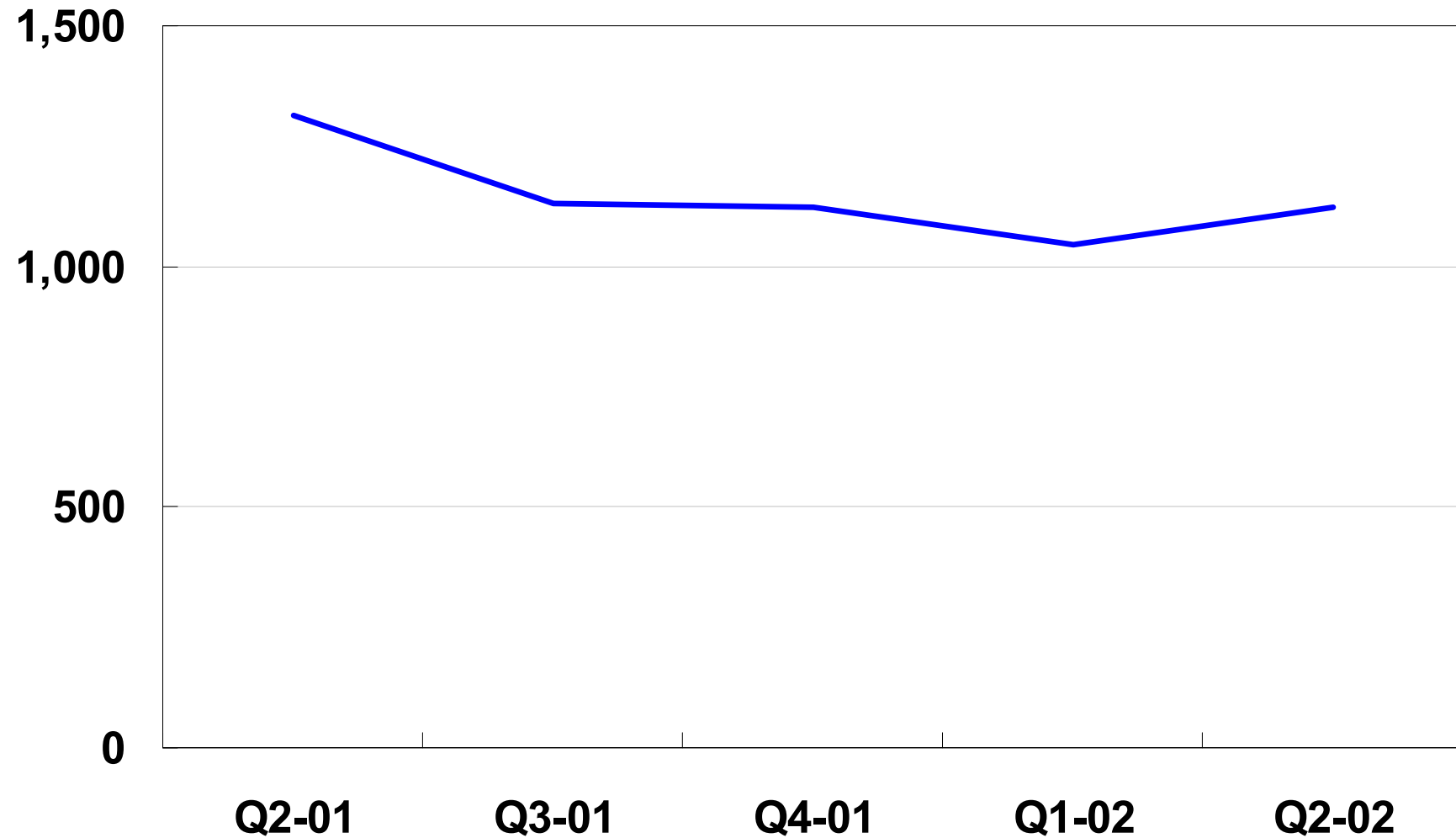
Investment Income

Unit: NT M

	Q2-02	Q1-02
UMCJ	117	148
Unimicron	33	55
Faraday	43	23
Novatek	72	66
Trecenti	-	(391)
Impairment on long-term investment	(976)	-
Others	(717)	504
Total	(1,428)	405

Average Selling Price Trend- 8" Wafer Equivalent

Unit: USD

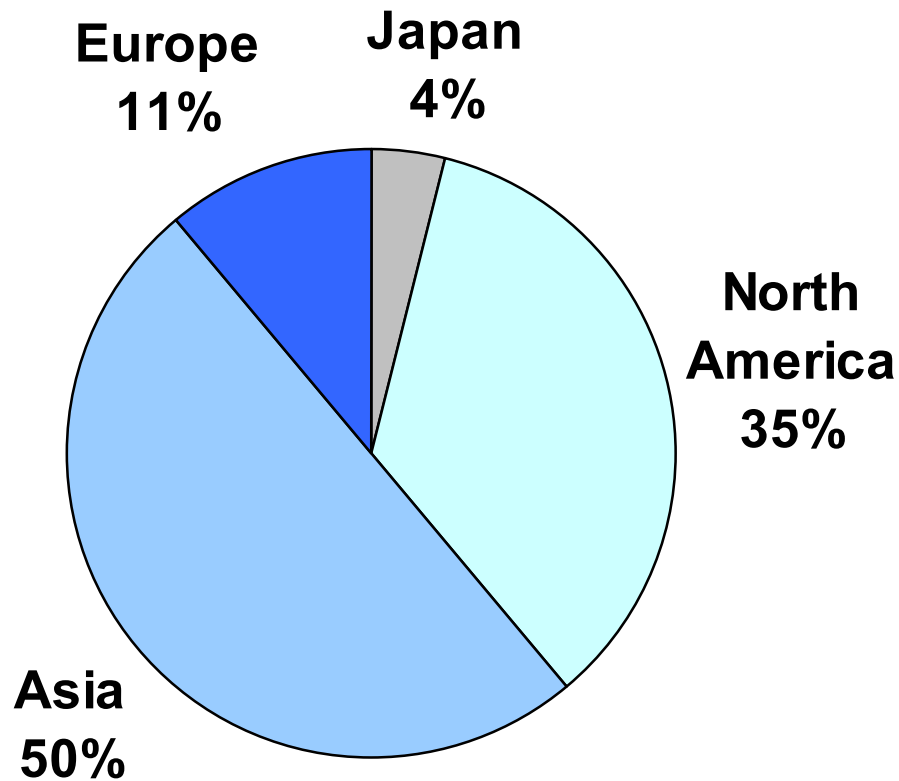


Balance Sheet Highlight - June 30, 2002

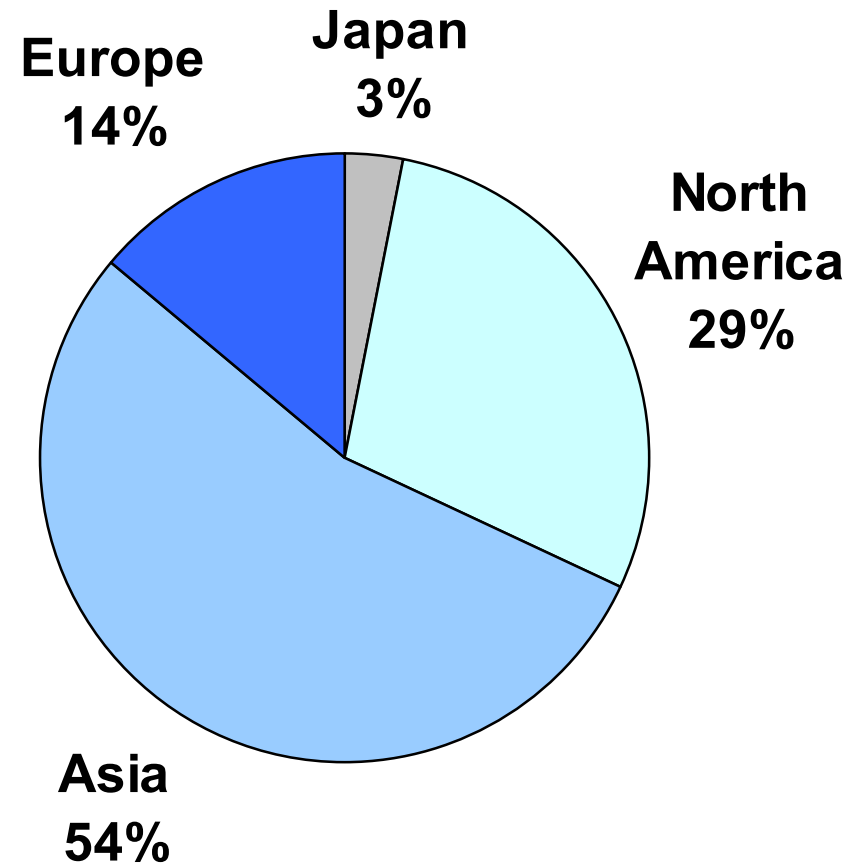
	Unit: NT M
Cash and Cash Equivalents	67,023
Long-term Investments	53,044
Fixed Assets	149,283
Total Assets	305,798
Current Liabilities	29,254
Long-term Debts	57,060
Stockholders' Equity	216,008
<i>Depreciation Expense (YTD)</i>	<i>16,371</i>

Sales Breakdown by Geography

2002 Q2

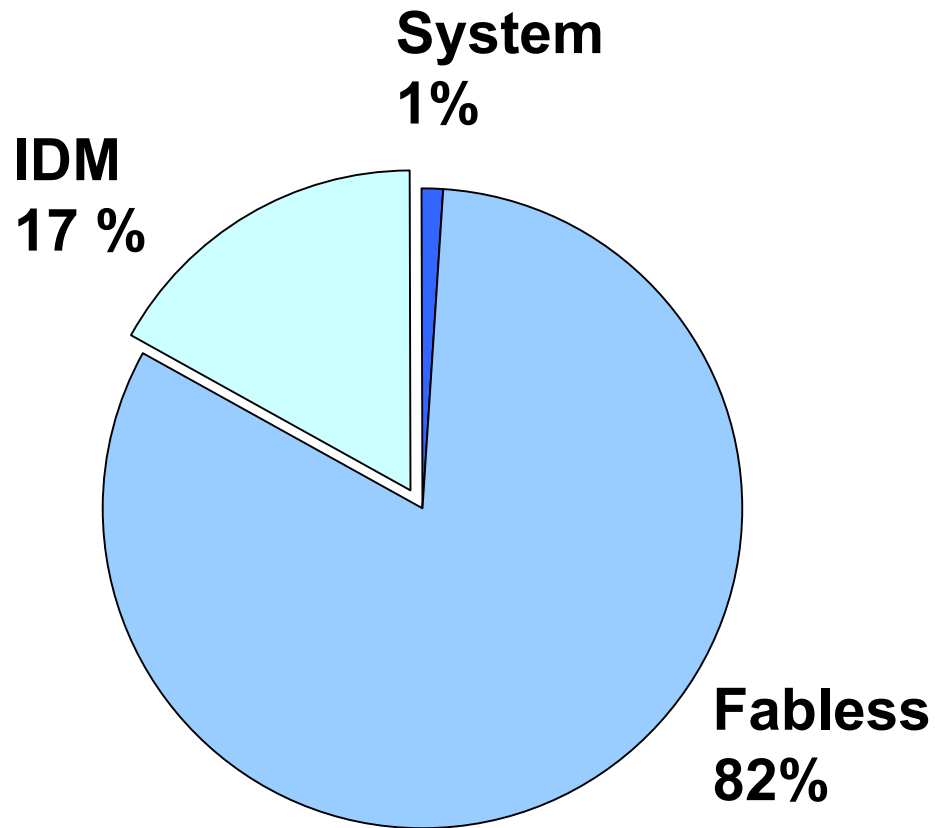


2002 Q1

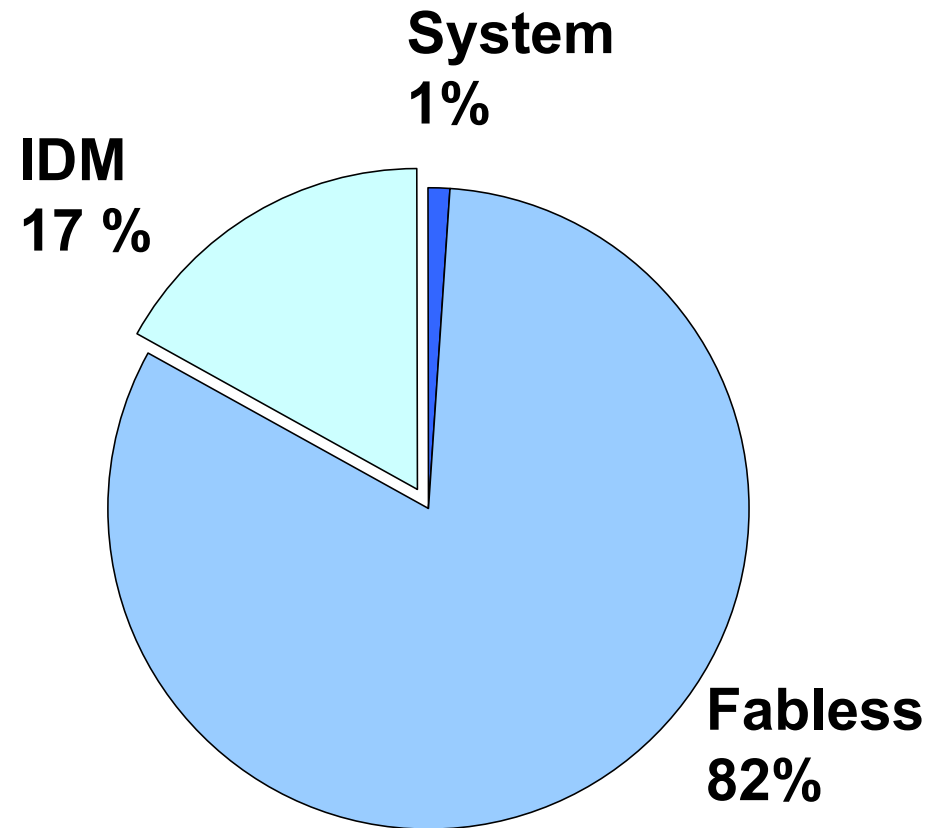


Sales Breakdown by Customer

2002 Q2

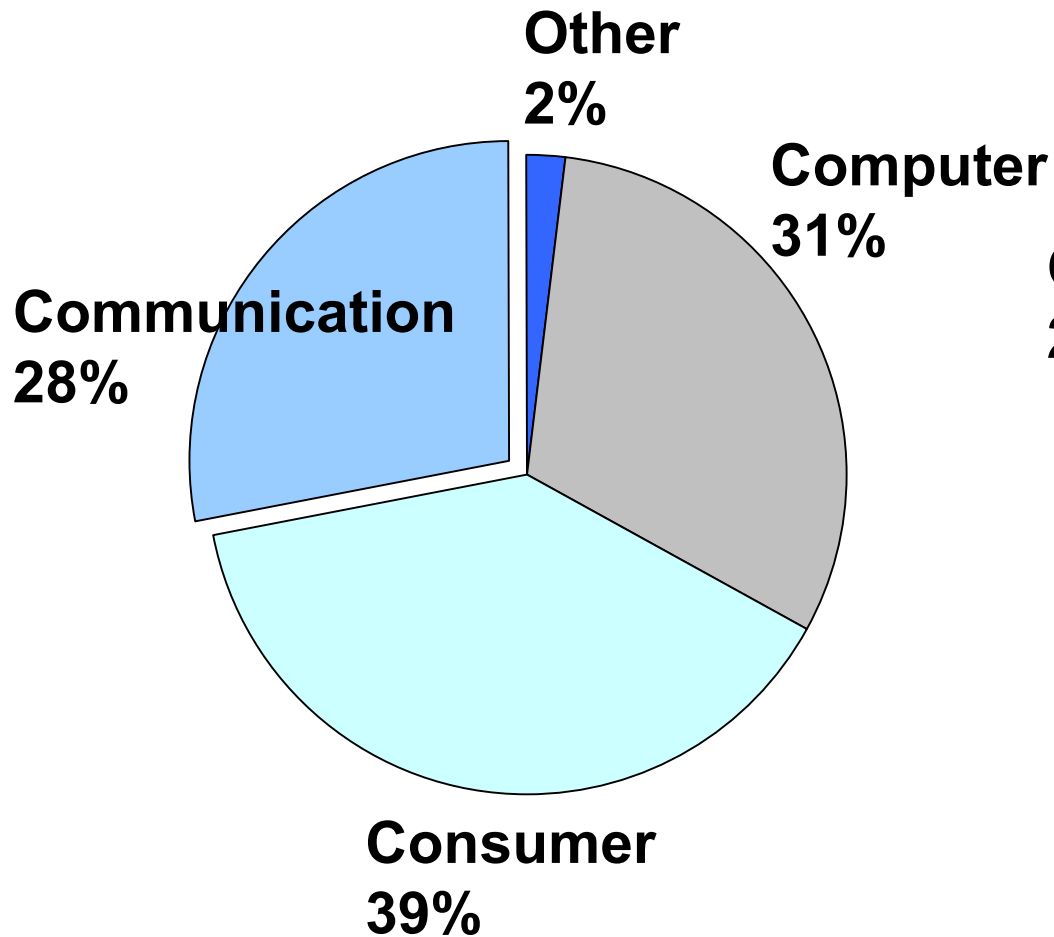


2002 Q1

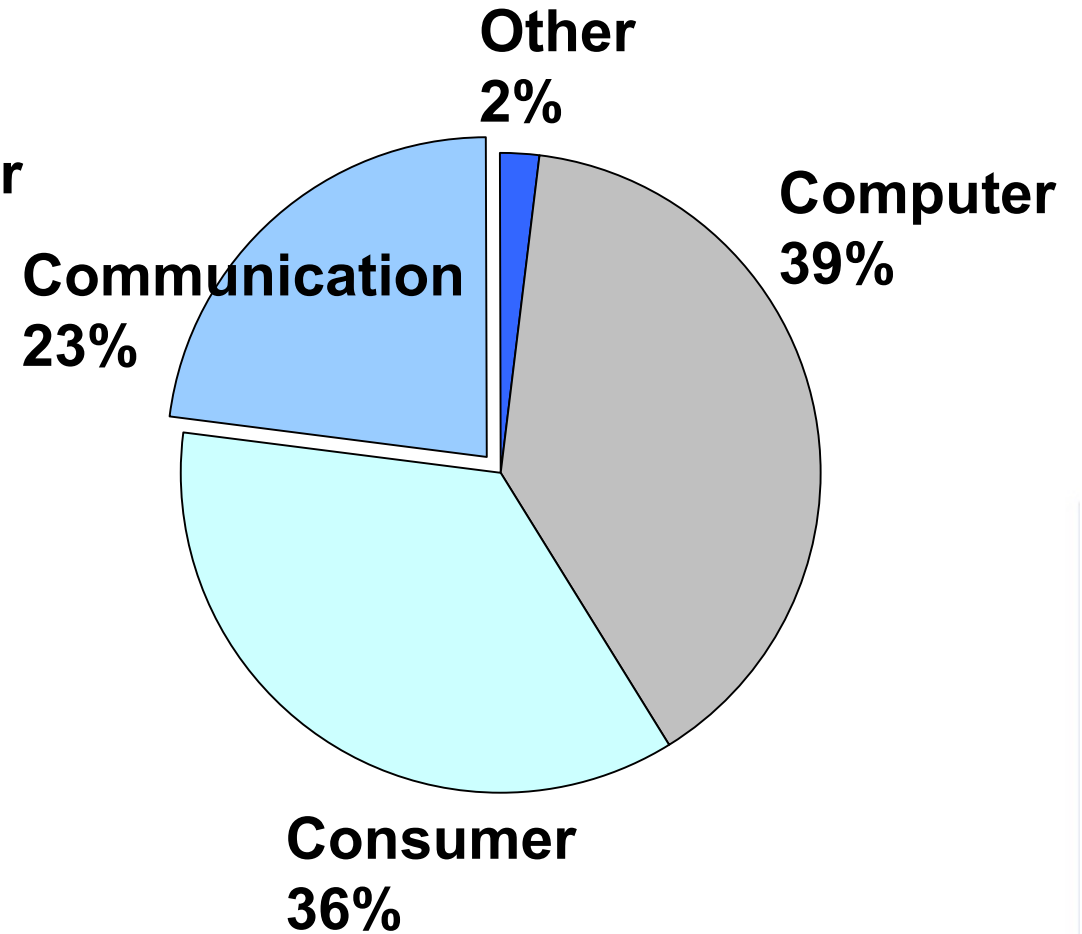


Sales Breakdown by Application

2002 Q2

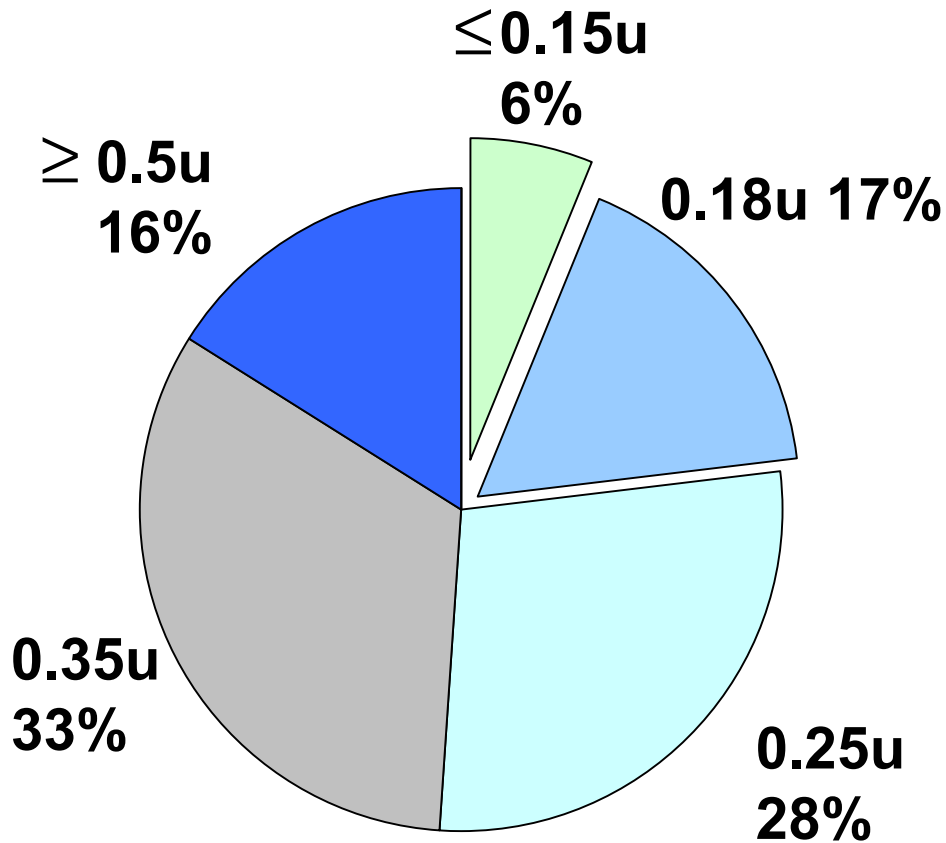


2002 Q1

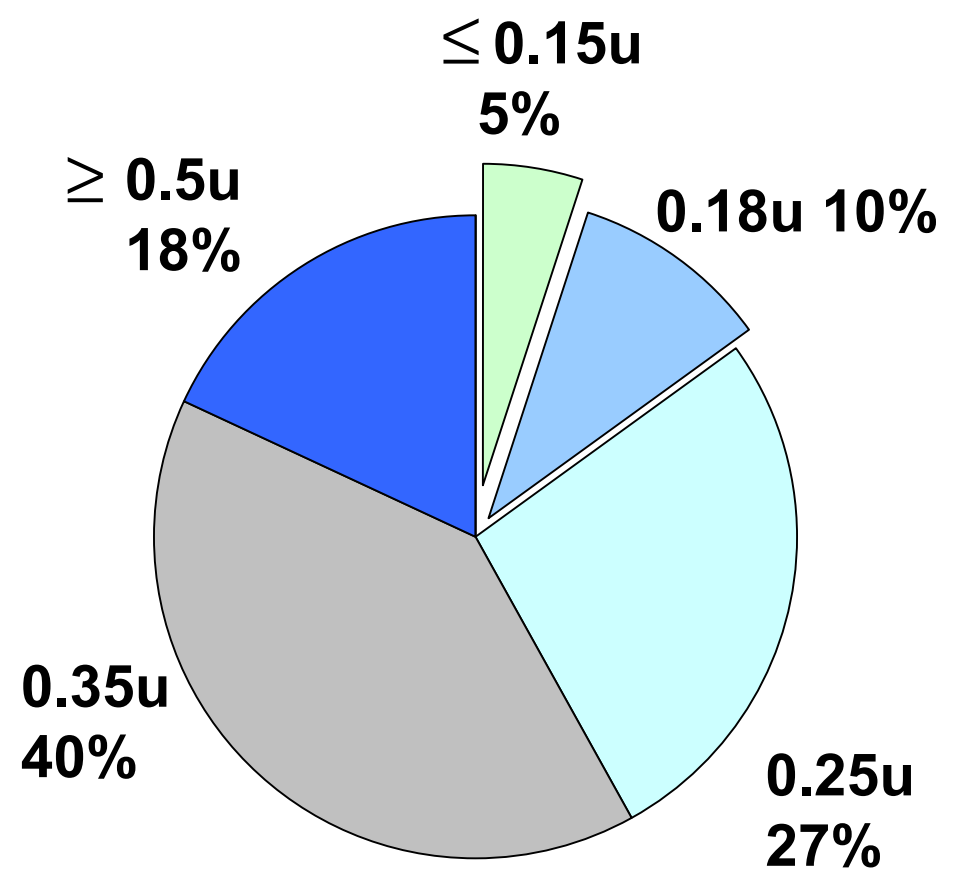


Sales Breakdown by Technology

2002 Q2

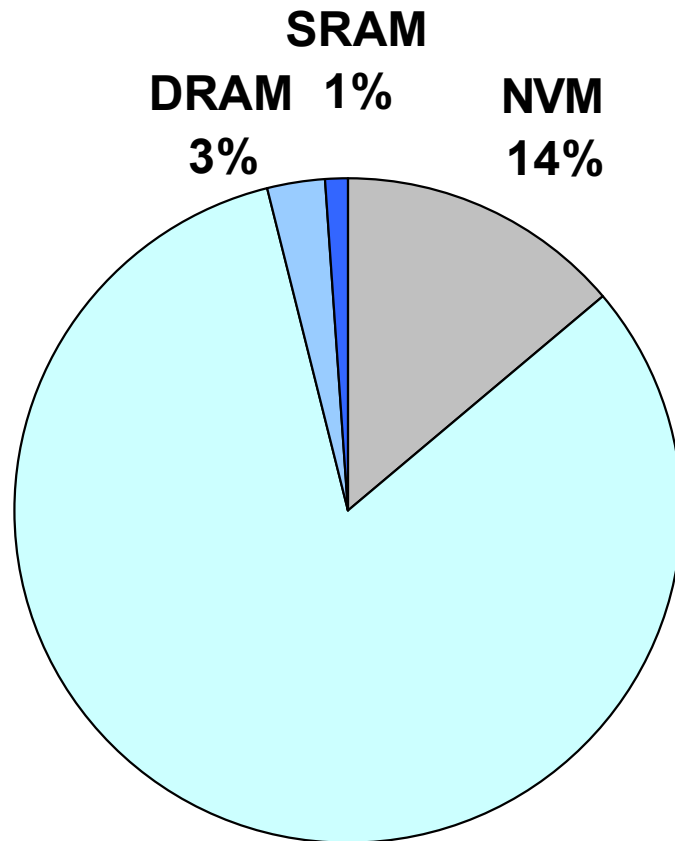


2002 Q1



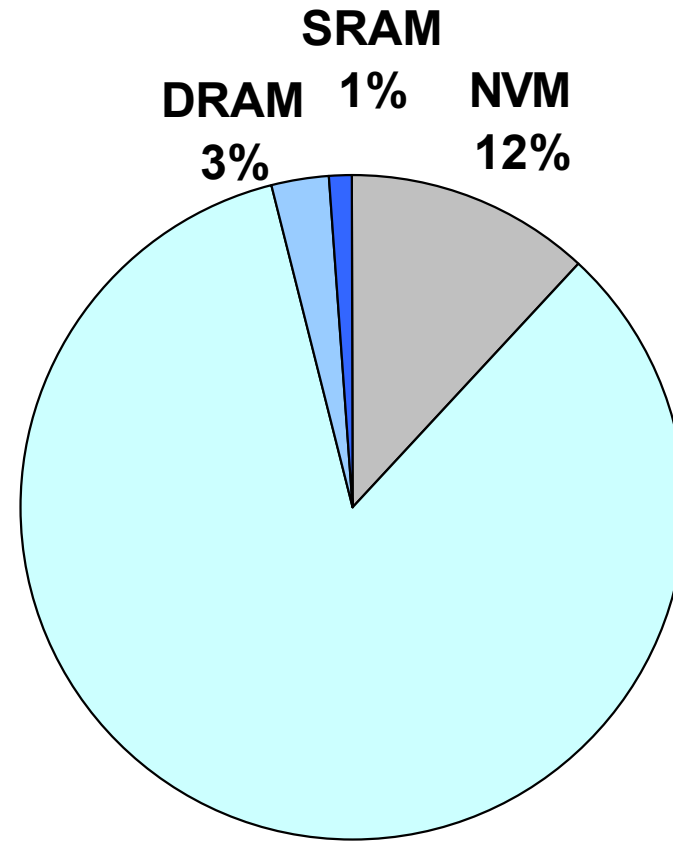
Sales Breakdown by Device Type

2002 Q2



**Logic/Mixed
mode 82%**

2002 Q1



**Logic/Mixed
mode 84%**

For more information regarding UMC

www.umc.com

For all inquiries, suggestions, and comments

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