

UMC

2007 Q2 Financial Review

Aug 1, 2007

NOTE CONCERNING FORWARD-LOOKING STATEMENTS

Except for statements in respect of historical matters, the statements in this release contain "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. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual performance, financial condition or results of operations of UMC to be materially different from what is stated or may be implied in 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 the frequent introduction of new services and technologies based on the latest developments in our industry; the intensely competitive semiconductor, communications, consumer electronics and computer 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, communications, consumer electronics and computer industries; possible disruptions in commercial activities caused by natural and human-induced events and disasters, including terrorist activity, armed conflict and highly contagious diseases; 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 ("20-F") for the year ended December 31, 2006 filed with the U.S. Securities and Exchange Commission on May 9, 2007.

The financial statements included in this release are unaudited and unconsolidated, and prepared and published in accordance with ROC GAAP. Investors are cautioned that there are many differences between ROC GAAP and US GAAP, as described in note 39 to the financial statements on 20-F.

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 after such date or to reflect the occurrence of unanticipated events.

Operating Results Summary

Unit: NT M

	2007	2007	2006
	Q2 / Jun	Q1 / Mar	Q2 / Jun
Net Operating Revenues	25,097	23,025	25,751
Net Income	4,911	1,459	6,052
EPS (NTD)	0.28	0.08	0.34
Cash and Cash Equivalents	77,058	80,989	90,050
Total Assets	355,554	357,246	341,831
Total Liabilities	66,009	63,414	70,871
Stockholders' Equity	289,545	293,832	270,960
Wafer Shipment (in thousands- 8" wafer eq.)	804	732	786
Utilization (%)	76%	74%	80%

Income Statement - QoQ

Unit: NT M

	Q2-07	%	Q1-07	%	Change %
Net Operating Revenues	25,097	100.0	23,025	100.0	9.0
Gross Profit	4,958	19.8	3,676	16.0	34.9
Operating Expenses	(3,732)	(14.9)	(3,658)	(15.9)	2.0
Operating Income (Loss)	1,226	4.9	18	0.1	6,711.1
Net Non-operating Income (Expense)	4,182	16.7	1,719	7.4	143.3
Income Tax Expense	(497)	(2.0)	(278)	(1.2)	78.8
Net Income	4,911	19.6	1,459	6.3	236.6
EPS (NTD)	0.28		0.08		
EPADS (USD)	0.043		0.012		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 32.86 was used to translate NTD to USD.
3. 17,780 million and 17,776 million shares were used in EPS calculation for Q2-07 and Q1-07, respectively.

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Income Statement - YoY: 6 Months

Unit: NT M

	H1-07	%	H1-06	%	Change %
Net Operating Revenues	48,122	100.0	50,135	100.0	(4.0)
Gross Profit	8,634	17.9	8,426	16.8	2.5
Operating Expenses	(7,390)	(15.3)	(6,711)	(13.4)	10.1
Operating Income (Loss)	1,244	2.6	1,715	3.4	(27.5)
Net Non-operating Income (Expense)	5,901	12.2	17,977	35.9	(67.2)
Income Tax Expense	(775)	(1.6)	(1,354)	(2.7)	(42.8)
Net Income	6,370	13.2	18,338	36.6	(65.3)
EPS (NTD)	0.36		1.00		
EPADS (USD)	0.055		0.152		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 32.86 was used to translate NTD to USD.
3. 17,778 million and 18,382 million shares were used in EPS calculation for H1-07 and H1-06, respectively.

Investment Income

Unit: NT M

	Q2-07	Q1-07
Investment income accounted for under the equity method	434	697
Impairment loss	(246)	-
Gain (Loss) on valuation of financial assets	517	(588)
Cash dividends	55	-
Total	760	109

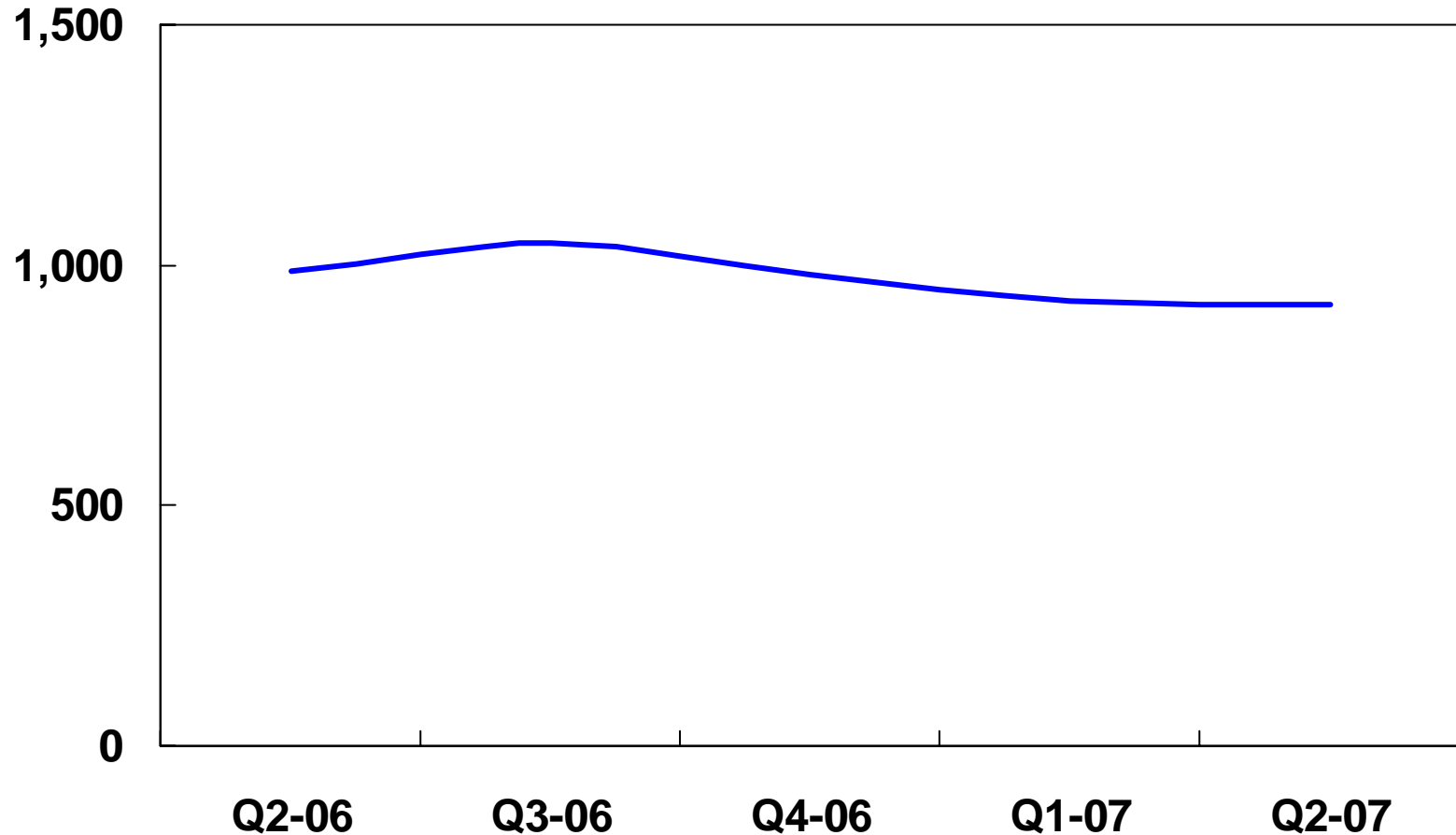
Balance Sheet Highlight - Jun. 30, 2007

Unit: NT M

Cash and Cash Equivalents	77,058
Funds and Investments	90,626
Fixed Assets	140,715
Total Assets	355,554
Current Liabilities	54,920
Long-term Debts	7,495
Stockholders' Equity	289,545
<i>Depreciation Expense (YTD)</i>	<i>17,766</i>

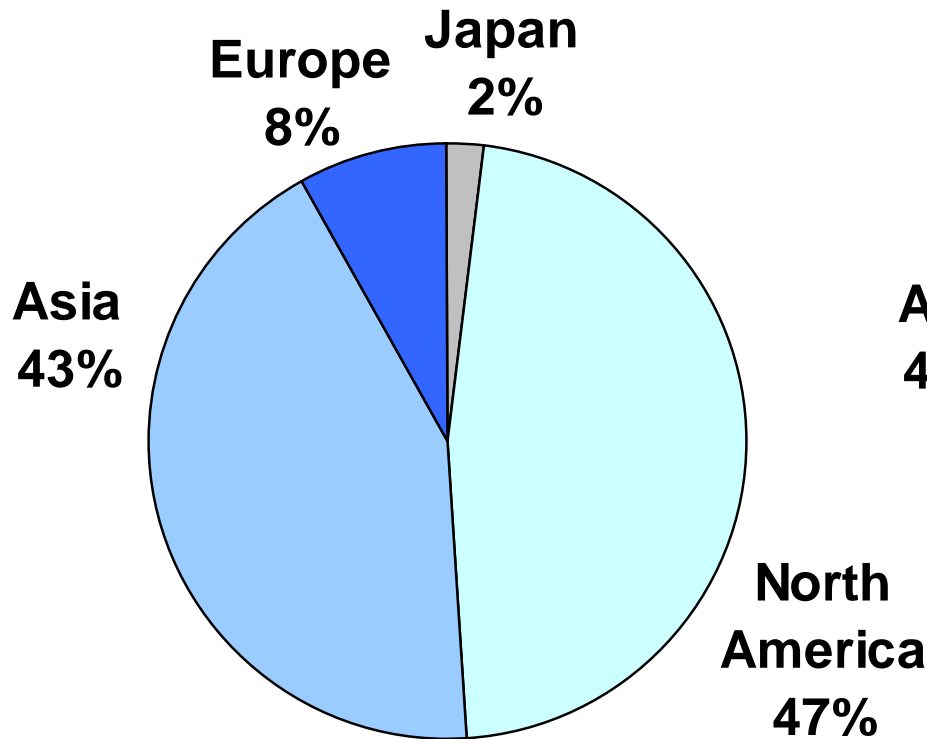
Average Selling Price Trend- 8" Wafer Equivalent

Unit: USD

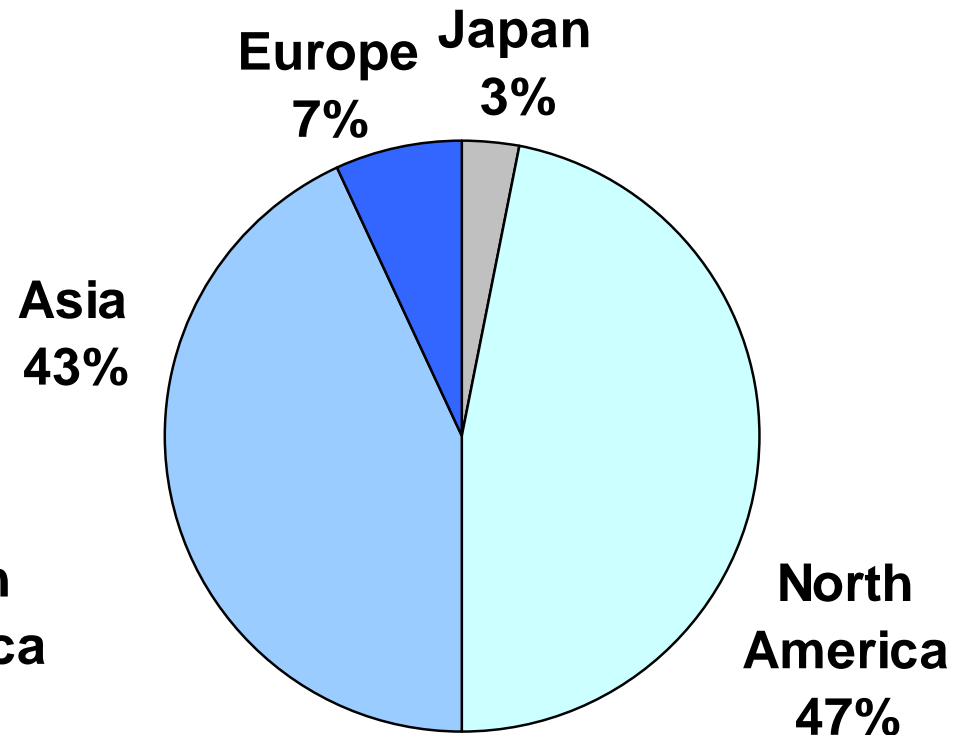


Sales Breakdown by Geography

2007 Q2

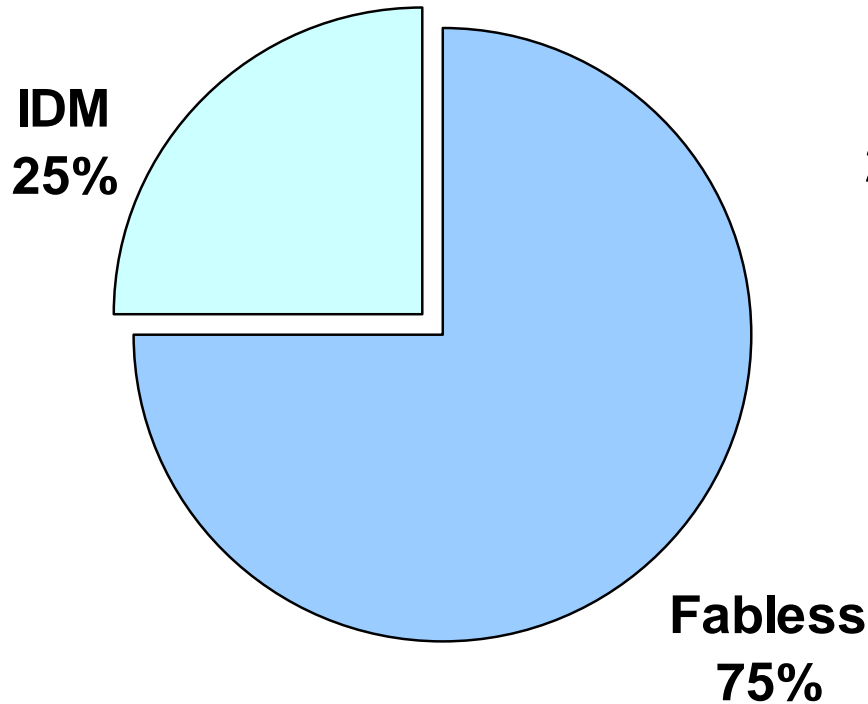


2007 Q1

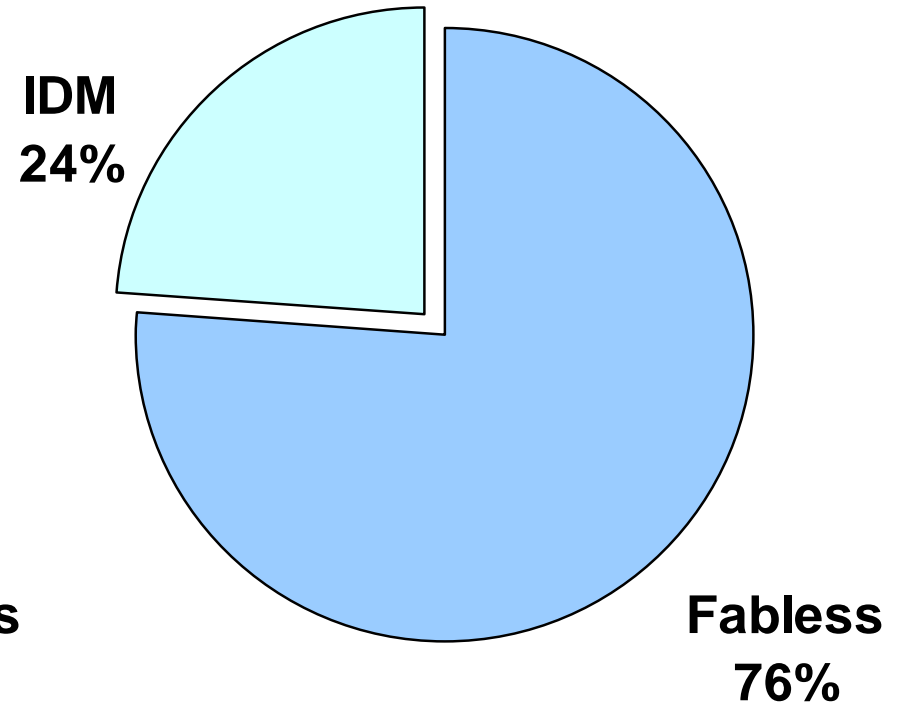


Sales Breakdown by Customer

2007 Q2

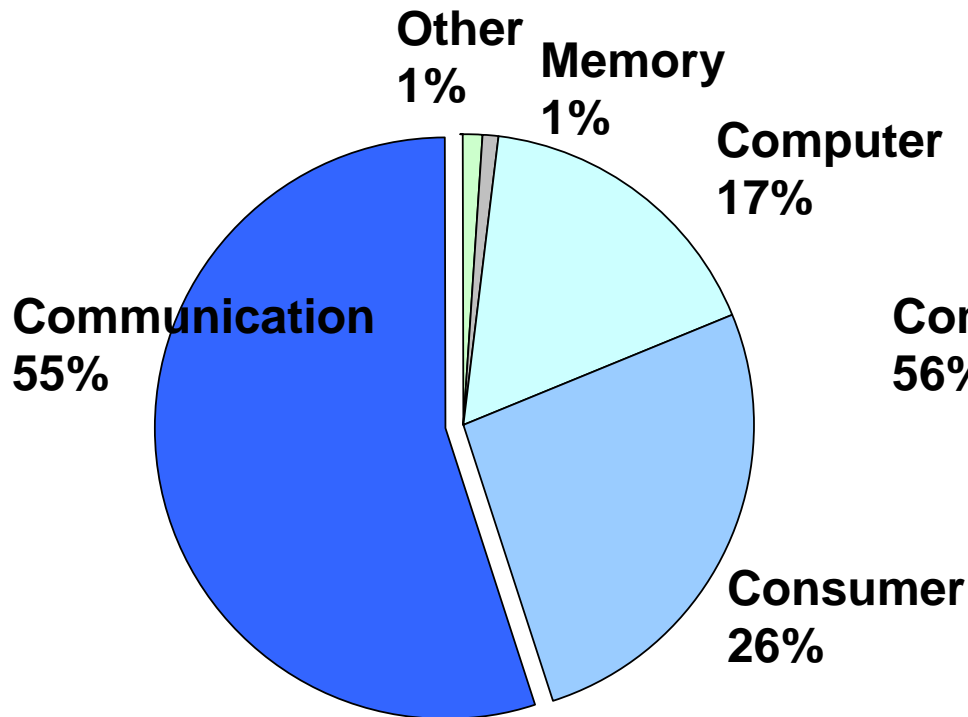


2007 Q1

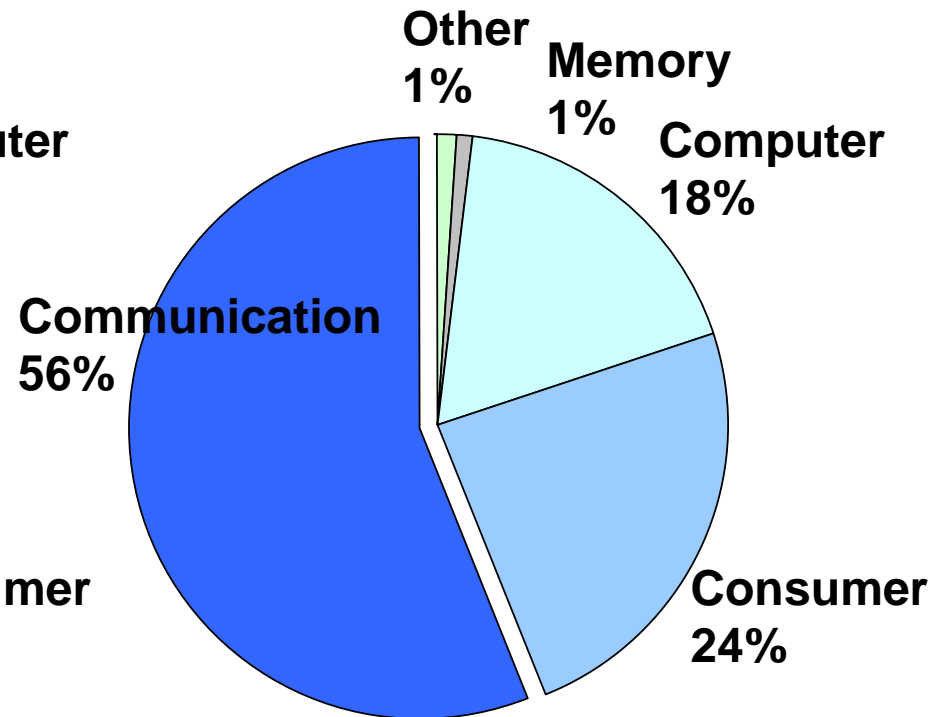


Sales Breakdown by Application

2007 Q2

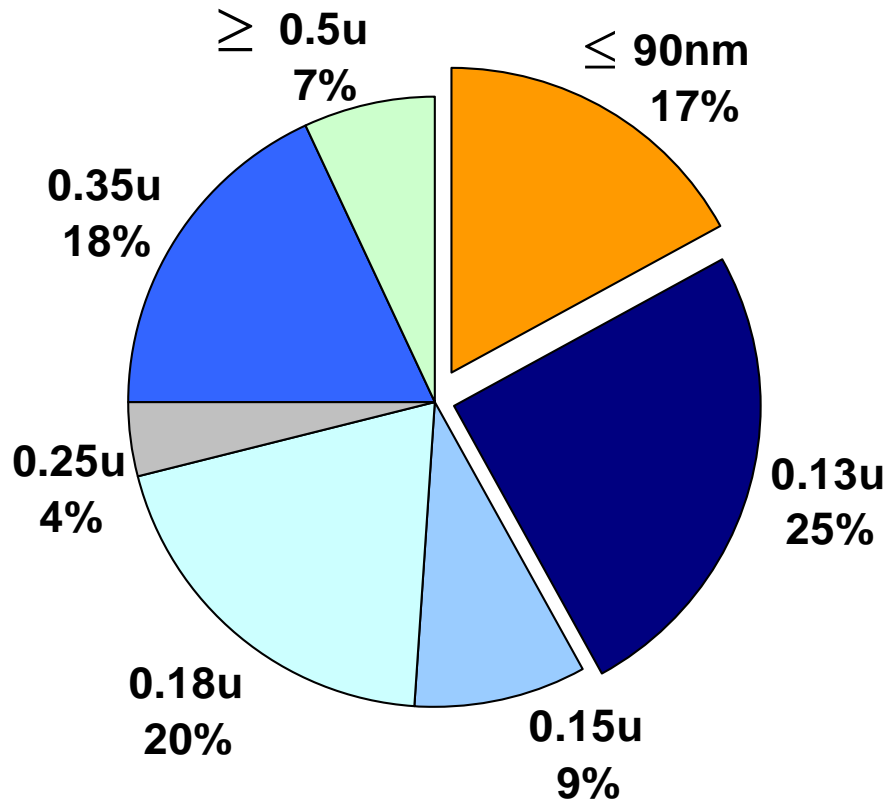


2007 Q1

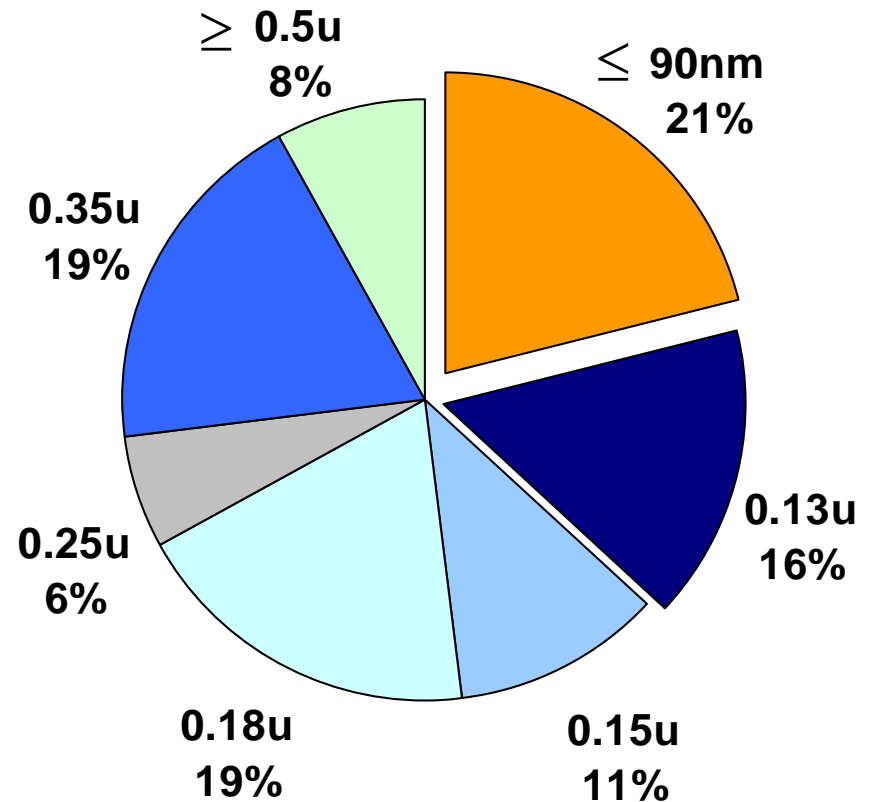


Sales Breakdown by Technology

2007 Q2



2007 Q1



Quarterly Capacity

unit: in thousands (8" wafer eq.)

FAB	4Q06	1Q07	2Q07	3Q07E
Fab 6A	82	82	82	82
Fab 8AB	204	204	204	204
Fab 8C	100	100	100	100
Fab 8D	63	65	65	65
Fab 8E	102	102	102	102
Fab 8F	93	93	93	93
Fab 8S	69	69	69	69
Fab 12A	193	200	215	220
Fab 12i	114	128	140	160
Total	1,020	1,043	1,070	1,095

2007 Capital Expenditure Plan

	8" Fab	12" Fab	12" R&D	Total
UMC	2%	80%	18%	1.0~1.2 billion USD

For more information regarding UMC

www.umc.com

For all inquiries, suggestions, and comments

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