

UMC

2008 Q1 *Financial Review*

Apr 30, 2008

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

	2008	2007	2007
	Q1 / Mar	Q4 / Dec	Q1 / Mar
Net Operating Revenues	24,003	27,621	23,025
Net Income	206	1,359	1,459
EPS (NTD)	0.02	0.16	0.08
Cash and Cash Equivalents	29,635	37,453	80,989
Total Assets	262,179	290,763	357,246
Total Liabilities	38,018	54,296	63,414
Stockholders' Equity	224,161	236,467	293,832
Wafer Shipment (in thousands- 8" wafer eq.)	807	921	732
Utilization (%)	73%	86%	74%

Income Statement - QoQ

Unit: NT M

	Q1-08	%	Q4-07	%	Change %
Net Operating Revenues	24,003	100.0	27,621	100.0	(13.1)
Gross Profit	3,576	14.9	5,649	20.5	(36.7)
Operating Expenses	(3,386)	(14.1)	(4,323)	(15.7)	(21.7)
Operating Income (Loss)	190	0.8	1,326	4.8	(85.7)
Net Non-operating Income (Expense)	71	0.3	1,097	4.0	(93.5)
Income Tax Expense	(55)	(0.2)	(1,064)	(3.9)	(94.8)
Net Income	206	0.9	1,359	4.9	(84.8)
EPS (NTD)	0.02		0.16		
EPADS (USD)	0.003		0.026		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 30.39 was used to translate NTD to USD.
3. 12,495 million and 12,427 million shares were used in EPS calculation for Q1-08 and Q4-07, respectively.

Income Statement - YoY: 3 Months

Unit: NT M

	Q1-08	%	Q1-07	%	Change %
Net Operating Revenues	24,003	100.0	23,025	100.0	4.2
Gross Profit	3,576	14.9	3,676	16.0	(2.7)
Operating Expenses	(3,386)	(14.1)	(3,658)	(15.9)	(7.4)
Operating Income (Loss)	190	0.8	18	0.1	955.6
Net Non-operating Income (Expense)	71	0.3	1,719	7.4	(95.9)
Income Tax Expense	(55)	(0.2)	(278)	(1.2)	(80.2)
Net Income	206	0.9	1,459	6.3	(85.9)
EPS (NTD)	0.02		0.08		
EPADS (USD)	0.003		0.013		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 30.39 was used to translate NTD to USD.
3. 12,495 million and 17,776 million shares were used in EPS calculation for Q1-08 and Q1-07, respectively.

Investment Income

Unit: NT M

	Q1-08	Q4-07
Investment loss accounted for under the equity method	(319)	(213)
Impairment loss	(10)	-
Gain (Loss) on valuation of financial assets	51	(752)
Others	-	(159)
Total	(278)	(1,124)

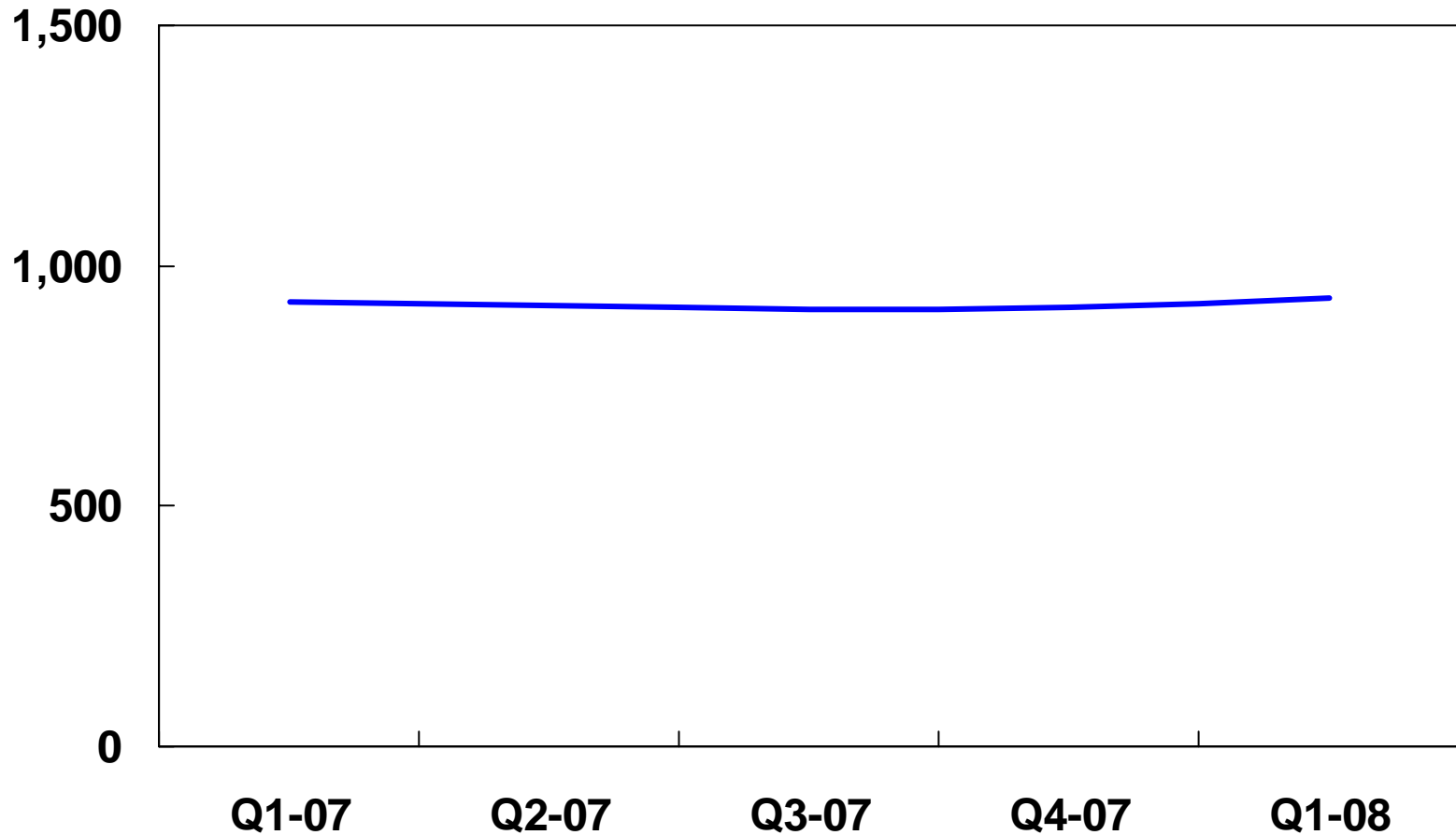
Balance Sheet Highlight - Mar. 31, 2008

Unit: NT M

Cash and Cash Equivalents	29,635
Funds and Investments	71,854
Fixed Assets	119,922
Total Assets	262,179
Current Liabilities	26,923
Bonds Payable	7,496
Stockholders' Equity	224,161
<i>Depreciation Expense (YTD)</i>	<i>9,228</i>

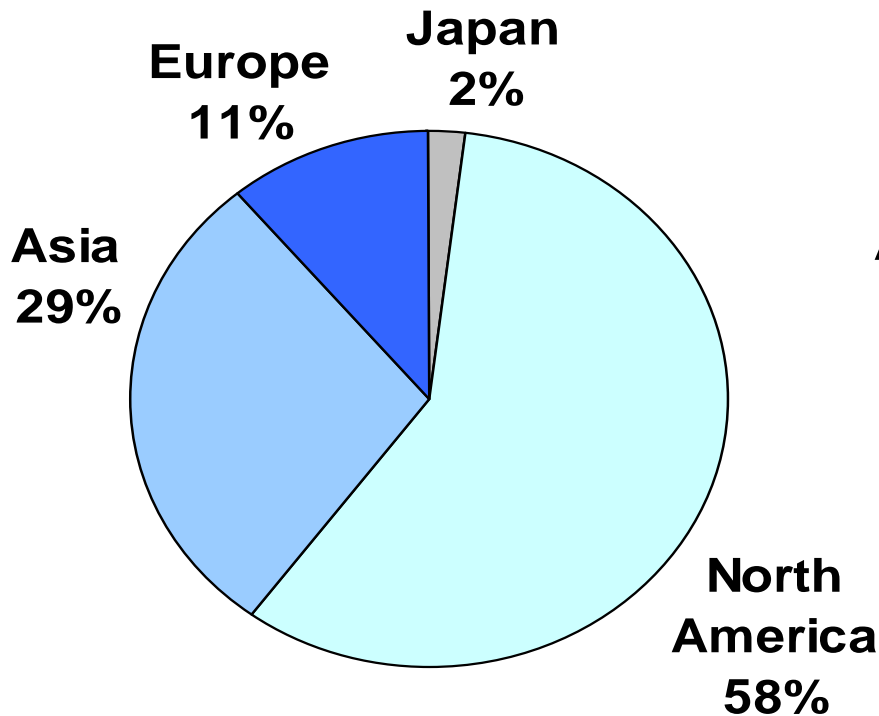
Average Selling Price Trend- 8" Wafer Equivalent

Unit: USD

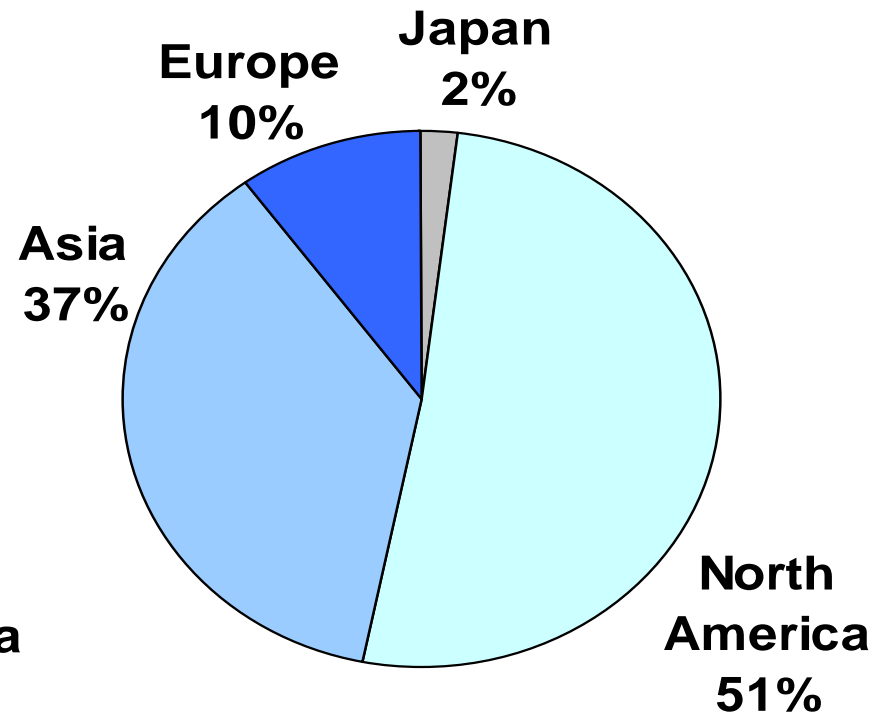


Sales Breakdown by Geography

2008 Q1

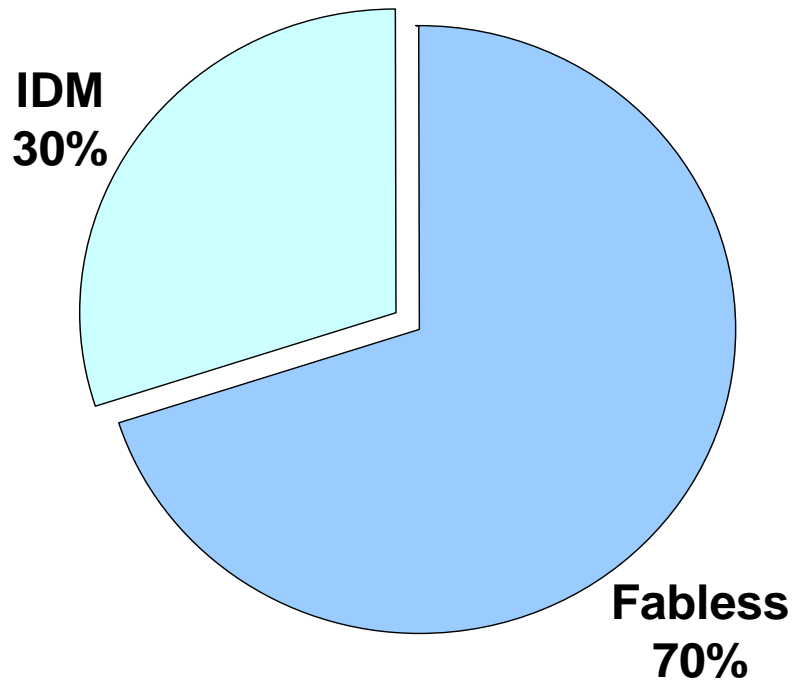


2007 Q4

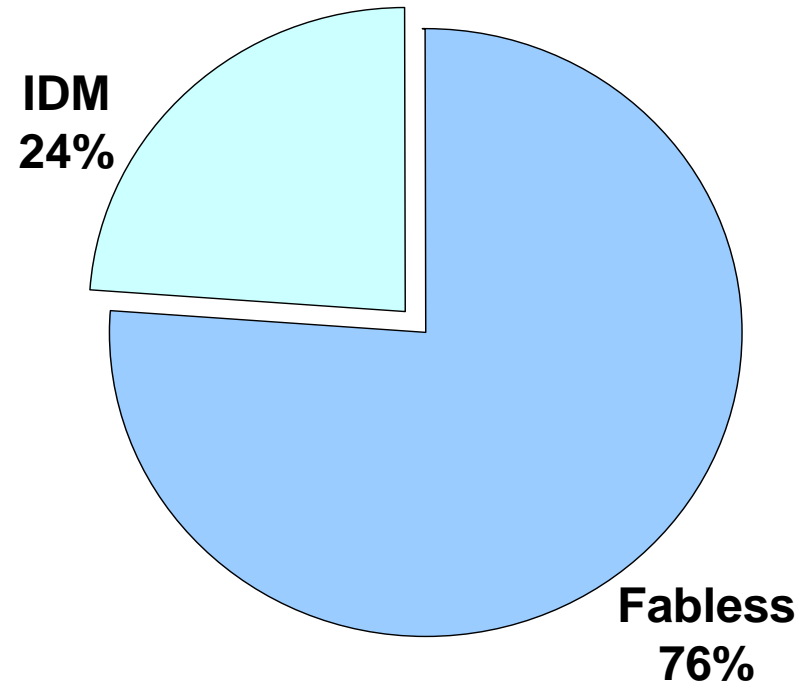


Sales Breakdown by Customer

2008 Q1

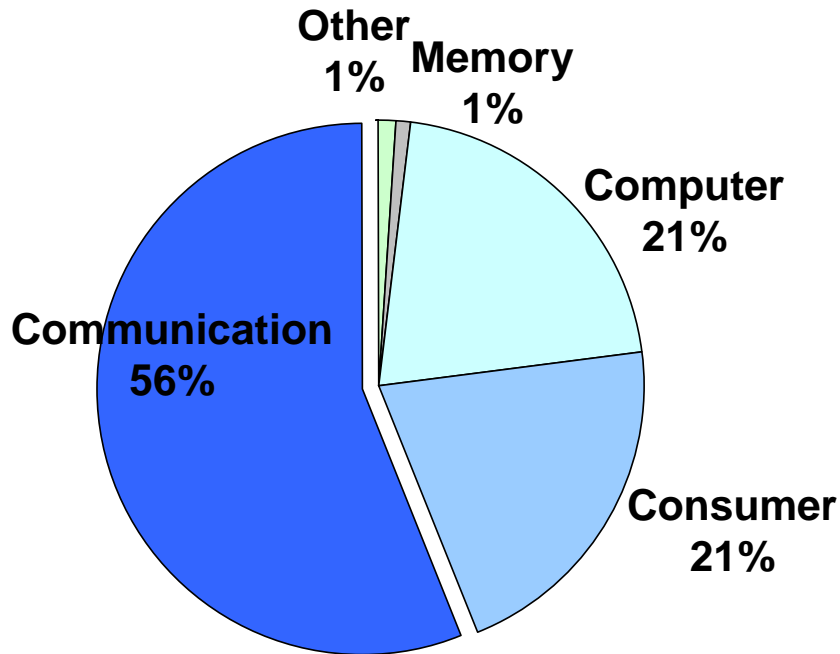


2007 Q4

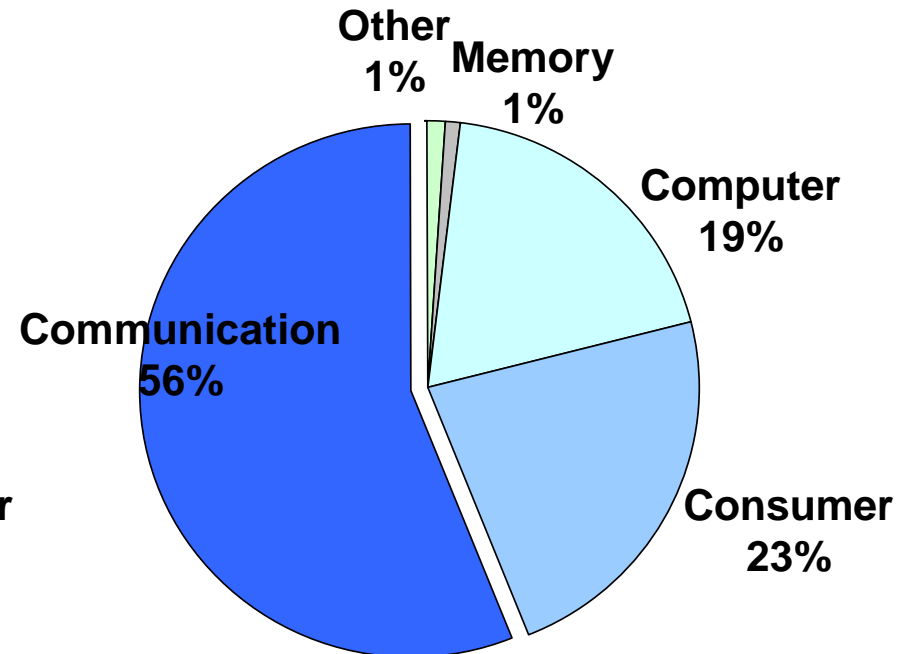


Sales Breakdown by Application

2008 Q1

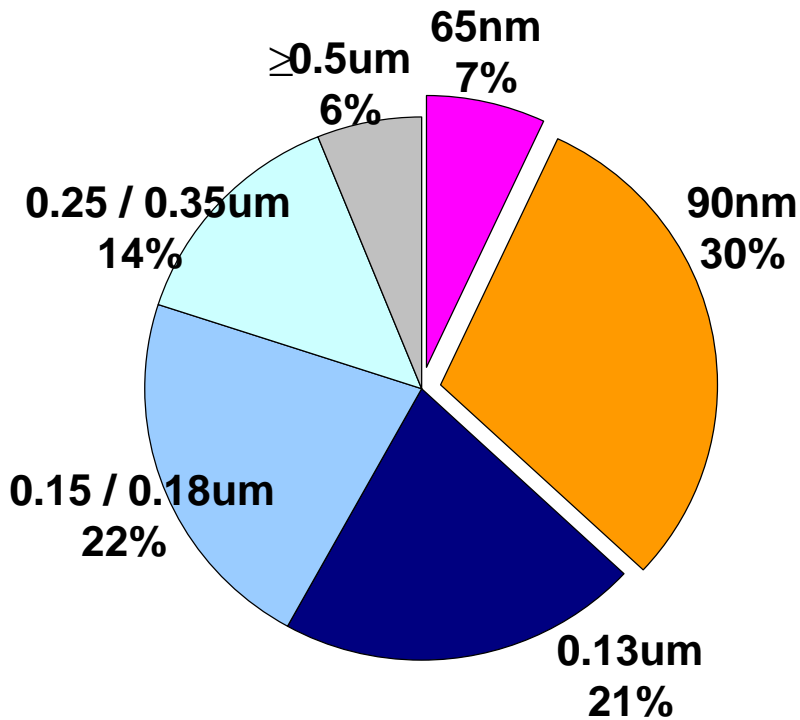


2007 Q4

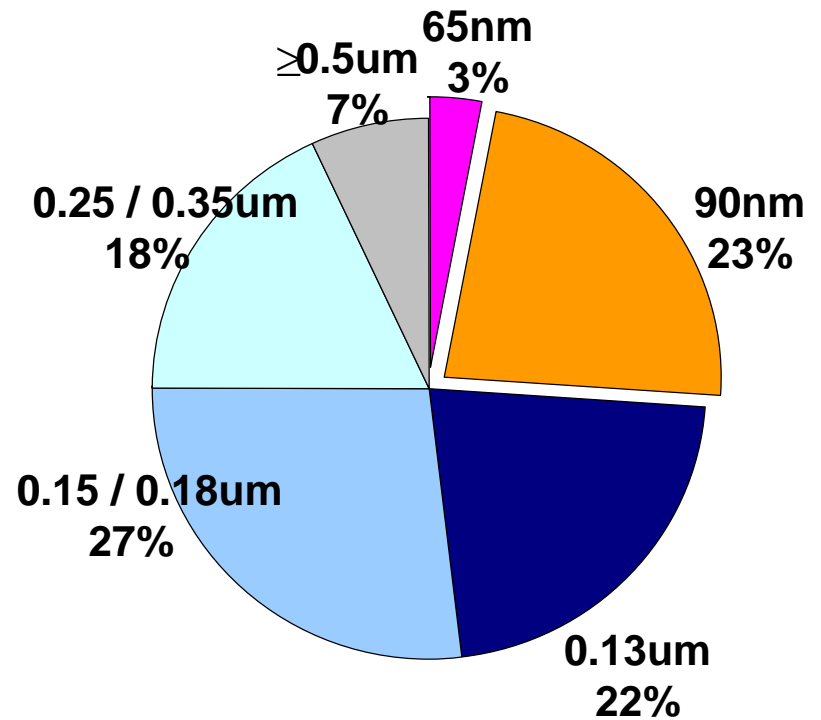


Sales Breakdown by Technology

2008 Q1



2007 Q4



Quarterly Capacity

unit: in thousands (8" wafer eq.)

FAB	3Q07	4Q07	1Q08	2Q08E
Fab 6A	82	82	82	82
Fab 8AB	204	204	204	204
Fab 8C	100	100	100	101
Fab 8D	65	65	65	66
Fab 8E	102	102	102	102
Fab 8F	93	93	93	93
Fab 8S	69	69	69	72
Fab 12A	216	216	216	218
Fab 12i	164	169	169	169
Total	1,095	1,100	1,100	1,107

2008 Capital Expenditure Plan

	8" Fab	12" Fab	12" R&D	Total
UMC	11%	63%	26%	500-700 million USD

For more information regarding UMC
www.umc.com

For all inquiries, suggestions, and comments
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