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UMC Reports 2009 First Quarter Results:

Significant revenue growth will drive 2Q to operating profitability

First Quarter 2009 Overview¹:

- Revenue decreased 41.5% sequentially to NT\$10.84 billion (US\$319 million)
 - Gross margin of - 40%, operating margin of - 67.5%
 - Net loss of NT\$8.16 billion (US\$240 million)
 - Operating Cash inflow of NT\$3.75 billion, with cash & cash eq. of NT\$35.91 billion
 - Loss per share of NT\$0.64; Loss per ADS of US\$0.094
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Taipei, Taiwan, ROC - April 29, 2009 - United Microelectronics Corporation (NYSE: UMC; TSE: 2303) ("UMC" or "the Company"), a leading global semiconductor foundry, today announced its unconsolidated operating results for the first quarter of 2009. Revenue decreased 41.5% quarter-over-quarter to NT\$10.84 billion, from NT\$18.54 billion in 4Q08, and decreased 54.8% year-over-year from NT\$24 billion in 1Q08. Gross margin for the quarter was -40%, operating margin was -67.5%. Net loss in 1Q09 was NT\$8.16 billion, with loss-per-share at NT\$0.64.

Dr. Shih-Wei Sun, CEO of UMC said, "Q1 2009 was challenging for UMC, due to a sharp drop in customer demand caused by the global economic downturn. As a result, UMC's wafer shipments for the quarter dropped to 384 thousand 8-inch equivalent wafers with utilization rate at 30%. UMC also reported higher operating costs associated with the adoption of ROC SFAS No.10, resulting in gross margin of -40%. Despite these factors, UMC remained financially solid in Q1, maintaining positive free cash flow of NT\$2.18 billion and cash equivalents at NT\$35.91 billion. However, recent orders indicate strong demand for Q2, confirming our assessment from last quarter's conference that demand had already bottomed out. UMC expects Q2 revenues to grow significantly with loss turning to profit. Moreover, we are optimistic about the longer-term prospect of the foundry industry and demand growth. As global economic uncertainties continue, we will closely watch our customers' inventory consumption, end market demands and the introduction

¹ Unless otherwise stated, all financial figures discussed in this announcement are prepared in accordance with ROC GAAP, which differ in some material respects from generally accepted accounting principles in the United States. They are un-audited, unconsolidated, and represent comparisons among the three-month period ending March 31, 2009, the three-month period ending December 31, 2008, and the equivalent three-month period that ended March 31, 2008. For all 1Q09 results, New Taiwan Dollar (NT\$) amounts have been converted into U.S. Dollars at the March 31, 2009 exchange rate of NT\$33.95 per U.S. Dollar.

of new applications so that we can quickly respond to any status changes when necessary.”

Dr. Sun continued, “With regard to UMC’s recent rush orders, we will work diligently to meet urgent order deliveries for these customers. However, our mid- to long-term capacity plans, including capacity conversion to a more favorable technology mix, 45/40nm ramp to 300mm volume production and acquiring the most advanced R&D equipment, are all in progress and fully capable of satisfying our customers’ manufacturing requirements.”

“UMC’s advanced R&D efforts and equipment upgrades will proceed as planned despite economic uncertainties to continuously bolster our long-term competitiveness. For example, we have already delivered customer ICs manufactured on UMC’s independently developed high performance 40nm process. The large die-size programmable logic chips are being produced with excellent cycle time and yields. Many other customer 45/40nm designs will enter pilot and verification stages later this year, further contributing to UMC’s financial performance when these designs enter volume production. With regard to more advanced 28nm process technology, with several customers involved in the current development stage, we are progressing smoothly at UMC’s R&D center in Tainan. For this technology node, UMC will provide low power and high performance Poly/SiON and HK/MG process technologies to meet the performance and power needs of various applications.”

Recently, two global semiconductor companies, one from Taiwan and another from the USA, awarded UMC with honors of “2008 Best Fab Award” and “2008 Supplier Excellence Award”, respectively. This recognition underscores UMC’s strategy of delivering “Customer-Driven Foundry Solutions” to create a win-win situation for UMC and its customers.

Summary of Operating Results

Operating Results					
(Amount: NT\$ million)	1Q09	4Q08	QoQ % change	1Q08	YoY % change
Revenue	10,838	18,541	(41.5)	24,003	(54.8)
Gross Profit (Loss)	(4,335)	(804)	439.2	3,647	-
Operating Expenses	(2,982)	(3,073)	(3.0)	(3,386)	(11.9)
Operating Income (Loss)	(7,317)	(3,877)	88.7	261	-
Non-op. Income (Expenses)	(843)	(19,081)	(95.6)	(0)	93,566.7
Net Income (Loss)	(8,160)	(23,510)	(65.3)	206	-
EPS (NT\$ per share)	(0.64)	(1.81)		0.02	
(US\$ per ADS)	(0.094)	(0.267)		0.003	

Revenue decreased 41.5% QoQ to NT\$10.84 billion, from NT\$18.54 billion in 4Q08, and decreased 54.8% YoY, from NT\$24 billion in 1Q08. Weakening global semiconductor demand was the key reason for the decrease in revenue. Gross loss was NT\$4.34 billion, or 40% of revenue, compared to NT\$0.8 billion, or 4.3% of 4Q08 revenue. Operating loss for the quarter was NT\$7.32 billion, or 67.5% of revenue, compared to NT\$3.88 billion, or 20.9% of 4Q08

revenue. Except for weakening demand, the weaker gross margin and operating margin in the first quarter also attributed to the adoption of ROC SFAS No.10, which requires fixed production costs allocated to idle capacity to be accounted for in COGS if actual loading is lower than normal capacity and “Loss on decline in market value and obsolescence of inventories” (LCM) to be accounted for in COGS instead of Non-operating expenses. Net loss in 1Q09 was NT\$8.16 billion, compared to NT\$23.51 billion in 4Q08.

Loss per ordinary share for the quarter was NT\$0.64. Loss per ADS was US\$0.094. One ADS represents five Taiwan-listed ordinary shares. The basic weighted average number of outstanding shares in 1Q09 was 12,767,114,132, compared with 12,971,740,926 shares in 4Q08 and 13,171,692,578 shares in 1Q08. The diluted weighted average number of outstanding shares was 12,767,114,132 in 1Q09, compared with 12,971,740,926 shares in 4Q08 and 13,418,161,562 shares in 1Q08. The fully diluted share count on March 31, 2009 was 13,576,836 thousand. On March 31, 2009, UMC held 300,000 thousand treasury shares acquired from the 13th share buy-back program. UMC completed the 13th share buy-back program on February 16, 2009.

Detailed Financials Section

Depreciation and amortization expenses totaled NT\$8.64 billion in 1Q09, compared to NT\$9.15 billion in 4Q08. Depreciation within CoGS decreased by 9.2% to NT\$6.97 billion. Following the adoption of ROC SFAS No. 10 in 1Q09, CoGS was higher than if the new rule had not been adopted. General and administration expenses increased to NT\$529 million, mainly due to the increase in professional fees. Sales & marketing expenses dropped to NT\$632 million in connection with the decrease in IP amortization. R&D expenses decreased to NT\$1,821 million due to the expense control activities in 1Q09. As a result, total operating expenses decreased 2.9% to NT\$2.98 billion. The total R&D expense was 16.8% of revenue in 1Q09.

COGS & Expenses					
(Amount: NT\$ million)	1Q09	4Q08	QoQ % change	1Q08	YoY % change
Revenue	10,838	18,541	(41.5)	24,003	(54.8)
CoGS	(15,173)	(19,345)	(21.6)	(20,356)	(25.5)
Depreciation	(6,973)	(7,682)	(9.2)	(8,098)	(13.9)
Other Mfg. Costs	(8,200)	(11,663)	(29.7)	(12,258)	(33.1)
Gross Profit	(4,335)	(804)	439.2	3,647	(218.9)
Gross Margin (%)	(40.0%)	(4.3%)		15.2%	
Total Operating Exp.	(2,982)	(3,073)	(2.9)	(3,386)	(11.9)
G&A	(529)	(428)	23.7	(636)	(16.8)
Sales & Marketing	(632)	(679)	(6.9)	(716)	(11.7)
R&D	(1,821)	(1,966)	(7.4)	(2,034)	(10.5)
Operating Income	(7,317)	(3,877)	88.7	216	(2,903.4)
Operating Margin (%)	(67.5%)	(20.9%)		1.1%	

Net non-operating losses during 1Q09 were NT\$843 million. Net investment losses were NT\$1.08 billion, including NT\$599 million of investment losses accounted for under the equity method and a NT\$523 million loss from valuation of ProMos shares. The exchange gain of NT\$255 million was partially offset by the valuation loss of forward contract. Therefore, the net exchange gain was NT\$78 million.

Non-operating Income (Expenses)			
(Amount: NT\$ million)	1Q09	4Q08	1Q08
Net Non-operating Income (Exp.)	(843)	(19,081)	0
Net Interest Income	37	115	116
Net Investment Loss	(1,079)	(15,465)	(224)
Gain on Disposal of Investment	0	52	652
Exchange Gain (Loss)	255	345	(718)
Others	(56)	(4,128)	174

Net cash outflow was NT\$218 million in 1Q09. Operating cash flow remained positive even when the utilization rate dropped to 30% in the first quarter. The investing cash outflow primarily reflects the CAPEX in 1Q09 of NT\$1.57 billion. The NT\$2.39 billion of financing cash outflow was from the purchase of treasury stock in the 13th share buy-back program. Free cash flow² for 1Q09 was NT\$2.18 billion. Over the next 12 months, UMC will not need to repay any term loans.

Cash Flow Summary		
(Amount: NT\$ million)	For the 3-Month Period Ended Mar. 31, 2009	For the 3-Month Period Ended Dec. 31, 2008
Cash Flow from Operations	3,746	12,729
Net Income (Loss)	(8,160)	(23,510)
Depreciation & Amortization	8,640	9,154
Changes in working capital	3,051	4,601
Others	215	22,484
Cash Flow from Investing	(1,696)	(2,330)
Capital Expenditures	(1,568)	(1,471)
Others	(128)	(859)
Cash Flow from Financing	(2,393)	508
Long term loan	-	700
Purchase of treasury stock	(2,393)	(191)
Others	-	(1)
Effect of exchange rate	125	23
Net Cash Flow	(218)	10,930

Cash and cash equivalents decreased NT\$0.2 billion to NT\$35.91 billion. The decrease in notes & accounts receivable and inventory primarily reflected the downward trend of the business. Average inventory turnover decreased to 45 days at the end of 1Q09.

Current Assets			
(Amount: NT\$ billion)	1Q09	4Q08	1Q08
Cash & Cash Equivalents	35.91	36.12	29.63
Notes & Accounts Receivable	6.08	7.80	12.78
Days Sales Outstanding	58	54	50
Inventories	7.05	7.77	11.09
Avg. Inventory Turnover	45	55	51
Total Current Assets	51.50	54.61	60.06

Accounts Payable increased to NT\$2.58 billion due to the acquisition of more raw materials during the first quarter. Total liabilities decreased to NT\$22.67 billion in 1Q09. UMC's Debt to Equity ratio slightly decreased to 12%.

Liabilities			
(Amount: NT\$ billion)	1Q09	4Q08	1Q08
Total Current Liabilities	10.95	11.43	26.98
Accounts Payable	2.58	2.05	4.50
Short-term Credit / Bonds	0.00	0.07	10.96
Others	8.37	9.31	11.52
Long-term Liabilities	8.20	8.13	7.50
Total Liabilities	22.67	23.31	38.08
Debt to Equity	12%	13%	17%

² Free cash flow = Operating cash flow – Capital expenditures

Analysis of Revenue³

The percentage of revenue from the Asia Pacific region increased to 37%, while the percentage of revenue from the North America and the Europe regions decreased to 53% and 9% in 1Q09.

Revenue Breakdown by Region

Region	1Q09	4Q08	3Q08	2Q08	1Q08
North America	53%	57%	60%	50%	58%
Asia Pacific	37%	31%	32%	35%	29%
Europe	9%	10%	6%	13%	11%
Japan	1%	2%	2%	2%	2%

The percentage of revenue from 0.13um business decreased to 16%. This was due to decreasing demand for communication chips. The percentage of revenue from 90nm and below was 38% in 1Q09.

Revenue Breakdown by Geometry

Geometry	1Q09	4Q08	3Q08	2Q08	1Q08
65nm	11%	8%	7%	5%	7%
90nm	27%	27%	31%	31%	30%
90nm<x<=0.13um	16%	22%	20%	21%	21%
0.13um<x<=0.18um	22%	23%	21%	20%	22%
0.18um<x<=0.35um	18%	15%	16%	18%	14%
0.5um and above	6%	5%	5%	5%	6%

The revenue from Fabless and IDM customers both decreased. The proportion of the revenue from these two types of customers remains unchanged.

Revenue Breakdown by Customer Type

Customer Type	1Q09	4Q08	3Q08	2Q08	1Q08
Fabless	80%	80%	74%	71%	70%
IDM	20%	20%	26%	29%	30%
System	0%	0%	0%	0%	0%

The percentage of revenue from the communication segment decreased to 57% of total revenue in 1Q09 due to decreasing demand for communication chips, especially in wireline products.

Revenue Breakdown by Application ⁽¹⁾

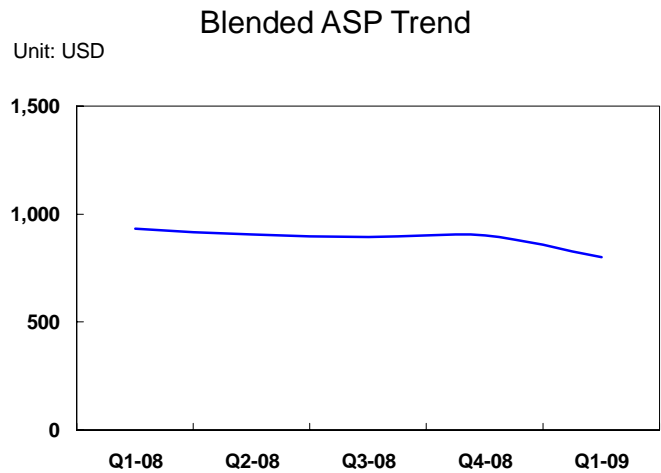
Application	1Q09	4Q08	3Q08	2Q08	1Q08
Computer	15%	15%	16%	17%	21%
Communication	57%	61%	59%	58%	56%
Consumer	25%	22%	23%	22%	21%
Memory	1%	1%	1%	1%	1%
Others	2%	1%	1%	2%	1%

⁽¹⁾ **Computer** consists of ICs such as HDD controllers, DVD-ROM/CD-ROM drives ICs, LCD drivers, graphic processors, and PDAs. **Communication** consists of xDSL, DSP, WLAN, LAN controllers, handset components, caller ID devices, etc. **Consumer** consists of ICs used for DVD players, game consoles, digital cameras, smart cards, toys, etc. **Memory** consists of DRAM, SRAM, Flash, EPROM, ROM, and EEPROM.

³ Revenue in this section represents wafer sales.

Blended Average Selling Price Trend

The blended average selling price (ASP) decreased by 10% in US dollar terms during 1Q09, due to a larger portion of the process technology mix coming from older process generations as well as short-term volume discounts to customers.



Shipment and Utilization Rate⁴

Wafer shipments dropped 32.3% sequentially to 384 thousand, a decrease from 567 thousand 8-inch equivalent wafers in the previous quarter. Overall utilization rate for the quarter was 30%.

Wafer Shipments

	1Q09	4Q08	3Q08	2Q08	1Q08
Wafer Shipments ('000 8-inch eq.)	384	567	883	875	807

Quarterly Capacity Utilization Rate

	1Q09	4Q08	3Q08	2Q08	1Q08
Utilization Rate	30%	48%	79%	85%	73%
Total Capacity ('000 8-inch eq.)	1,151	1,151	1,149	1,107	1,100

⁴ Utilization Rate = Quarterly Wafer Out / Quarterly Capacity

Capacity⁵

Capacity for 1Q09 was 1,151 thousand 8-inch equivalent wafers. The total capacity remained the same as from Q408. The total estimated installed capacity in 2Q09 also remains unchanged, although 65nm capacity is increasing due to internal capacity conversion and 8-inch wafer capacity moving to more advanced nodes.

Annual Capacity in thousands of 8-inch wafer equivalents

FAB	Geometry (um)	2008	2007	2006	2005
Fab 6A	6"	328	328	328	344
Fab 8A	8"	816	816	816	816
Fab 8C	8"	417	400	400	401
Fab 8D	8"	257	260	252	274
Fab 8E	8"	408	408	406	404
Fab 8F	8"	372	372	372	378
Fab 8S ⁽¹⁾	8"	291	276	276	278
Fab 12A	12"	876	847	754	597
Fab 12i ⁽²⁾	12"	742	601	413	363
Total⁽³⁾		4,507	4,308	4,017	3,855
YoY Growth Rate		5%	7%	4%	22%

Quarterly Capacity in thousands of 8-inch wafer equivalents

FAB	2Q09E	1Q09	4Q08	3Q08
Fab 6A	82	82	82	82
Fab 8A	204	204	204	204
Fab 8C	102	105	108	108
Fab 8D	66	66	63	63
Fab 8E	102	102	102	102
Fab 8F	96	93	93	93
Fab 8S	75	75	75	75
Fab 12A	222	222	222	220
Fab 12i	202	202	202	202
Total⁽³⁾	1,151	1,151	1,151	1,149

⁽¹⁾ Former fab of SiSMC, which was acquired from Silicon Integrated Systems in July 2004.

⁽²⁾ Former fab of UMCi, a UMC wholly owned subsidiary in December 2004 that was merged into UMC in April 2005

⁽³⁾ One 6-inch wafer is converted into 0.5625(6²/8²) 8-inch equivalent wafer; one 12-inch wafer is converted into 2.25(12²/8²) 8-inch equivalent wafers.

CAPEX

The capital expenditure budget for 2009 remains unchanged. By the end of the first quarter, UMC's year-to-date CAPEX totaled US\$46 million.

UMC Capital Expenditure by Year - in US\$ billion

Year	2008	2007	2006	2005	2004	2003
CAPEX	\$ 0.35	\$ 0.9	\$ 1.0	\$0.7 ⁽¹⁾	\$ 1.5	\$ 0.4

2009 CAPEX Plan

	8" fab	12" fab	Total
UMC	4%	96%	Not to exceed US\$400 million

⁽¹⁾ 2005 CAPEX contained UMC 2005 full year CAPEX and UMCi CAPEX during 1Q05.

⁵ Estimated capacity numbers are based on *calculated maximum output* rather than *designed capacity*. The actual capacity numbers may differ depending upon equipment delivery schedules, pace of migration to more advanced process technologies, and other factors affecting production ramp up.

Recent Developments / Announcements

- Apr. 27, 2009 UMC, Springsoft Support Custom Chip Design with 65nm Process Design Kit
- Apr. 27, 2009 UMC Recognized for Excellence by Texas Instruments
- Apr. 22, 2009 UMC Announces Board Meeting Approval for New Director Candidates
- Nine candidates for director nomination, including four independent directors and one outside director. Board director re-election will be held during the company's 2009 annual shareholders meeting. Candidates for independent directors include three current independent directors: Mr. Chun-Yen Chang, Prof. Chung Laung Liu and Prof. Paul S.C. Hsu, and one new nominee, Prof. Cheng-Li Huang.
 - The number of independent and outside directors will account for more than half of the 9 seats of board. This action will significantly help to increase operating transparency as well as maintain the interaction and balance between the board and the management team. By continuing to enhance the board and corporate governance structure, UMC hopes to further increase the board's efficiency and supervision to protect shareholders' value.
 - The 2009 Annual General Meeting will be held on Wednesday, June 10, 2009 at the UMC Recreation Center in Hsinchu Science Park, Taiwan.
- Apr. 8, 2009 UMC Delivers Customer ICs Produced on its High Performance 40nm Logic Technology
- Feb. 10, 2009 UMC 4Q 2008 Financial Results
- Feb. 9, 2009 UMC 12i Wins MediaTek's 2008 Best Fab Award

Please visit UMC's website <http://www.umc.com/english/news/index.asp> for further details regarding the above announcements.

Second Quarter of 2009 Outlook & Guidance

Quarter-over-quarter Guidance:

- Wafer shipments: to increase by more than 110%
- Wafer ASP in US\$: to decrease by less than 5%
- Capacity Utilization Rates: approximately 75%
- Profitability: gross profit margin to be approximately 20%
- The communication segment is expected to be the strongest, followed by the computer and consumer segments
- 2009 capex budget: not to exceed US\$400 million

Conference Call / Webcast Announcement

Wednesday, April 29, 2009

Time: 8:00 PM (Taipei) / 8:00 AM (New York) / 1:00 PM (London)

Dial-in numbers and Access Codes:

USA Toll Free: 1866 519 4004
UK Toll Free: 0808 234 6646
Singapore and Other Areas: +65 6735 7955

Access Code: UMC

A live webcast and replay of the 1Q09 results announcement will be available at www.umc.com under the "Investor Relations \ Investor Events" section.

About UMC

UMC (NYSE: UMC, TSE: 2303) is a leading global semiconductor foundry that provides advanced technology and manufacturing services for applications spanning every major sector of the IC industry. UMC's customer-driven foundry solutions allow chip designers to leverage the strength of the company's leading-edge processes, which include production proven 65nm, 45/40nm, mixed signal/RFCMOS, and a wide range of specialty technologies. Production is supported through 10 wafer manufacturing facilities that include two advanced 300mm fabs; Fab 12A in Taiwan and Singapore-based Fab 12i are both in volume production for a variety of customer products. The company employs approximately 12,000 people worldwide and has offices in Taiwan, Japan, Singapore, Europe, and the United States. UMC can be found on the web at <http://www.umc.com>.

Safe Harbor Statements

This release contains forward-looking statements. These statements constitute “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by use of words such as “strategy,” “expects,” “continues,” “plans,” “anticipates,” “believes,” “will,” “estimates,” “intends,” “projects,” “goals,” “targets” and other words of similar meaning. You can also identify them by the fact that they do not relate strictly to historical or current facts.

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, but not limited to: (i) our dependence upon the frequent introduction of new services and technologies based on the latest developments in our industry; (ii) the intensely competitive semiconductor, communications, consumer electronics and computer industries and markets; (iii) the risks associated with international global business activities; (iv) our dependence upon key personnel; (v) general economic and political conditions; (vi) possible disruptions in commercial activities caused by natural and human-induced events and disasters, including terrorist activity, armed conflict and highly contagious diseases; (vii) reduced end-user purchases relative to expectations and orders; and (viii) fluctuations in foreign currency exchange rates. Further information regarding these and other risks is included in UMC’s filings with the U.S. Securities and Exchange Commission, including its registration statements on Form F-1, F-3, F-6 and 20-F, in each case as amended. UMC does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under applicable law.

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.

This presentation is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer or selling security holder and that will contain detailed information about the company and management, as well as financial statements.

- FINANCIAL TABLES TO FOLLOW -