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UMC Reports 2009 Fourth Quarter Results:

Net income in 2H09 and CAPEX in 4Q09 both exceeded NT$10 billion; 2010 operating outlook optimistic

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Fourth Quarter 2009 Overview[1]:

- **Revenue increased 1.2% sequentially to NT$27.75 billion (US$868 million)**
- **Gross margin of 25.9%, operating margin of 13.5%**
- **Utilization rate was 86%**
- **Net income of NT$4.40 billion (US$137 million)**
- **Earnings per share of NT$0.35, earnings per ADS of US$0.055**

Taipei, Taiwan, ROC – February 3, 2010 – United Microelectronics Corporation (NYSE: UMC; TSE: 2303) ("UMC" or "The Company"), a leading global semiconductor foundry, today announced its unconsolidated operating results for the fourth quarter of 2009.

Revenue increased 1.2% QoQ to NT$27.75 billion, from NT$27.41 billion in 3Q09, and increased approximately 50% YoY, from NT$18.54 billion in 4Q08. Gross margin was 25.9%, operating margin was 13.5%, net income was NT$4.40 billion, and earnings per ordinary share were NT$0.35. While capital expenditures invested during the quarter were NT$10.19 billion, cash balance still increased to NT$52.79 billion due to a rise in net income in the second half of the year to NT$10.49 billion. Since the full year of 2009 remained profitable, with earnings per share of NT$0.31, the Company plans to propose the distribution of dividends to shareholders and bonuses to employees at the next board meeting.

Dr. Shih-Wei Sun, CEO of UMC, said, "In 2009, UMC smoothly weathered the most severe economic recession in recent history. Moreover, we were one of the first foundries to have recovered from the downturn and posted the lowest decline in revenue resulting from the

[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 December 31, 2009, the three-month period ending September 30, 2009, and the equivalent three-month period that ended December 31, 2008. For all 4Q09 results, New Taiwan Dollar (NT$) amounts have been converted into U.S. Dollars at the December 31, 2009 exchange rate of NT$31.98 per U.S. Dollar.

financial crisis compared to other foundries. Looking to 2010, UMC shares the industry's positive outlook on growth for the foundry sector. For 2010, UMC plans to increase CAPEX to US$1.2-1.5 billion to accommodate the robust demand we are seeing from customers for advanced technologies, to attain a reasonable balance between market share and ROE, and to solidify UMC's stable, long-term growth."

Dr. Sun emphasized, "Capital expenditure for 2010 will mainly be used to build capacity for advanced processes. We plan to boost 45/40nm process capacity and continue to introduce 28nm R&D and pilot production equipment at Fab12A in Tainan, as well as greatly expand 65/55nm process capacity at Fab12i in Singapore. In addition, we plan to accelerate the readiness timeframe of Fab12A's phase 3 cleanroom related facilities and equipment installation to meet demand for advanced technology capacity and provide for a more flexible expansion plan. At the same time, we will pay close attention to the pace of the continuing economic recovery and the successive adjustments of U.S. and China's monetary policies. UMC will continue to diligently monitor economic conditions over the next several quarters and react prudently in accordance."

Dr. Sun continued, "Following UMC's 'Customer-Driven Foundry Solutions' approach over the past year, we have engaged new customers while further enhancing our relationships with existing customers, and strengthened our ability to provide the best wafer foundry solutions. Percentage of revenue from advanced and specialty processes has also increased with each quarter. In terms of 40nm, UMC's independently developed high-performance 40nm logic process has not only helped customers to beat the tape-out to production duration of the 65nm generation by a quarter, but has also achieved stable and predictable yields. This success has demonstrated that close cooperation between UMC and its customers for the 40nm process can accelerate time-to-volume, satisfy customer demands for advanced processes, and achieve win-win results. UMC will continue to expand its global presence and proceed with its overseas acquisitions; when finalized, this diversification of manufacturing locations will help customers mitigate geographic risk, increase economies of scale, and create synergies for the Company's overall operational and financial performance."

Summary of Operating Results

Operating Results					
(Amount: NT$ million)	**4Q09**	**3Q09**	**QoQ % change**	**4Q08**	**YoY % change**
Revenue	27,746	27,406	1.2	18,541	49.6
Gross Profit (Loss)	7,179	7,655	(6.2)	(803)	-
Operating Expenses	(3,435)	(3,446)	(0.3)	(3,073)	11.8
Operating Income (Loss)	3,744	4,209	(11.0)	(3,876)	-
Non-Operating Income (Expenses)	700	2,180	(67.9)	(19,082)	-
Net Income (Loss)	4,396	6,091	(27.8)	(23,510)	-
EPS (NT$ per share)	0.35	0.48		(1.81)	
(US$ per ADS)	0.055	0.075		(0.283)	

Revenue increased 1.2% QoQ to NT$27.75 billion from NT$27.41 billion in 3Q09, and increased 49.6% YoY from NT$18.54 billion in 4Q08. Gross profit was NT$7.18 billion, or 25.9% of revenue, compared to NT$7.66 billion, or 27.9% of 3Q09 revenue. Operating income for the quarter was NT$3.74 billion, or 13.5% of revenue, compared to NT$4.21 billion, or 15.4% of 3Q09 revenue. The increase in revenue was mainly due to an improved blended ASP. Net income in 4Q09 was NT$4.40 billion, compared to NT$6.09 billion in 3Q09.

Earnings per ordinary share for the quarter were NT$0.35. Earnings per ADS[2] were US$0.055. The basic weighted average number of outstanding shares in 4Q09 was 12,686,971,252, compared with 12,671,692,578 shares in 3Q09 and 12,971,740,926 shares in 4Q08. The diluted weighted average number of outstanding shares was 12,802,575,731 in 4Q09, compared with 12,793,329,223 shares in 3Q09 and 12,971,740,926 shares in 4Q08. The fully diluted share count on December 31, 2009 was approximately 13,797,337,000. During the fourth quarter, UMC transferred 78 million treasury shares to employees. On December 31, 2009, UMC still held 222 million treasury shares acquired from the 13th share buy-back program.

[2] One ADS represents five Taiwan-listed ordinary shares.

Detailed Financials Section

Depreciation within CoGS decreased by 5.0% to NT$7.16 billion. Other manufacturing costs increased 9.7% to NT$13.41 billion, partially due to a decrease in gain on re-measurement of inventories and an increase of accrued employee bonuses. Total operating expenses decreased 0.3%. General and Administration expenses increased to NT$644 million mainly due to an increase in the incentive bonus. Sales & marketing expenses increased to NT$654 million, owing to an increase in mask and sample expenses. R&D expenses decreased to NT$2.14 billion due to a decrease in depreciation of R&D equipment. The total R&D expense was 7.7% of revenue in 4Q09.

COGS & Expenses

(Amount: NT$ million)	4Q09	3Q09	QoQ % change	4Q08	YoY % change
Revenue	27,746	27,406	1.2	18,541	49.6
CoGS	(20,567)	(19,751)	4.1	(19,344)	6.3
Depreciation	(7,155)	(7,529)	(5.0)	(7,682)	(6.9)
Other Mfg. Costs	(13,412)	(12,222)	9.7	(11,662)	15.0
Gross Profit	7,179	7,655	(6.2)	(803)	
Gross Margin (%)	25.9%	27.9%		(4.3%)	
Total Operating Exp.	(3,435)	(3,446)	(0.3)	(3,073)	11.8
G&A	(644)	(593)	8.6	(428)	50.5
Sales & Marketing	(654)	(629)	4.0	(679)	(3.7)
R&D	(2,137)	(2,224)	(3.9)	(1,966)	8.7
Operating Income	3,744	4,209	(11.0)	(3,876)	

Net non-operating income during 4Q09 was NT$700 million. Net investment income was NT$923 million, mainly due to investment income from equity method investees and valuation gain on trading securities. The decrease of NT$813 million quarter-over-quarter in net investment income was mainly due to a decrease in cash dividends.

Non-Operating Income (Expenses)

(Amount: NT$ million)	4Q09	3Q09	4Q08
Net Non-Operating Income (Exp.)	700	2,180	(19,082)
Net Interest Income (Exp.)	22	(4)	115
Net Investment Income (Loss)	923	1,736	(15,465)
Gain on Disposal of Investment	162	307	52
Exchange Gain (Loss)	(9)	(227)	345
Other	(398)	368	(4,129)

Net cash inflow increased to NT$8.16 billion in 4Q09. Operating cash inflow was NT$13.09 billion. The rise in investing cash outflow primarily reflects the higher CAPEX in 4Q09 of NT$10.19 billion, compared to the CAPEX of NT$4.59 billion in 3Q09. Free cash flow[3] for 4Q09 was NT$2.90 billion. Free cash flow for the full year of 2009 was NT$14.89 billion. Over the next 12 months, UMC expects to repay NT$7.50 billion in term loans.

Cash Flow Summary

(Amount: NT$ million)	For the 3-Month Period Ended Dec. 31, 2009	For the 3-Month Period Ended Sep. 30, 2009
Cash Flow from Operating	13,088	12,247
Net Income	4,396	6,091
Depreciation & Amortization	8,134	8,292
Changes in Working Capital	859	(499)
Other	(301)	(1,637)
Cash Flow from Investing	(12,076)	(5,508)
Capital Expenditures	(10,193)	(4,593)
Other	(1,883)	(915)
Cash Flow from Financing	7,145	101
Financial Liabilities at Fair Value through Profit or Loss	1,341	-
Long-Term Loans	5,279	100
Redemption of Long-Term Loans	(100)	-
Transfer of Treasury Stock	623	-
Other	2	1
Effect of Exchange Rate	(1)	(108)
Net Cash Flow	8,156	6,732

Cash and cash equivalents increased NT$8.15 billion to NT$52.79 billion due to cash flow from operations and the issuance of exchangeable bonds. During 4Q09, days sales outstanding increased to 54 days due to an increase in average accounts receivable.

Current Assets

(Amount: NT$ billion)	4Q09	3Q09	4Q08
Cash & Cash Equivalents	52.79	44.64	36.12
Notes & Accounts Receivable	17.06	16.23	7.80
Days Sales Outstanding	54	50	54
Inventories	8.78	8.42	7.77
Avg. Inventory Turnover	39	40	47
Total Current Assets	88.29	73.51	54.61

Current liabilities increased to NT$34.03 billion, mainly due to an increase in payable on equipment and the issuance of two exchangeable bonds. Total liabilities increased to NT$38.29 billion in 4Q09. UMC's debt to equity ratio increased to 18%.

Liabilities

(Amount: NT$ billion)	4Q09	3Q09	4Q08
Total Current Liabilities	34.03	22.97	11.63
Accounts Payable	5.05	4.42	2.05
Short-Term Credit / Bonds	12.80	7.52	0.07
Payable on Equipment	5.49	3.44	1.71
Other	10.69	7.59	7.80
Long-Term Liabilities	0.77	0.88	8.13
Total Liabilities	38.29	27.37	23.31
Debt to Equity	18%	13%	13%

[3] Free cash flow = Operating cash flow – Capital expenditures

Analysis of Revenue[4]

The percentage of revenue from the North America region increased to 51%, mainly due to continuing strong demand from advanced technology node products.

Revenue Breakdown by Region

Region	4Q09	3Q09	2Q09	1Q09	4Q08
North America	51%	49%	47%	53%	57%
Asia Pacific	40%	41%	42%	37%	31%
Europe	8%	9%	10%	9%	10%
Japan	1%	1%	1%	1%	2%

Revenue from 65nm and below business increased to 17% of total revenue, due to stronger demand for wireless communication chips. The percentage of revenue from 90nm and below increased to 42% in 4Q09.

Revenue Breakdown by Geometry

Geometry	4Q09	3Q09	2Q09	1Q09	4Q08
65nm and below	17%	14%	12%	11%	8%
65nm<x<=90nm	25%	26%	27%	27%	27%
90nm<x<=0.13um	23%	21%	19%	16%	22%
0.13um<x<=0.18um	19%	21%	21%	22%	23%
0.18um<x<=0.35um	11%	13%	16%	18%	15%
0.5um and above	5%	5%	5%	6%	5%

The percentage of revenue from fabless customers increased slightly to 80% in 4Q09 from 79% in 3Q09.

Revenue Breakdown by Customer Type

Customer Type	4Q09	3Q09	2Q09	1Q09	4Q08
Fabless	80%	79%	77%	80%	80%
IDM	20%	21%	23%	20%	20%

Revenue from the computer segment decreased to 11% of total revenue in 4Q09 in connection with weaker demand for PC peripheral chips and driver ICs.

Revenue Breakdown by Application (1)

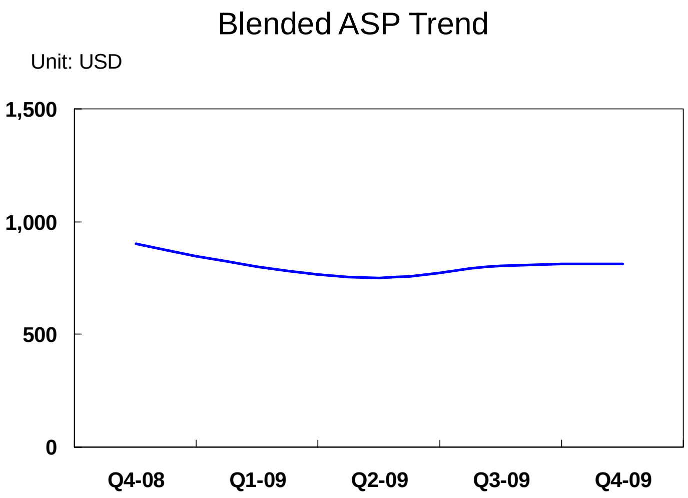
Application	4Q09	3Q09	2Q09	1Q09	4Q08
Computer	11%	17%	15%	15%	15%
Communication	62%	59%	62%	57%	61%
Consumer	25%	23%	21%	25%	22%
Memory	0%	0%	1%	1%	1%
Others	2%	1%	1%	2%	1%

(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.

[4] Revenue in this section represents wafer sales.

Blended Average Selling Price Trend

The blended average selling price (ASP) increased modestly in US dollar terms during 4Q09, mainly due to a favorable change in product mix.



Shipment and Utilization Rate[5]

Wafer shipments decreased 2.7% sequentially to 990K in 4Q09, compared to 1,017K 8-inch equivalent wafers shipped in 3Q09. The overall utilization rate for the quarter was 86%.

Wafer Shipments

	4Q09	3Q09	2Q09	1Q09	4Q08
Wafer Shipments (8" K equivalents)	990	1,017	898	384	567

Quarterly Capacity Utilization Rate

	4Q09	3Q09	2Q09	1Q09	4Q08
Utilization Rate	86%	89%	79%	30%	48%
Total Capacity (8" K equivalents)	1,132	1,152	1,151	1,151	1,151

[5] Utilization Rate = Quarterly Wafer Out / Quarterly Capacity

Capacity[6]

Capacity during the fourth quarter was 1,132K 8-inch equivalent wafers. The decrease of total capacity is mainly due to conversion of existing 0.13um and 90nm capacity to 65nm and 40/45nm in Fab12A. The estimated installed capacity in 1Q10 will increase to 1,154K 8-inch equivalent wafers due to the announced expansion plan and the release of equipment for production.

Annual Capacity in
thousands of 8-inch wafer equivalents

FAB		Geometry (um)	2009	2008	2007	2006
Fab6A	6"	3.5 – 0.45	328	328	328	328
Fab8A	8"	0.5 – 0.25	816	816	816	816
Fab8C	8"	0.35 – 0.11	405	417	400	400
Fab8D	8"	0.13 – 0.09	267	257	260	252
Fab8E	8"	0.5 – 0.18	408	408	408	406
Fab8F	8"	0.18 – 0.11	381	372	372	372
Fab8S (1)	8"	0.18 – 0.11	300	291	276	276
Fab12A	12"	0.18 – 0.045	866	876	847	754
Fab12i (2)	12"	0.13 – 0.065	815	742	601	413
Total (3)			4,586	4,507	4,308	4,017
YoY Growth Rate			2%	5%	7%	4%

Quarterly Capacity in
thousands of 8-inch wafer equivalents

FAB	1Q10E	4Q09	3Q09	2Q09
Fab6A	82	82	82	82
Fab8A	204	204	204	204
Fab8C	96	99	99	99
Fab8D	71	68	68	68
Fab8E	102	102	102	102
Fab8F	96	96	96	96
Fab8S	75	75	75	75
Fab12A	209	200	222	222
Fab12i	219	206	204	203
Total (3)	1,154	1,132	1,152	1,151

(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 since December 2004 that was merged into UMC in April 2005

(3) One 6-inch wafer is converted into 0.5625($6^2/8^2$) 8-inch equivalent wafer; one 12-inch wafer is converted into 2.25($12^2/8^2$) 8-inch equivalent wafers.

CAPEX

The total capital expenditure for 2009 was US$551 million. The capital expenditure budget for 2010 is expected to be in the range of US$1.2 to 1.5 billion. More than 90% of the amount will be used for 12" capacity expansion.

UMC Capital Expenditure by Year - in US$ billion

Year	2009	2008	2007	2006	2005	2004
CAPEX	$ 0.55	$ 0.35	$ 0.9	$ 1.0	$0.7(1)	$ 1.5

2009 CAPEX Plan

	8"	12"	Total
UMC	12%	88%	US$551 million

2010 CAPEX Plan

	8"	12"	Total
UMC	6%	94%	US$1.2~1.5 billion

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

6 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.

Brief Summary of Full Year 2009 Results

- Revenue decreased 4.2% YoY to NT$88.62 billion, from NT$92.53 billion in 2008
- Gross profit margin was 17.9%, compared to 16.9% in 2008
- Operating profit margin was 3.8%, compared to 2.5% in 2008
- Net income was NT$3.87 billion for 2009
- EPS was NT$0.31, or EPADS was US$0.048 for 2009, compared to net loss per share of NT$1.70 or net loss per ADS of US$0.266 for 2008
- The percentage of revenue from 65nm sales was 13% in 2009; the percentage of revenue from 90nm and below sales increased to 39%, from 37% in 2008

Operating Results

(Amount: NT$ million)	2009	2008	YoY % change
Revenue	88,618	92,530	(4.2)
Gross Profit	15,880	15,638	1.5
Operating Expenses	(12,548)	(13,334)	(5.9)
Operating Income	3,332	2,304	44.6
Non-Operating Income (Expenses)	1,136	(23,698)	-
Income Tax Expenses	(594)	(926)	(35.9)
Net Income (Loss)	3,874	(22,320)	-
EPS (NT$ per share)	0.31	(1.70)	
(US$ per ADS)	0.048	(0.266)	

Annual Sales Breakdown in Revenue

Region	2009	2008
North America	50%	56%
Asia Pacific	40%	32%
Europe	9%	10%
Japan	1%	2%

Technology	2009	2008
65nm and below	13%	7%
65nm<x<=90nm	26%	30%
90nm<x<=0.13um	21%	21%
0.13um<x<=0.18um	21%	21%
0.18um<x<=0.35um	14%	16%
0.5um and above	5%	5%

Customer Type	2009	2008
Fabless	79%	73%
IDM	21%	27%

Application	2009	2008
Computer	14%	18%
Communication	61%	58%
Consumer	23%	22%
Memory	1%	1%
Others	1%	1%

Recent Developments / Announcements

Jan. 20, 2010	Xilinx Virtex-6 FPGA Family Achieves Full Production Qualification on UMC's High-Performance 40nm Process
Dec. 15, 2009	UMC Announces Completion of Tender Offer to UMC Japan
Dec. 10, 2009	UMC Presents Paper on New Hybrid High-k/Metal Gate Approach for 28nm at 2009 IEDM
Nov. 30, 2009	UMC Announces Exchangeable Bond Pricing
Oct. 28, 2009	UMC Proposed to Acquire UMC Japan through Tender Offer
Oct. 28, 2009	UMC 3Q 2009 Financial Results

Please visit UMC's website
for further details regarding the above announcements.

First Quarter of 2010 Outlook & Guidance

Quarter-over-Quarter Guidance:

- Wafer shipments to be flat
- Wafer ASP in US$ to decrease by less than 3%
- Currency appreciation to drive down NTD revenue by approximately 1-2%
- Capacity utilization rate in the high-80% range
- Gross margin in the mid-20% range
- The computer segment expected to outperform the other segments
- 2010 CAPEX budget in the range of US$1.2 ~ 1.5 billion

Conference Call / Webcast Announcement

Wednesday, February 3, 2010

Time: 9:00 PM (Taipei) / 8:00 AM (New York) / 1:00 PM (London)

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A live webcast and replay of the 4Q09 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; Fab12A in Taiwan and Singapore-based Fab12i 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 -