

UMC

2010 Q2 Financial Review

August 4, 2010

UMC

Customer-Driven Foundry Solutions

NOTE CONCERNING FORWARD-LOOKING 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.

Operating Results Summary

Unit: NT M

	2010 Q2 / Jun	2010 Q1 / Mar	2009 Q2 / Jun
Net Operating Revenues	29,745	26,715	22,628
Net Income	5,273	3,482	1,547
EPS (NTD)	0.42	0.28	0.12
Cash and Cash Equivalents	45,506	48,536	37,904
Total Assets	248,069	246,772	214,481
Total Liabilities	42,418	38,938	24,240
Shareholders' Equity	205,651	207,834	190,241
Wafer Shipment (in thousands- 8" wafer eq.)	1,156	1,033	898
Utilization (%)	100%	88%	79%

Income Statement - QoQ

Unit: NT M

	Q2-10	%	Q1-10	%	Change %
Net Operating Revenues	29,745	100.0	26,715	100.0	11.3
Gross Profit	8,805	29.6	6,559	24.6	34.2
Operating Expenses	(3,368)	(11.3)	(3,155)	(11.9)	6.8
Operating Income	5,437	18.3	3,404	12.7	59.7
Net Non-operating Income	199	0.7	197	0.8	1.0
Income Tax Expense	(363)	(1.3)	(119)	(0.5)	205.0
Net Income	5,273	17.7	3,482	13.0	51.4
EPS (NTD)	0.42		0.28		
EPADS (USD)	0.065		0.044		

Notes:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 32.11 was used to translate NTD to USD.
3. 12,450 million and 12,638 million shares were used in EPS calculation for Q2-10 and Q1-10, respectively.

Income Statement - YoY: 6 Months

Unit: NT M

	H1-10	%	H1-09	%	Change %
Net Operating Revenues	56,460	100.0	33,466	100.0	68.7
Gross Profit	15,364	27.2	1,046	3.1	1,368.8
Operating Expenses	(6,523)	(11.5)	(5,667)	(16.9)	15.1
Operating Income (Loss)	8,841	15.7	(4,621)	(13.8)	-
Net Non-operating Income (Expenses)	396	0.6	(1,744)	(5.2)	-
Income Tax Expense	(482)	(0.8)	(248)	(0.8)	94.4
Net Income (Loss)	8,755	15.5	(6,613)	(19.8)	-
EPS (NTD)	0.70		(0.52)		
EPADS (USD)	0.109		(0.081)		

Notes:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 32.11 was used to translate NTD to USD.
3. 12,543 million and 12,719 million shares were used in EPS calculation for H1-10 and H1-09, respectively.

Investment Income

Unit: NT M

	Q2-10	Q1-10
Investment loss accounted for under the equity method	(66)	(136)
Gain (Loss) on valuation of financial assets	(167)	144
Cash dividends	30	0
Total	(203)	8

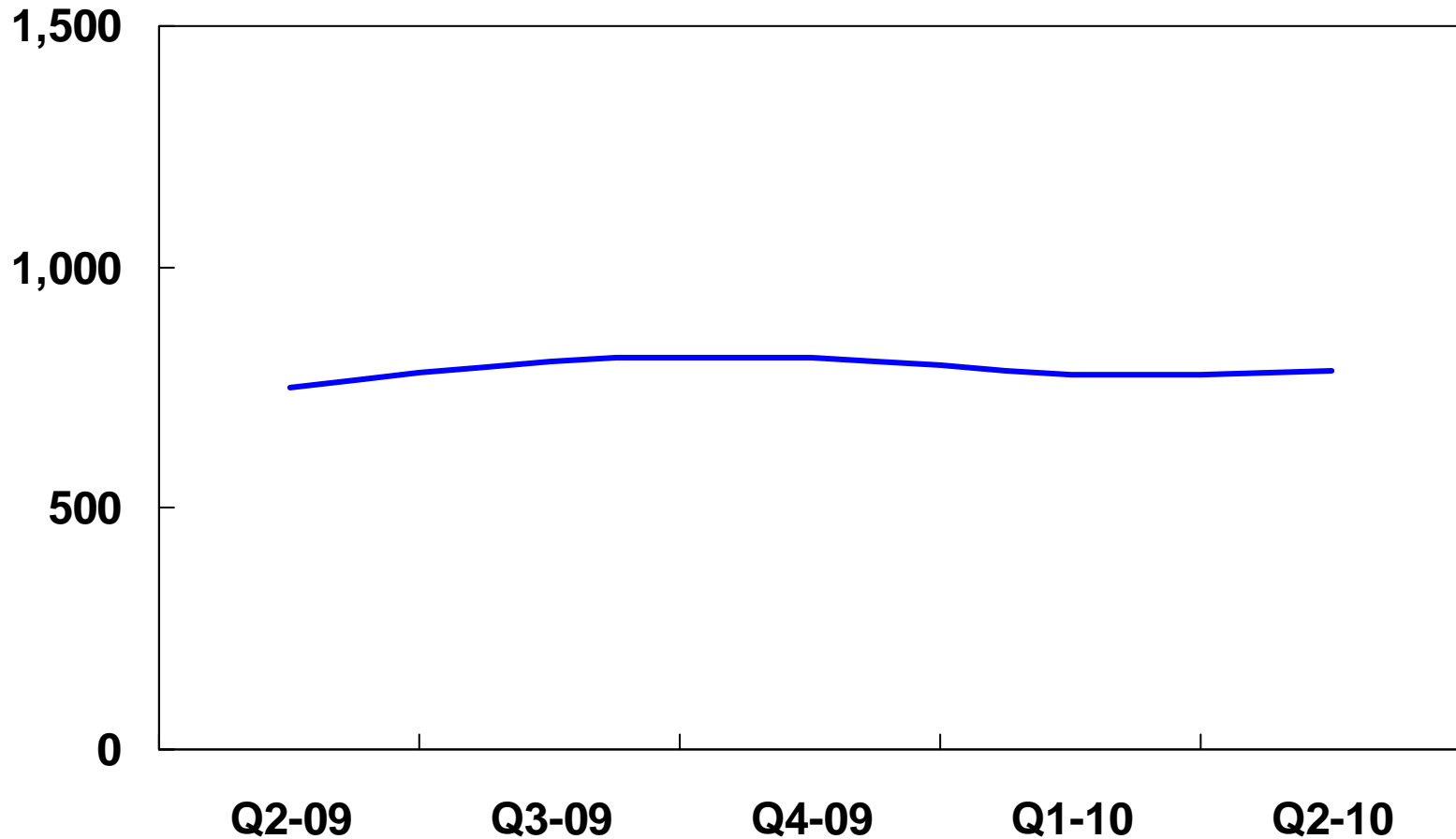
Balance Sheet Highlight - Jun. 30, 2010

Unit: NT M

Cash and Cash Equivalents	45,506
Funds and Investments	65,129
Fixed Assets	93,069
Total Assets	248,069
Current Liabilities	38,007
Long-term Loans	915
Shareholders' Equity	205,651
<i>Depreciation Expense (YTD)</i>	<i>15,523</i>

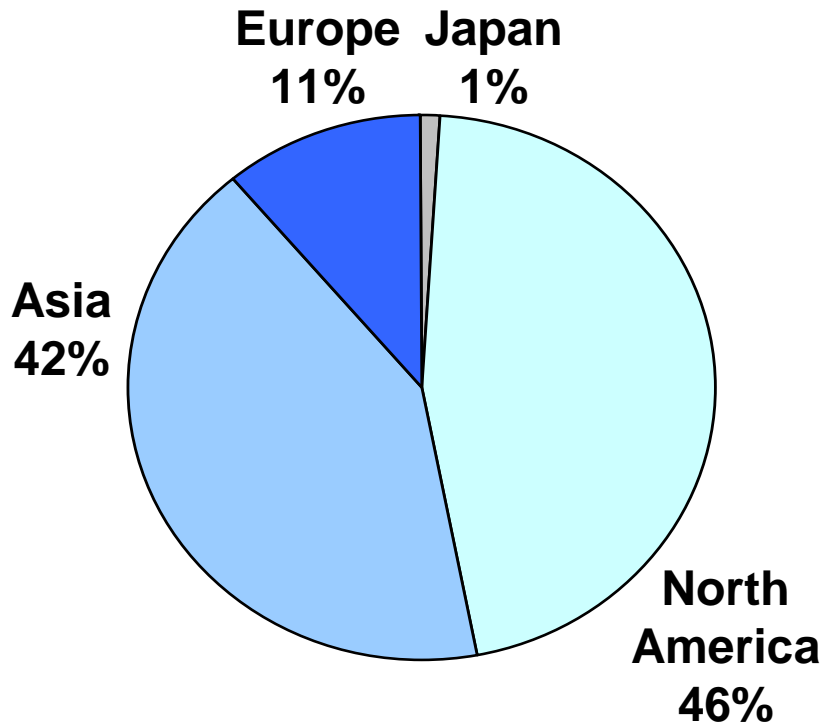
Average Selling Price Trend- 8" Wafer Equivalent

Unit: USD

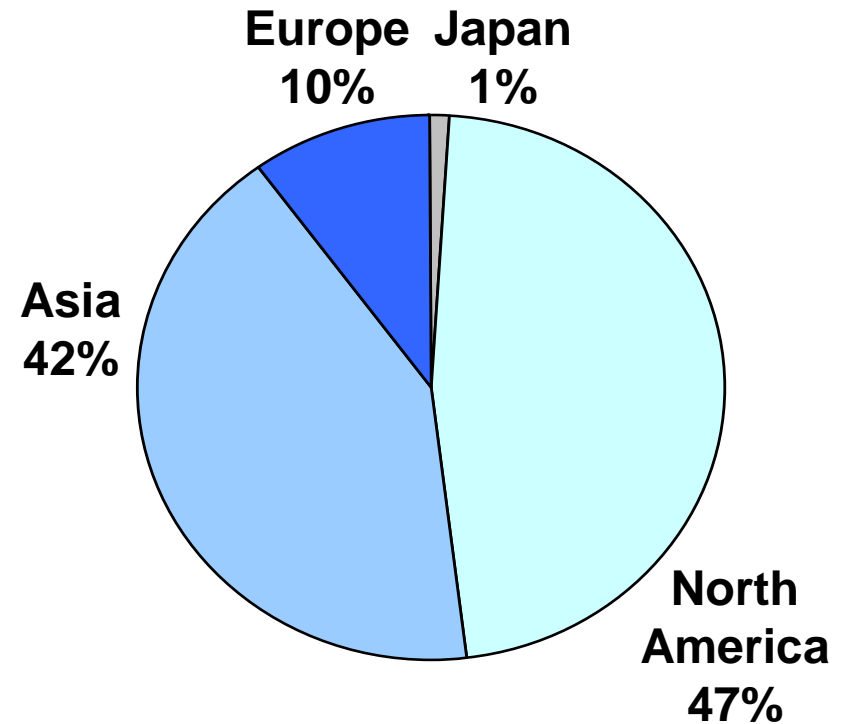


Sales Breakdown by Geography

2010 Q2

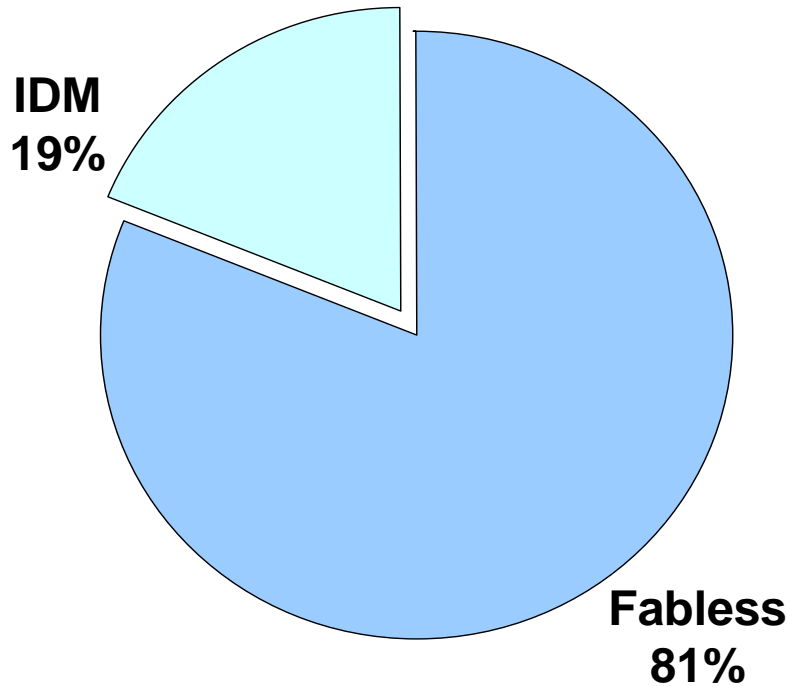


2010 Q1

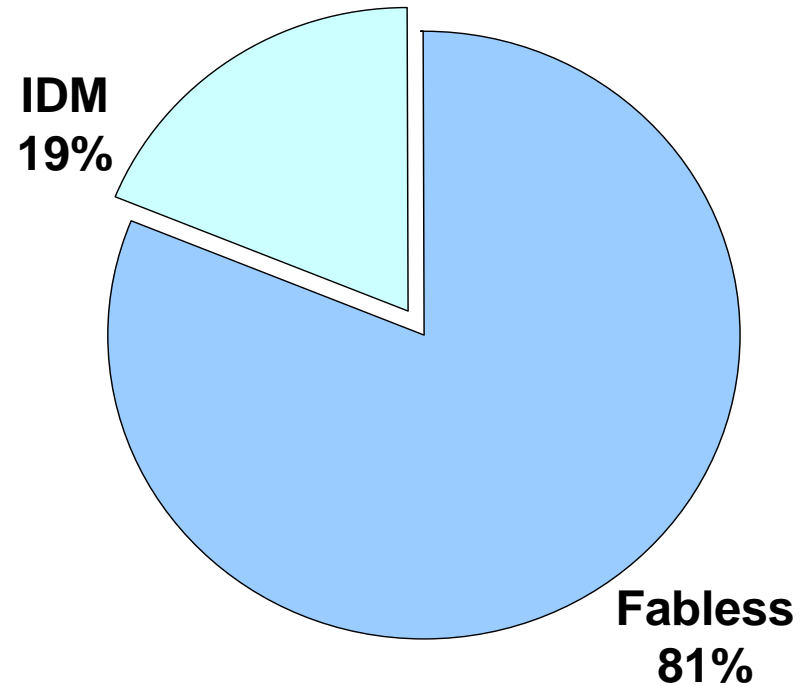


Sales Breakdown by Customer

2010 Q2

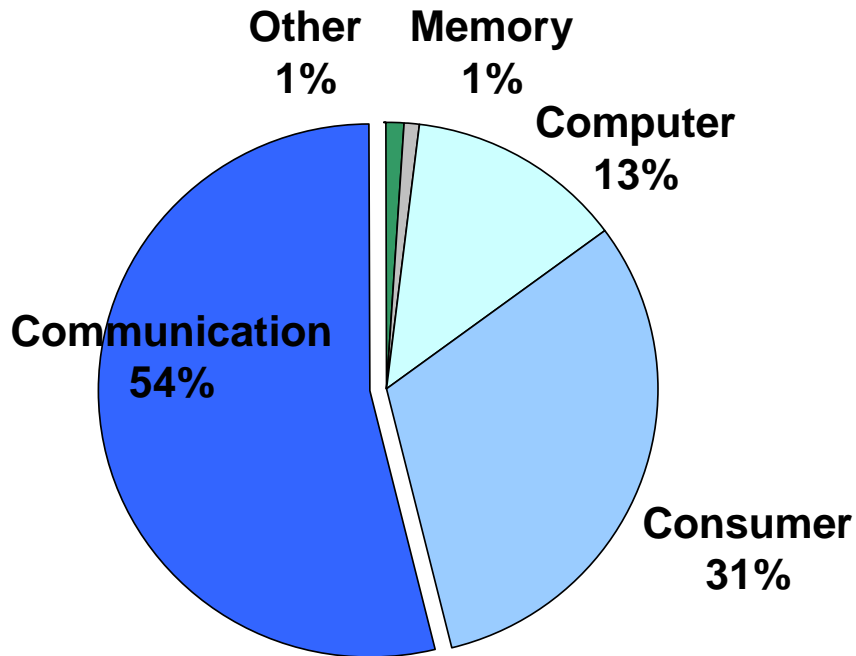


2010 Q1

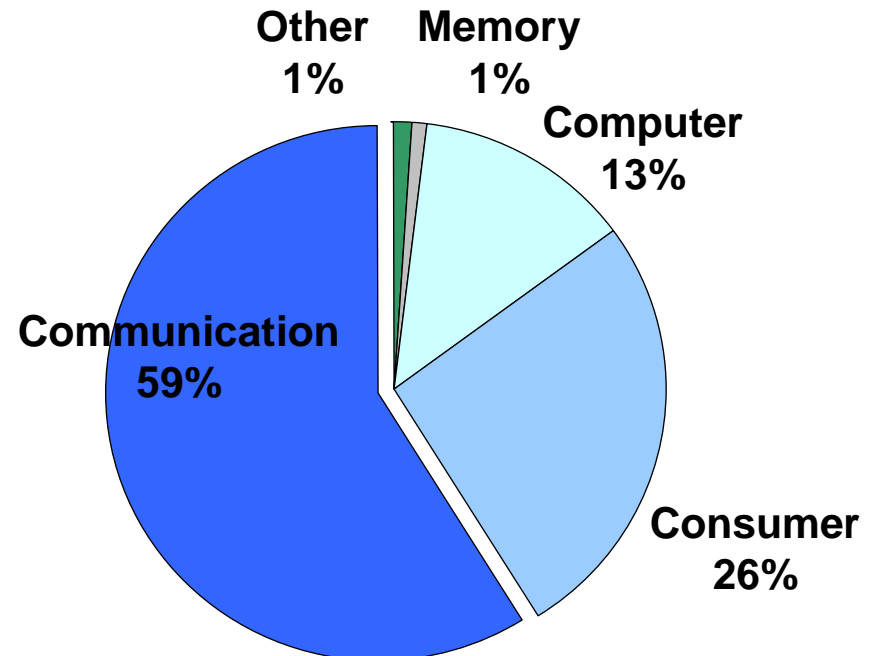


Sales Breakdown by Application

2010 Q2

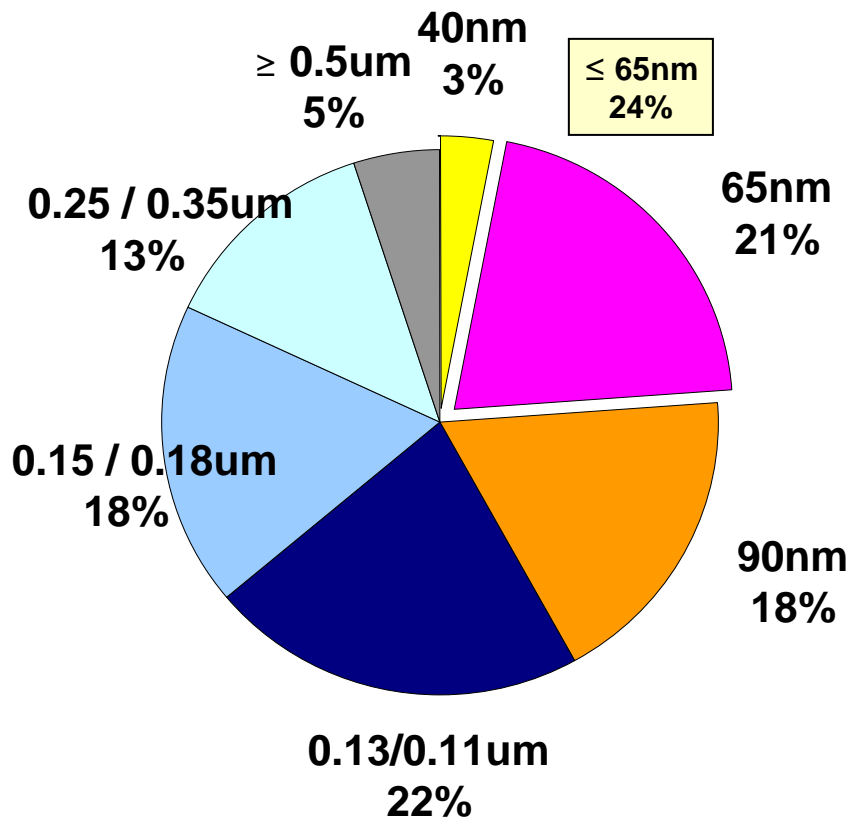


2010 Q1

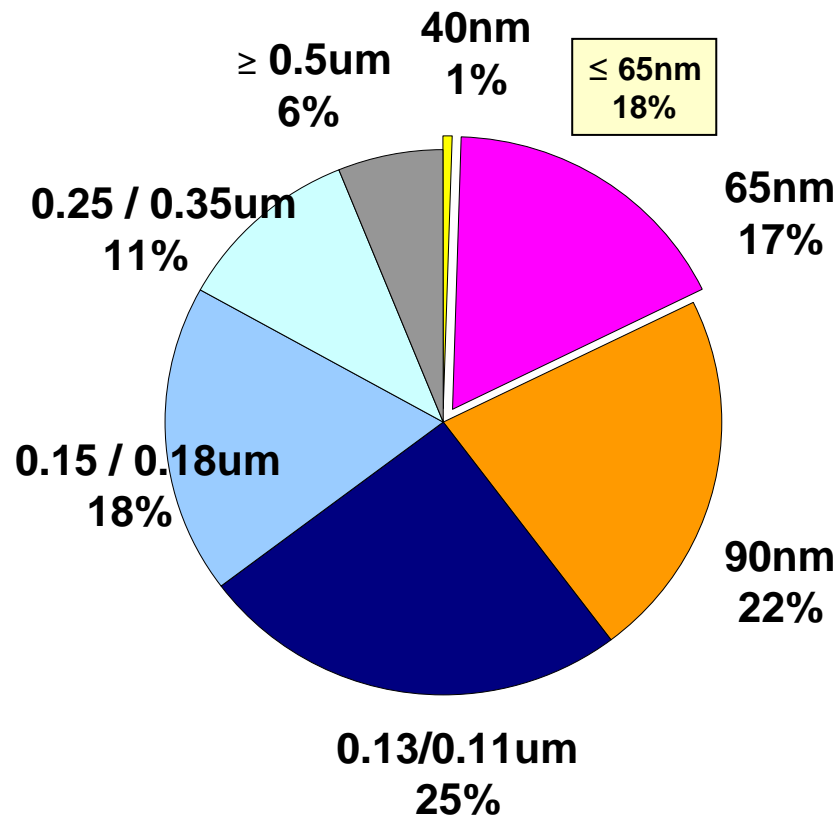


Sales Breakdown by Technology

2010 Q2



2010 Q1



Quarterly Capacity

unit: in thousands (8" wafer eq.)

FAB	4Q09	1Q10	2Q10	3Q10E
Fab6A	82	82	83	83
Fab8A	204	204	204	204
Fab8C	99	96	90	90
Fab8D	68	71	78	81
Fab8E	102	102	102	102
Fab8F	96	96	96	98
Fab8S	75	75	75	77
Fab12A	200	209	209	210
Fab12i	206	219	245	275
Total	1,132	1,154	1,183	1,220

2010 Capital Expenditure Plan

	8"	12"	Total
UMC	13%	87%	1.8 billion USD

For more information regarding UMC
www.umc.com

For all inquiries, suggestions, and comments
ir@umc.com