

10.30.2001

THE WORLD'S NO. 1 INDEPENDENT FOUNDRY

***UMC***  
***2001 Q3 Financial Review***

**UMC**

## ***NOTE CONCERNING FORWARD-LOOKING STATEMENTS***

Except for statements in respect of historical matters, the statements in this release are "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. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual performance, financial condition or results of operations of UMC to be materially different from any future such matters implied by such forward-looking statements. Investors are cautioned that actual events and results could differ materially from these statements as a result of a variety of factors, including conditions in the overall semiconductor market and economy, acceptance and demand for products, and technological and development risks.

The risks, uncertainties and factors include, among others, those stated in the section entitled "Item 3. Key Information-D. Risk Factors" in UMC's Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on June 28, 2001.

The forecasted financial information included in this release was published on October 4, 2001, and was prepared in accordance with the Republic of China Securities and Futures Commission's requirements and ROC GAAP. Investors are cautioned that there are differences between ROC GAAP and US GAAP, as described in the notes to the financial statements included in our Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission.

The financial forecasts and 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 forecasts and forward-looking statements for events or circumstances that occur subsequent to such date.

# Income Statement - QoQ

Unit: NT M

	Q3-01	%	Q2-01	%	Change %
<b>Net Operating Revenues</b>	<b>11,955</b>	<b>100.0</b>	<b>15,003</b>	<b>100.0</b>	<b>(20.3)</b>
<b>Gross Margin</b>	<b>(2,535)</b>	<b>(21.2)</b>	<b>2,351</b>	<b>15.7</b>	<b>-</b>
<b>Operating Expenses</b>	<b>3,715</b>	<b>31.1</b>	<b>3,121</b>	<b>20.8</b>	<b>19.0</b>
<b>Operating Income (Loss)</b>	<b>(6,250)</b>	<b>(52.3)</b>	<b>(770)</b>	<b>(5.1)</b>	<b>711.7</b>
<b>Net Non-operating Income (Loss)</b>	<b>1,110</b>	<b>9.3</b>	<b>(2,283)</b>	<b>(15.2)</b>	<b>-</b>
<b>Net Income (Loss)</b>	<b>(4,024)</b>	<b>(33.7)</b>	<b>(1,854)</b>	<b>(12.4)</b>	<b>117.0</b>
<b>EPS (NTD)</b>	<b>(0.30)</b>		<b>(0.14)</b>		
<b>EPADS (USD)</b>	<b>(0.04)</b>				

Note: 1. Information enclosed is UMC unconsolidated financial data.

2. Exchange rate 34.53 is used to translate NTD to USD.

# Income Statement - YoY: 9 Months

Unit: NT M

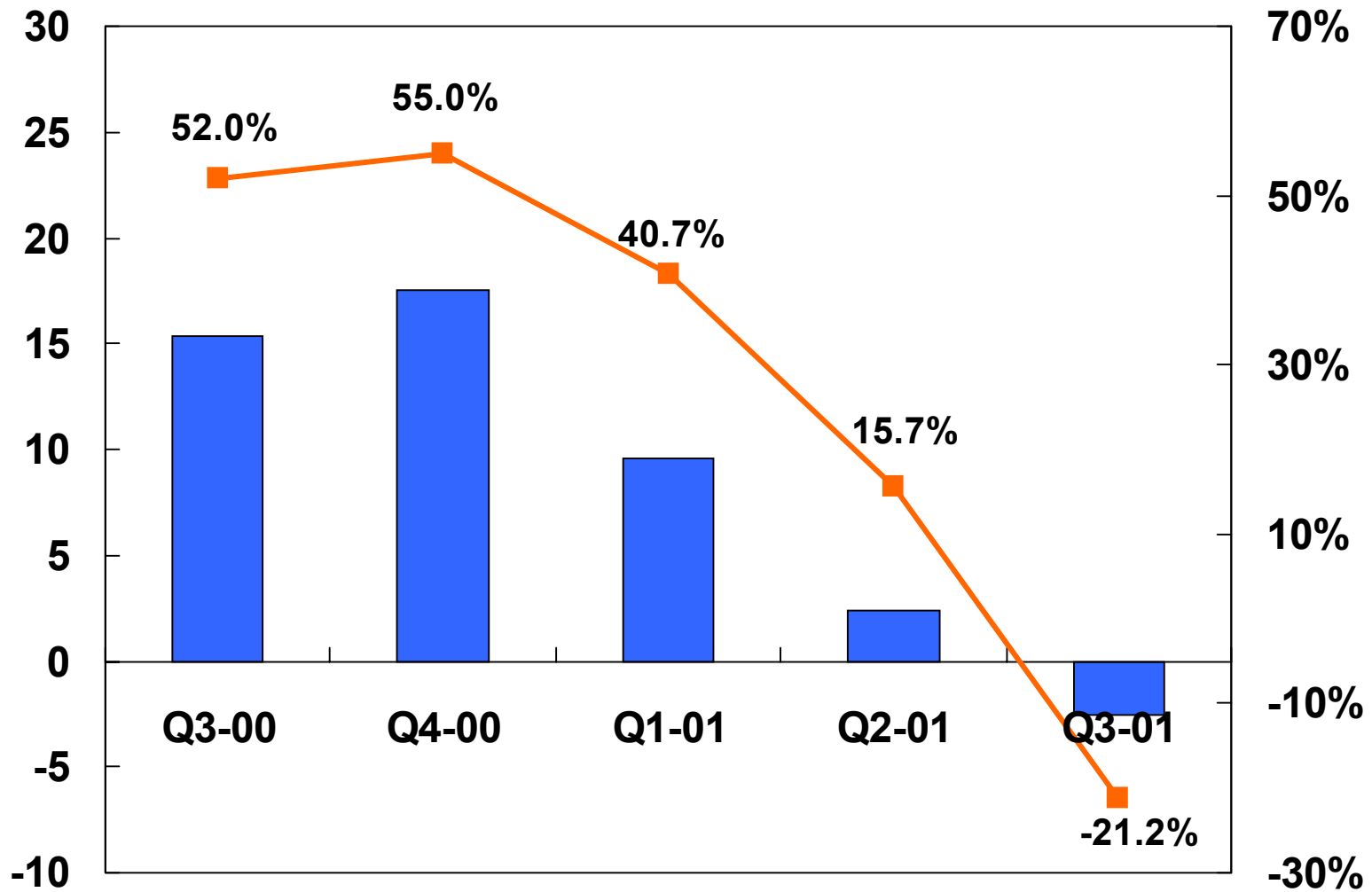
	2001	%	2000	%	Change %
Net Operating Revenues	50,551	100.0	73,233	100.0	(31.0)
Gross Margin	9,419	18.6	36,086	49.3	(73.9)
Operating Expenses	9,834	19.4	7,127	9.7	38.0
Operating Income (Loss)	(415)	(0.8)	28,959	39.5	-
Net Non-operating Income (Loss)	(1,296)	(2.6)	4,873	6.7	-
Net Income (Loss)	596	1.2	34,067	46.5	(98.3)
EPS (NTD)	0.04		2.66		
EPADS (USD)	0.01				

Note: 1. Information enclosed is UMC unconsolidated financial data.

2. Exchange rate 34.53 is used to translate NTD to USD.

# Gross Margin Trend

Unit: NT B

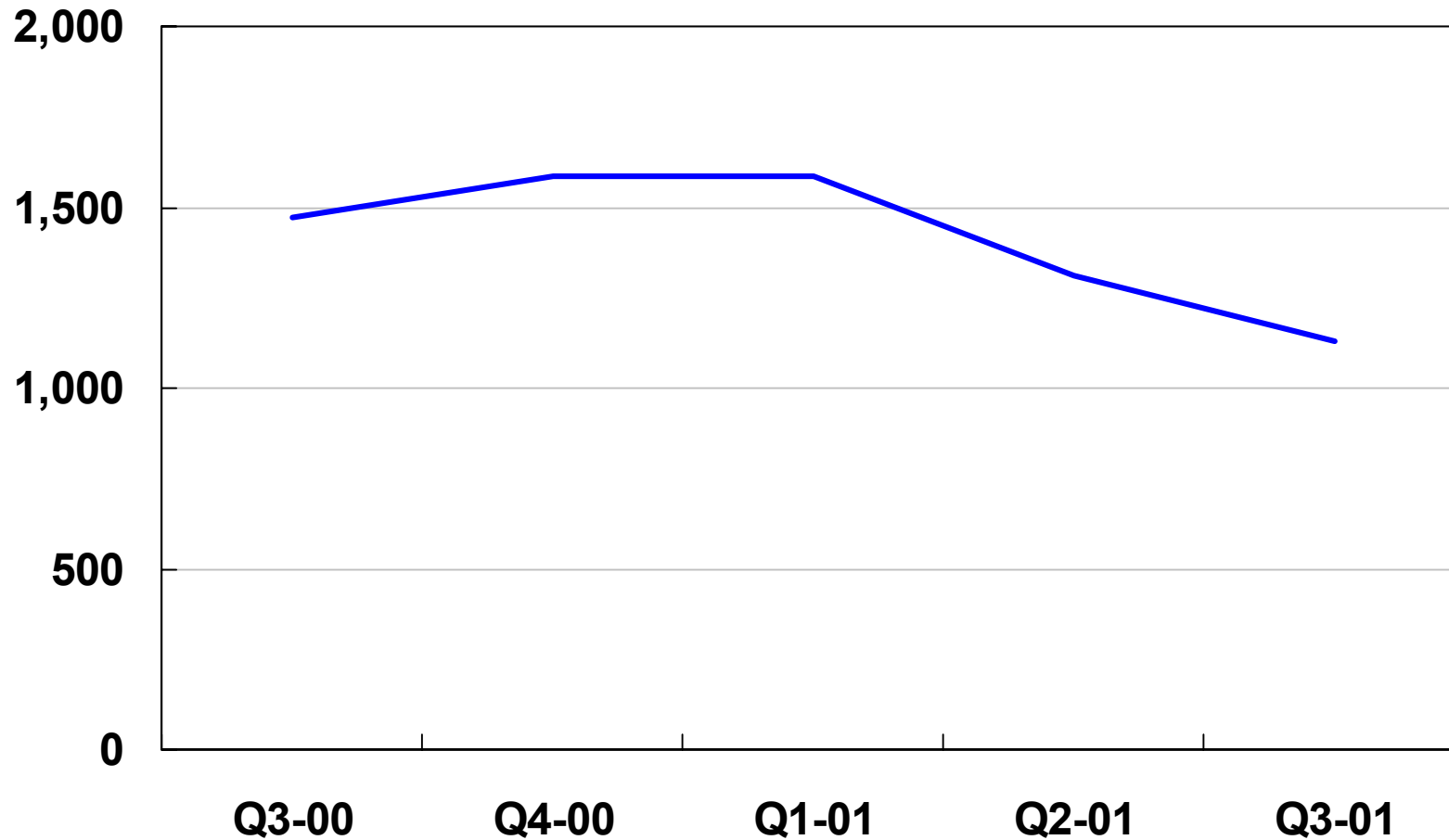


# *Investment Income*

	Unit: NT M	
	Q3-01	Q2-01
<b>UMCJ</b>	<b>(89)</b>	<b>168</b>
<b>Unipac</b>	<b>(270)</b>	<b>(370)</b>
<b>WWEI</b>	<b>66</b>	<b>36</b>
<b>Faraday</b>	<b>33</b>	<b>28</b>
<b>Trecenti</b>	<b>(355)</b>	<b>(415)</b>
<b>Impairment on long-term investment</b>	<b>-</b>	<b>(416)</b>
<b>Others</b>	<b>(36)</b>	<b>116</b>
<b>Total</b>	<b>(651)</b>	<b>(853)</b>

# Average Selling Price Trend- 8" Wafer Equivalent

Unit: USD



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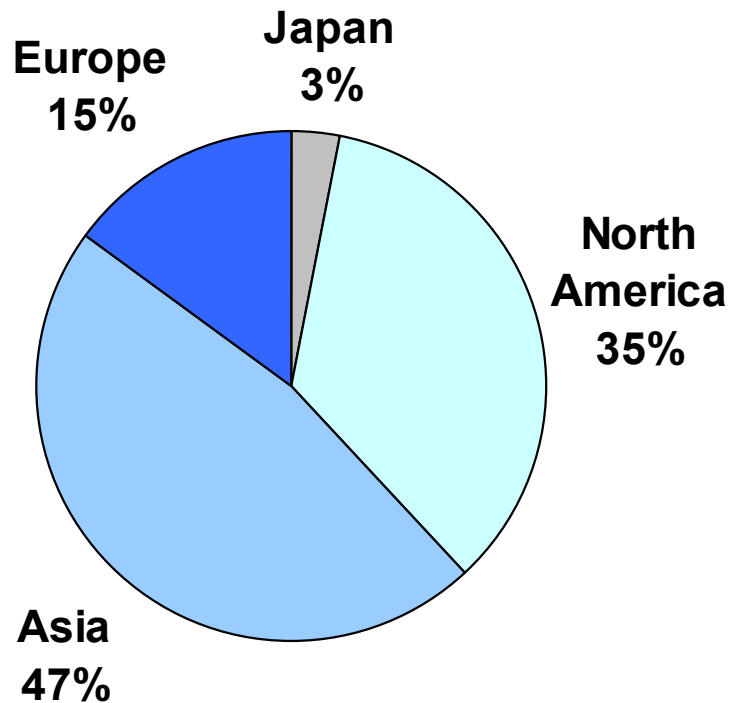
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# ***Balance Sheet Highlight - September 30, 2001***

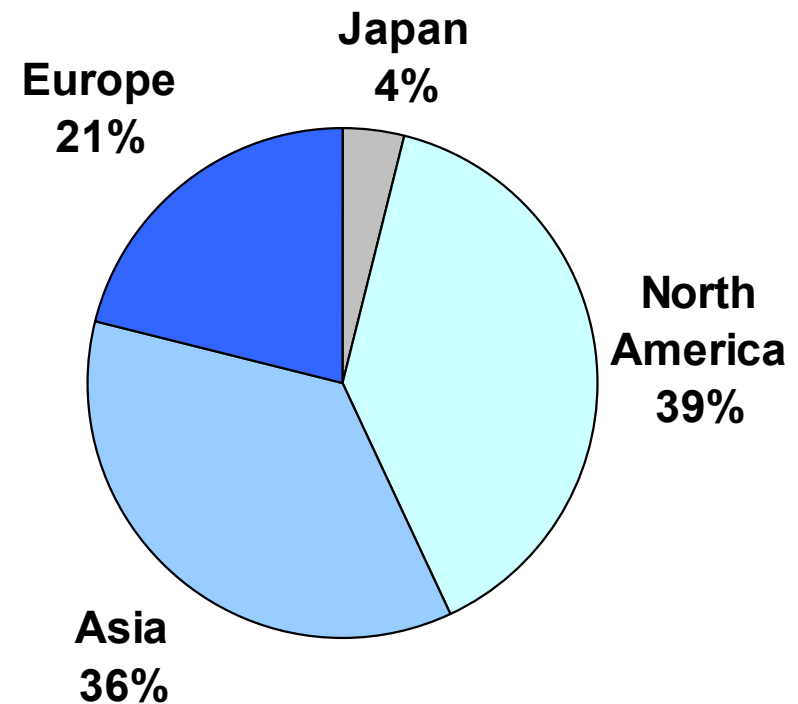
	<b>Unit: NT M</b>
<b>Cash</b>	<b>49,508</b>
<b>Long-term Investments</b>	<b>71,511</b>
<b>Fixed Assets</b>	<b>159,761</b>
<b>Total Assets</b>	<b>305,998</b>
<b>Current Liabilities</b>	<b>30,422</b>
<b>Long-term Liabilities</b>	<b>39,055</b>
<b>Stockholders' Equity</b>	<b>231,531</b>
<i>Depreciation</i>	<i>23,959</i>

# Sales Breakdown by Geography

2001 Q3

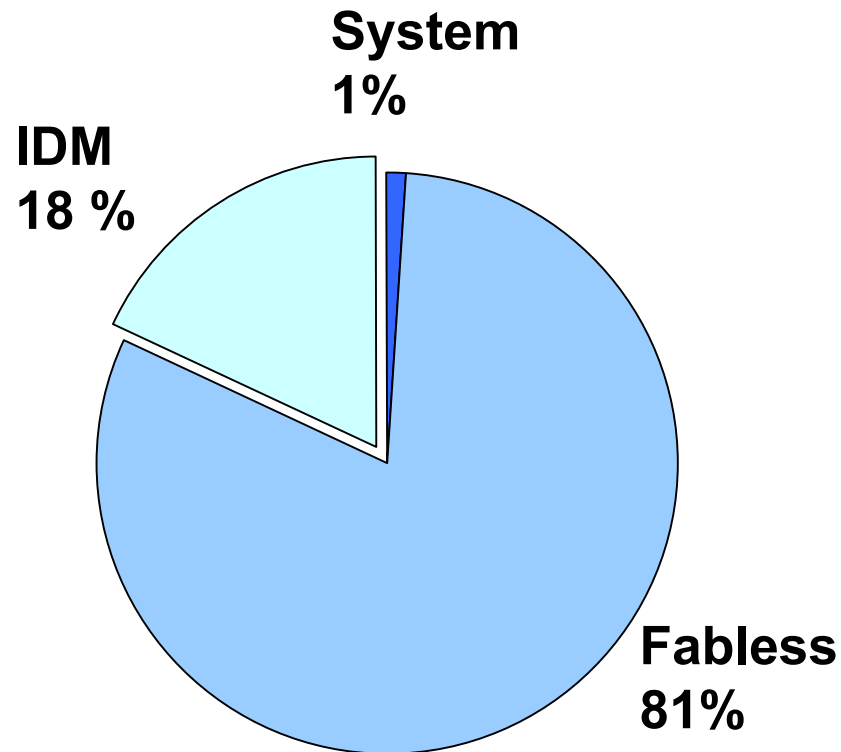


2001 Q2

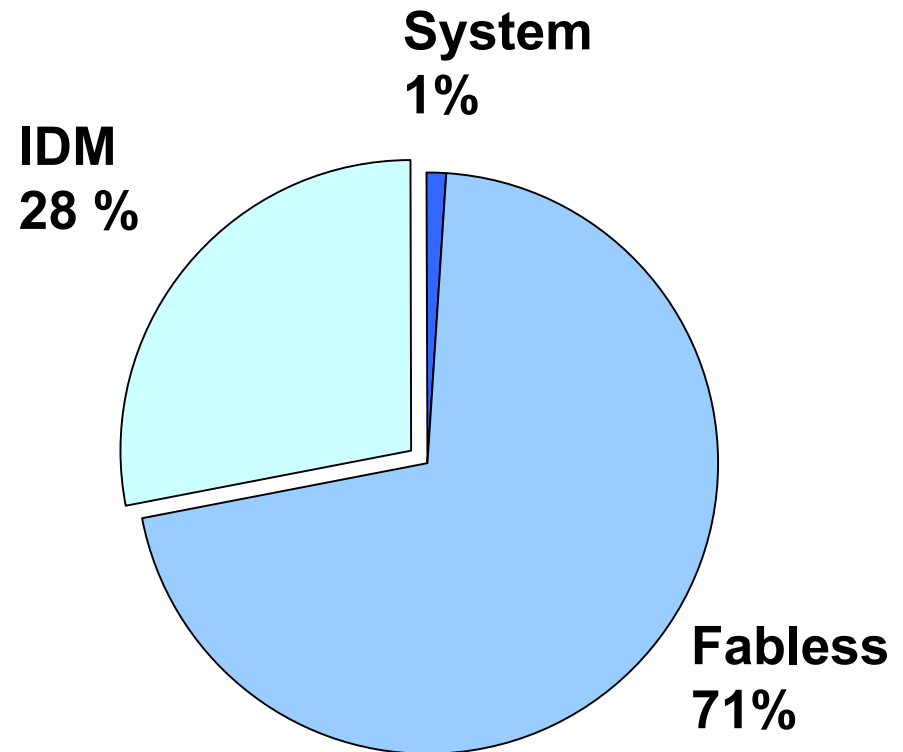


# Sales Breakdown by Customer

2001 Q3

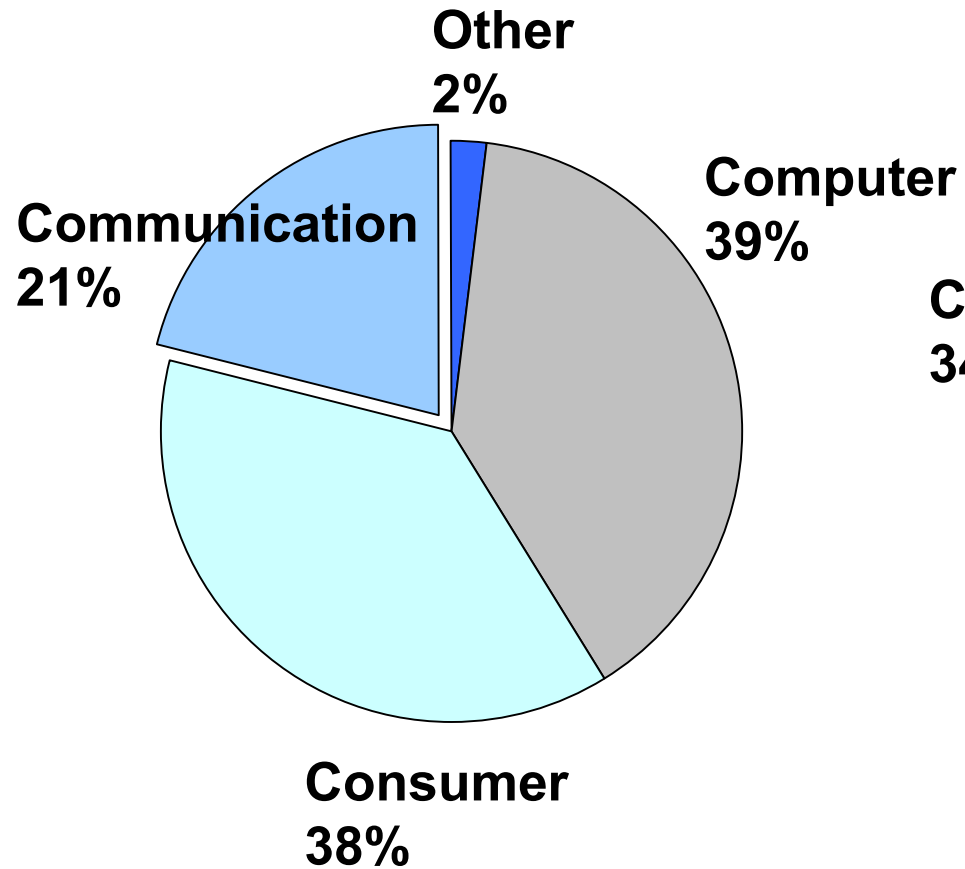


2001 Q2

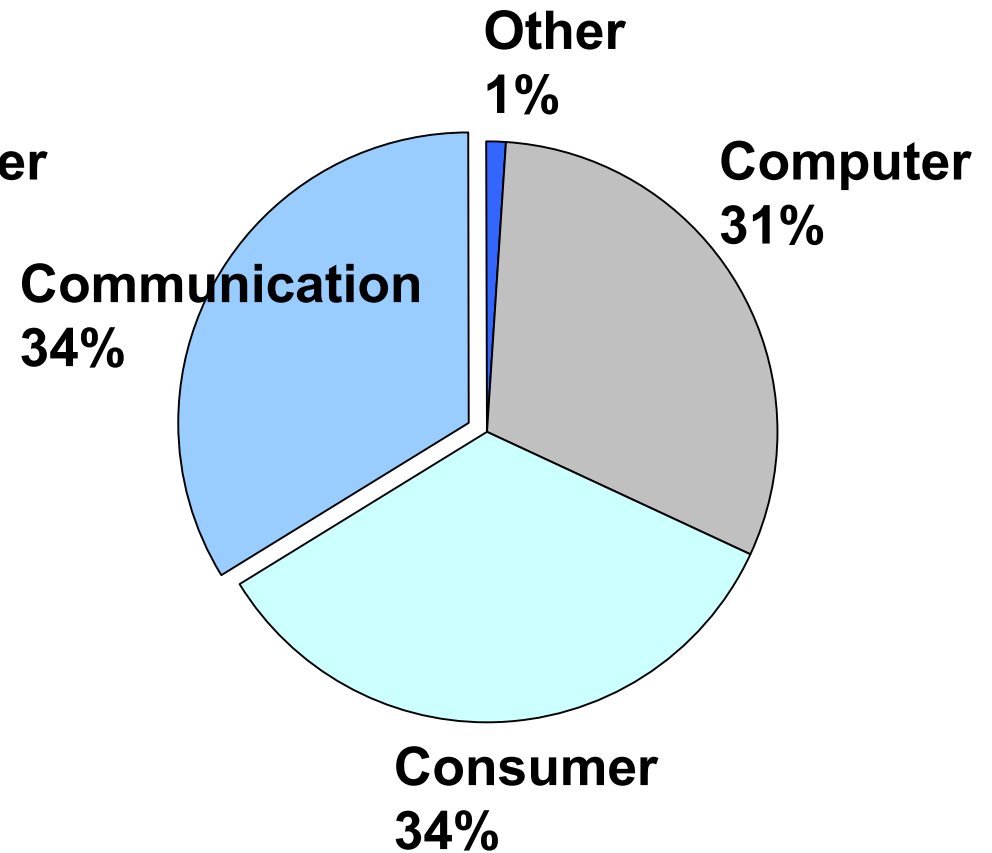


# Sales Breakdown by Application

2001 Q3

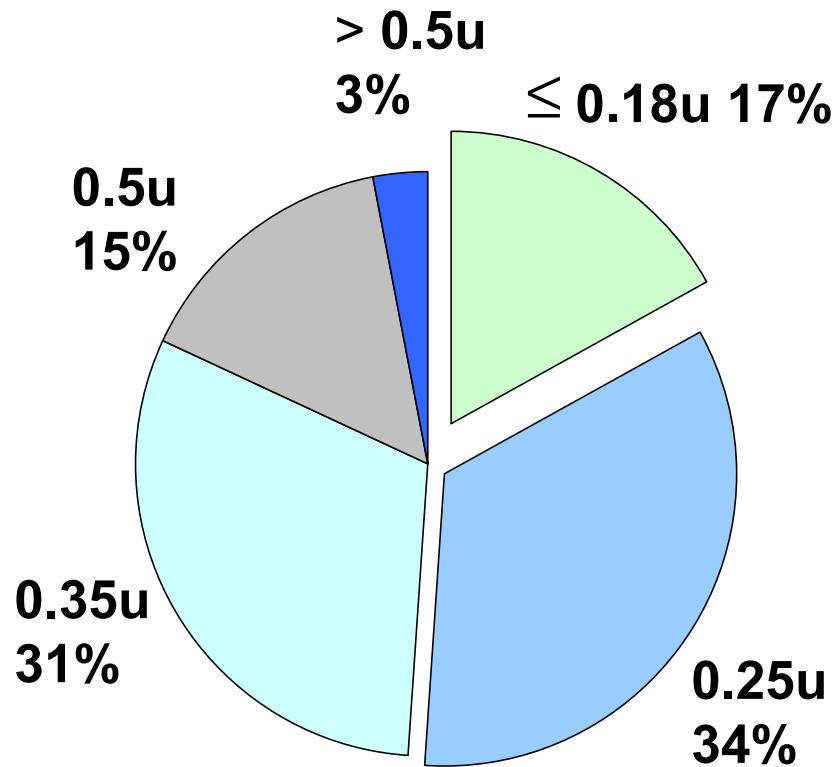


2001 Q2

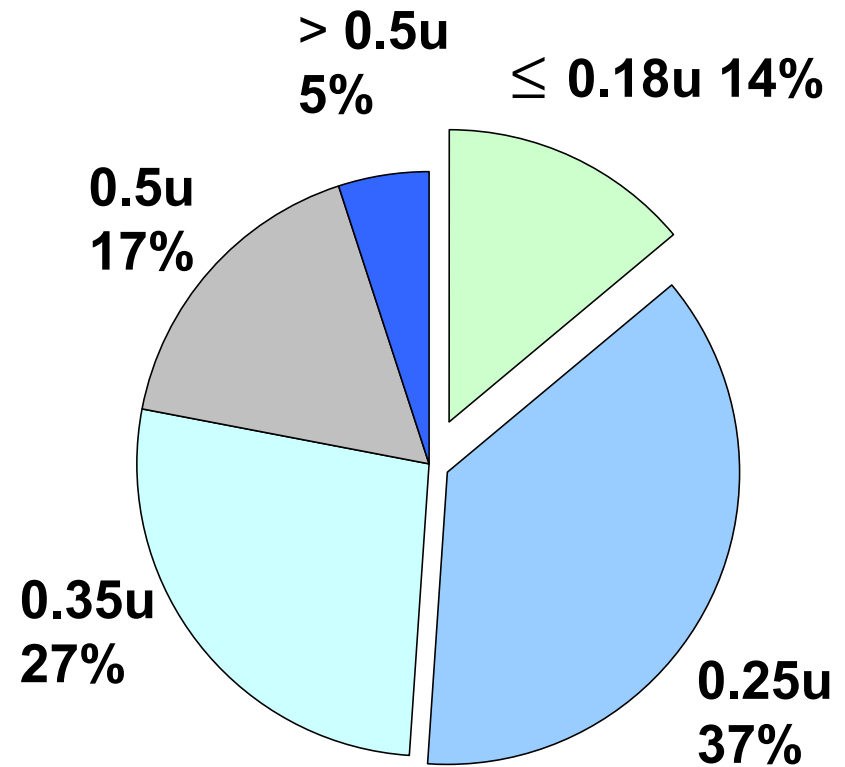


# Sales Breakdown by Technology

2001 Q3

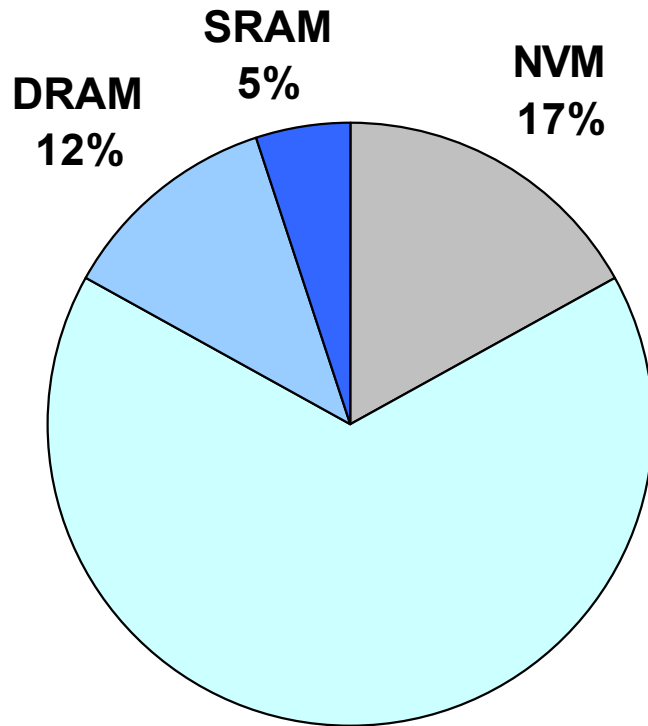


2001 Q2



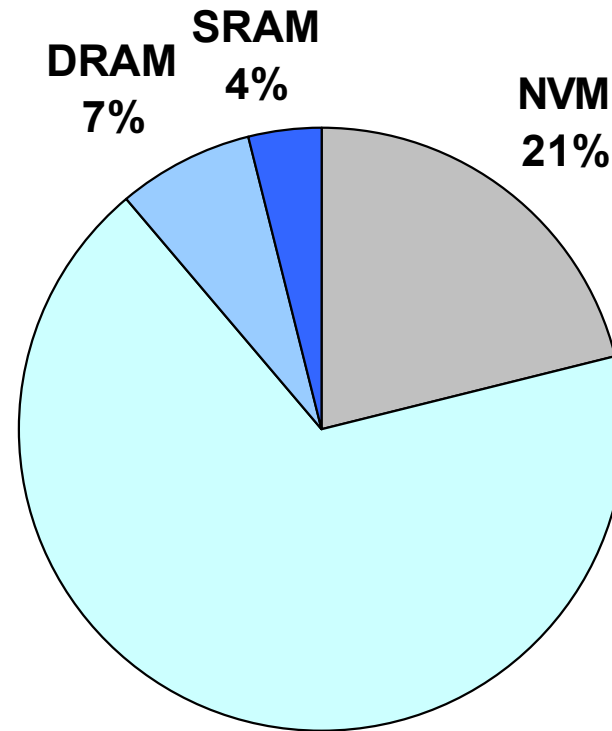
# Sales Breakdown by Device Type

2001 Q3



Logic/Mixed mode 66%

2001 Q2



Logic/Mixed mode 68%

# *Year 2001 Forecast Updated*

	Unit: NT M	
	2001	%
<b>Net Operating Revenues</b>	<b>63,546</b>	<b>100.0</b>
<b>Gross Margin</b>	<b>8,491</b>	<b>13.4</b>
<b>Operating Expenses</b>	<b>13,794</b>	<b>21.7</b>
<b>Operating Income (Loss)</b>	<b>(5,303)</b>	<b>(8.3)</b>
<b>Net Non-operating Income (Loss)</b>	<b>(1,100)</b>	<b>(1.7)</b>
<b>Net Income (Loss)</b>	<b>(3,208)</b>	<b>(5.0)</b>

For more information regarding UMC

**[www.umc.com](http://www.umc.com)**

For all inquiries, suggestions, and comments

**[ir@umc.com](mailto:ir@umc.com)**