

10.23.2000

# UMC

## 2000 Q3 Financial Review

THE FUTURE OF SILICON  
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**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 Securities and Exchange Act of 1933 and Section 21E of the U.S. Securities 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 the 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 "Risk Factors" in our Registration Statement on Form F-1 (filed with the U.S. Securities and Exchange Commission on September 15, 2000).

The forecasted financial statements included in this release were published on October 23, in accordance with the Republic of China Securities and Futures Commission's requirements. These statements were also prepared and published in accordance with ROC GAAP; investors are cautioned that there are differences between ROC GAAP and US GAAP, as described for example in our Registration Statement filed September 15, 2000, under Regulation F-1.

The financial forecasts and forward looking statements in this release reflect the current belief of UMC as of this date and UMC undertakes no obligation to update this forecast for events or circumstances that occur subsequent to this date.

# Income Statement - QoQ

	Unit: NT M				
	Q3-00	%	Q2-00	%	Growth %
<b>Net Operating Revenues</b>	<b>29,479</b>	<b>100.0</b>	<b>24,441</b>	<b>100.0</b>	<b>20.6</b>
<b>Gross Margin</b>	<b>15,340</b>	<b>52.0</b>	<b>11,843</b>	<b>48.5</b>	<b>29.5</b>
<b>Operating Expenses</b>	<b>2,387</b>	<b>8.1</b>	<b>2,107</b>	<b>8.6</b>	<b>13.3</b>
<b>Operating Income</b>	<b>12,953</b>	<b>43.9</b>	<b>9,736</b>	<b>39.8</b>	<b>33.0</b>
<b>Net Non-operating Income</b>	<b>1,609</b>	<b>5.5</b>	<b>2,062</b>	<b>8.4</b>	<b>(22.0)</b>
<b>Net Income</b>	<b>14,556</b>	<b>49.4</b>	<b>12,065</b>	<b>49.4</b>	<b>20.6</b>
<b>EPS (NTD)</b>	<b>1.31</b>		<b>1.10</b>		
<b>EPADS (USD)</b>	<b>0.21</b>		<b>0.18</b>		

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

2. Exchange rate 31.32 is used to translate NTD to USD.

# *Income Statement - YoY: 9 Months*

	Unit: NT M				
	2000	%	1999	% Growth	
			(UMC alone)		%
<b>Net Operating Revenues</b>	<b>73,233</b>	<b>100.0</b>	<b>20,697</b>	<b>100.0</b>	<b>253.8</b>
<b>Gross Margin</b>	<b>36,086</b>	<b>49.3</b>	<b>6,313</b>	<b>30.5</b>	<b>471.7</b>
<b>Operating Expenses</b>	<b>7,127</b>	<b>9.7</b>	<b>3,070</b>	<b>14.8</b>	<b>132.2</b>
<b>Operating Income</b>	<b>28,959</b>	<b>39.5</b>	<b>3,243</b>	<b>15.7</b>	<b>793.0</b>
<b>Net Non-operating Income</b>	<b>4,873</b>	<b>6.7</b>	<b>1,768</b>	<b>8.5</b>	<b>175.7</b>
<b>Net Income</b>	<b>34,067</b>	<b>46.5</b>	<b>4,887</b>	<b>23.6</b>	<b>597.1</b>
<b>EPS (NTD)</b>	<b>3.10</b>		<b>0.62</b>		
<b>EPADS (USD)</b>	<b>0.49</b>				

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

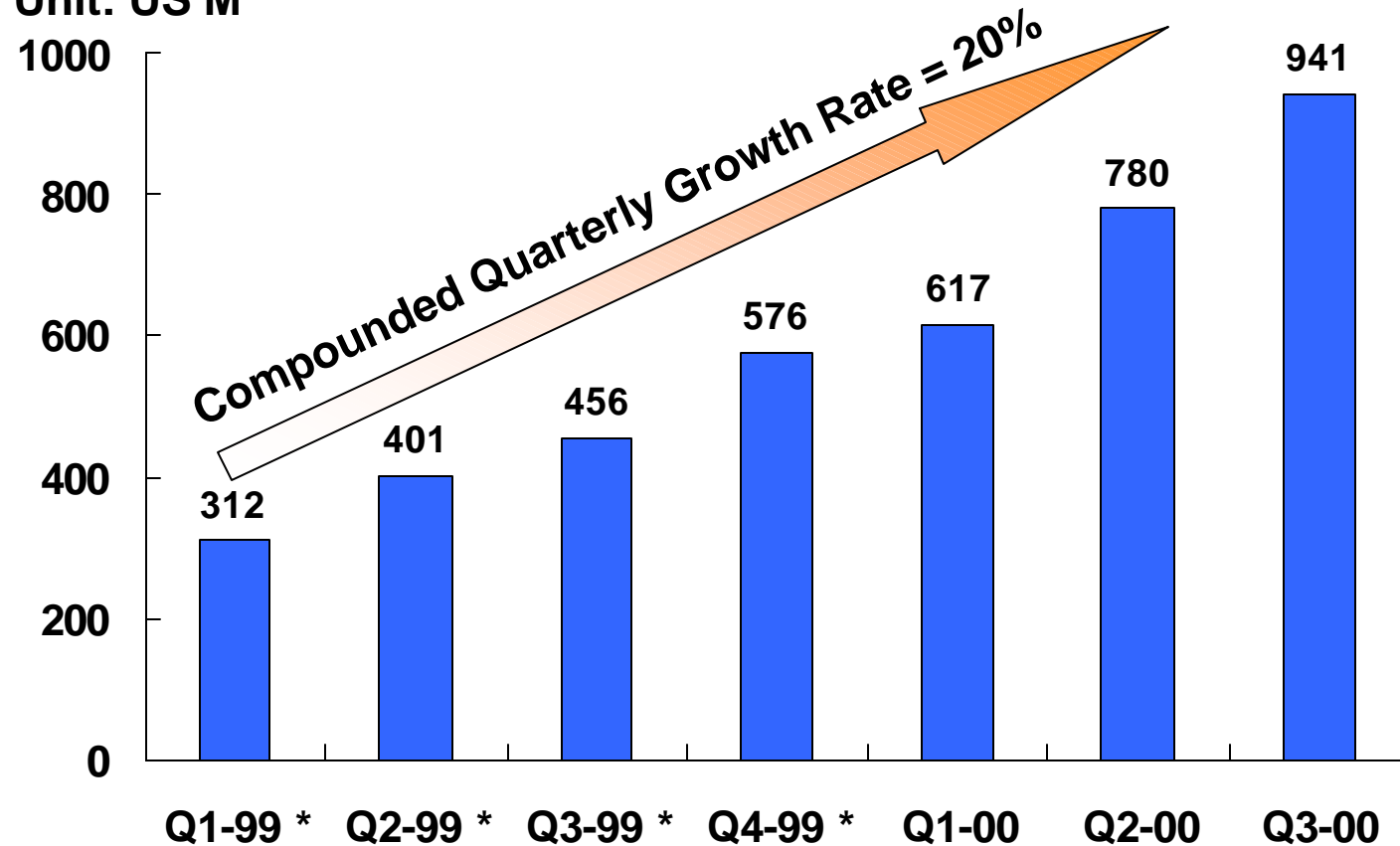
2. Exchange rate 31.32 is used to translate NTD to USD.

# *Income Statement - YoY : 9 Months*

	Unit: NT M				
	2000	%	1999	%	Growth
	(pro forma 5 in 1)				%
<b>Net Operating Revenues</b>	<b>73,233</b>	<b>100.0</b>	<b>36,599</b>	<b>100.0</b>	<b>100.1</b>
<b>Gross Margin</b>	<b>36,086</b>	<b>49.3</b>	<b>10,686</b>	<b>29.2</b>	<b>237.7</b>
<b>Operating Expenses</b>	<b>7,127</b>	<b>9.7</b>	<b>5,106</b>	<b>14.0</b>	<b>39.6</b>
<b>Operating Income</b>	<b>28,959</b>	<b>39.5</b>	<b>5,580</b>	<b>15.2</b>	<b>419.0</b>
<b>Net Non-operating Income</b>	<b>4,873</b>	<b>6.7</b>	<b>214</b>	<b>0.6</b>	<b>2,172.6</b>
<b>Net Income</b>	<b>34,067</b>	<b>46.5</b>	<b>5,733</b>	<b>15.7</b>	<b>494.2</b>

# Quarterly Revenue Trend

Unit: US M

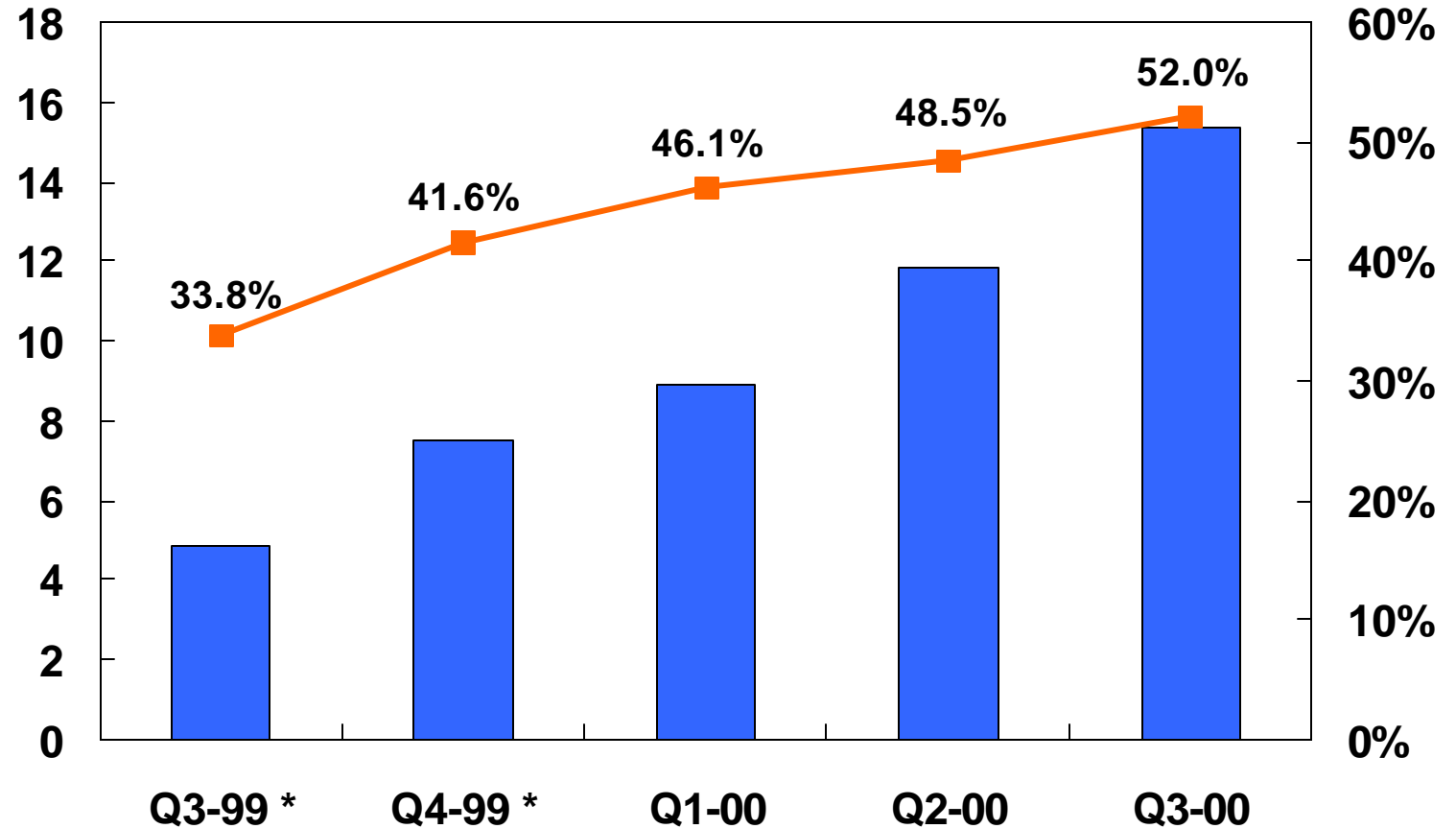


Note 1. Exchange rate 31.32 is used to translate NTD to USD.

2. \*Based on pro-forma 5 in 1 data

# Gross Margin Trend

Unit: NTD B



\*Based on pro-forma 5 in 1 data

# *Performance of Major Investees*

Unit: NT M

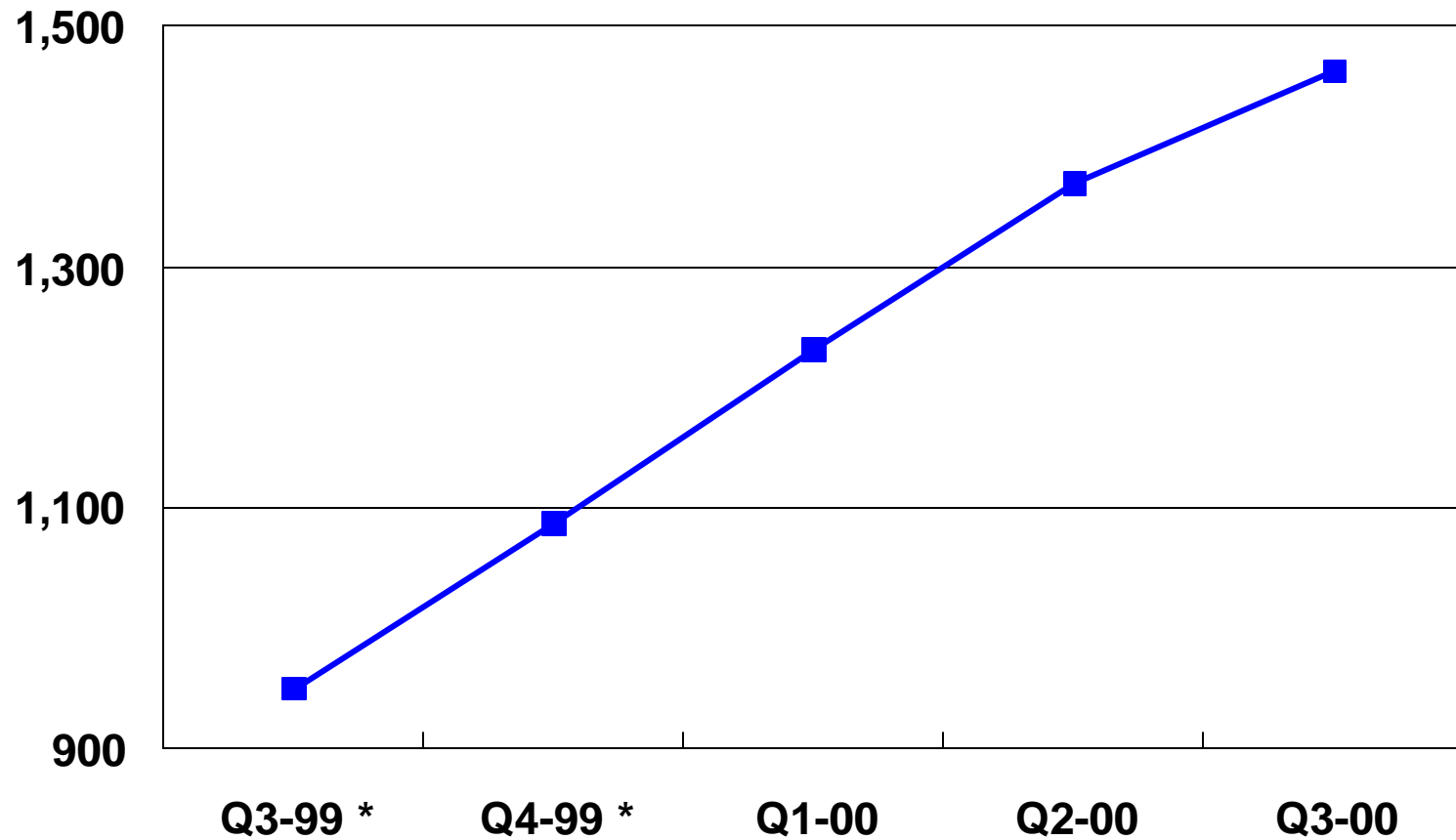
	UMC recognized investment income			
	Q3	Q2	Q1	Total
<b>Nippon Foundry Inc. (NFI)</b>	<b>513</b>	<b>940</b>	<b>429</b>	<b>1,882</b>
<b>Unipac</b>	<b>247</b>	<b>128</b>	<b>26</b>	<b>401</b>
<b>WWEI</b>	<b>102</b>	<b>19</b>	<b>27</b>	<b>148</b>
<b>Faraday</b>	<b>40</b>	<b>38</b>	<b>29</b>	<b>107</b>
<b>Others</b>	<b>652</b>	<b>623</b>	<b>524</b>	<b>1,799</b>
<b>Total</b>	<b>1,554</b>	<b>1,748</b>	<b>1,035</b>	<b>4,337</b>

# ***NFI - QoQ Income Statement***

	Unit: JPY M					
	Q3-00	%	Q2-00	%	Q3-99	%
<b>Net Operating Revenues</b>	<b>10,414</b>	<b>100.0</b>	<b>8,108</b>	<b>100.0</b>	<b>3,965</b>	<b>100.0</b>
<b>Gross Margin</b>	<b>4,849</b>	<b>46.6</b>	<b>2,987</b>	<b>36.8</b>	<b>(1,912)</b>	<b>(48.2)</b>
<b>Operating Expenses</b>	<b>576</b>	<b>5.5</b>	<b>549</b>	<b>6.8</b>	<b>639</b>	<b>16.1</b>
<b>Operating Income</b>	<b>4,273</b>	<b>41.0</b>	<b>2,438</b>	<b>30.1</b>	<b>(2,551)</b>	<b>(64.3)</b>
<b>Net Non-operating Income (Exp.)</b>	<b>343</b>	<b>3.3</b>	<b>(30)</b>	<b>(0.4)</b>	<b>(401)</b>	<b>(10.1)</b>
<b>Net Income</b>	<b>4,616</b>	<b>44.3</b>	<b>2,405</b>	<b>29.7</b>	<b>(2,952)</b>	<b>(74.5)</b>

# Average Selling Price Trend- 8" Wafer Equivalent

Unit: USD



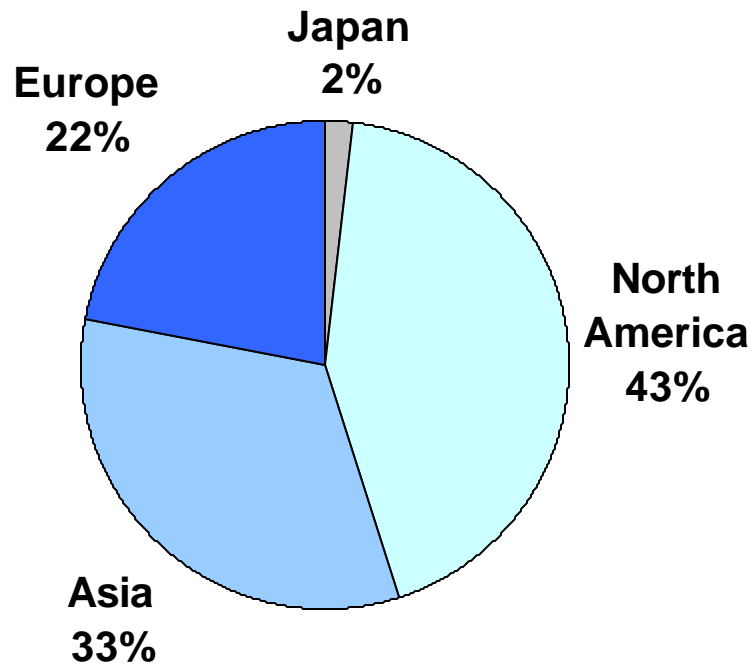
\*Based on pro-forma 5 in 1 data

# ***Balance Sheet Highlight - Sept 30, 2000***

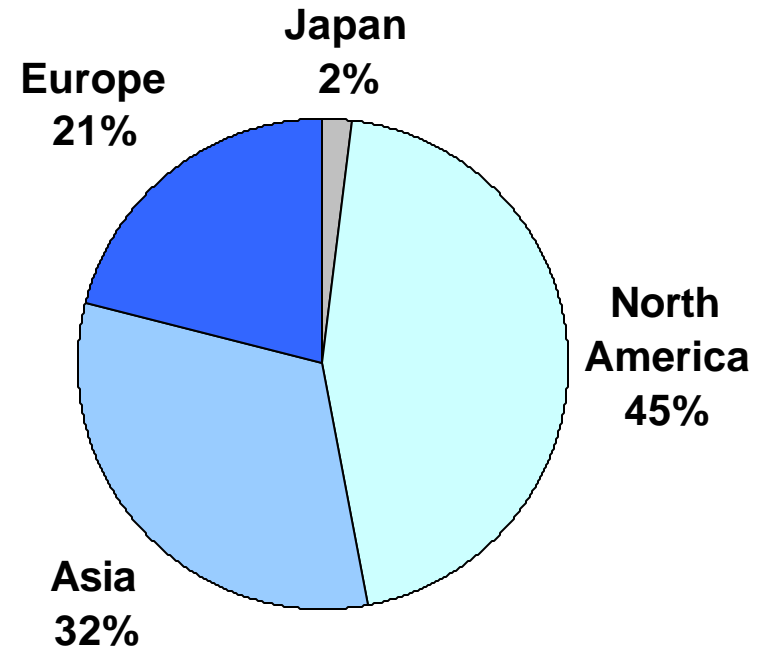
	Unit: NT M
<b>Cash</b>	<b>61,858</b>
<b>Long-term Investments</b>	<b>72,739</b>
<b>Fixed Assets</b>	<b>138,251</b>
<b>Total Assets</b>	<b>307,955</b>
<b>Current Liabilities</b>	<b>36,748</b>
<b>Long-term Liabilities</b>	<b>38,364</b>
<b>Capital</b>	<b>114,715</b>
<b>Stockholders' Equity</b>	<b>232,843</b>

# Sales Breakdown by Geography

2000 Q3

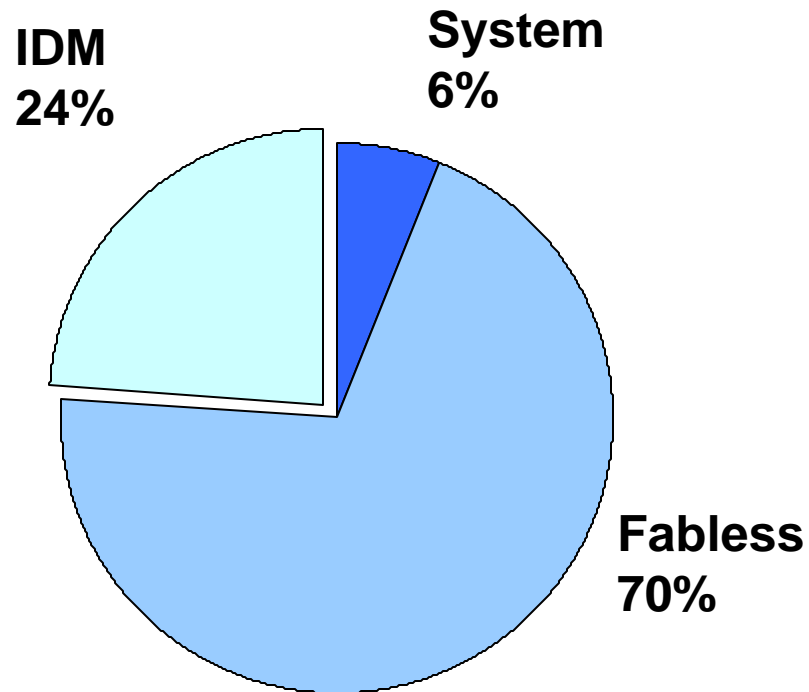


2000 Q2

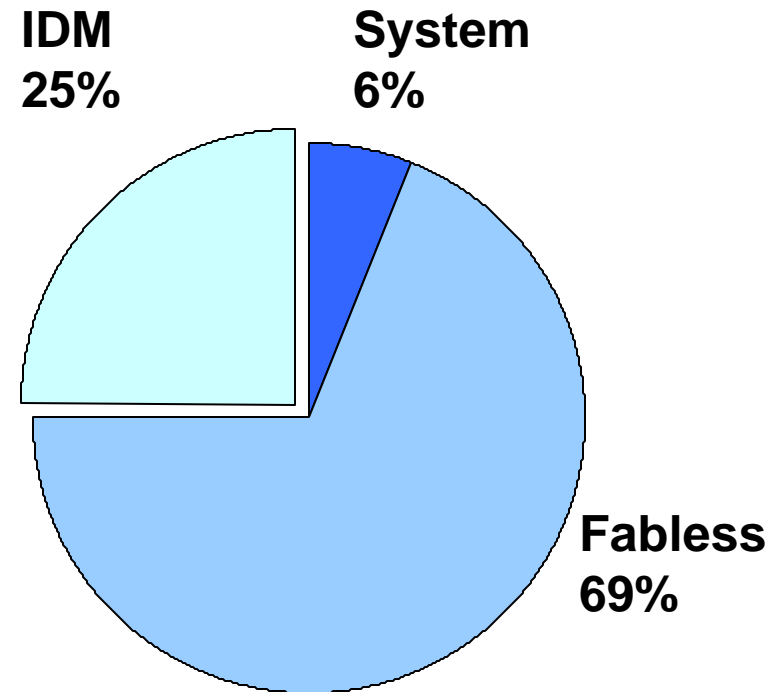


# Sales Breakdown by Customer

2000 Q3

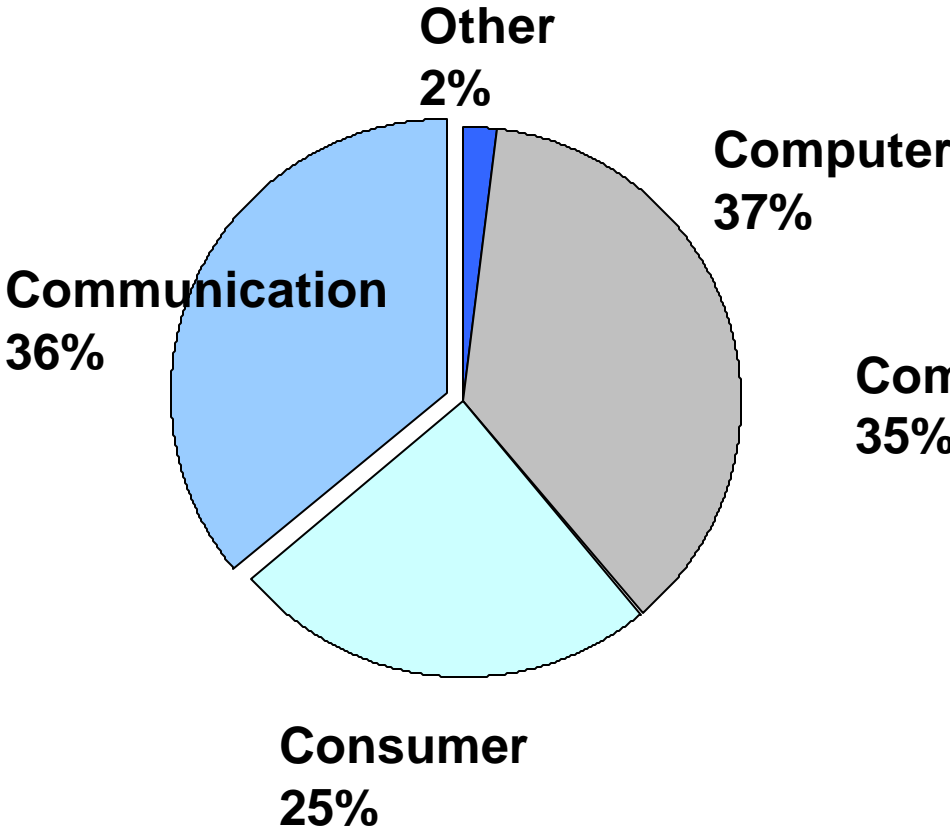


2000 Q2

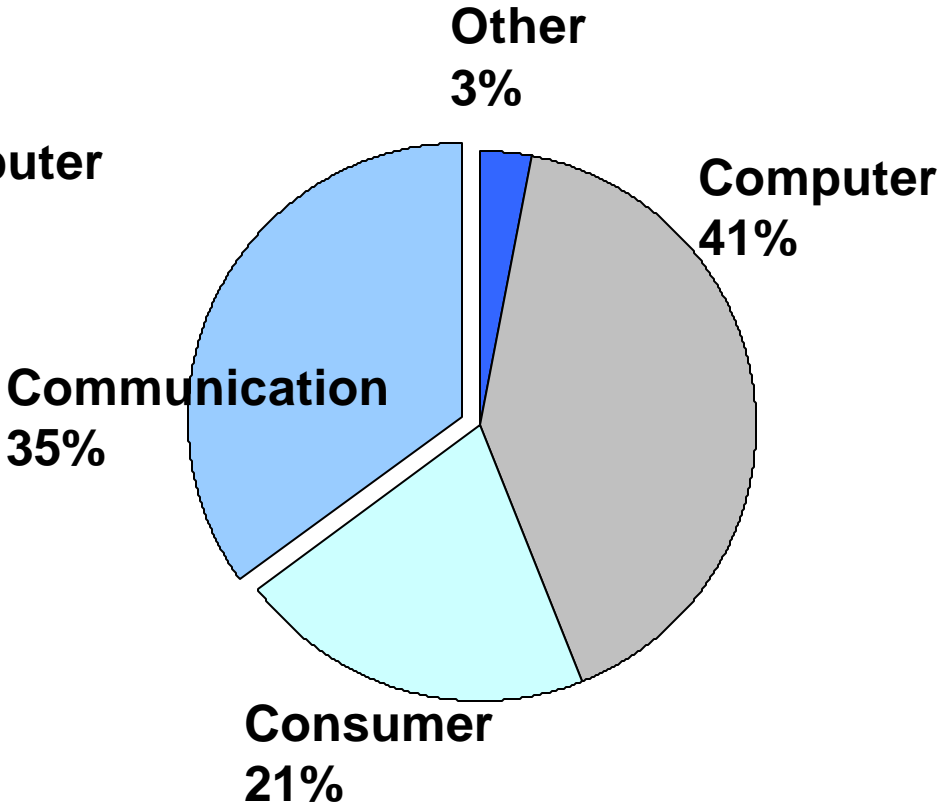


# Sales Breakdown by Application

2000 Q3

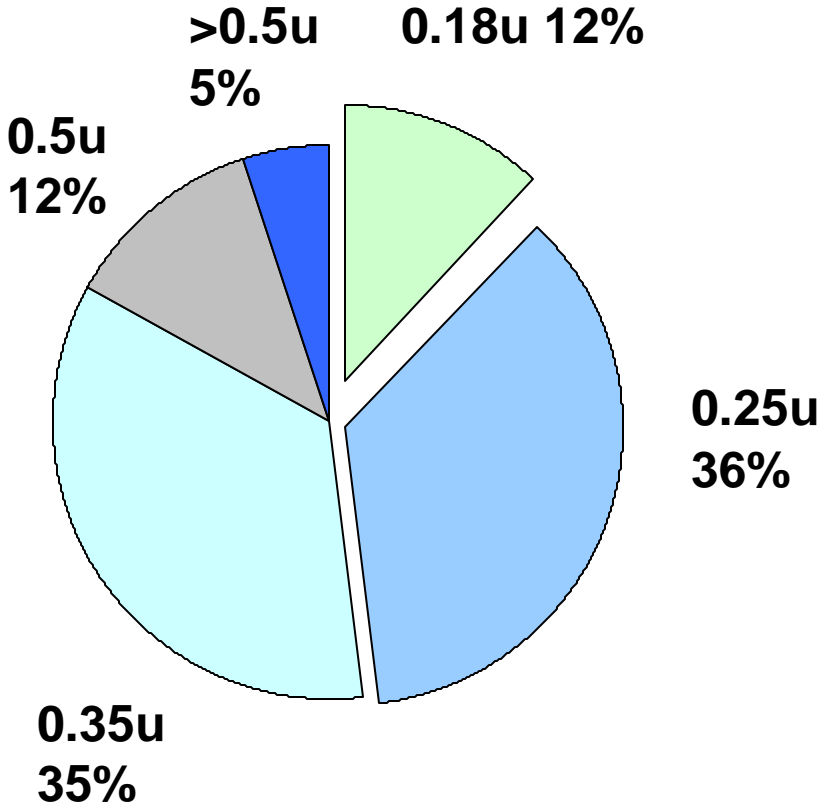


2000 Q2

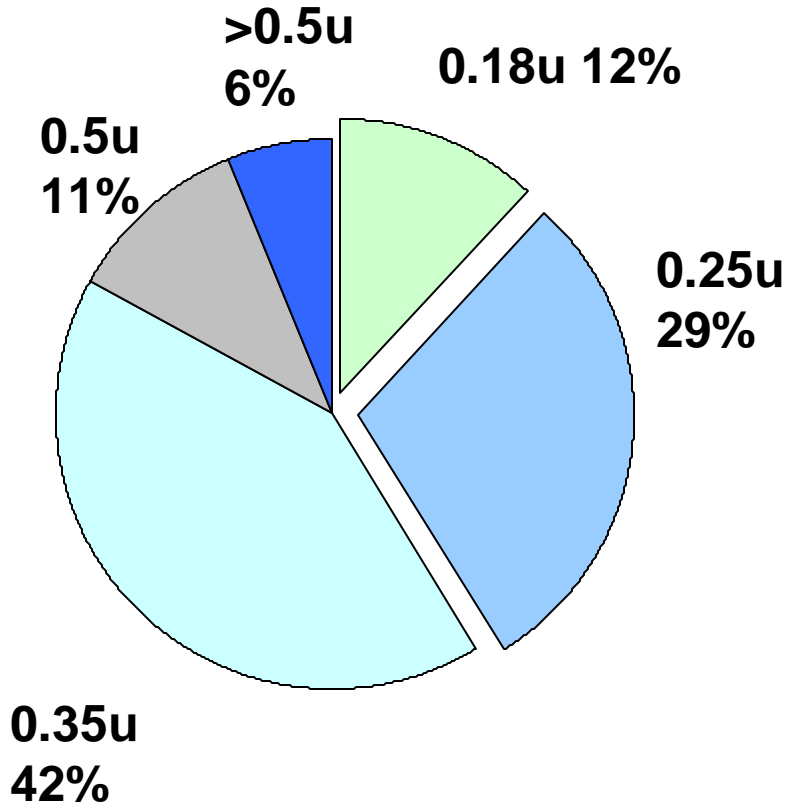


# Sales Breakdown by Technology

2000 Q3

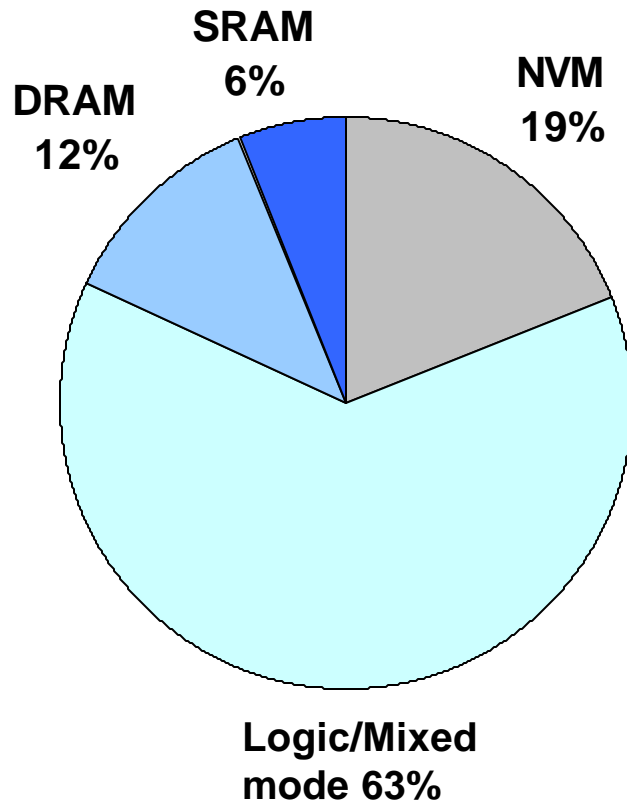


2000 Q2

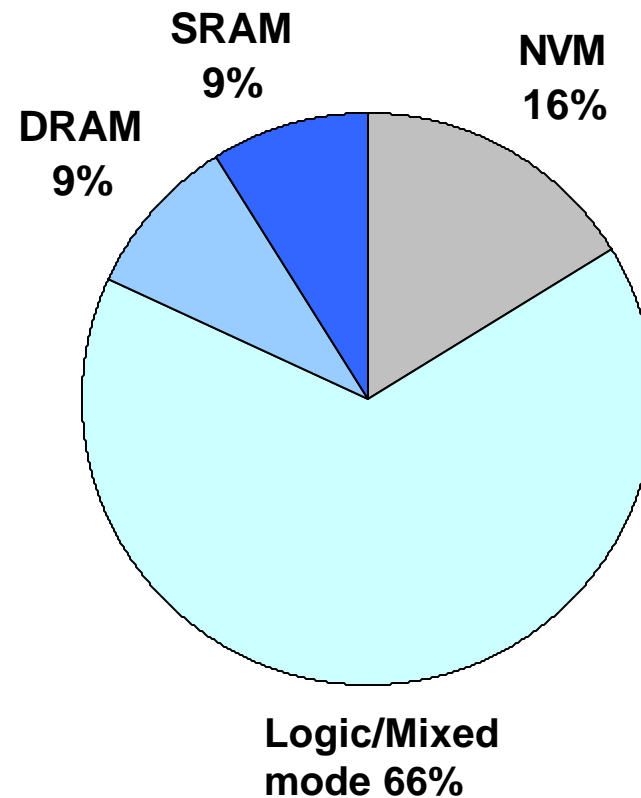


# Sales Breakdown by Device Type

2000 Q3



2000 Q2



# Year 2000 Forecast Update

	Unit: NT M				
	Updated*	%	Original	%	Change %
<b>Net Operating Revenues</b>	<b>105,507</b>	<b>100.0</b>	<b>88,029</b>	<b>100.0</b>	<b>19.9</b>
<b>Gross Margin</b>	<b>52,673</b>	<b>49.9</b>	<b>35,913</b>	<b>40.8</b>	<b>46.7</b>
<b>Operating Expenses</b>	<b>9,513</b>	<b>9.0</b>	<b>9,679</b>	<b>11.0</b>	<b>(1.7)</b>
<b>Operating Income</b>	<b>43,160</b>	<b>40.9</b>	<b>26,234</b>	<b>29.8</b>	<b>64.5</b>
<b>Net Non-operating Income</b>	<b>6,634</b>	<b>6.3</b>	<b>3,904</b>	<b>4.4</b>	<b>69.9</b>
<b>Net Income</b>	<b>50,029</b>	<b>47.4</b>	<b>30,036</b>	<b>34.1</b>	<b>66.6</b>
<b>EPS (NTD)</b>	<b>4.50</b>		<b>2.67</b>		
<b>EPADS (USD)</b>	<b>0.72</b>		<b>0.43</b>		

\*Subject to CPA's review

For more information regarding UMC

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

For all inquiries, suggestions, and comments

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