

The Foundry of Choice

UMC
2002 Q3 Financial Review

October 30, 2002

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 what may be implied by 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, among other things: our dependence upon frequent introduction of new services and technologies based on the latest developments; the intensely competitive semiconductor, personal computer and communications industries and markets; the risks associated with international global business activities; our dependence upon key personnel; general economic and political conditions, including those related to the semiconductor, personal computer and communications industries; possible disruptions in commercial activities caused by natural and human induced disasters, including terrorist activity and armed conflict, such as reduced end-user purchases relative to expectations and orders; fluctuations in foreign currency exchange rates; and those risks identified in the section entitled "Risk Factors" in UMC's Annual Report on Form 20-F for year 2001 filed with the U.S. Securities and Exchange Commission on June 13, 2002.

The financial statements included in this release were unaudited, and prepared and published in accordance with ROC GAAP. Investors are cautioned that there are many differences between ROC GAAP and U.S. GAAP, as described in the note 30 to the financial statements on Form 6-K filed with the U.S. Securities and Exchange Commission on September 25, 2002.

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

Income Statement - QoQ

Unit: NT M

	Q3-02	%	Q2-02	%	Change %
Net Operating Revenues	19,152	100.0	18,580	100.0	3.1
Gross Margin	3,735	19.5	4,205	22.6	(11.2)
Operating Expenses	(2,482)	(13.0)	(3,196)	(17.2)	(22.3)
Operating Income	1,253	6.5	1,009	5.4	24.2
Net Non-operating Income	175	0.9	3,441	18.5	(94.9)
Net Income	1,424	7.4	4,446	23.9	(68.0)
EPS (NTD)	0.10		0.30		
EPADS (USD)	0.014		0.043		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 34.95 was used to translate NTD to USD.
3. 14,745 million and 14,751 million shares were used in EPS calculation for Q3-02 and Q2-02, respectively.

Income Statement - YoY: 9 Months

Unit: NT M

	2002 Jan~Sep	%	2001 Jan~Sep	%	Change %
Net Operating Revenues	49,891	100.0	50,551	100.0	(1.3)
Gross Margin	8,614	17.3	9,419	18.6	(8.5)
Operating Expenses	(8,804)	(17.7)	(9,834)	(19.4)	(10.5)
Operating Income (Loss)	(190)	(0.4)	(415)	(0.8)	(54.2)
Net Non-operating Income (Expenses)	6,286	12.6	(1,296)	(2.6)	-
Net Income	6,086	12.2	596	1.2	921.1
EPS (NTD)	0.41		0.04		
EPADS (USD)	0.059		0.006		

Note:

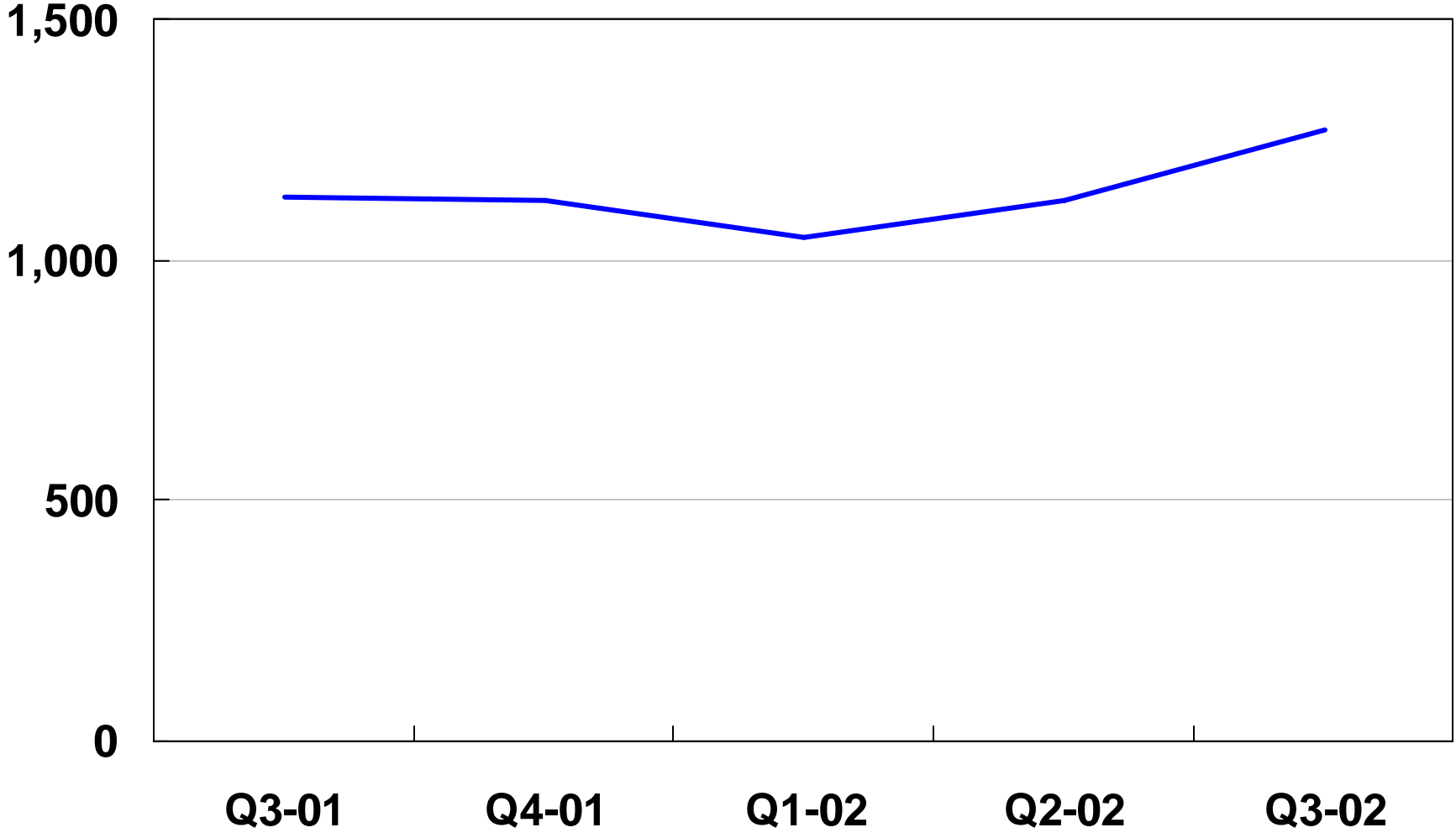
1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 34.95 was used to translate NTD to USD.
3. 14,761 million and 15,451 million shares were used in EPS calculation for 9 months ended September 30, 2002 and for 9 months ended September 30, 2001, respectively.

Investment Income

	Unit: NT M	
	Q3-02	Q2-02
UMCJ	79	117
Unimicron	49	33
Faraday	34	43
Novatek	57	72
Impairment on long-term investment	-	(976)
Others	87	(717)
Total	306	(1,428)

Average Selling Price Trend- 8" Wafer Equivalent

Unit: USD



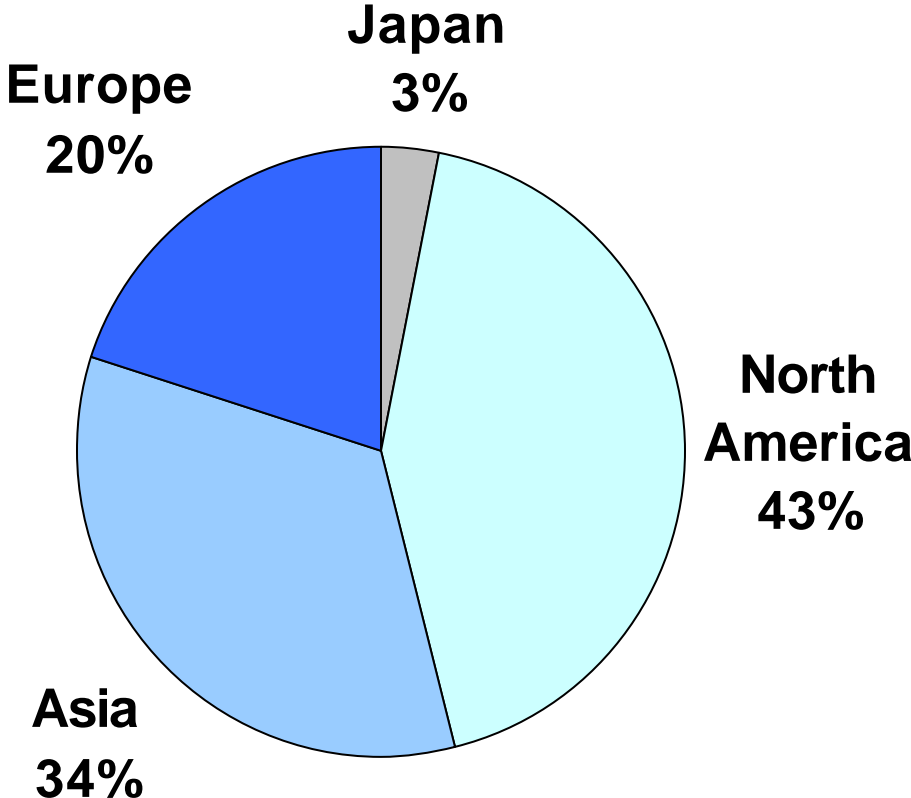
Balance Sheet Highlight - September 30, 2002

Unit: NT M

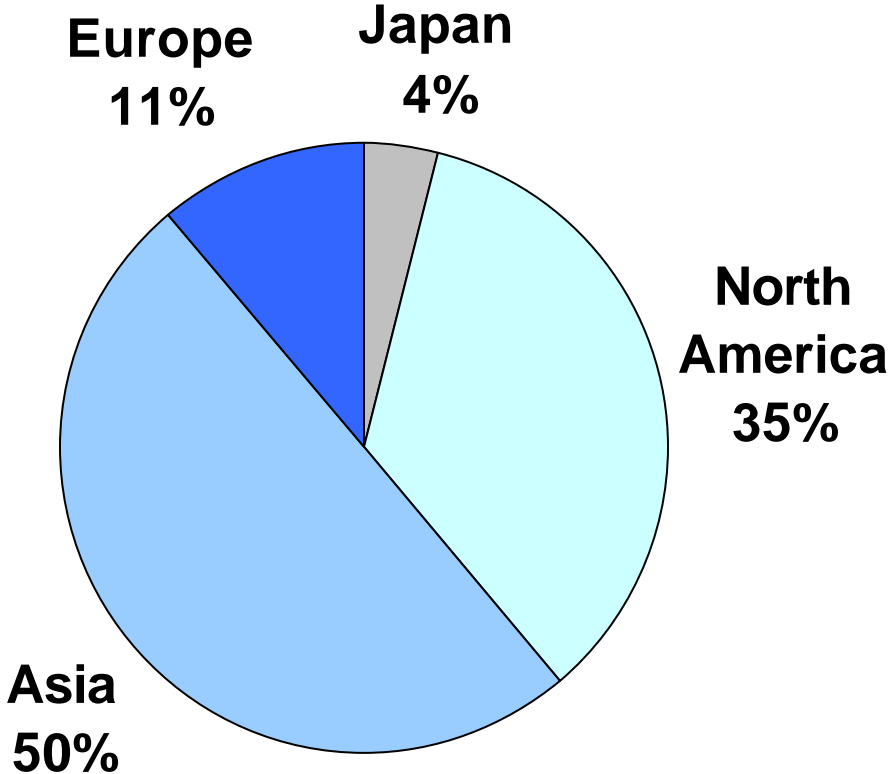
Cash and Cash Equivalents	59,419
Long-term Investments	54,140
Fixed Assets	151,214
Total Assets	300,528
Current Liabilities	23,071
Long-term Debts	57,084
Stockholders' Equity	216,557
<i>Depreciation Expense (YTD)</i>	<i>24,931</i>

Sales Breakdown by Geography

2002 Q3

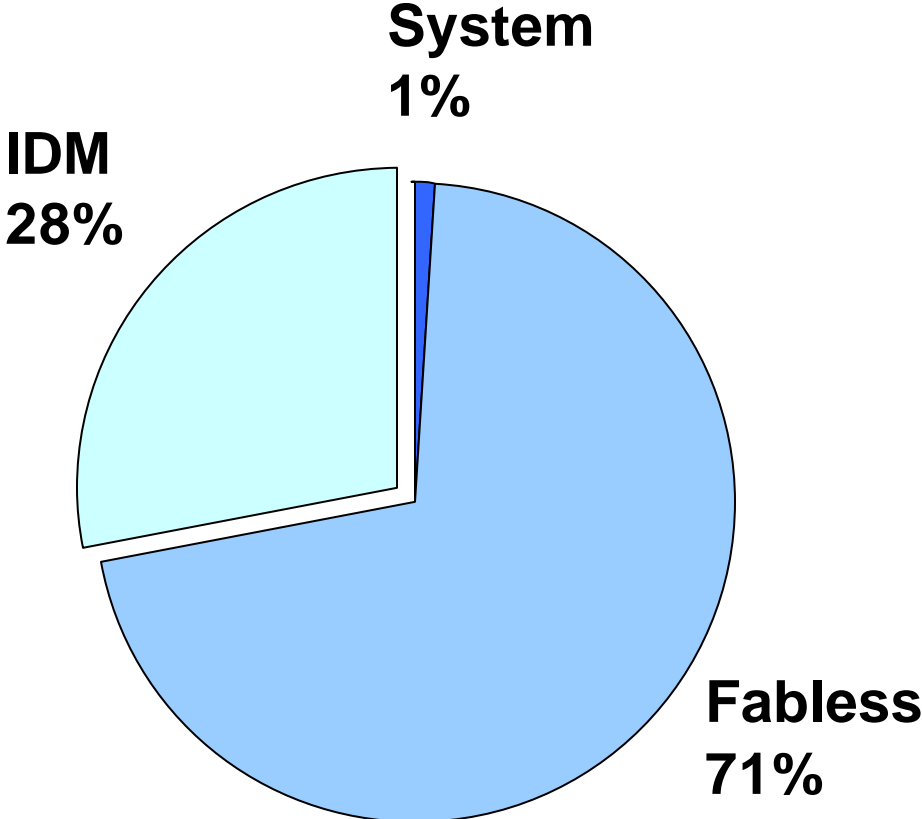


2002 Q2

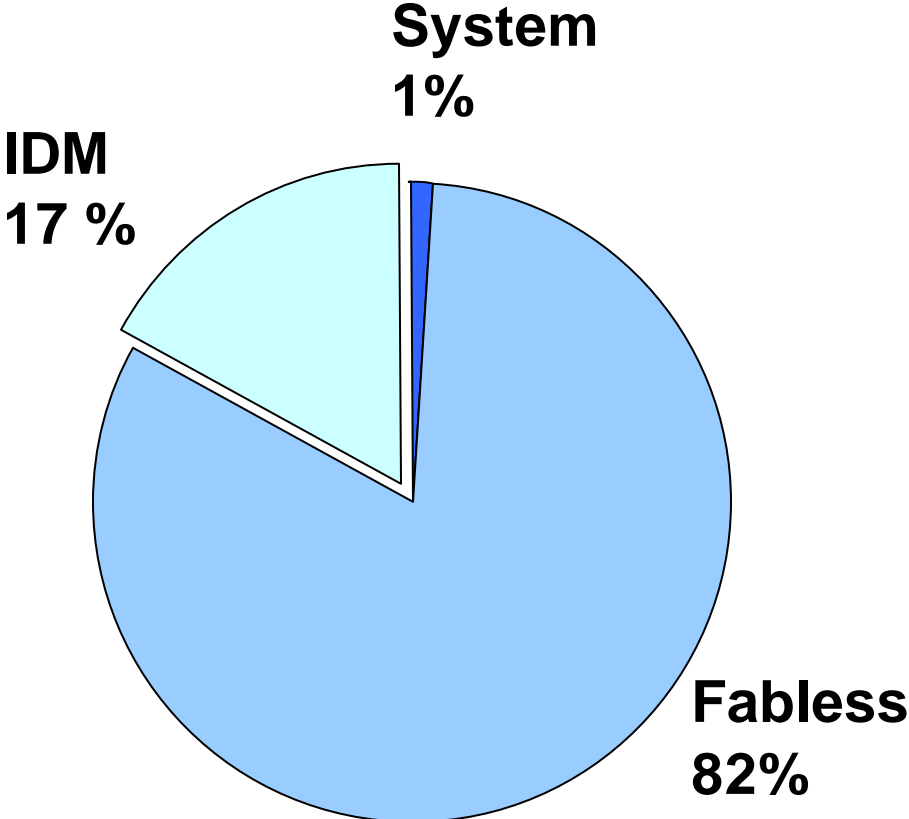


Sales Breakdown by Customer

2002 Q3

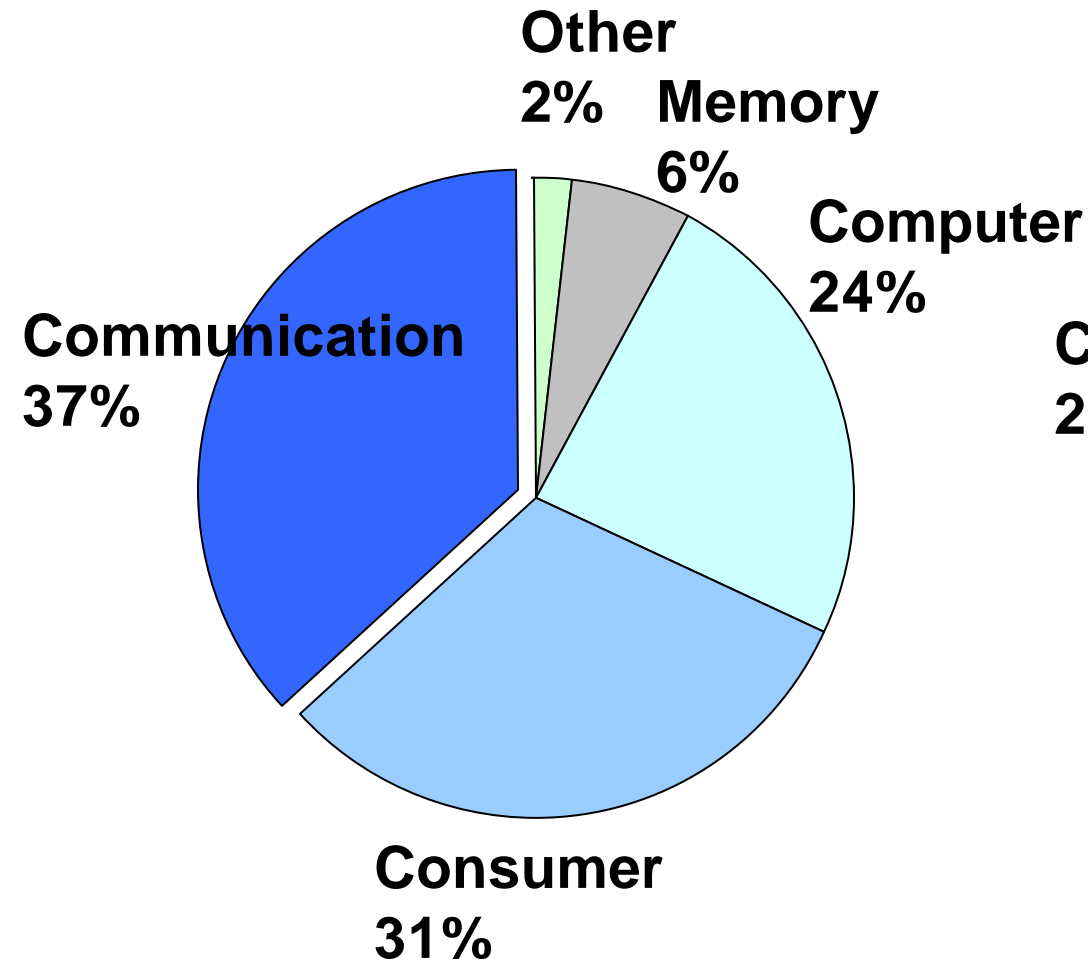


2002 Q2

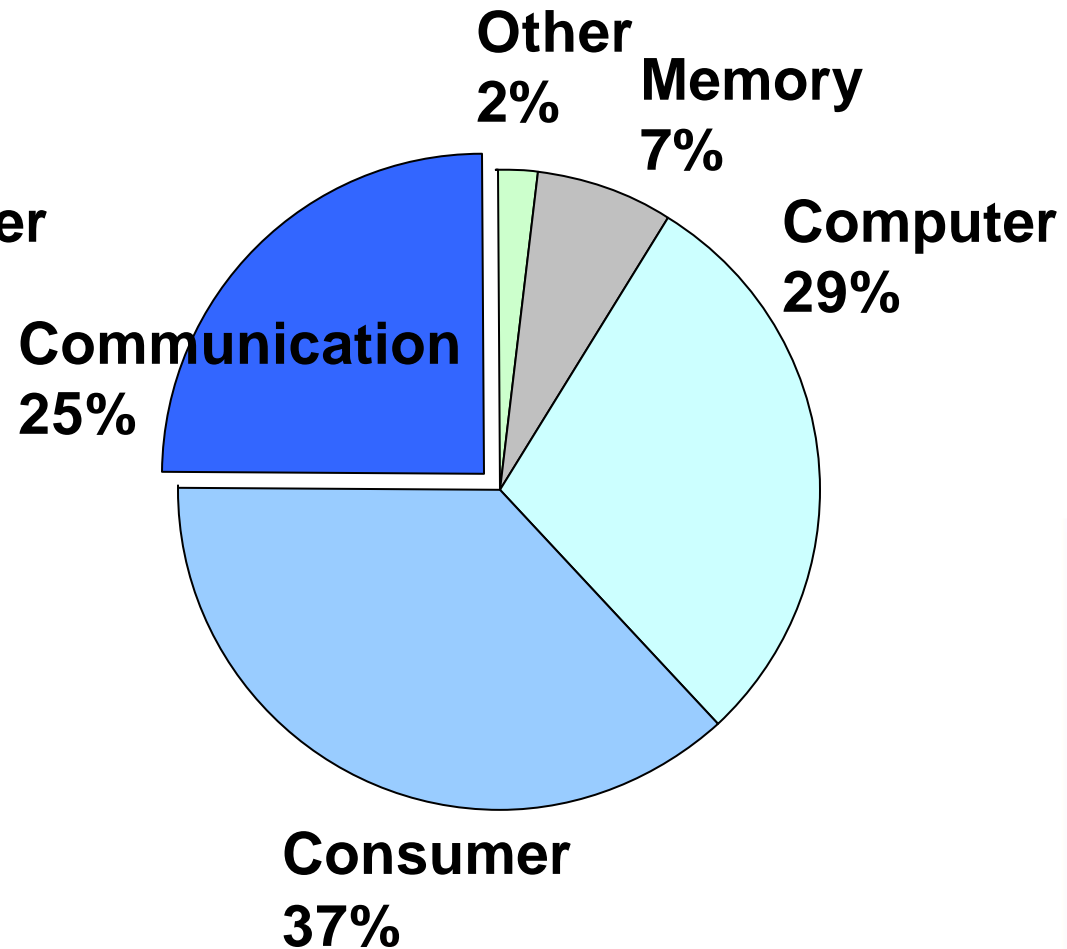


Sales Breakdown by Application

2002 Q3

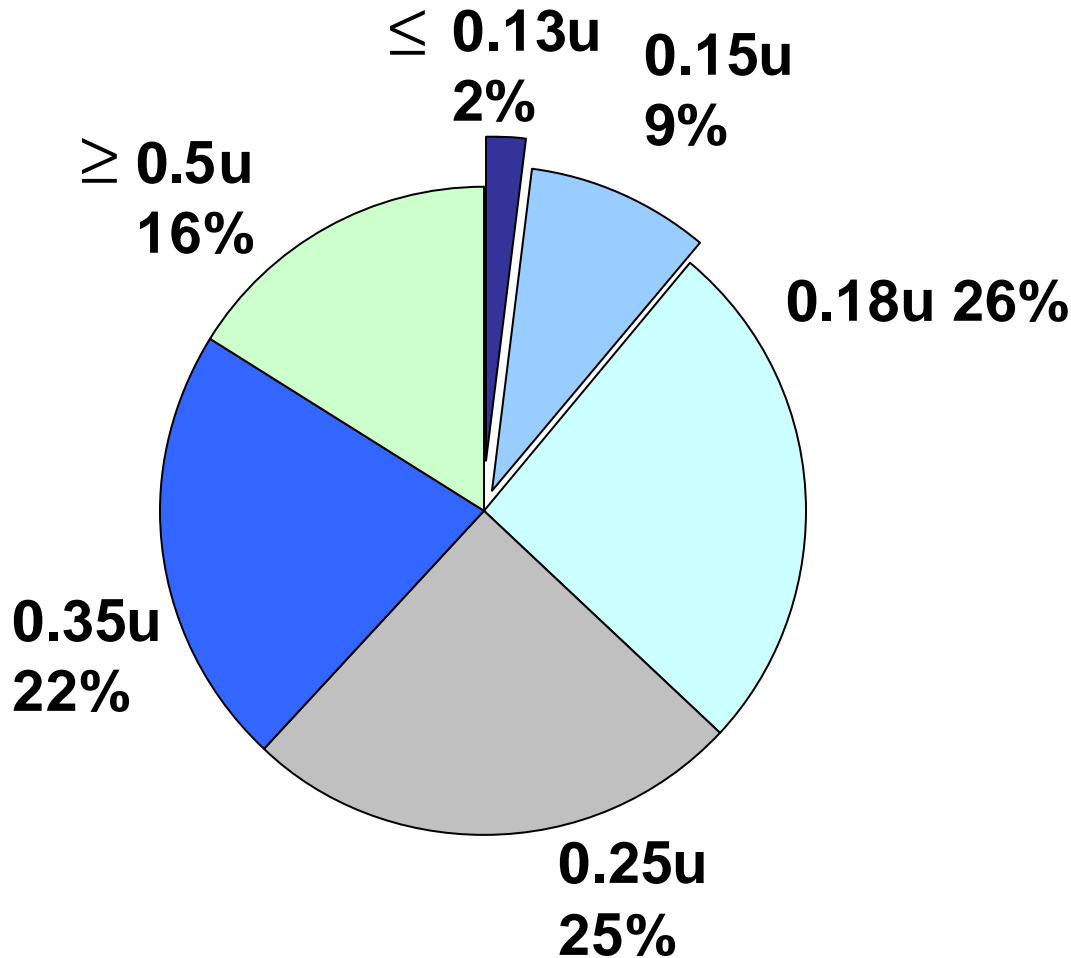


2002 Q2

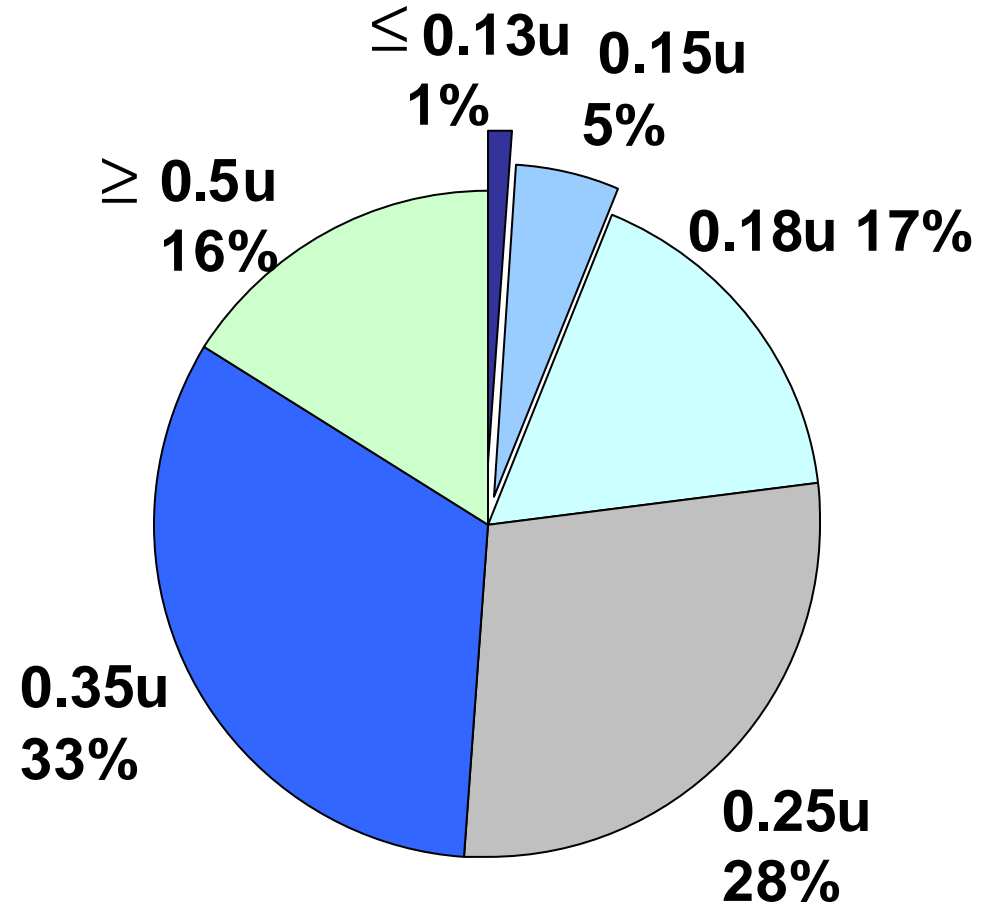


Sales Breakdown by Technology

2002 Q3



2002 Q2



For more information regarding UMC
www.umc.com

For all inquiries, suggestions, and comments
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