

*The Foundry of Choice*

# ***UMC***

# ***2002 Q4 Financial Review***

***January 29, 2003***

**UMC**

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

Except for statements in respect of historical matters, the statements in this release contain "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 that 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 by UMC 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.

# Operating Results Summary

Unit: NT M

	2002	2002	2001
	Q4 / Dec	Q3 / Sep	Q4 / Dec
Net Operating Revenues	17,535	19,152	13,942
Net Income (Loss)	986	1,424	(3,753)
EPS (NTD)	0.07	0.10	(0.25)
Cash and Cash Equivalents	62,479	59,419	58,517
Total Assets	297,333	300,528	317,385
Total Liabilities	79,899	83,971	83,919
Stockholders' Equity	217,434	216,557	233,466
Wafer Shipment (in thousands- 8" wafer eq. )	434	435	359
Utilization (%)	64%	68%	48%

# Income Statement - QoQ

Unit: NT M

	Q4-02	%	Q3-02	%	Change %
<b>Net Operating Revenues</b>	<b>17,535</b>	<b>100.0</b>	<b>19,152</b>	<b>100.0</b>	<b>(8.4)</b>
<b>Gross Margin</b>	<b>2,581</b>	<b>14.7</b>	<b>3,735</b>	<b>19.5</b>	<b>(30.9)</b>
<b>Operating Expenses</b>	<b>(2,250)</b>	<b>(12.8)</b>	<b>(2,482)</b>	<b>(13.0)</b>	<b>(9.3)</b>
<b>Operating Income</b>	<b>331</b>	<b>1.9</b>	<b>1,253</b>	<b>6.5</b>	<b>(73.6)</b>
<b>Net Non-operating Income</b>	<b>657</b>	<b>3.7</b>	<b>175</b>	<b>0.9</b>	<b>275.4</b>
<b>Net Income</b>	<b>986</b>	<b>5.6</b>	<b>1,424</b>	<b>7.4</b>	<b>(30.8)</b>
<b>EPS (NTD)</b>	<b>0.07</b>		<b>0.10</b>		
<b>EPADS (USD)</b>	<b>0.010</b>		<b>0.014</b>		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 34.77 was used to translate NTD to USD.
3. 14,731 million and 14,745 million shares were used in EPS calculation for Q4-02 and Q3-02, respectively.

# Income Statement - YoY: 12 Months

Unit: NT M

	2002	%	2001	%	Change %
<b>Net Operating Revenues</b>	<b>67,426</b>	100.0	<b>64,493</b>	100.0	4.5
<b>Gross Margin</b>	<b>11,195</b>	16.6	<b>9,131</b>	14.2	22.6
<b>Operating Expenses</b>	<b>(11,054)</b>	(16.4)	<b>(14,721)</b>	(22.9)	(24.9)
<b>Operating Income (Loss)</b>	<b>141</b>	0.2	<b>(5,590)</b>	(8.7)	-
<b>Net Non-operating Income (Expenses)</b>	<b>6,943</b>	10.3	<b>(763)</b>	(1.2)	-
<b>Net Income (Loss)</b>	<b>7,072</b>	10.5	<b>(3,157)</b>	(4.9)	-
<b>EPS (NTD)</b>	<b>0.48</b>		<b>(0.20)</b>		
<b>EPADS (USD)</b>	<b>0.069</b>		<b>(0.029)</b>		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 34.77 was used to translate NTD to USD.
3. 14,753 million and 15,417 million shares were used in EPS calculation for 2002 and 2001, respectively.

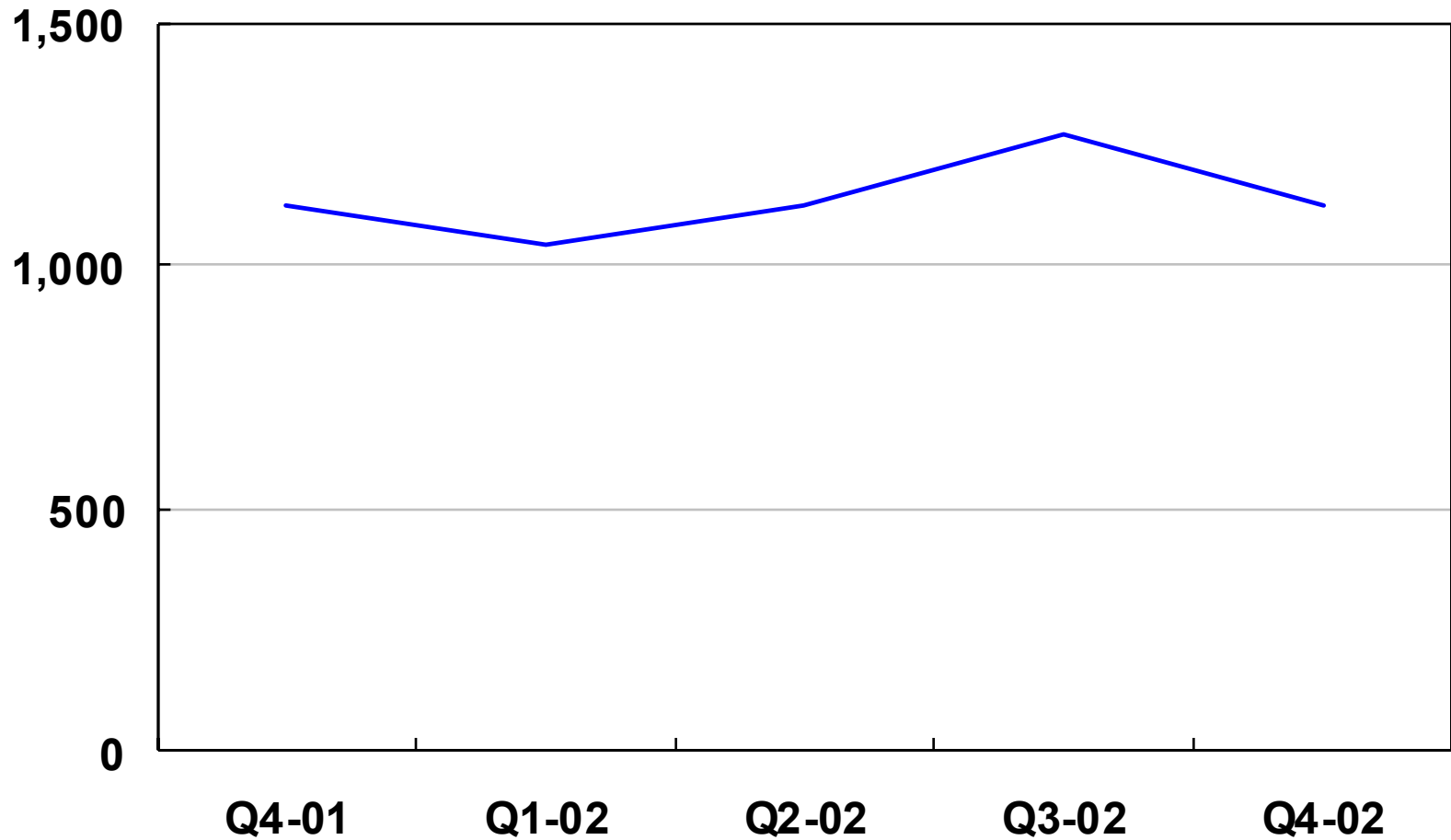
# *Investment Income*

**Unit: NT M**

	<b>Q4-02</b>	<b>Q3-02</b>
<b>UMCJ</b>	<b>163</b>	<b>79</b>
<b>Unimicron</b>	<b>54</b>	<b>49</b>
<b>Faraday</b>	<b>36</b>	<b>34</b>
<b>Novatek</b>	<b>82</b>	<b>57</b>
<b>Others</b>	<b>126</b>	<b>87</b>
<b>Total</b>	<b>461</b>	<b>306</b>

# Average Selling Price Trend- 8" Wafer Equivalent

Unit: USD

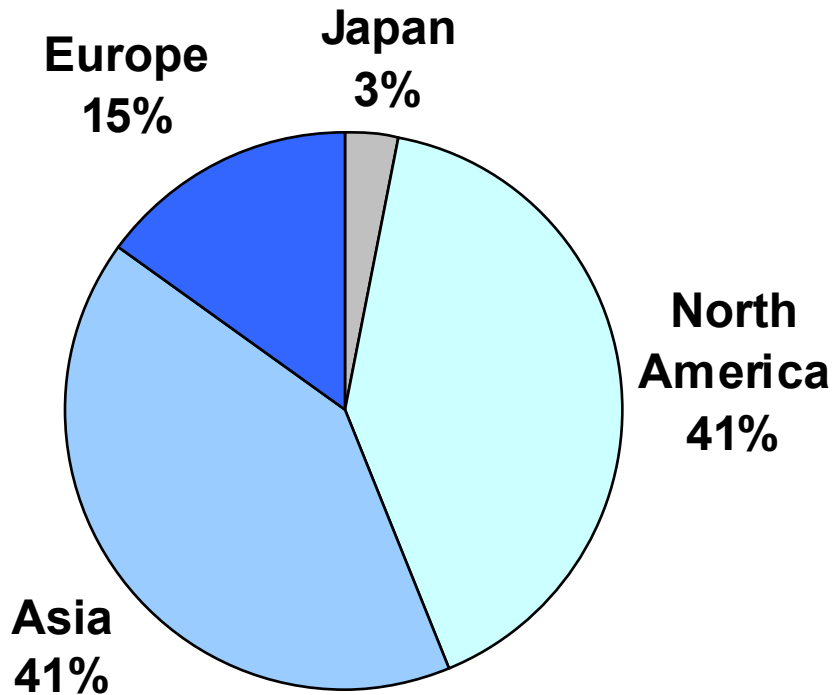


# ***Balance Sheet Highlight - December 31, 2002***

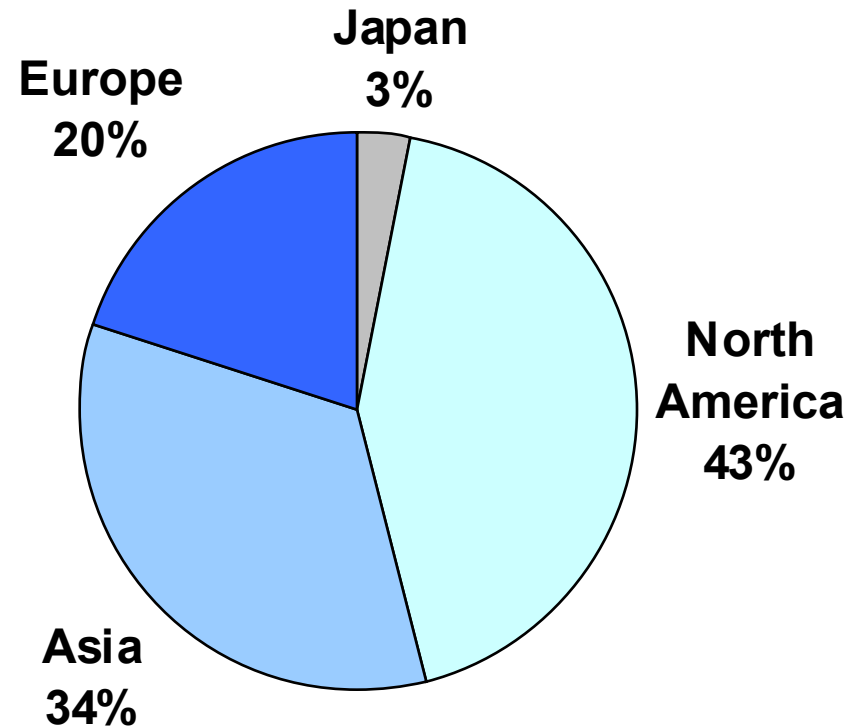
	<b>Unit: NT M</b>
<b>Cash and Cash Equivalents</b>	<b>62,479</b>
<b>Long-term Investments</b>	<b>56,247</b>
<b>Fixed Assets</b>	<b>146,076</b>
<b>Total Assets</b>	<b>297,333</b>
<b>Current Liabilities</b>	<b>20,949</b>
<b>Long-term Debts</b>	<b>55,067</b>
<b>Stockholders' Equity</b>	<b>217,434</b>
<i>Depreciation Expense (YTD)</i>	<i>33,532</i>

# Sales Breakdown by Geography

2002 Q4



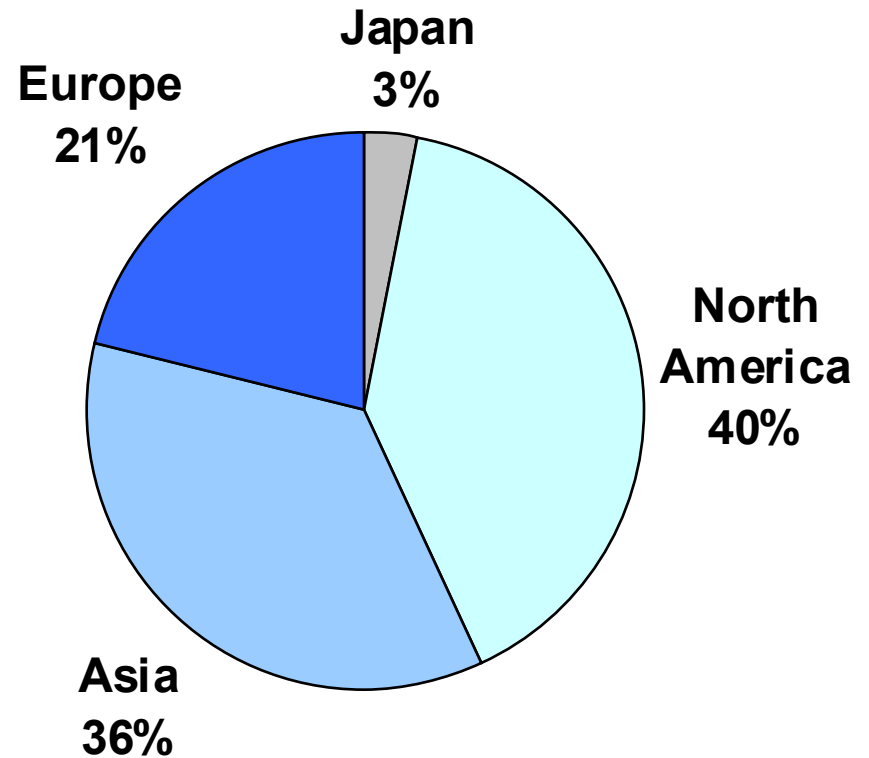
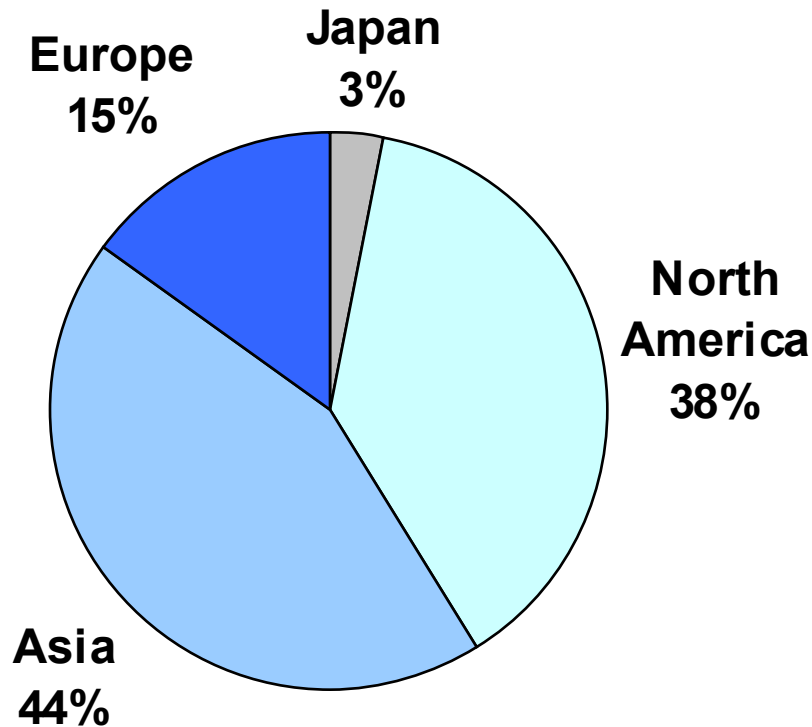
2002 Q3



# Sales Breakdown by Geography

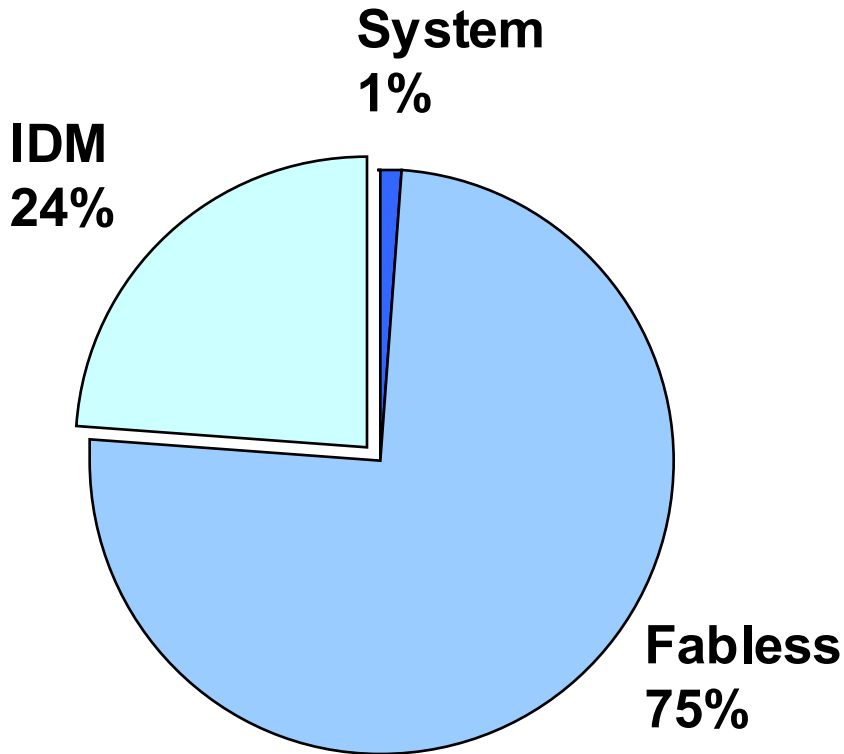
**2002**

**2001**

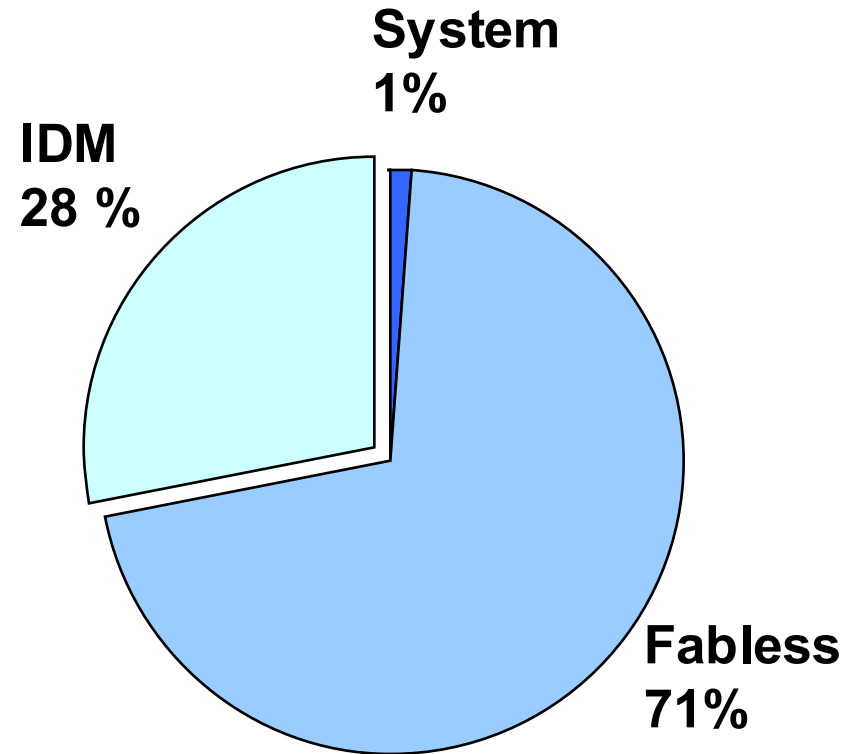


# Sales Breakdown by Customer

2002 Q4

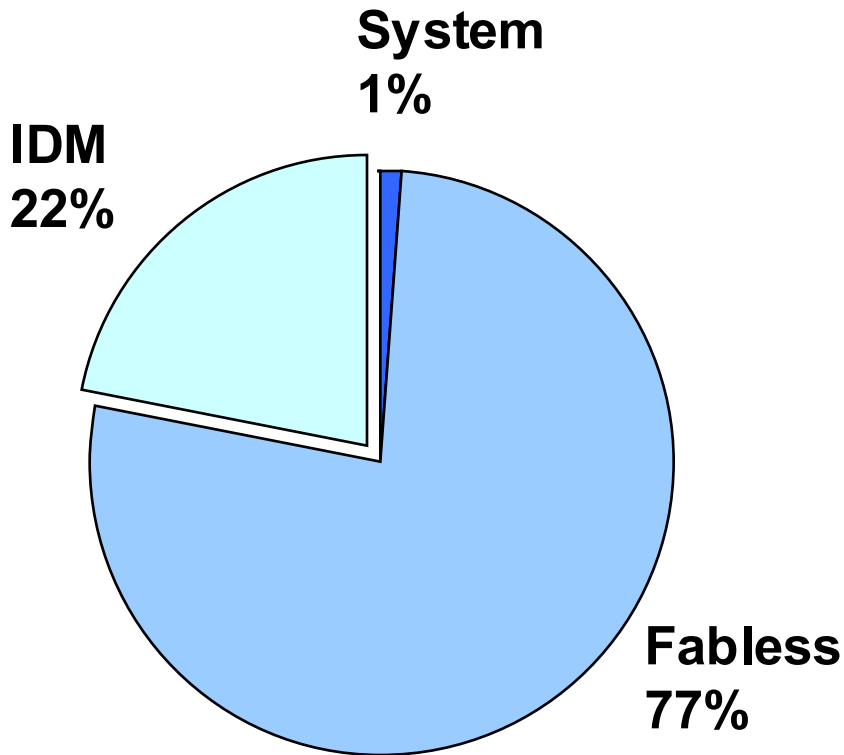


2002 Q3

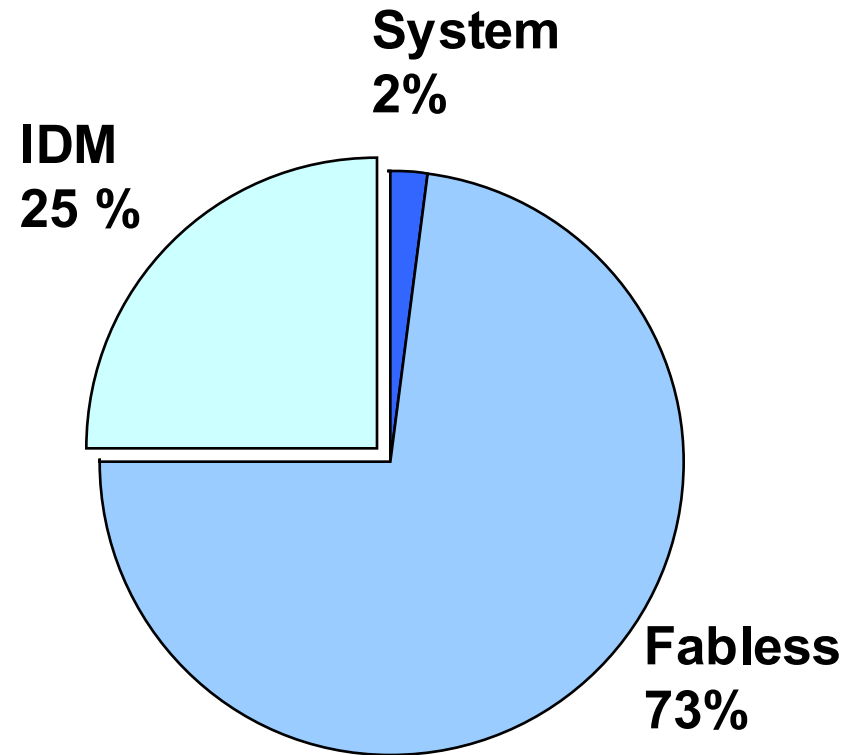


# Sales Breakdown by Customer

2002

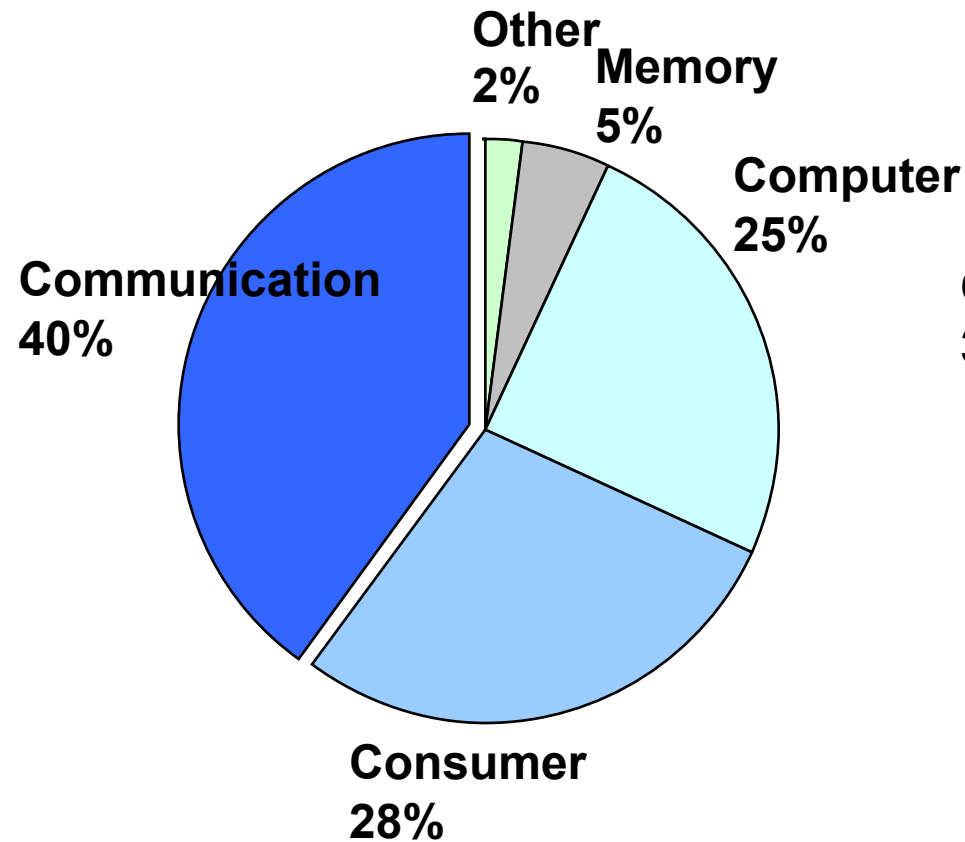


2001

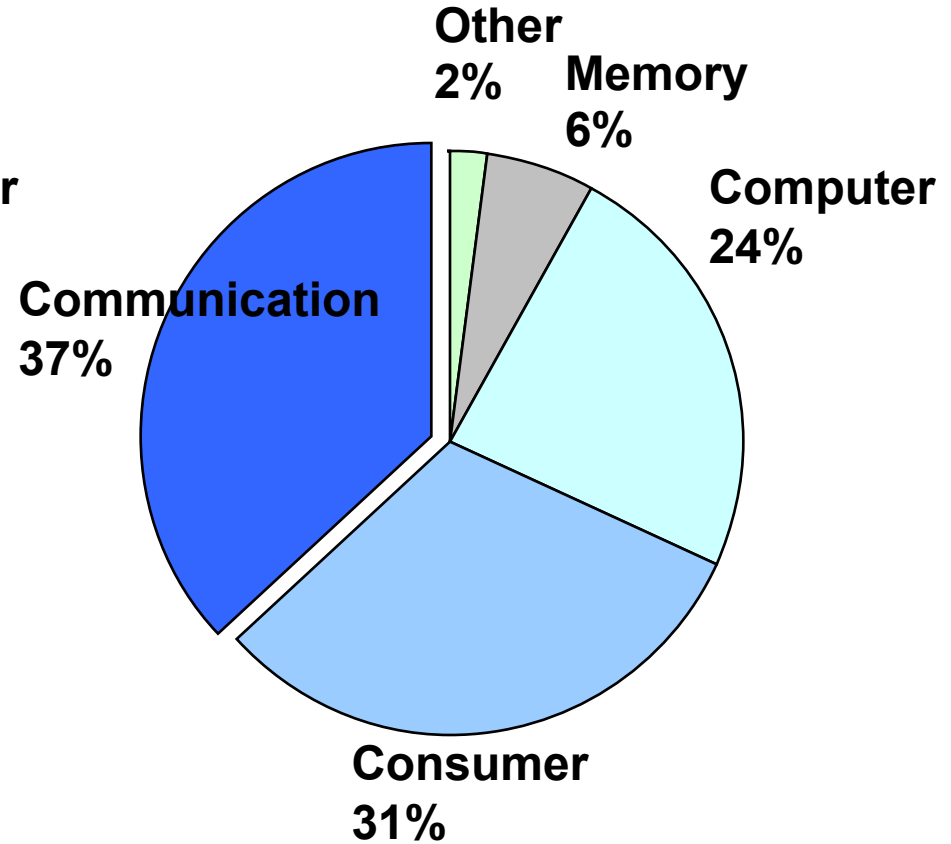


# Sales Breakdown by Application

2002 Q4

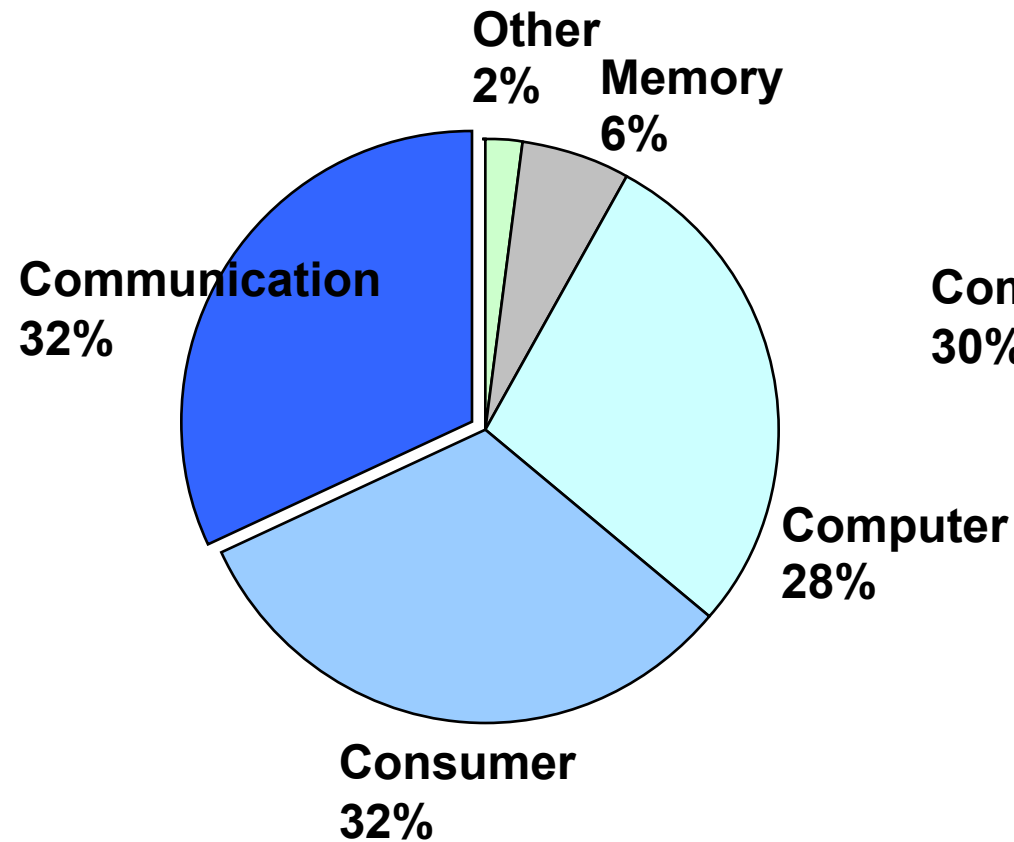


2002 Q3

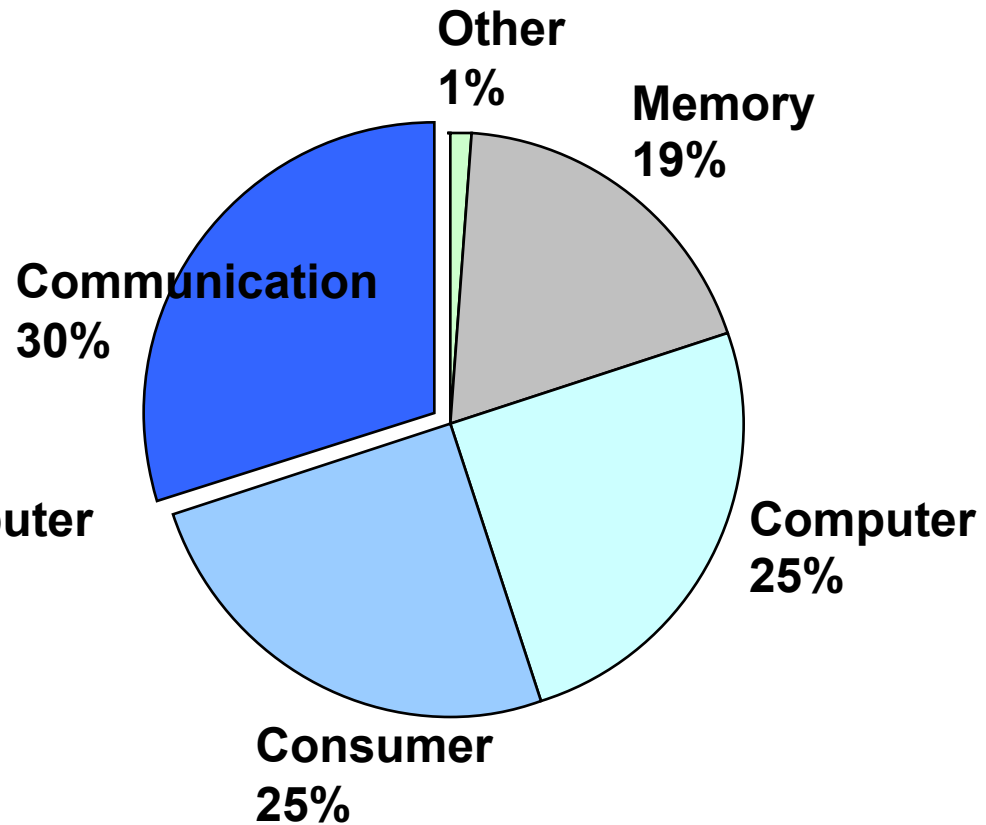


# Sales Breakdown by Application

**2002**

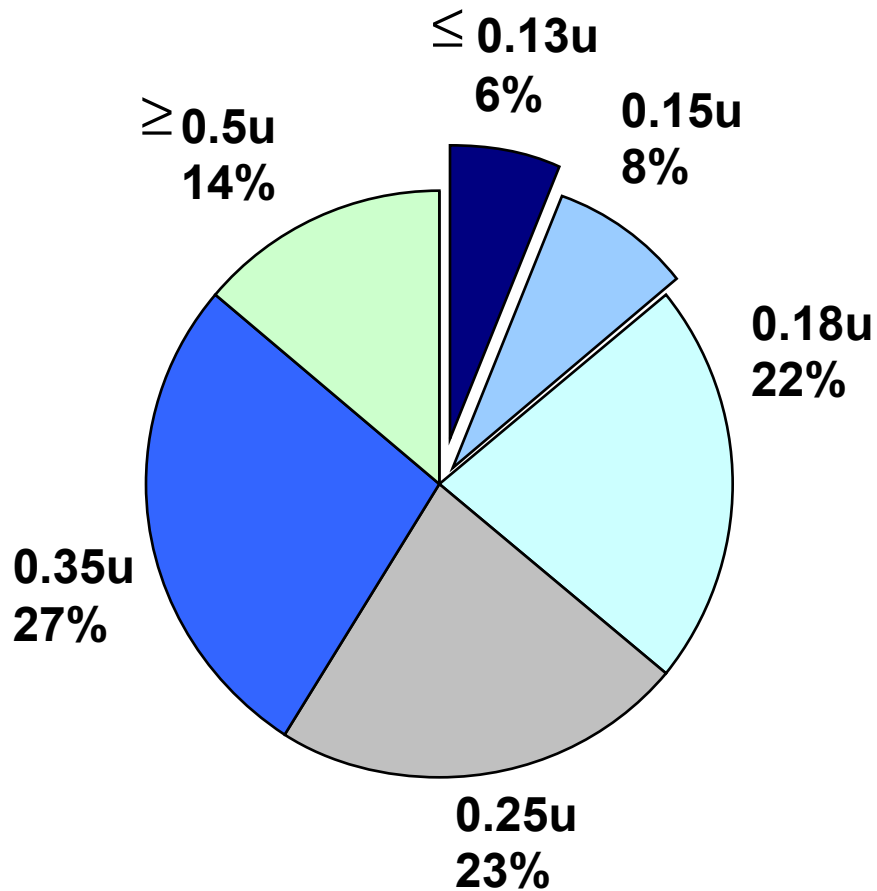


**2001**

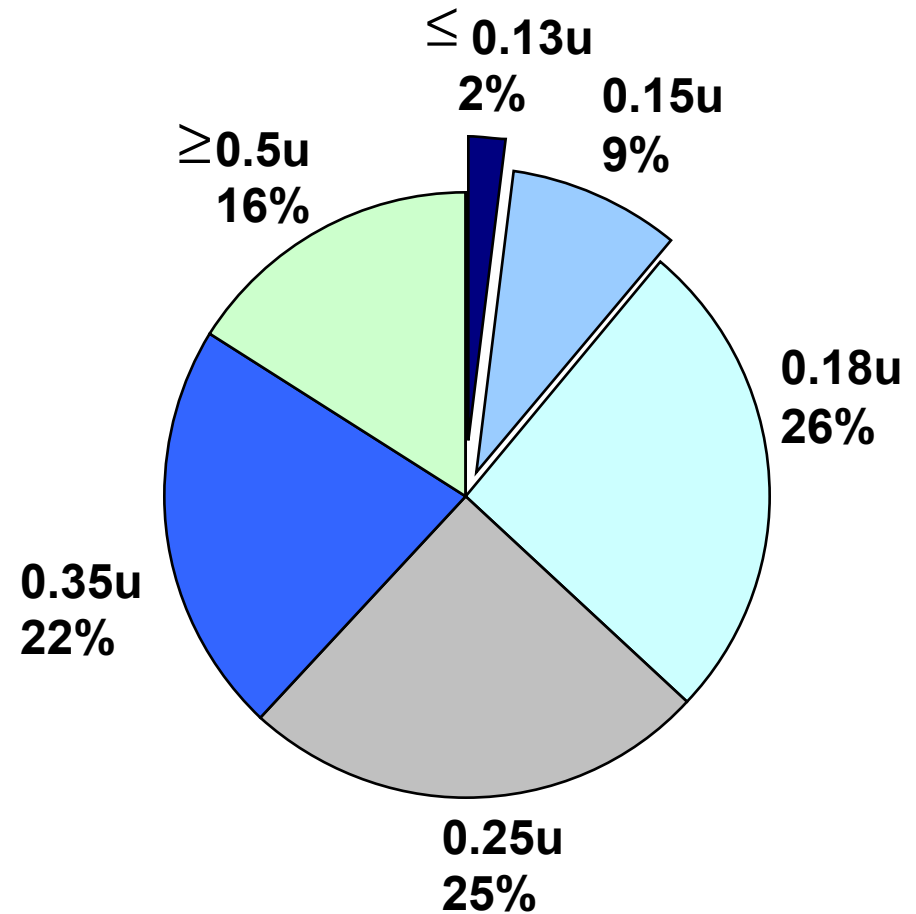


# Sales Breakdown by Technology

## 2002 Q4

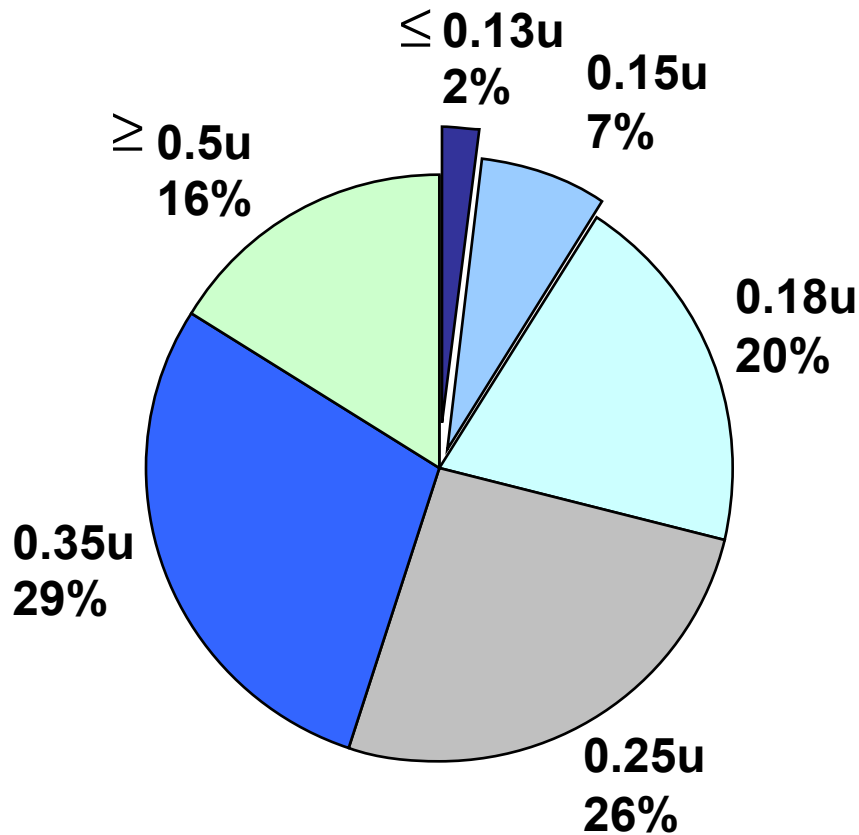


## 2002 Q3

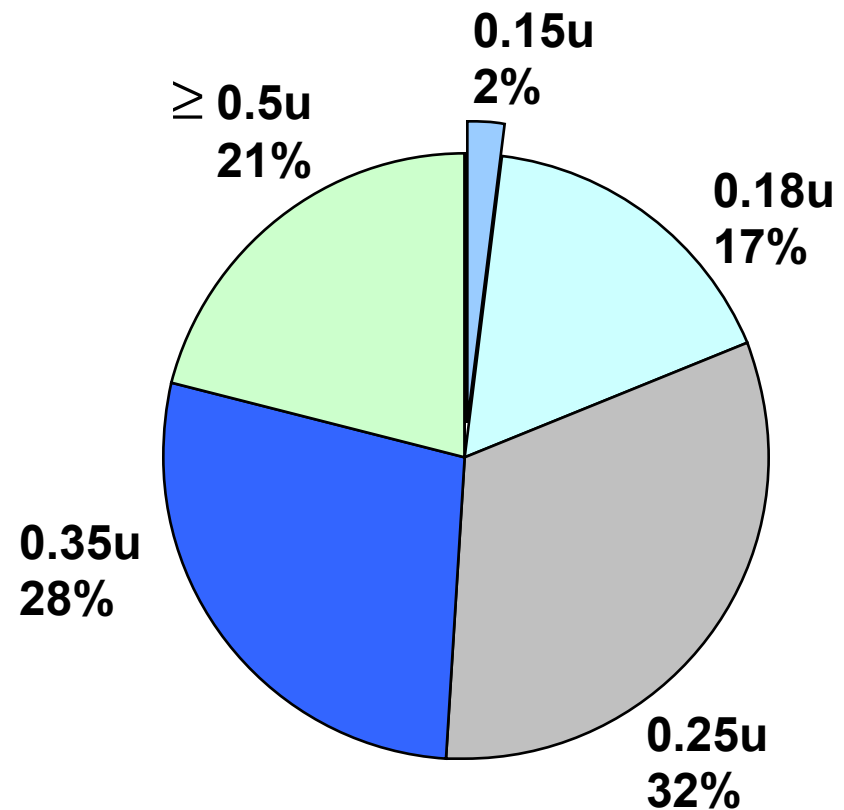


# Sales Breakdown by Technology

2002



2001



# Quarterly Capacity

Unit: in thousands (8" wafer eq.)

<b>FAB</b>	<b>Q2-02</b>	<b>Q3-02</b>	<b>Q4-02</b>	<b>Q1-03E</b>	<b>Q2-03E</b>
<b>Fab 6A</b>	<b>89</b>	<b>89</b>	<b>89</b>	<b>88</b>	<b>88</b>
<b>Fab 8AB</b>	<b>208</b>	<b>227</b>	<b>216</b>	<b>216</b>	<b>216</b>
<b>Fab 8C</b>	<b>100</b>	<b>79</b>	<b>83</b>	<b>64</b>	<b>64</b>
<b>Fab 8D</b>	<b>59</b>	<b>43</b>	<b>53</b>	<b>60</b>	<b>68</b>
<b>Fab 8E</b>	<b>94</b>	<b>100</b>	<b>92</b>	<b>91</b>	<b>91</b>
<b>Fab 8F</b>	<b>79</b>	<b>72</b>	<b>86</b>	<b>89</b>	<b>90</b>
<b>Fab 12A</b>	<b>20</b>	<b>30</b>	<b>54</b>	<b>54</b>	<b>51</b>
<b>Total</b>	<b>649</b>	<b>640</b>	<b>673</b>	<b>662</b>	<b>668</b>

For more information regarding UMC

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

For all inquiries, suggestions, and comments

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