

UMC

2003 Q1 Financial Review

April 30, 2003

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 events and disasters, including terrorist activity, armed conflict and highly contagious diseases, 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 28 to the financial statements on Form 6-K filed by UMC with the U.S. Securities and Exchange Commission on March 25, 2003.

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		
	2003	2002	2002
	Q1 / Mar	Q4 / Dec	Q1 / Mar
Net Operating Revenues	17,898	17,535	12,159
Net Income	403	986	216
EPS (NTD)	0.03	0.07	0.01
Cash and Cash Equivalents	58,570	62,479	60,812
Total Assets	292,725	297,333	293,687
Total Liabilities	76,783	79,899	81,943
Stockholders' Equity	215,942	217,434	211,744
Wafer Shipment (in thousands- 8" wafer eq.)	446	434	308
Utilization (%)	67%	64%	50%

Income Statement - QoQ

Unit: NT M

	Q1-03	%	Q4-02	%	Change %
Net Operating Revenues	17,898	100.0	17,535	100.0	2.1
Gross Margin	2,740	15.3	2,581	14.7	6.2
Operating Expenses	(2,041)	(11.4)	(2,250)	(12.8)	(9.3)
Operating Income	699	3.9	331	1.9	111.2
Net Non-operating Income (Expenses)	(295)	(1.6)	657	3.7	-
Net Income	403	2.3	986	5.6	(59.1)
EPS (NTD)	0.03		0.07		
EPADS (USD)	0.004		0.010		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 34.76 was used to translate NTD to USD.
3. 14,727 million and 14,731 million shares were used in EPS calculation for Q1-03 and Q4-02, respectively.

P. 4

Income Statement - YoY: 3 Months

Unit: NT M

	Q1-03	%	Q1-02	%	Change %
Net Operating Revenues	17,898	100.0	12,159	100.0	47.2
Gross Margin	2,740	15.3	674	5.5	306.5
Operating Expenses	(2,041)	(11.4)	(3,126)	(25.7)	(34.7)
Operating Income (Loss)	699	3.9	(2,452)	(20.2)	-
Net Non-operating Income (Expenses)	(295)	(1.6)	2,670	22.0	-
Net Income	403	2.3	216	1.8	86.6
EPS (NTD)	0.03		0.01		
EPADS (USD)	0.004		0.001		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 34.76 was used to translate NTD to USD.
3. 14,727 million and 14,786 million shares were used in EPS calculation for Q1-03 and Q1-02, respectively.

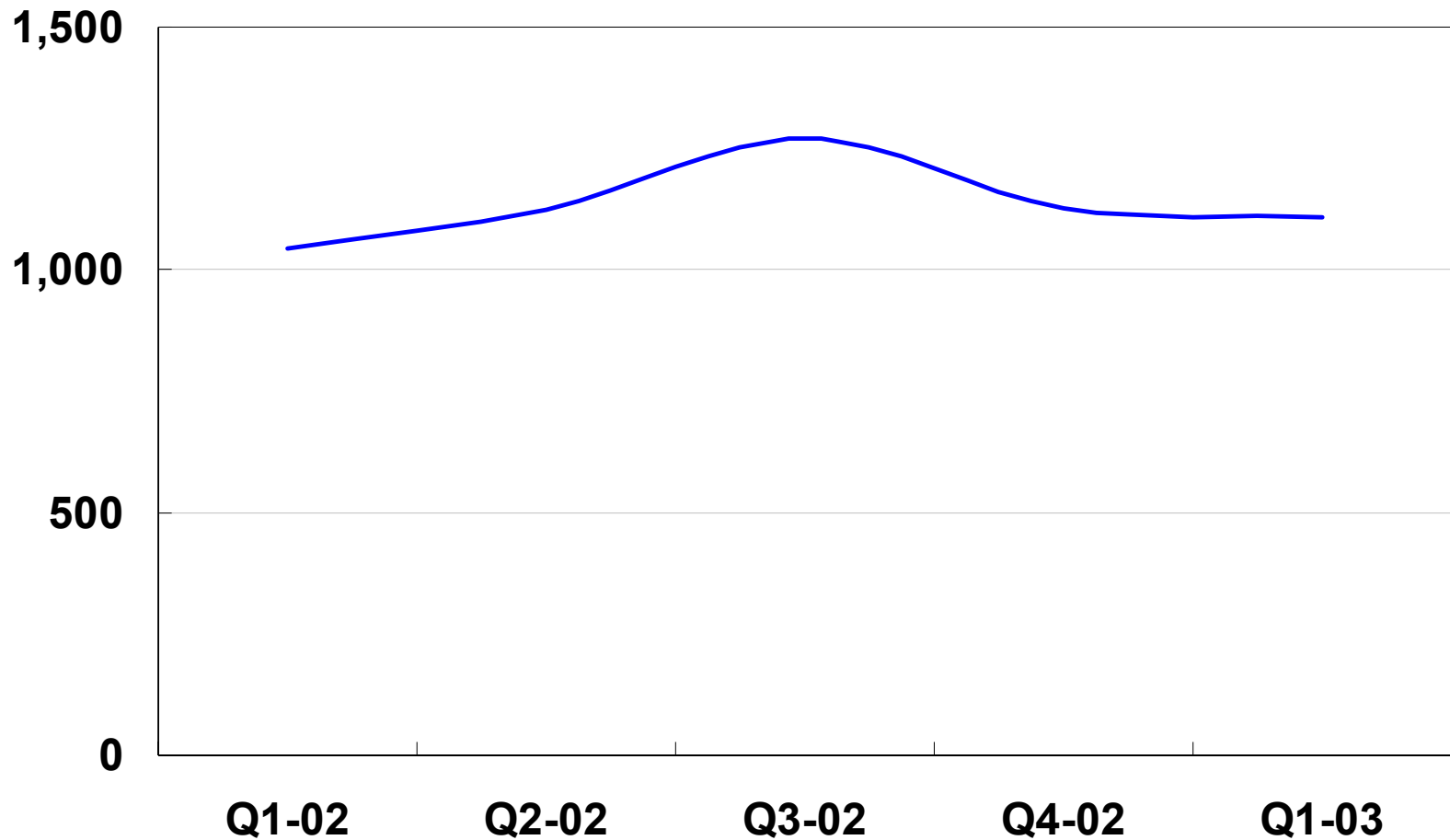
Investment Income

Unit: NT M

	Q1-03	Q4-02
UMCJ	77	163
UMCi	(120)	(85)
Faraday	38	36
Novatek	86	82
SiS	(112)	-
UMO	(43)	(62)
Unimicron	33	54
Others	(83)	273
Total	(124)	461

Average Selling Price Trend- 8" Wafer Equivalent

Unit: USD



Balance Sheet Highlight – March 31, 2003

Unit: NT M

Cash and Cash Equivalents	58,570
Long-term Investments	60,712
Fixed Assets	137,458
Total Assets	292,725
Current Liabilities	30,068
Long-term Debts	42,759
Stockholders' Equity	215,942
<i>Depreciation Expense (YTD)</i>	<i>8,845</i>

Principle Investments in Q1-03

Unit: NT M

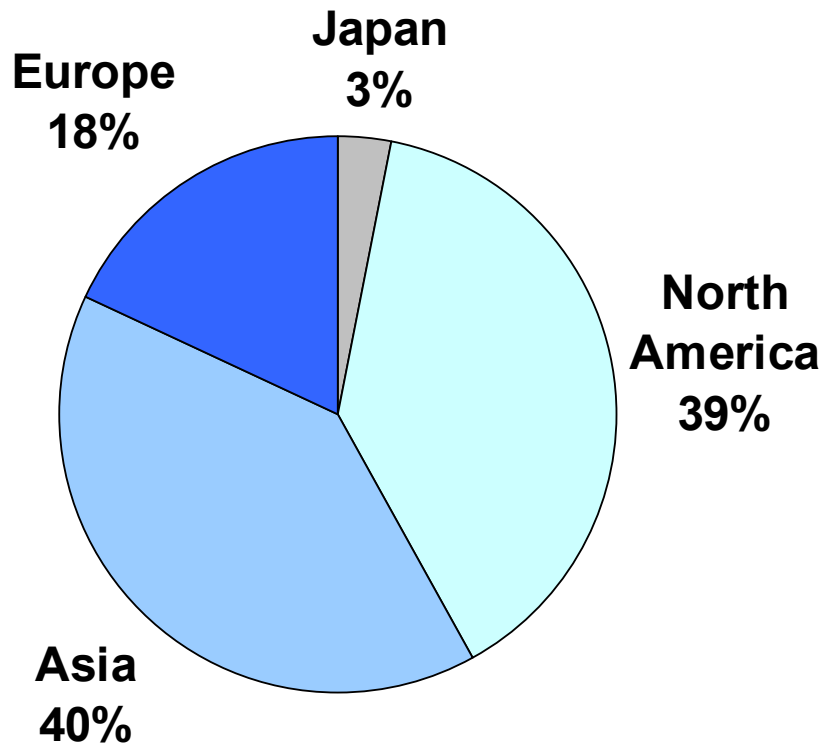
	Acquisition Cost	Incremental Ownership%	Accumulated Ownership %
SIS	4,393	12.55%	16.18%
THSRC	300	-	-
SILICON 7	139	-	-
UMCJ	121	0.52%	52.00%
NOVATEK	118	0.62%	26.45%
PTP Fund	30	-	-
TOTAL	5,101		

Note:

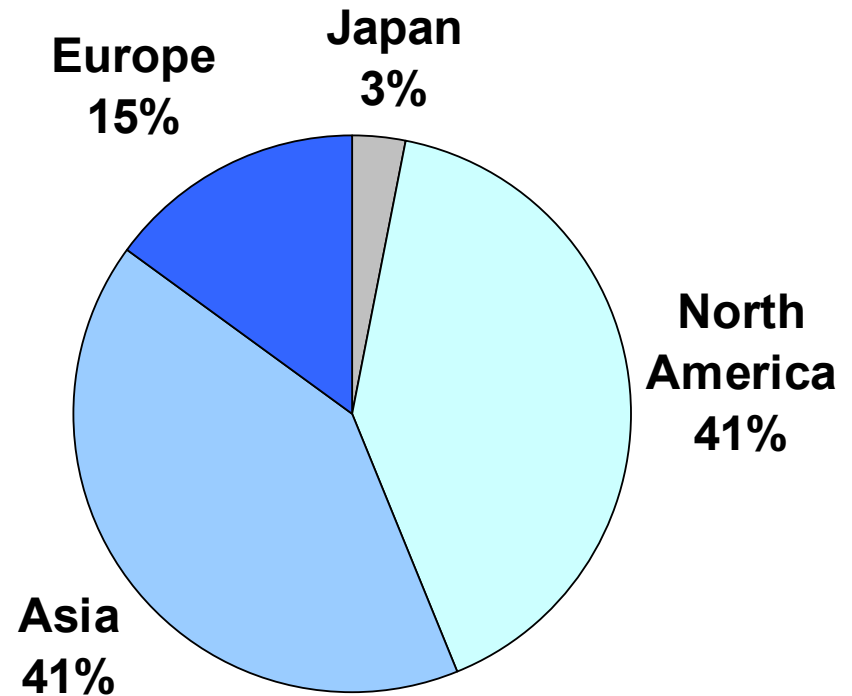
Information enclosed is UMC aggregated data (UMC, Hsun Chieh, Fortune Venture Capital and UMC Capital).

Sales Breakdown by Geography

2003 Q1

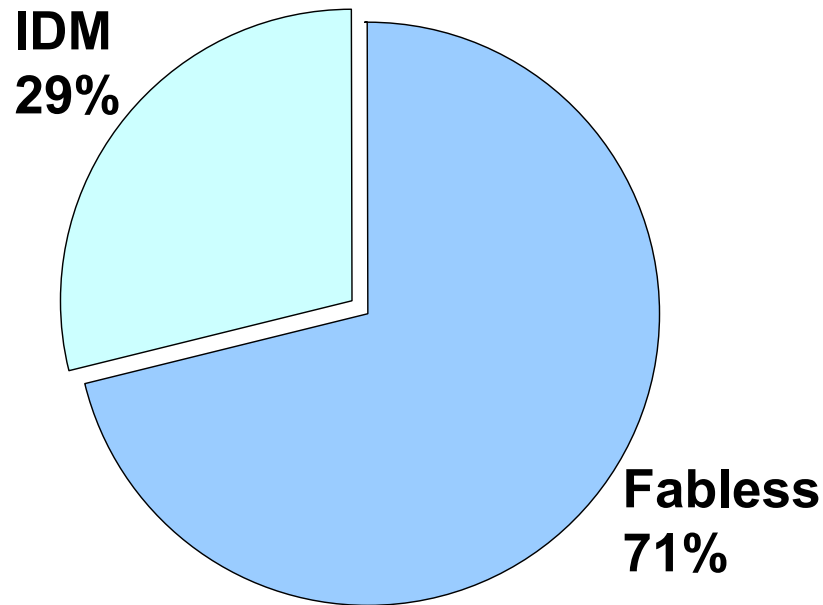


2002 Q4

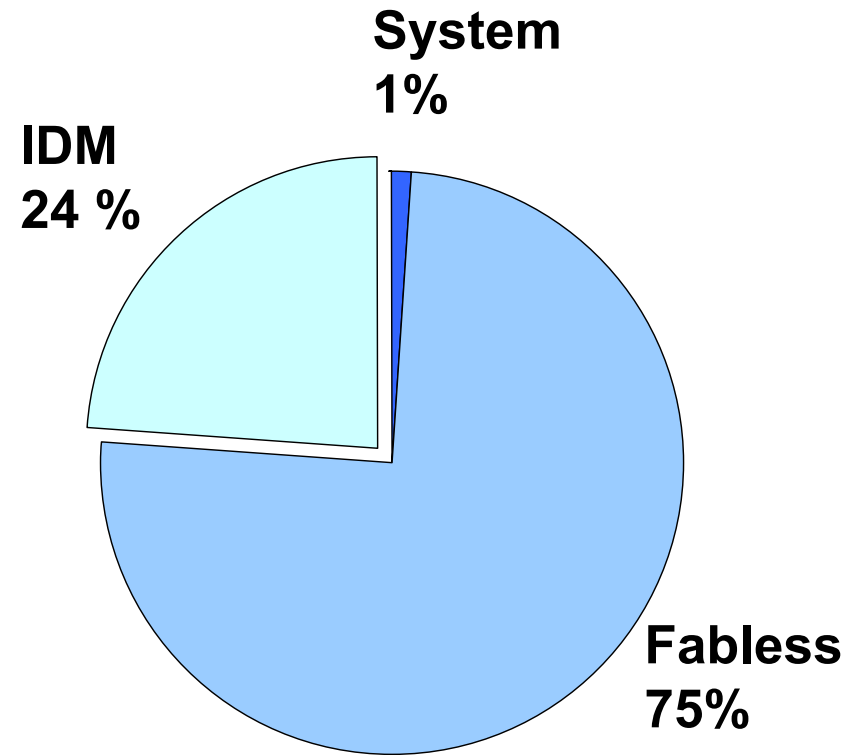


Sales Breakdown by Customer

2003 Q1

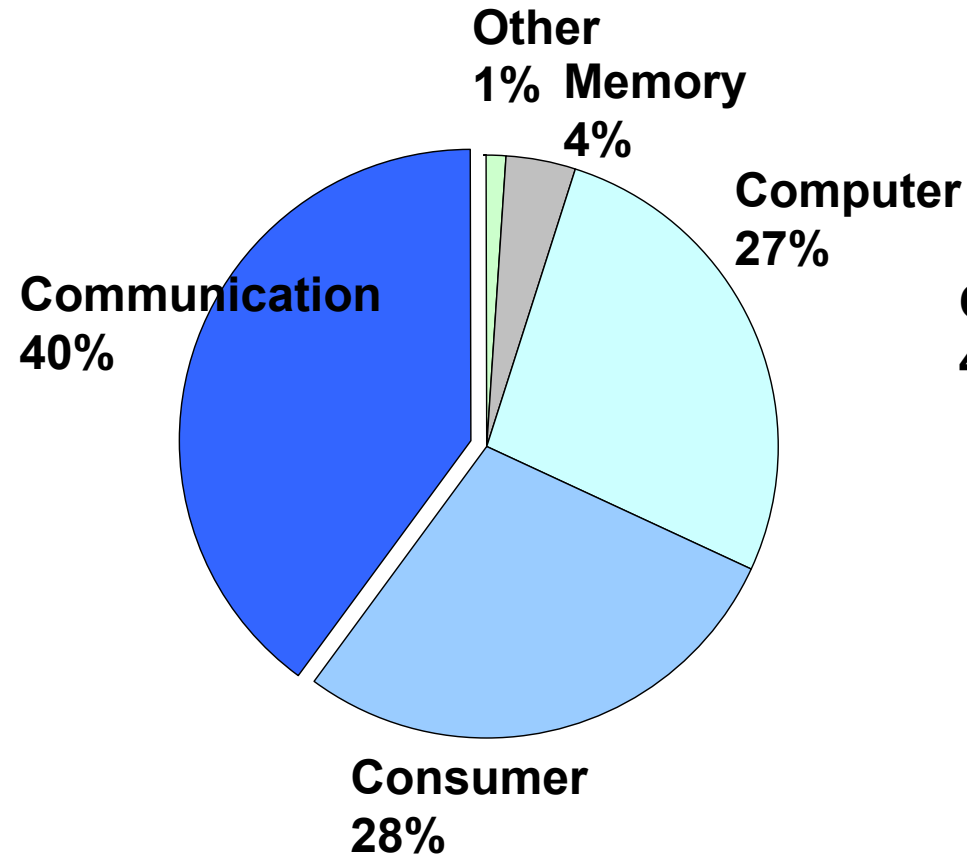


2002 Q4

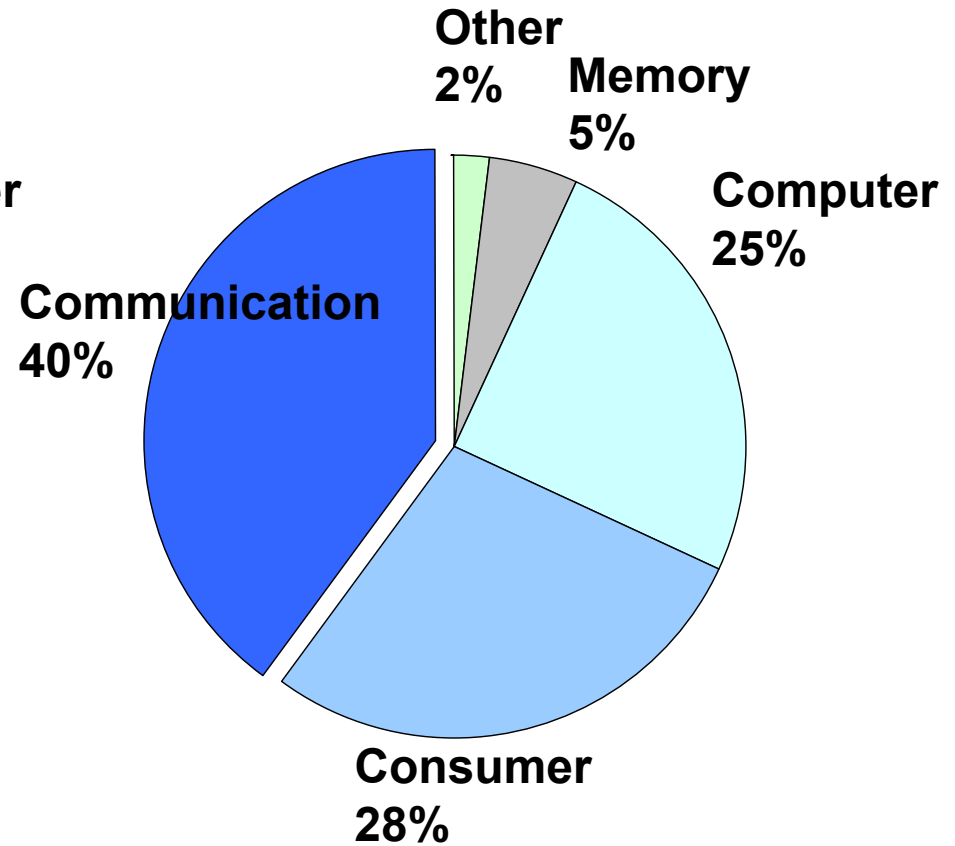


Sales Breakdown by Application

2003 Q1

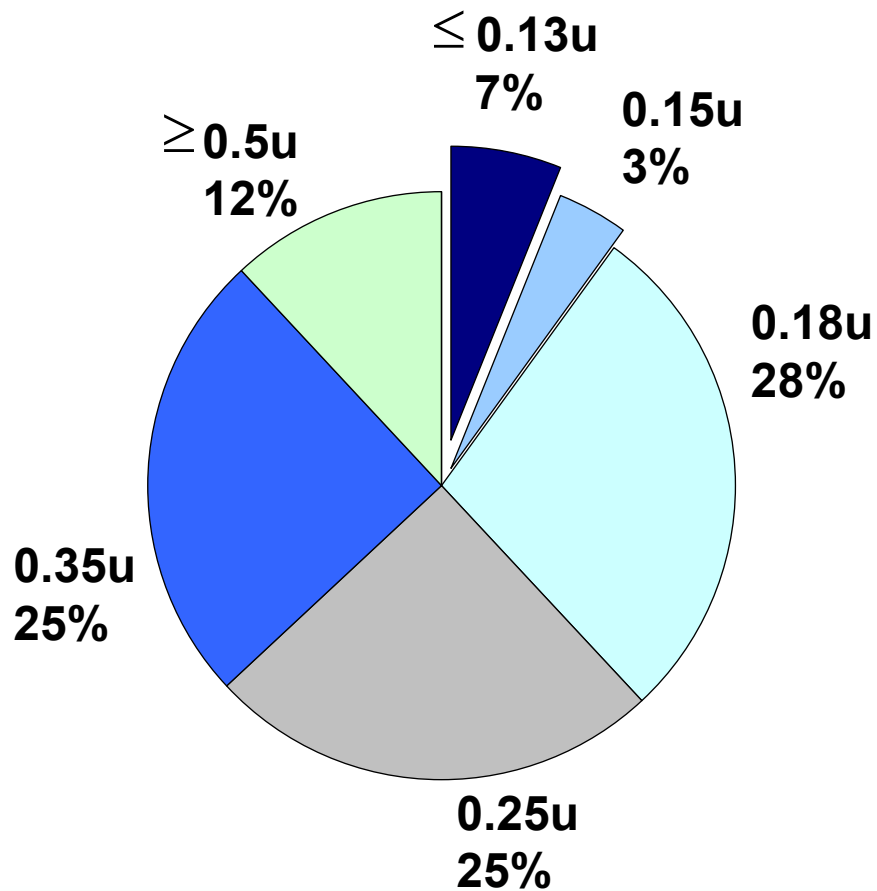


2002 Q4

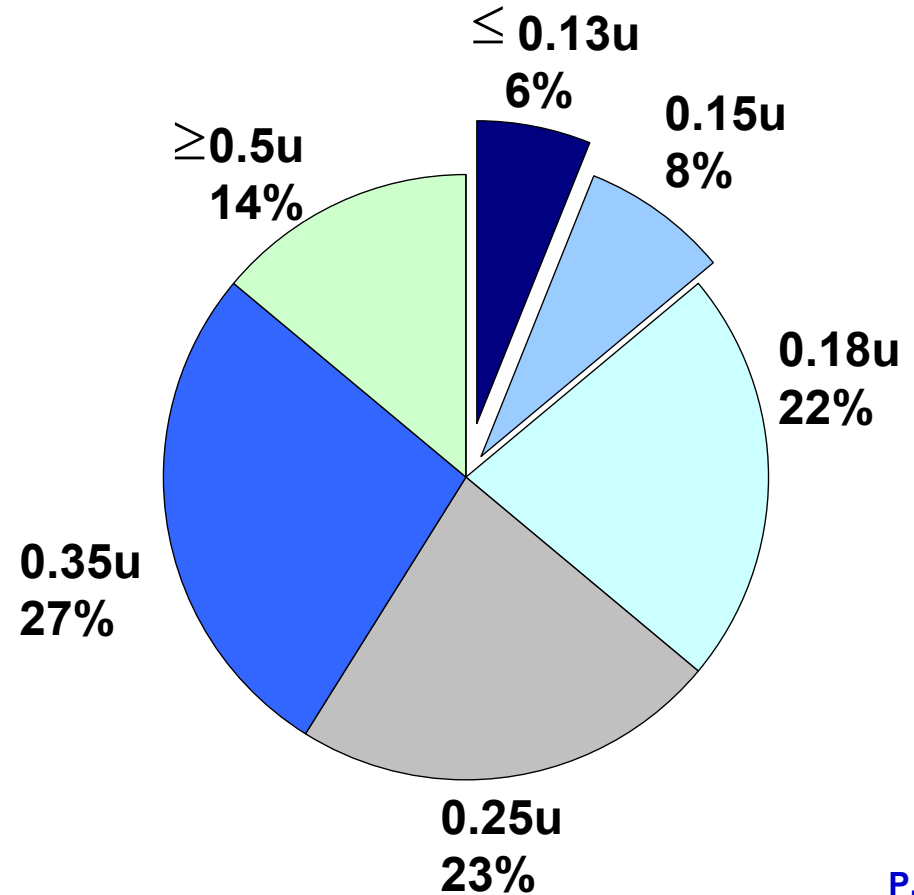


Sales Breakdown by Technology

2003 Q1



2002 Q4



Quarterly Capacity

Unit: in thousands (8" wafer eq.)

FAB	Q3-02	Q4-02	Q1-03	Q2-03E	Q3-03E
Fab 6A	89	89	88	88	88
Fab 8AB	227	216	216	216	216
Fab 8C	79	83	75	75	75
Fab 8D	43	53	63	63	60
Fab 8E	100	92	83	83	83
Fab 8F	72	86	89	89	90
Fab 12A	30	54	54	54	54
Total	640	673	668	668	666

2Q03 *Guidance and Outlook*

Quarter-over-quarter comparison:

- Wafer ASP : flat from Q103
 - Wafer shipments : >20% increase compared with Q103
 - Capacity utilization rate : over 80%
 - Operating profit margins : challenge double-digit
 - Percentage of 0.18 μ & below revenues : approximately 40%
 - The PC segment should post the strongest growth due to customer wins, followed by communication and consumer segments.
-
- 2003 Capex: unchanged at US\$500m

For more information regarding UMC

www.umc.com

For all inquiries, suggestions, and comments

ir@umc.com