

The Foundry of Choice

UMC

2003 Q2 Financial Review

July 30, 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, communications, consumer electronics and computer 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, communications, consumer electronics and computer 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 SARS; 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 2002 filed with the U.S. Securities and Exchange Commission on June 25, 2003.

The financial statements included in this release were unaudited and unconsolidated, 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 included in our Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on June 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	2003	2002
	Q2 / Jun	Q1 / Mar	Q2 / Jun
Net Operating Revenues	21,706	17,898	18,580
Net Income	2,687	403	4,446
EPS (NTD)	0.18	0.03	0.30
Cash and Cash Equivalents	74,940	52,570	61,390
Total Assets	302,178	292,725	305,745
Total Liabilities	86,199	76,783	89,790
Stockholders' Equity	215,979	215,942	215,955
Wafer Shipment (in thousands- 8" wafer eq.)	550	446	467
Utilization (%)	85%	67%	72%

Income Statement - QoQ

Unit: NT M

	Q2-03	%	Q1-03	%	Change %
Net Operating Revenues	21,706	100.0	17,898	100.0	21.3
Gross Margin	4,983	23.0	2,740	15.3	81.9
Operating Expenses	(2,499)	(11.5)	(2,041)	(11.4)	22.4
Operating Income	2,484	11.5	699	3.9	255.4
Net Non-operating Income (Expenses)	610	2.8	(295)	(1.6)	-
Income Tax Expense	(407)	(1.9)	(1)	(0.0)	40,600.0
Net Income	2,687	12.4	403	2.3	566.7
EPS (NTD)	0.18		0.03		
EPADS (USD)	0.026		0.004		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 34.61 was used to translate NTD to USD.
3. 14,639 million and 14,727 million shares were used in EPS calculation for Q2-03 and Q1-03 , respectively.

Income Statement - YoY: 6 Months

Unit: NT M

	1H-03	%	1H-02	%	Change %
Net Operating Revenues	39,604	100.0	30,739	100.0	28.8
Gross Margin	7,723	19.5	4,879	15.9	58.3
Operating Expenses	(4,540)	(11.5)	(6,322)	(20.6)	(28.2)
Operating Income (Loss)	3,183	8.0	(1,443)	(4.7)	-
Net Non-operating Income (Expenses)	315	0.8	6,111	19.9	(94.8)
Income Tax Expense	(408)	(1.0)	(6)	(0.0)	6,700.0
Net Income	3,090	7.8	4,662	15.2	(33.7)
EPS (NTD)	0.21		0.32		
EPADS (USD)	0.030		0.046		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 34.61 was used to translate NTD to USD.
3. 14,683 million and 14,769 million shares were used in EPS calculation for 1H-03 and 1H-02, respectively.

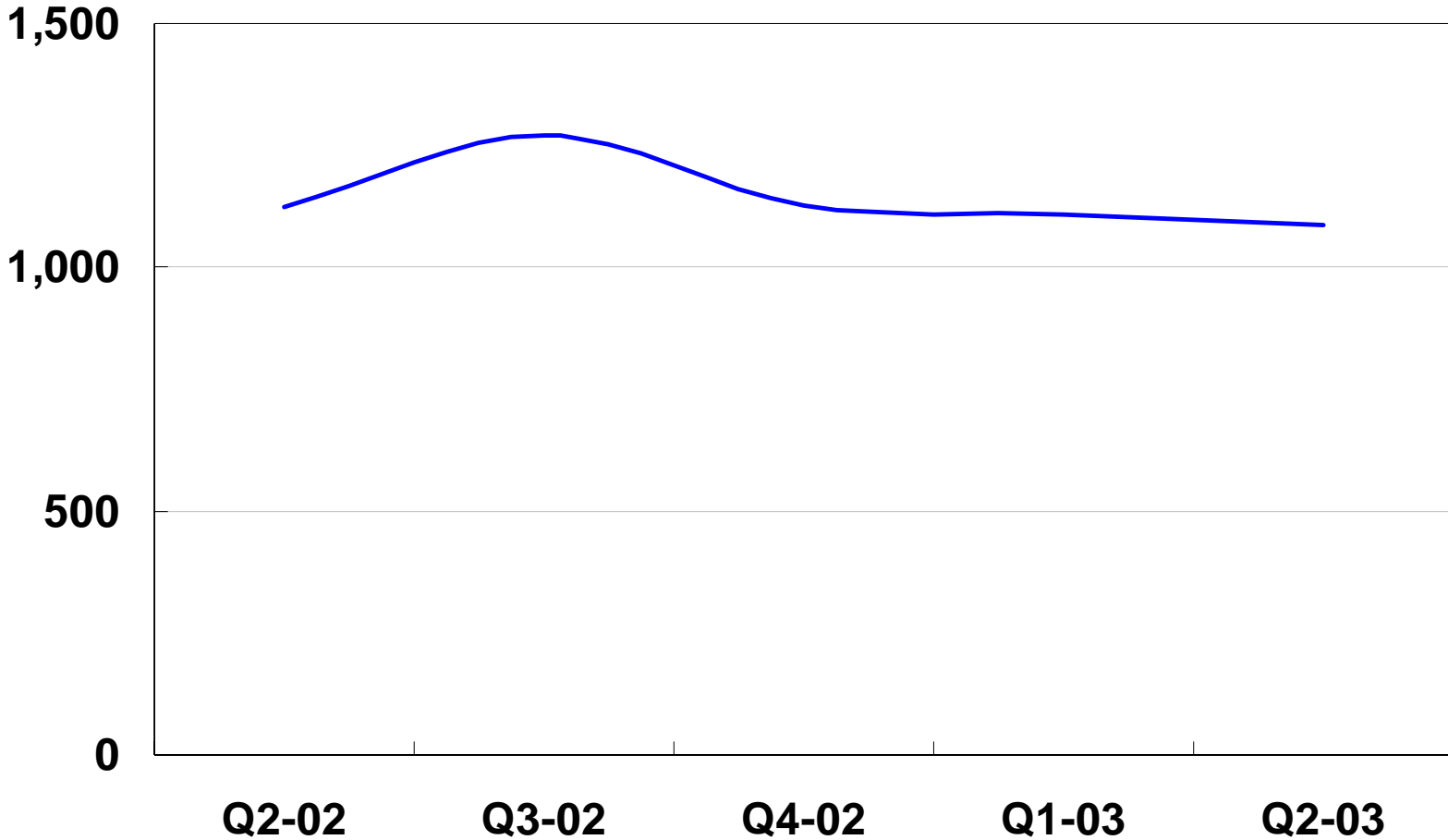
Investment Income

Unit: NT M

	Q2-03	Q1-03
UMCJ	238	77
UMCi	(184)	(120)
Faraday	52	38
Novatek	110	86
SiS	(144)	(112)
UMO	(57)	(43)
Unimicron	37	33
Others	127	(83)
Total	179	(124)

Average Selling Price Trend- 8" Wafer Equivalent

Unit: USD



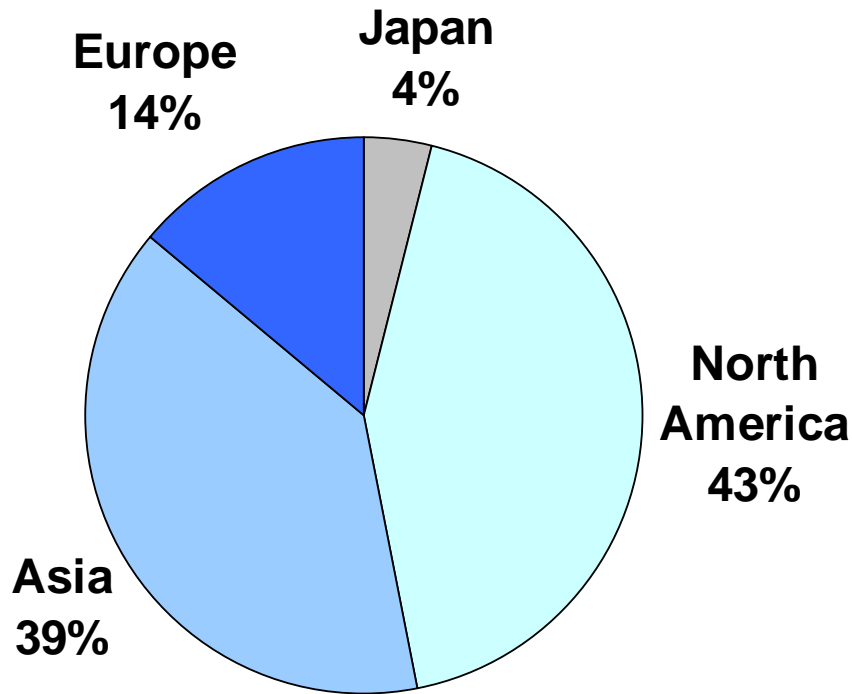
Balance Sheet Highlight – June 30, 2003

Unit: NT M

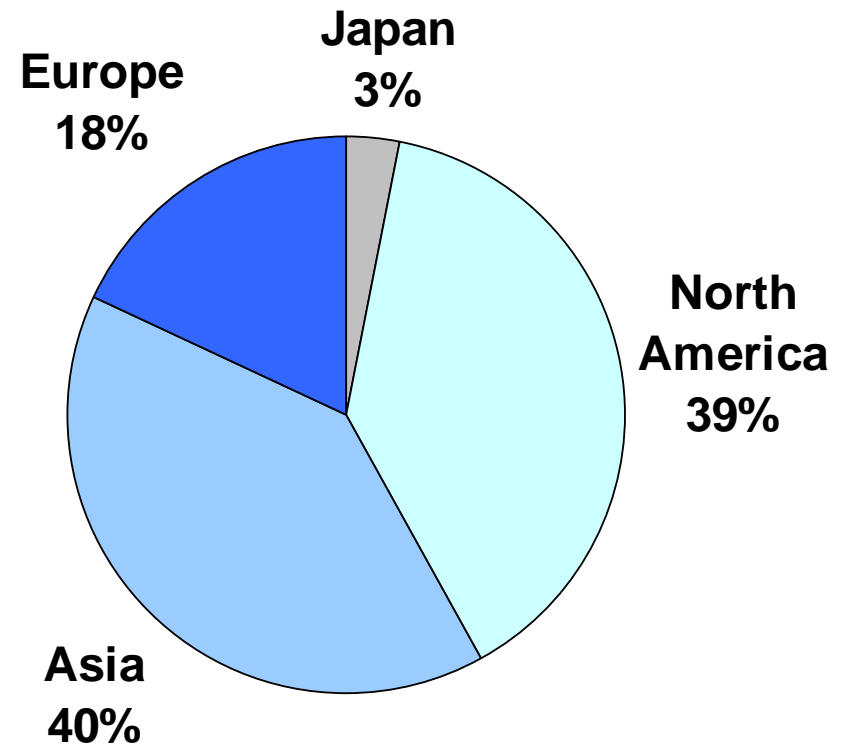
Cash and Cash Equivalents	74,940
Long-term Investments	59,207
Fixed Assets	129,341
Total Assets	302,178
Current Liabilities	31,050
Long-term Debts	51,087
Stockholders' Equity	215,979
<i>Depreciation Expense (YTD)</i>	<i>17,732</i>

Sales Breakdown by Geography

2003 Q2



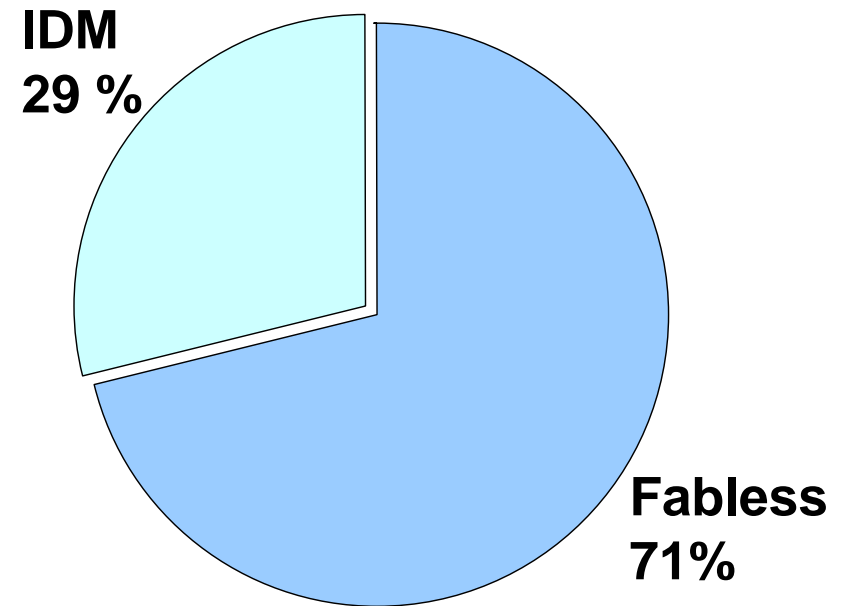
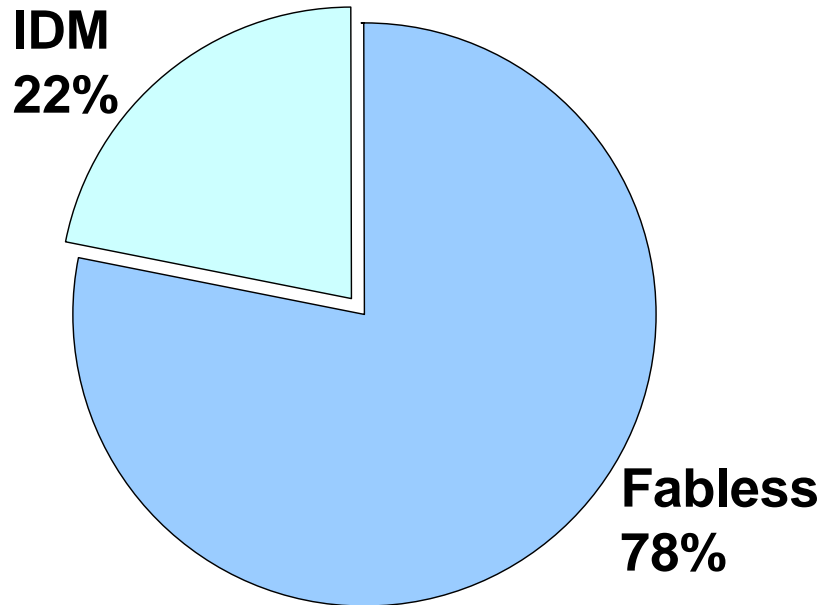
2003 Q1



Sales Breakdown by Customer

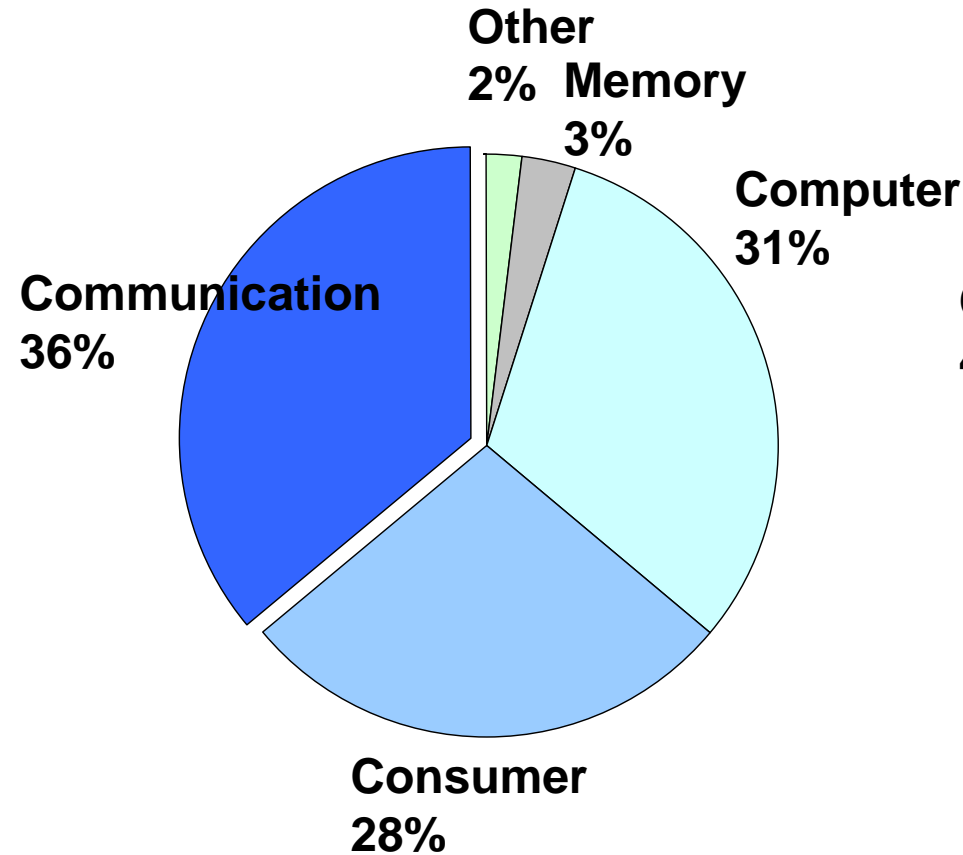
2003 Q2

2003 Q1

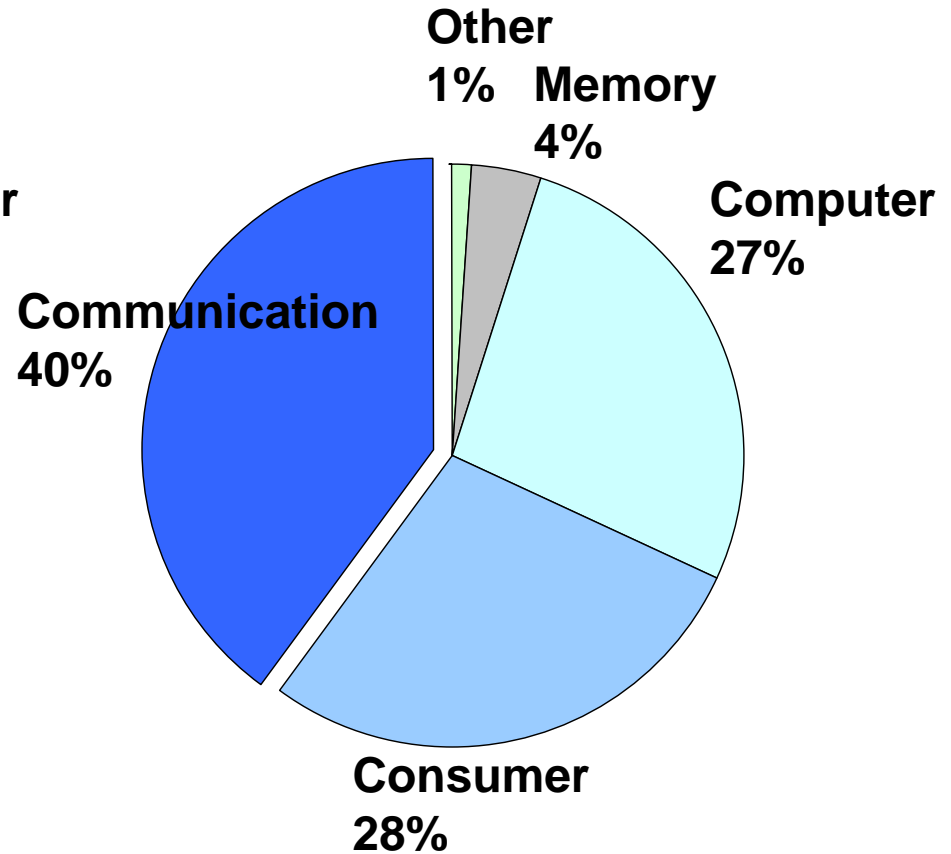


Sales Breakdown by Application

2003 Q2

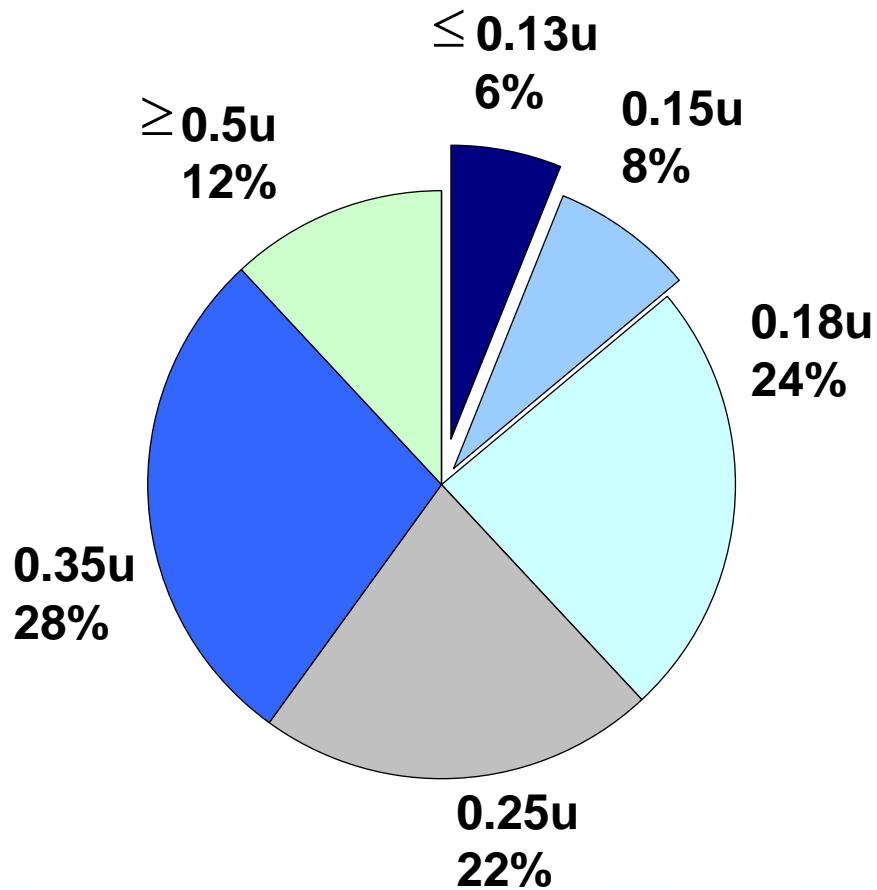


2003 Q1

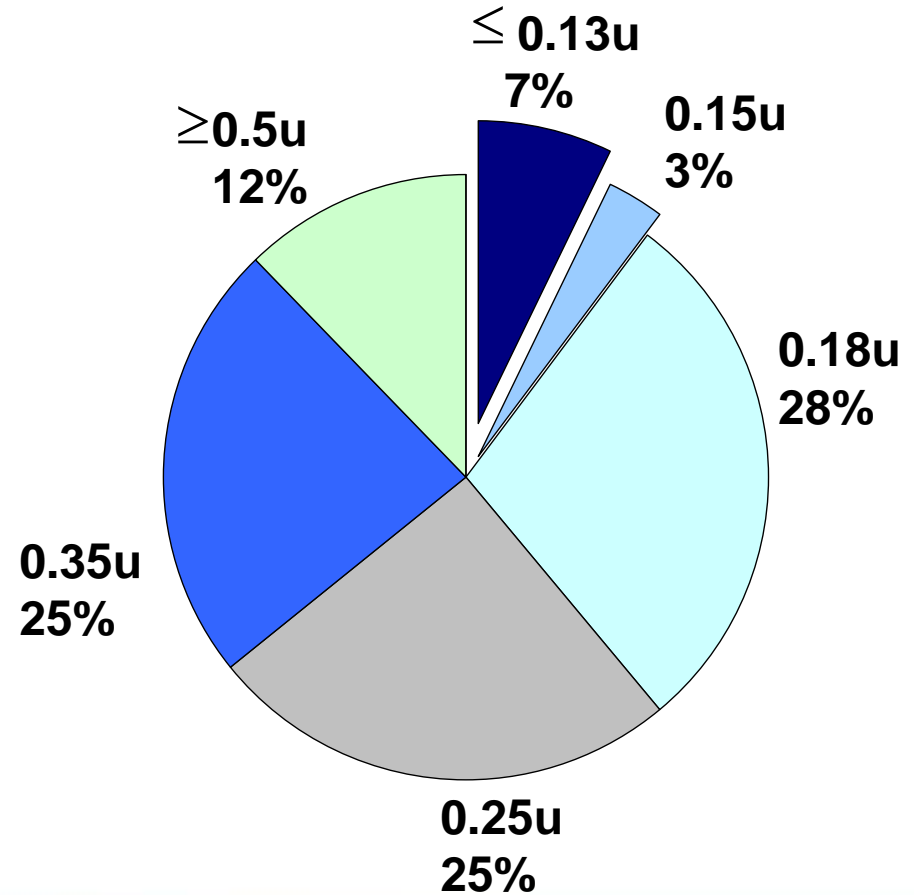


Sales Breakdown by Technology

2003 Q2



2003 Q1



Quarterly Capacity

Unit: in thousands (8" wafer eq.)

FAB	Q4-02	Q1-03	Q2-03	Q3-03E	Q4-03E
Fab 6A	89	88	88	80	80
Fab 8AB	216	216	195	182	176
Fab 8C	83	75	75	84	84
Fab 8D	53	63	63	60	60
Fab 8E	92	83	83	78	75
Fab 8F	86	89	89	90	88
Fab 12A	54	54	54	58	61
Total	673	668	647	632	624

2003 Capital Expenditure Plan

	8" Fab	12" Fab	R&D	Total
UMC	30%	50%	20%	500 million USD
UMCJ	100%	-	-	15 billion Yen
UMCi	-	100%	-	200 million USD

For more information regarding UMC
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For all inquiries, suggestions, and comments
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