

**Contacts:**

Chitung Liu / Bowen Huang  
**UMC, Investor Relations**  
+886-2-2700-6999 ext. 6957  
[chitung\\_liu@umc.com](mailto:chitung_liu@umc.com)  
[bowen\\_huang@umc.com](mailto:bowen_huang@umc.com)

Tip Fleming / Jane Liu  
**Christensen IR**  
+1-917-412-3333 / +852-2117-0861  
[tfleming@christensenir.com](mailto:tfleming@christensenir.com)  
[jliu@christensenir.com](mailto:jliu@christensenir.com)

## UMC Reports 2005 Third Quarter Results:

### *Rebound in ASP, wafer shipments expected to drive operating profit in 4Q05*

---

#### Third Quarter 2005 Overview<sup>1</sup>:

- Revenue increased 21.3% sequentially to NT\$23.58 billion (US\$711 million)
  - Net income increased sequentially to NT\$2,165 million (US\$65 million)
  - Wafer shipments increased 17.6% sequentially to 741 thousand 8-inch equivalent wafers
  - EPS was NT\$0.12; EPADS was US\$0.018
  - Revenue from 90nm technology increased from 9% to 14%
- 

**Taipei, Taiwan, ROC – October 26, 2005 - United Microelectronics Corporation (NYSE: UMC; TSE: 2303)** (“UMC” or “the Company”), a leading global semiconductor foundry, today announced its unconsolidated operating results for the third quarter of 2005.

“The third quarter of 2005 marked a fairly significant turnaround for our operations,” said UMC CEO, Dr. Jackson Hu. “We noticed demand increasing across a wide range of applications, including wireless and wired communications, PC chipsets and LCD drivers in the computer segment, and DVD and MP3 products in the consumer segment. These positive developments all set a new stage for growth that started towards the end of the second quarter and continued into the third quarter. As a result, our blended ASP grew 2% and wafer shipments increased 17.6% sequentially to 741 thousand 8-inch equivalent wafers in Q3.”

Dr. Hu continued, “We are seeing strong demand for our 90nm technologies and we are building momentum in our development of new technologies at the leading edge. It will be exciting to watch as these 90nm products begin spreading within the mainstream markets in the coming months. UMC led all foundries in 90nm wafer shipments in July 2005 with over 10,000 shipments and by the end of August, UMC shipped over 100,000 90nm wafers in total. We believe this is a solid indication of the production maturity and readiness of UMC's 90nm process for every major

---

<sup>1</sup> Unless otherwise stated, all financial figures discussed in this announcement are prepared in accordance with ROC GAAP, which differ in some material respects from generally accepted accounting principles in the United States. They are unaudited, unconsolidated, and represent comparisons among the three-month period ending September 30, 2005, the three-month period ending June 30, 2005, and the equivalent three-month period that ended September 30, 2004. For all 3Q05 results, New Taiwan Dollar (NT\$) amounts have been converted into U.S. dollars at the exchange rate of NT\$33.16 to one U.S. dollar.

---

advanced application. We are currently producing 90nm chips at two 300mm fabs and one 200mm fab, and now have over 20 different products that are currently being manufactured. In addition to UMC's standard 90nm device offering, customers are also utilizing either the company's 90nm low-power or high-speed device options, depending upon their product application."

"I would also like to note that we have already delivered working 65nm product samples to customers. This not only demonstrates that this technology is a reality at UMC today, but is also a testament to our commitment to maintaining our leadership in the industry at the leading edge. About 70% of UMC's revenue comes from our fabless customers, and their dependency on System-on-Chip (SoC) solutions is increasing as process geometries shrink. In response to this, in the past two years we have particularly focused on enhancing our capabilities in system and architecture knowledge, Electronic Design Automation (EDA) methodology, and tape-out services, and expanding our IP portfolio. This intense focus on delivering premium value-added services to our customers has been at the center of our SoC Solution Foundry strategy and has been a primary factor in helping to drive our success with leading edge 90nm, and now 65nm technologies. As the semiconductor industry continues to evolve, we believe that this strategy will help lead UMC into a long-term phase of sustainable success and profitability."

## Summary of Operating Results

Operating Results					
(Amount: NT\$ million)	3Q05	2Q05	QoQ % change	3Q04	YoY % change
Revenue	23,579	19,443	21.3	34,580	(31.8)
Gross Profit	2,954	212	1293.4	11,663	(74.7)
Operating Expenses	(3,514)	(3,551)	(1.0)	(2,926)	20.1
Operating Income (Loss)	(560)	(3,339)	(83.2)	8,737	(106.4)
Non-op. Income (Expenses)	2,725	3,638	(25.1)	2,177	25.18
Net Income	2,165	299	624.1	10,914	(80.2)
EPS (NT\$ per share)	0.12	0.02		0.58	
(US\$ per ADS)	0.018	0.003		0.087	

Revenue in 3Q05 was NT\$23.58 billion, representing a 21.3% quarter-over-quarter increase from NT\$19.44 billion in 2Q05, and a 31.8% year-over-year decrease from NT\$34.58 billion in 3Q04. Gross profit for the quarter was NT\$2.95 billion, or 12.5% of revenue, compared to NT\$212 million, or 1.1% of revenue in 2Q05. The operating loss in 3Q05 was NT\$560 million compared to a loss of NT\$3.34 billion in 2Q05. The increase in gross profit was mainly attributable to the increase in wafer shipments and an improved product mix. Net income for 3Q05 was NT\$2.17 billion, a sequential increase of 624.1% from 2Q05, which was mainly due to the significant increase in the gross profit.

Earnings per ordinary share (EPS) for the quarter were NT\$0.12. Earnings per ADS (EPADS) were US\$0.018. This compares with 2Q05 earnings per ordinary share of NT\$0.02 and earnings

per ADS of US\$0.003. One ADS represents five Taiwan-listed ordinary shares. The basic weighted average number of outstanding shares in 3Q05 was 18,433,685,226, compared to 18,452,431,830 shares in 2Q05 and 18,878,621,323 shares in 3Q04. The diluted weighted average number of outstanding shares was 18,610,270,285 in 3Q05, compared to 18,555,975,483 shares in 2Q05 and 19,221,590,458 shares in 3Q04. The decrease in basic and diluted weighted average outstanding shares in 3Q05 was mainly due to the execution of the Company's 8<sup>th</sup> treasury share repurchase program in early July.

## Detailed Financials Section

Depreciation and amortization expenses were NT\$12.59 billion in 3Q05, compared to NT\$12.49 billion in 2Q05. Depreciation within COGS increased 0.4% to NT\$10.71 billion. The 15.8% QoQ increase on Other Manufacturing Costs reflected the higher cost associated with the improvement in shipments in 3Q05. G&A expenses increased by NT\$26 million to NT\$877 million, mainly due to the increase in reserves the Company had to book following the Taiwanese government's passing of the new Pension Program that went into effect on July 1. The R&D expense was 8.6% of revenue in 3Q05.

Net non-operating income was NT\$2.73 billion, including NT\$2.13 billion of investment disposal gains and NT\$617 million of net investment losses. The gain on the disposal of investments included the sale of MediaTek and Novatek shares for NT\$1,588 million and NT\$550 million, respectively. Net investment losses mainly came from a NT\$525 million loss from UMC's subsidiary Hsun Chieh Investment Corp, and a NT\$381 million loss from UMCJ in 3Q05.

COGS & Expenses					
(Amount: NT\$ million)	3Q05	2Q05	QoQ % change	3Q04	YoY % change
Revenue	23,579	19,443	21.3	34,580	(31.8)
COGS	(20,625)	(19,231)	7.2	(22,917)	(10.0)
Depreciation	(10,712)	(10,674)	0.4	(9,266)	15.6
Other Mfg. Costs	(9,913)	(8,557)	15.8	(13,651)	(27.4)
Gross Profit	2,954	212	1293.4	11,663	(74.7)
Gross Margin (%)	12.5%	1.1%		33.7%	
Total Operating Exp.	(3,514)	(3,551)	(1.0)	(2,926)	20.1
G&A	(877)	(851)	3.1	(667)	31.5
Sales & Marketing	(618)	(530)	16.6	(579)	6.7
R&D	(2,019)	(2,170)	(7.0)	(1,680)	20.2
Operating Income	(560)	(3,339)	(83.2)	8,737	(106.4)
Operating Margin (%)	-2.4%	-17.2%		25.3%	

Non-operating Income (Expenses)			
(Amount: NT\$ million)	3Q05	2Q05	3Q04
Net Non-operating Income (Exp.)	2,725	3,638	2,177
Net Interest Income (Expense)	0	(10)	(114)
Net Investment Income (Loss)	(617)	(439)	886
Gain on Disposal of Investment	2,133	3,515	2,242
Exchange Gain (Loss)	171	213	49
Others	1,038	359	(886)

Net cash inflow was NT\$3.73 billion in 3Q05. The increase in cash from operations in 3Q05 mainly reflected higher wafer sales during the quarter. The NT\$5.11 billion of financing cash outflow was mainly due to the NT\$3 billion of share repurchases, and NT\$1.76 billion from the issuance of the cash dividend. Over the next 12 months, we expect to repay NT\$5.25 billion in corporate bonds.

<b>Cash Flow Summary</b>		
(Amount: NT\$ million)	For the 3-Month Period Ended Sep. 30, 2005	For the 3-Month Period Ended June 30, 2005
Cash Flow from Operations	11,298	9,002
Net Income (Loss)	2,165	299
Depreciation & Amortization	12,594	12,487
Changes in working capital	(2,533)	(392)
Others	(928)	(3,392)
Cash Flow from Investing	(2,444)	167
Capital Expenditures	(3,568)	(4,248)
Others	1,124	4,415
Cash Flow from Financing	(5,113)	(29,757)
Effect of Exchange Rate	(14)	(46)
Net Cash Flow	3,727	(20,634)

Cash and cash equivalents increased by NT\$3.72 billion to NT\$71.79 billion, which was mainly due to higher cash inflows from operations. The increase in inventory primarily came from the increase of work-in-process wafers and reflects the upward trend of the business. Days sales outstanding<sup>2</sup> increased slightly to 45 days, and average inventory turnover increased to 39 days.

<b>Current Assets</b>			
(Amount: NT\$ billion)	3Q05	2Q05	1Q05
Cash & Cash Equivalents	71.79	68.07	88.70
Notes & Accounts Receivable	13.73	9.65	9.31
Days Sales Outstanding	45	44	45
Inventory	9.38	7.90	6.91
Avg. Inventory Turnover	39	36	41
Total Current Assets	102.51	93.58	117.15

Total liabilities increased by NT\$0.15 billion to NT\$54.07 billion in 3Q05. UMC's Debt to Equity ratio remained flat at 21% at the end of 3Q05.

<b>Liabilities</b>			
(Amount: NT\$ billion)	3Q05	2Q05	1Q05
Total Current Liabilities	21.81	22.07	19.88
Accounts Payable	4.51	3.80	3.81
Short-term Credit / Bonds	6.08	6.90	6.68
Others	11.22	11.37	9.39
Long-term Liabilities	28.50	28.35	33.60
Total Liabilities	54.07	53.92	56.48
Debt to Equity	21%	21%	21%

<sup>2</sup> Days Sales Outstanding =  $365 / \left[ \frac{\text{Operating revenues for the three-month period end } *4}{\left( \frac{\text{Beginning NR\&AR balance, net} + \text{Ending NR\&AR balance, net}}{2} \right)} \right]$

Average Inventory Turnover =  $365 / \left[ \frac{\text{COGS for the three-month period end } *4}{\left( \frac{\text{Beginning Inventory balance, net} + \text{Ending Inventory balance, net}}{2} \right)} \right]$

## Analysis of Revenue<sup>3</sup>

The percentage of revenue contributed from North America grew to 48% in 3Q05. The percentage of revenue contributed from Japan remained stable.

### Revenue Breakdown by Region

Region	3Q05	2Q05	1Q05	4Q04	3Q04
North America	48%	44%	49%	49%	44%
Asia Pacific	43%	45%	38%	32%	33%
Europe	7%	9%	11%	16%	19%
Japan	2%	2%	2%	3%	4%

The percentage of revenue from advanced 90nm business increased to 14%, compared to 9% in 2Q05, mainly due to stronger demand for 90nm communication chips. The percentage of revenue from 0.13um technology increased to 18% due to stronger demand for consumer and communication chips. The percentage of revenue from 0.18um and below increased to 61% in 3Q05 from 53% in 2Q05.

### Revenue Breakdown by Geometry

Geometry	3Q05	2Q05	1Q05	4Q04	3Q04
90nm	14%	9%	7%	8%	2%
0.13um	18%	14%	20%	19%	18%
0.15um	10%	10%	12%	16%	15%
0.15um<x<=0.18um	19%	20%	20%	19%	25%
0.18um<x<=0.25um	8%	11%	10%	12%	14%
0.25um<x<=0.35um	22%	25%	20%	17%	17%
0.5um and above	9%	11%	11%	9%	9%

The percentage of revenue from IDM customers increased to 29% in 3Q05 from 24% in 2Q05 due to stronger demand from North American IDM customers during the third quarter.

### Revenue Breakdown by Customer Type

Customer Type	3Q05	2Q05	1Q05	4Q04	3Q04
Fabless	71%	76%	69%	66%	68%
IDM	29%	24%	31%	34%	32%
System	0%	0%	0%	0%	0%

Revenue from the communication segment increased to 47% of total revenue in 3Q05 because of strong demand for handset components. The percentage of revenue from consumer segments remained stable.

### Revenue Breakdown by Application <sup>(1)</sup>

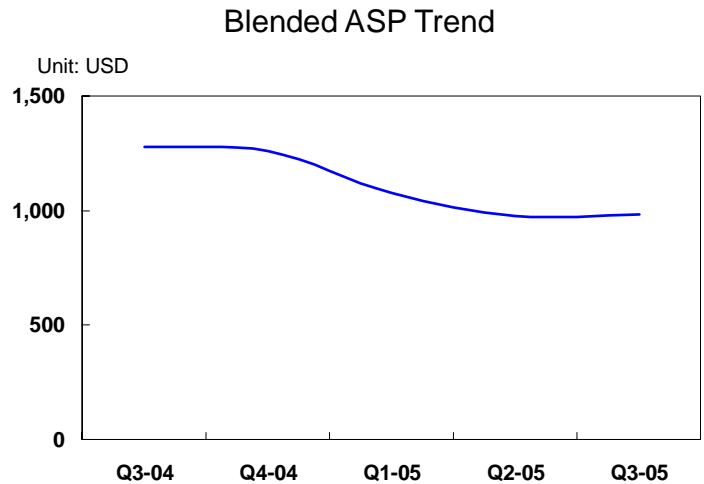
Application	3Q05	2Q05	1Q05	4Q04	3Q04
Computer	19%	20%	24%	24%	20%
Communication	47%	44%	45%	49%	44%
Consumer	32%	32%	26%	23%	32%
Memory	1%	2%	2%	1%	2%
Others	1%	2%	3%	3%	2%

<sup>(1)</sup> **Computer** consists of ICs such as HDD controllers, DVD-ROM/CD-ROM drives ICs, LCD drivers, graphic processors, and PDAs. **Communication** consists of xDSL, DSP, WLAN, LAN controllers, handset components, caller ID devices, etc. **Consumer** consists of ICs used for DVD players, game consoles, digital cameras, smart cards, toys, etc. **Memory** consists of DRAM, SRAM, Flash, EPROM, ROM, and EEPROM.

<sup>3</sup> Revenue in this section represents net wafer sales. All revenue breakdown tables exclude JV's and subsidiaries.

## Blended Average Selling Price Trend

The blended average selling price (ASP) rose 2% in US dollar terms during 3Q05 due to increasing demand for advanced process technologies. This was in line with the ASP guidance previously provided by UMC.



## Shipment and Utilization Rate<sup>4</sup>

Wafer shipments increased by 17.6% sequentially to 741 thousand 8-inch equivalent wafers in 3Q05 from 630 thousand wafers in 2Q05. The utilization rate for the quarter was 78%, which was higher than the approximately 75% level that we expected in our previous guidance.

### Wafer Shipments

	3Q05	2Q05	1Q05	4Q04	3Q04
Wafer Shipments ('000 8-inch eq.)	741	630	564	657	791

### Quarterly Capacity Utilization Rate

	3Q05	2Q05	1Q05	4Q04	3Q04
Utilization Rate	78%	65%	63% <sup>(1)</sup>	72%	94%
Total Capacity ('000 8-inch eq.)	970	962	950	918	846

<sup>(1)</sup> 1Q05 utilization rate was calculated based on 1Q05 available capacity, which is about 94% of total capacity after factoring in a 6% productivity loss due to annual scheduled maintenance.

<sup>4</sup> Quarterly utilization rate = Quarterly wafer out / Estimated quarterly capacity

## Capacity<sup>5</sup>

Capacity for 3Q05 was 970 thousand 8-inch equivalent wafers. The incremental increase in capacity of 8 thousand 8-inch equivalent wafers during 3Q05 was due to capacity expansion at Fab 12A. UMC's estimated capacity in 4Q05 will remain at 970 thousand 8-inch equivalent wafers.

**Annual Capacity in thousands of 8-inch wafer equivalents**

FAB	Geometry (um)	2005E	2004	2003	2002
Fab 6A	6" 3.5 – 0.45	344	346	352	349
Fab 8AB	8" 0.5 – 0.25	816	796	801	853
Fab 8C	8" 0.35 – 0.15	401	386	325	355
Fab 8D	8" 0.18 – 0.09	276	256	238	214
Fab 8E	8" 0.5 – 0.18	404	401	354	376
Fab 8F	8" 0.25 – 0.15	380	349	342	312
Fab 8S <sup>(1)</sup>	8" 0.25 – 0.15	278	131	0	0
Fab 12A	12" 0.18 – 0.065	590	392	234	119
Fab 12i <sup>(2)</sup>	12" 0.13 – 0.065	363	101	0	0
<b>Total<sup>(3)</sup></b>		<b>3,852</b>	<b>3,158</b>	<b>2,646</b>	<b>2,578</b>
<b>YoY Growth Rate</b>		<b>22%</b>	<b>19%</b>	<b>3%</b>	<b>-11%</b>

**Quarterly Capacity in thousands of 8-inch wafer equivalents**

FAB	4Q05E	3Q05	2Q05	1Q05
Fab 6A	86	86	86	86
Fab 8AB	204	204	204	204
Fab 8C	100	100	100	101
Fab 8D	68	68	68	72
Fab 8E	101	101	101	101
Fab 8F	95	95	95	95
Fab 8S <sup>(1)</sup>	69	69	69	71
Fab 12A	153	153	145	139
Fab 12i <sup>(2)</sup>	94	94	94	81
<b>Total<sup>(3)</sup></b>	<b>970</b>	<b>970</b>	<b>962</b>	<b>950</b>

<sup>(1)</sup> Former fab of SiSMC, which was acquired from Silicon Integrated Systems in July 2004.

<sup>(2)</sup> Former fab of UMCi, a UMC wholly owned subsidiary in December 2004 that was merged into UMC in April 2005

<sup>(3)</sup> One 6-inch wafer is converted into 0.5625(6<sup>2</sup>/8<sup>2</sup>) 8-inch equivalent wafer; one 12-inch wafer is converted into 2.25(12<sup>2</sup>/8<sup>2</sup>) 8-inch equivalent wafers.

## CAPEX

UMC maintained the cash-based 2005 CAPEX plan at US\$1 billion. By the end of the third quarter, UMC's year-to-date CAPEX totaled US\$427 million.

**UMC Capital Expenditure by Year**

(US\$ billion)	2004	2003	2002	2001	2000	1999
CAPEX	\$ 1.53	\$ 0.37	\$ 0.8	\$ 1.1	\$ 2.8	\$ 1.9

**2005 CAPEX Plan**

	8" fab	12" fab	12" R&D	Total
UMC	5%	83%	12%	US\$1 billion
UMCJ	100%	-	-	US\$34 million

<sup>5</sup> Estimated capacity numbers are based on *calculated maximum output* rather than *designed capacity*. The actual capacity numbers may differ depending upon equipment delivery schedules, pace of migration to more advanced process technologies, and other factors affecting production ramp-up.

## Long-term Investments<sup>6</sup>

### Consolidated Long-term Investments as of September 30, 2005

(Amount: NT\$ million)	As of End of 3Q05				As of End of 2Q05			
	Book value	%	Fair value	%	Book value	%	Fair value	%
<b>Foundry Industry</b>	11,470	30	12,795	18	12,994	31	13,214	19
<b>Strategic Semiconductor Investments</b>	12,524	32	38,645	56	12,102	29	35,163	50
<b>Other Investments</b>	14,678	38	18,267	26	17,111	40	21,394	31
<b>Total</b>	<b>38,672</b>	<b>100</b>	<b>69,707</b>	<b>100</b>	<b>42,207</b>	<b>100</b>	<b>69,771</b>	<b>100</b>

As of September 30, 2005, the total book value of long-term investments was NT\$38.67 billion, and the estimated fair value of long-term investments was NT\$69.71 billion. The decrease in foundry industry investments was mainly due to the disposal of Faraday by our subsidiary company Hsun Chieh Investment Corp. The decrease in other investments was mainly due to the disposal of Mega Financial Holding and Unimicron by subsidiary company Hsun Chieh Investment Corp. The increase in fair value of strategic semiconductor investments is due to an increase in the share price of several investments.

## Recent Developments / Announcements

- Oct. 06, 2005 Cadence and UMC Sign Agreement to Streamline Wireless Design in the Fabless Market
- Sep. 29, 2005 UMC Sponsors Scholarship Program with New York's Polytechnic University
- Sep. 29, 2005 UMC Announces Share Buy-Back Program
- Sep. 29, 2005 UMC Announces Convertible Bond Pricing
- Sep. 27, 2005 UMC Introduces Industry's Most Comprehensive Low-Power Design Package
- Sep. 23, 2005 UMC Europe Relocates to New Office at the WTC Schiphol Amsterdam Airport
- Aug. 31, 2005 UMC and Integrand Partner to Bring Advanced Capabilities to 0.13 Micron RFCMOS Designers
- Aug. 23, 2005 RAMBUS and UMC Expand Availability of RAMBUS PCI Express PHY IP for a Broader Range of Process Technologies
- Aug. 22, 2005 UMC Achieves Record Milestone of Over 100,000 90nm Wafer Shipments
- Aug. 10, 2005 MOSAID and UMC Collaborate on Development of Integrated DDR/DDR2 SDRAM Memory Controller IP Solution for 90nm and 130nm Technologies
- Jul. 27, 2005 UMC 2Q 2005 Financial Results

*Please visit UMC's website <http://www.umc.com/english/news/index.asp> for further details regarding the above announcements.*

<sup>6</sup> The long-term investment information disclosed is UMC Group consolidated data, which includes UMC, Hsun Chieh Investment Corp., Fortune Venture Capital Corp., UMC Capital Corp., and Unitruth Investment Corp.. For publicly quoted investments, fair value is calculated by multiplying the average daily closing price of the last month of the accounting period (September of 2005) with the number of shares owned by the UMC Group as of September 30, 2005. Otherwise, book value or underlying equity net value of investments is taken as recorded on the balance sheet at the end of the accounting period (September 30, 2005) and is used as the fair value.

## Fourth Quarter of 2005 Outlook & Guidance

---

### Quarter-over-quarter Guidance:

- Wafer shipments: to increase by low teen % points
- Wafer ASP (in US\$): to increase by low single-digit % points
- Capacity utilization rate: approximately 85%
- Profitability: gross profit margins to be in the high teen % points
- Percentage of 0.18um & below revenues: to reach two-thirds of sales, while 90nm is expected to be in the high teen % points
- The communication segment is expected to be the strongest, followed by the computer and consumer segments
- 2005 CAPEX budget: US\$1bn

## Conference Call / Webcast Announcement

---

**Wednesday, October 26, 2005**

Time: 8:00 PM (Taipei) / 8:00 AM (New York) / 1:00 PM (London)

Dial-in numbers and Access Codes:

Asia/Europe: +1-617-213-8840

North America: 866-700-7477

Access Code: UMCCall

A live webcast and replay of the 3Q05 results announcement will be available at [www.umc.com](http://www.umc.com) under the "Investor Relations \ Investor Events" section.

## About UMC

---

UMC (NYSE: UMC, TSE: 2303) is a leading global semiconductor foundry that manufactures advanced process ICs for applications spanning every major sector of the semiconductor industry. UMC delivers cutting-edge foundry technologies that enable sophisticated system-on-chip (SoC) designs, including 90nm copper, 0.13um copper, and mixed signal/RFCMOS. UMC is also a leader in 300mm manufacturing; Fab 12A in Taiwan and Singapore-based Fab 12i are both in volume production for a variety of customer products. UMC employs approximately 10,500 people worldwide and has offices in Taiwan, Japan, Singapore, Europe, and the United States. UMC can be found on the web at <http://www.umc.com>.

## Safe Harbor 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. These 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 is stated or may be implied in 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 the frequent introduction of new services and technologies based on the latest developments in our industry; 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 activities, armed conflicts and highly contagious diseases; 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 the year ended December 31, 2004 filed with the U.S. Securities and Exchange Commission on June 29, 2005.

The financial statements included in this release are 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 note 33 to the financial statements on Form 20-F for the year ended December 31, 2004 filed with the U.S. Securities and Exchange Commission on June 29, 2005.

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 after such date or to reflect the occurrence of unanticipated events.

**- FINANCIAL TABLES TO FOLLOW -**