

UMC

2006 Q4 Financial Review

February 7, 2007

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. 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 activity, armed conflict 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 ("20-F") for the year ended December 31, 2005 filed with the U.S. Securities and Exchange Commission on June 26, 2006.

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 34 to the financial statements on 20-F.

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.

Operating Results Summary

Unit: NT M

	2006	2006	2005
	Q4 / Dec	Q3 / Sep	Q4 / Dec
Net Operating Revenues	26,112	27,852	27,468
Net Income	5,689	8,592	3,044
EPS (NTD)	0.33	0.48	0.17
Cash and Cash Equivalents	83,395	83,004	96,597
Total Assets	355,229	346,678	326,221
Total Liabilities	64,064	68,620	67,938
Stockholders' Equity	291,165	278,058	258,283
Wafer Shipment (in thousands- 8" wafer eq.)	783	799	810
Utilization (%)	76%	82%	86%

Income Statement - QoQ

Unit: NT M

	Q4-06	%	Q3-06	%	Change %
Net Operating Revenues	26,112	100.0	27,852	100.0	(6.2)
Gross Profit	5,453	20.9	6,814	24.5	(20.0)
Operating Expenses	(4,081)	(15.6)	(3,777)	(13.6)	8.0
Operating Income (Loss)	1,372	5.3	3,037	10.9	(54.8)
Net Non-operating Income (Expense)	5,288	20.2	6,438	23.1	(17.9)
Income Tax Expense	(971)	(3.7)	(883)	(3.2)	10.0
Net Income	5,689	21.8	8,592	30.8	(33.8)
EPS (NTD)	0.33		0.48		
EPADS (USD)	0.051		0.074		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 32.57 was used to translate NTD to USD.
3. 17,730 million and 17,542 million shares were used in EPS calculation for Q4-06 and Q3-06, respectively.

Income Statement - YoY: 12 Months

Unit: NT M

	2006	%	2005	%	Change %
Net Operating Revenues	104,099	100.0	90,776	100.0	14.7
Gross Profit	20,693	19.9	11,196	12.3	84.8
Operating Expenses	(14,569)	(14.0)	(13,864)	(15.3)	5.1
Operating Income (Loss)	6,124	5.9	(2,668)	(3.0)	-
Net Non-operating Income (Expense)	29,703	28.5	9,696	10.7	206.3
Income Tax Expense	(3,208)	(3.1)	(1)	(0.0)	-
Net Income	32,619	31.3	7,027	7.7	364.2
EPS (NTD)	1.81		0.38		
EPADS (USD)	0.278		0.058		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 32.57 was used to translate NTD to USD.
3. 18,051 million and 18,647 million shares were used in EPS calculation for 2006 and 2005, respectively.

Investment Income

Unit: NT M

	Q4-06	Q3-06
Investment income accounted for under the equity method	471	821
Impairment loss	(826)	-
Gain (Loss) on valuation of financial assets	896	16
Cash dividends	19	816
Total	560	1,653

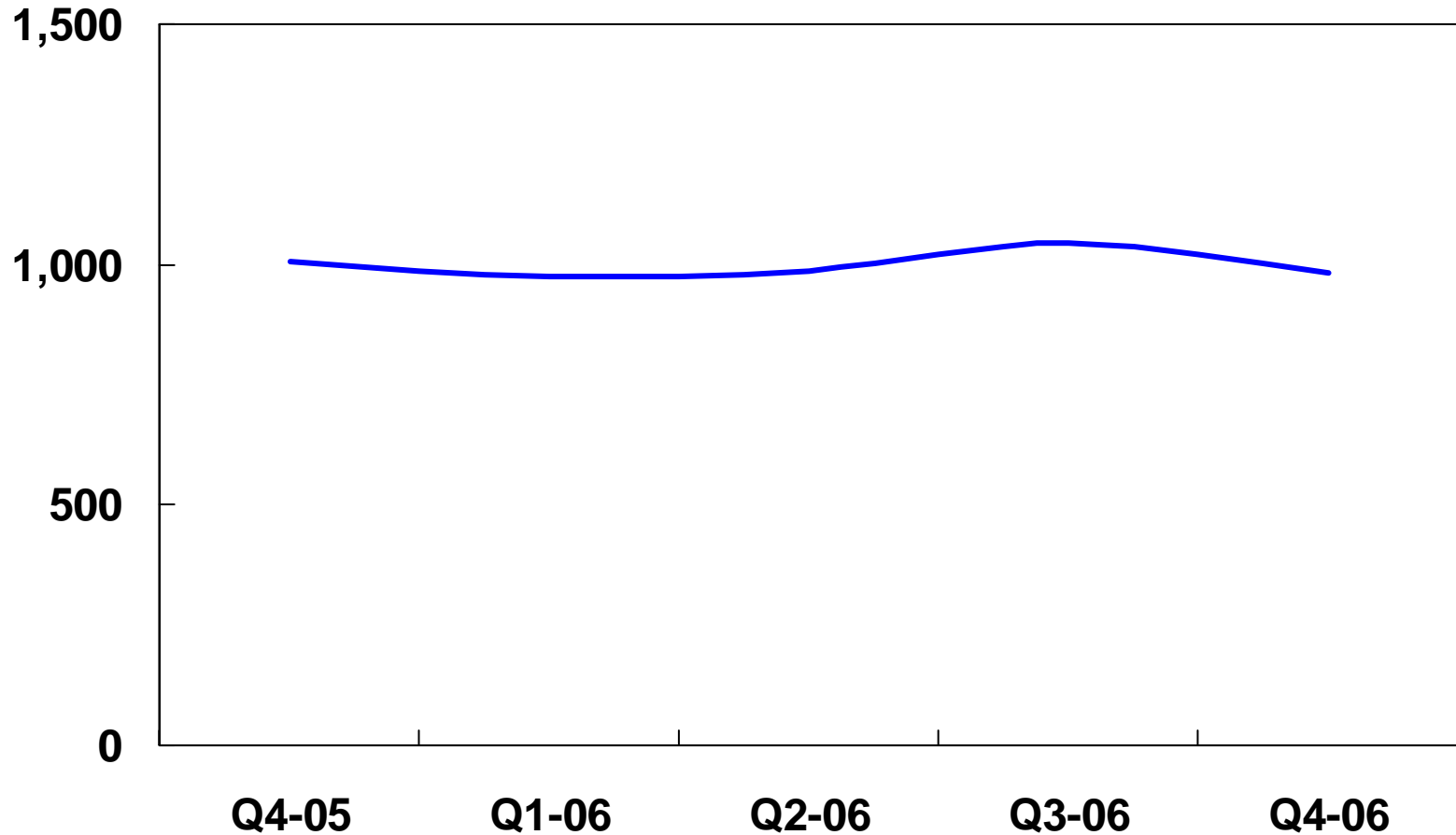
Balance Sheet Highlight - Dec. 31, 2006

Unit: NT M

Cash and Cash Equivalents	83,395
Long-term Investments	82,746
Fixed Assets	142,648
Total Assets	355,229
Current Liabilities	30,061
Long-term Debts	30,383
Stockholders' Equity	291,165
<i>Depreciation Expense (YTD)</i>	<i>42,513</i>

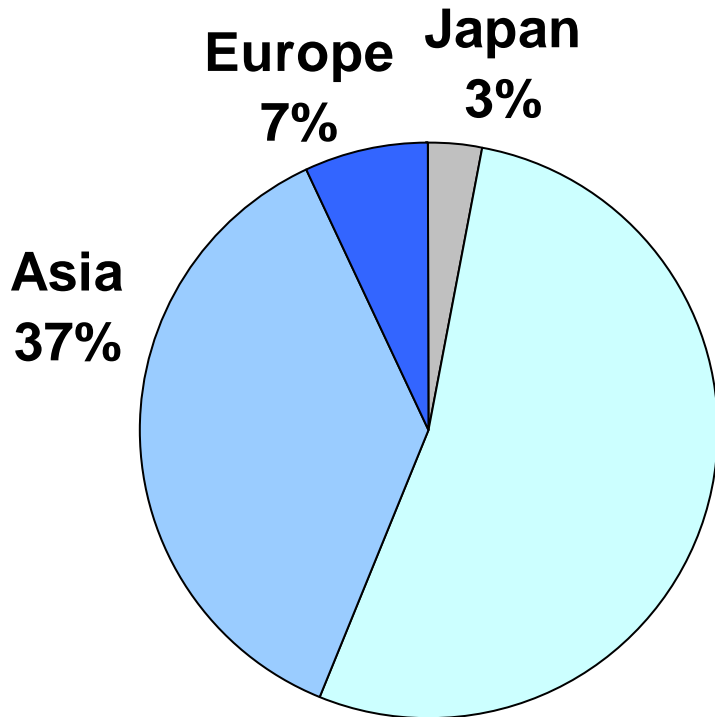
Average Selling Price Trend- 8" Wafer Equivalent

Unit: USD

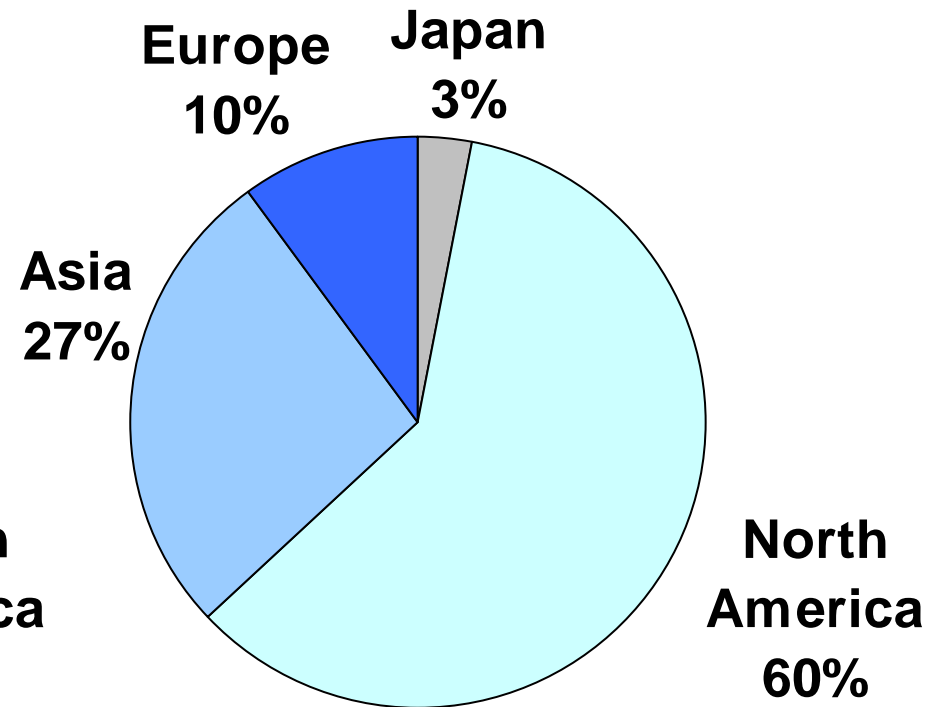


Sales Breakdown by Geography

2006 Q4

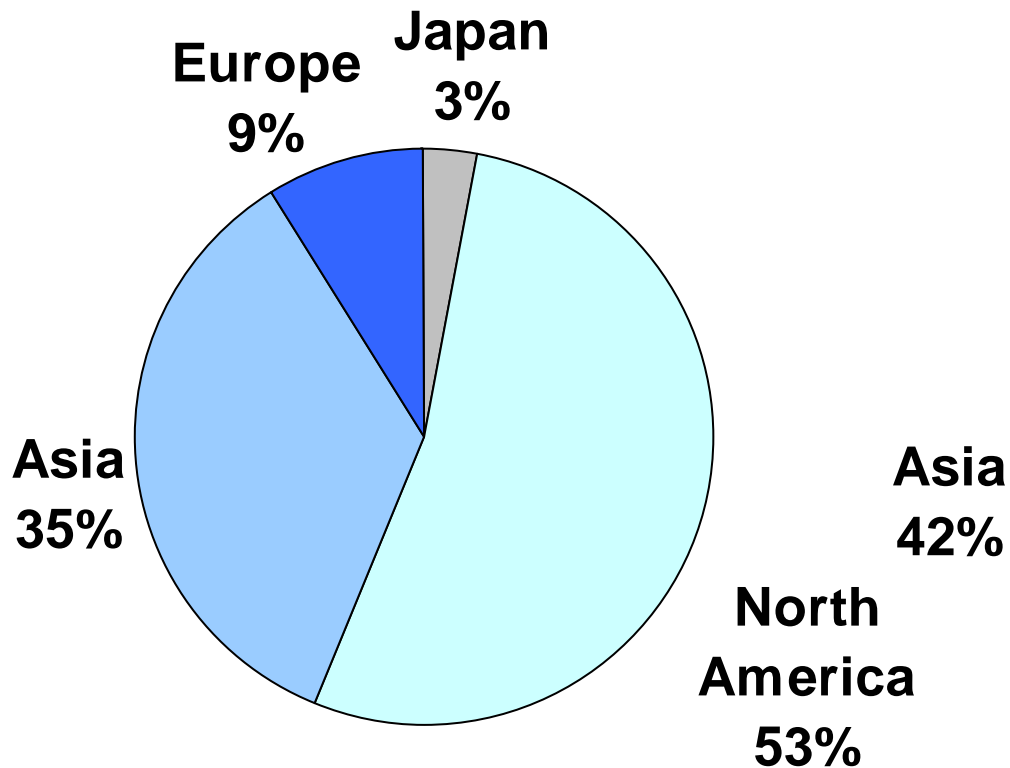


2006 Q3

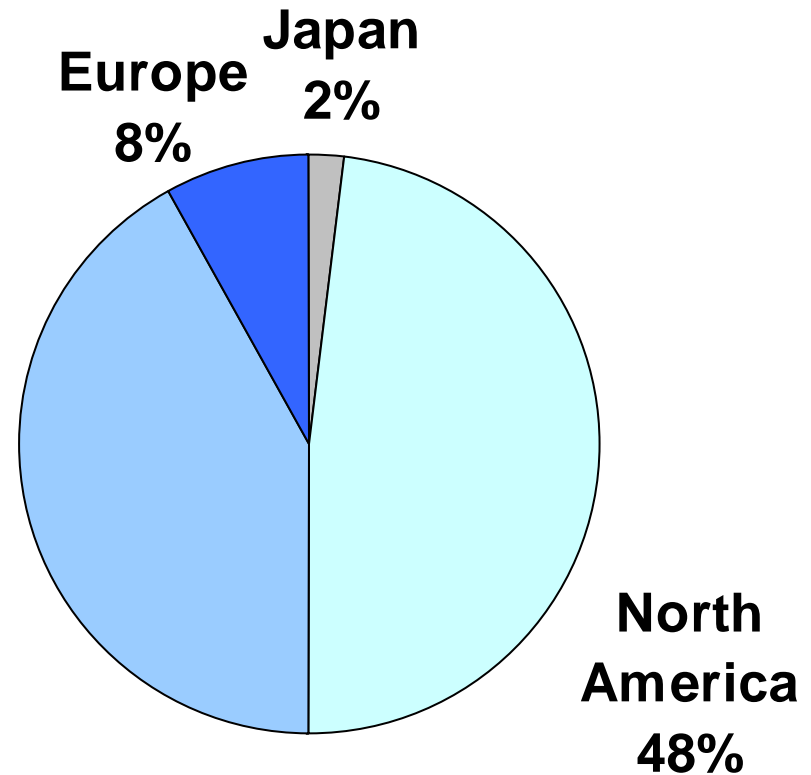


Sales Breakdown by Geography

2006

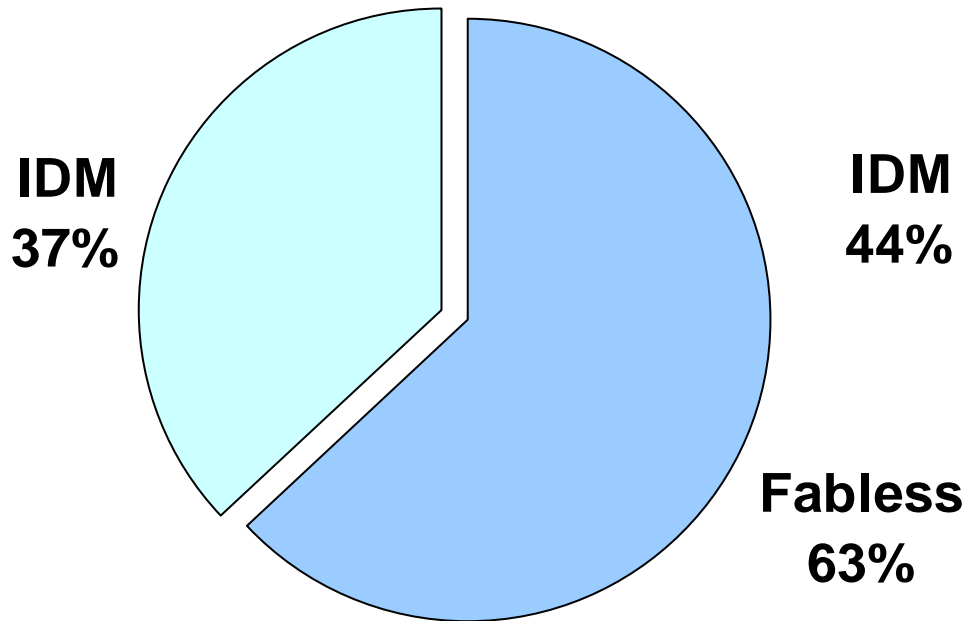


2005

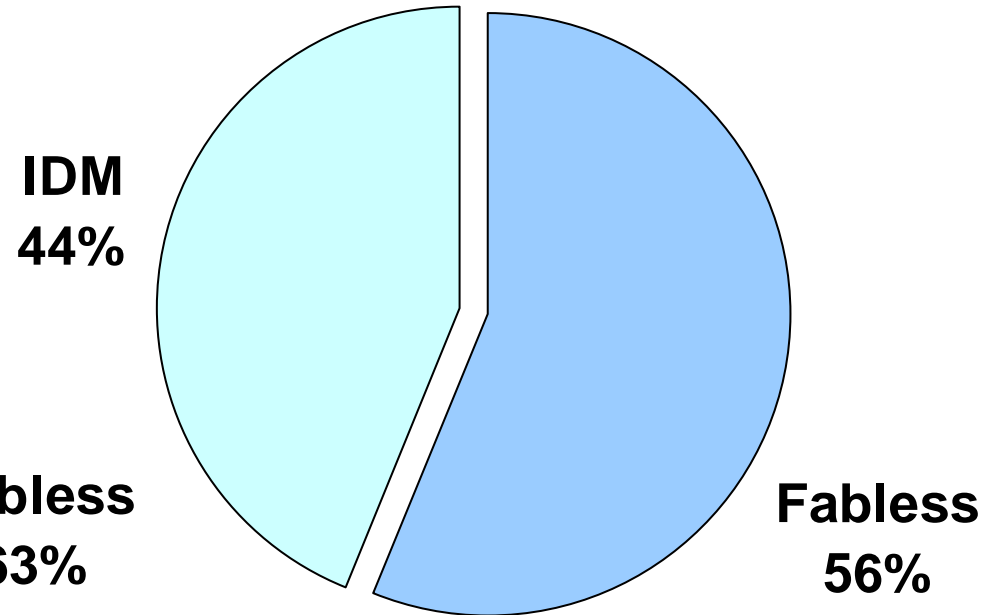


Sales Breakdown by Customer

2006 Q4



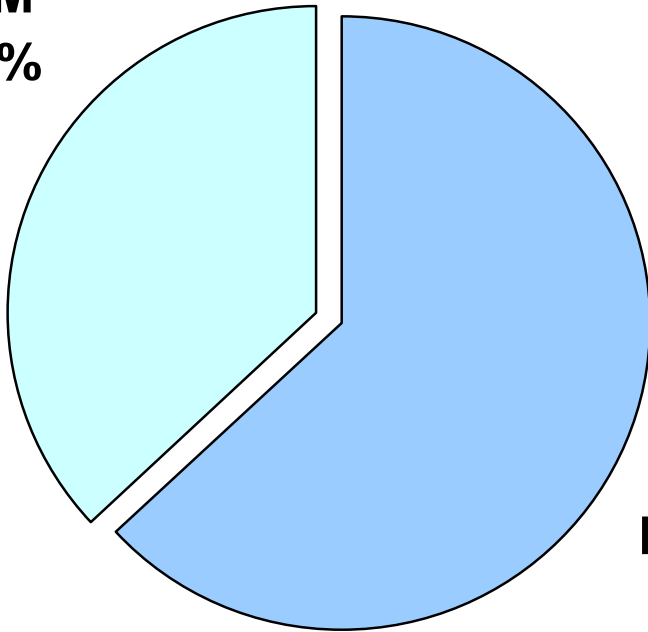
2006 Q3



Sales Breakdown by Customer

2006

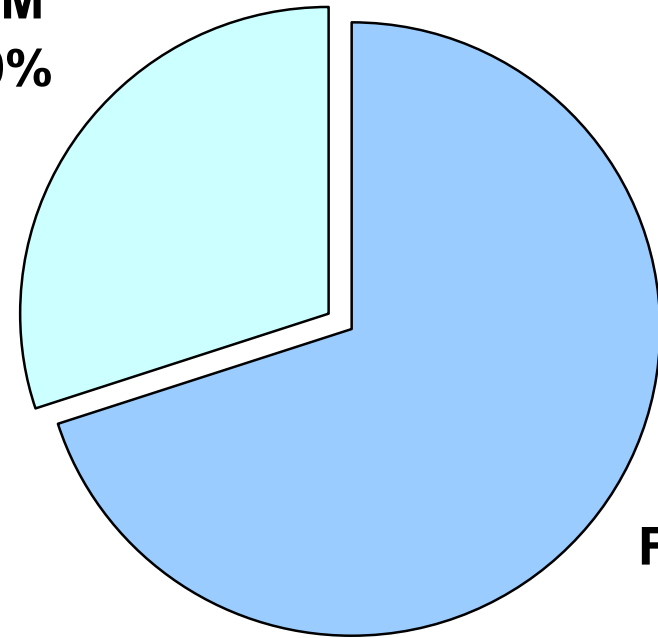
**IDM
37%**



**Fabless
63%**

2005

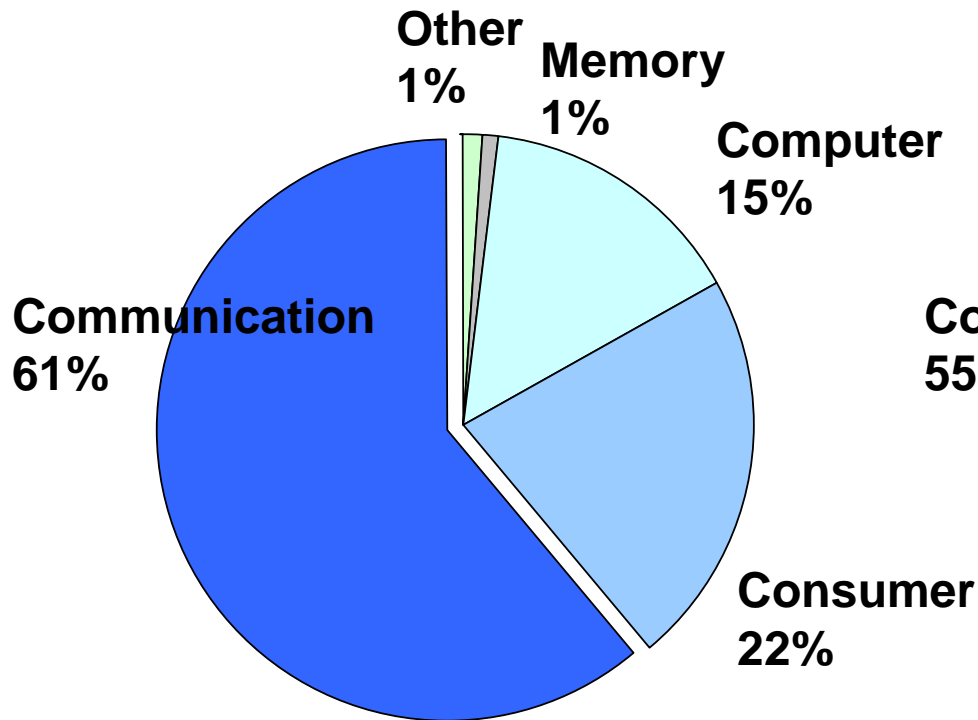
**IDM
30%**



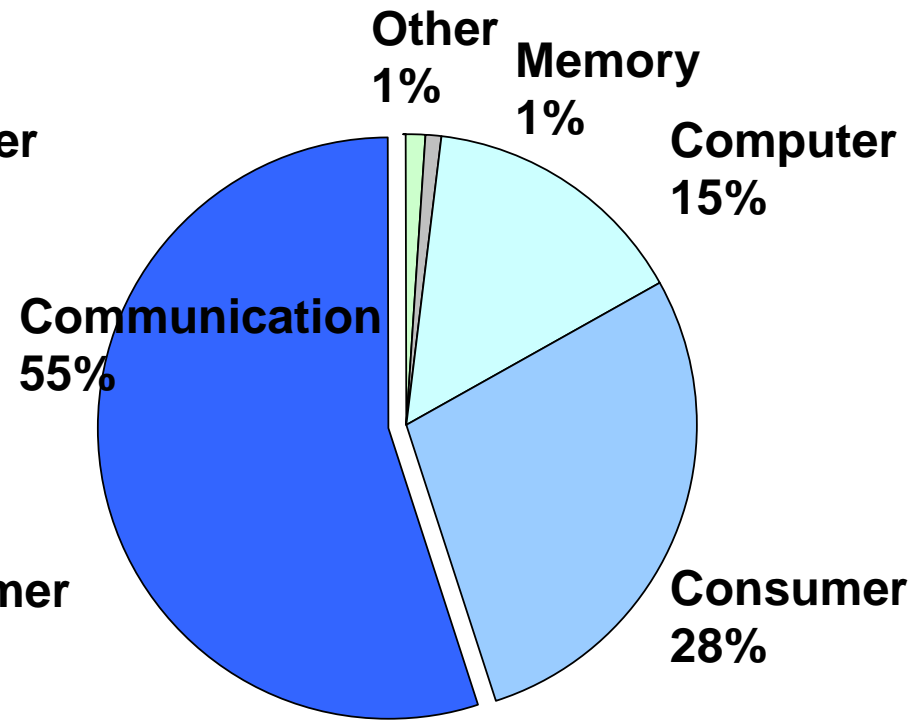
**Fabless
70%**

Sales Breakdown by Application

2006 Q4

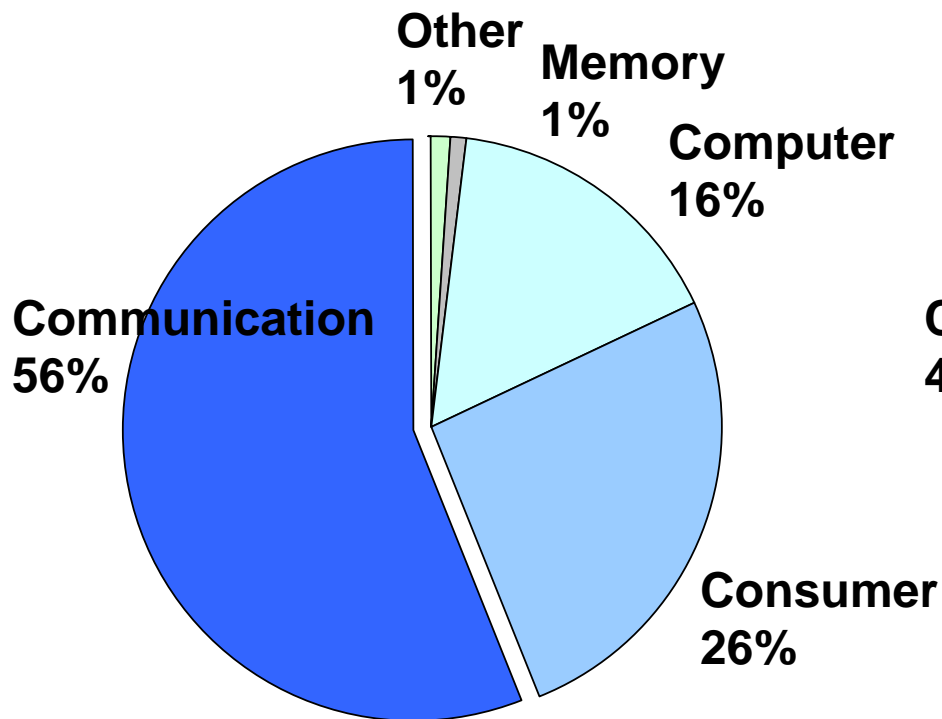


2006 Q3

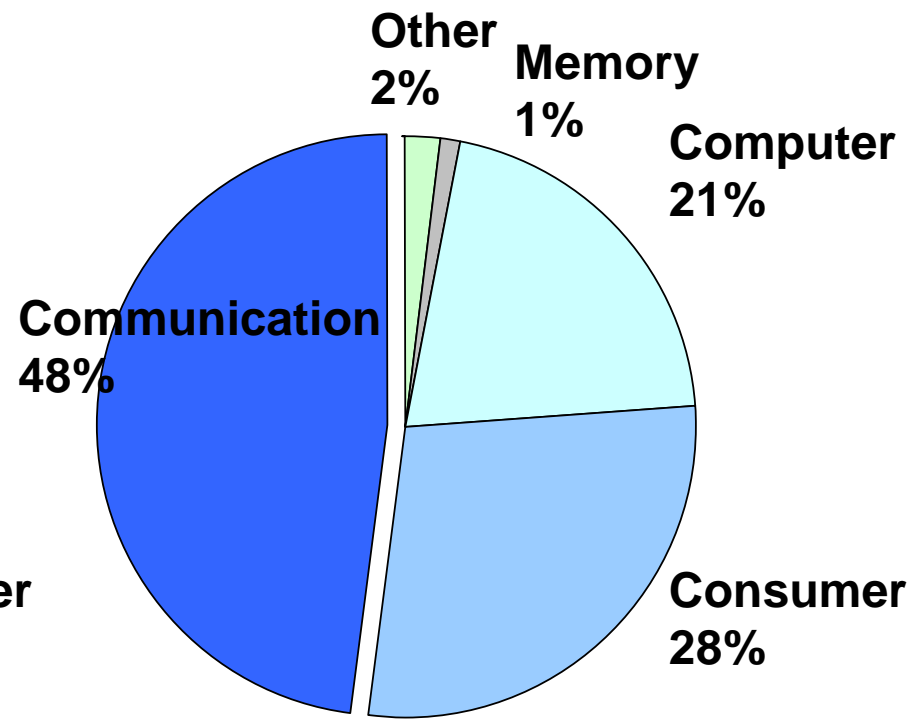


Sales Breakdown by Application

2006

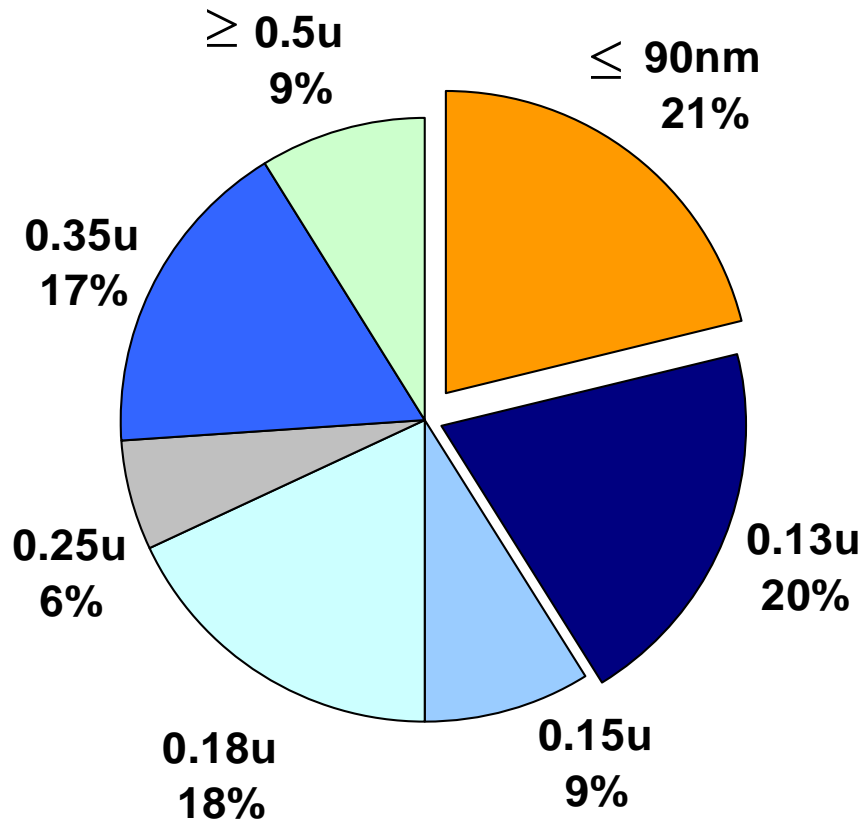


2005

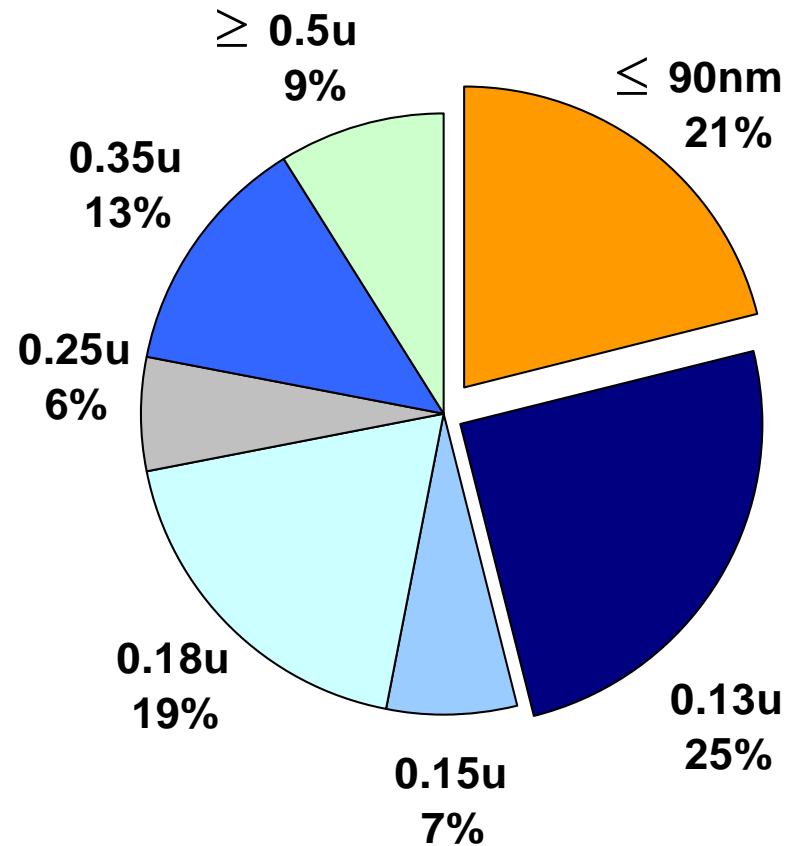


Sales Breakdown by Technology

2006 Q4

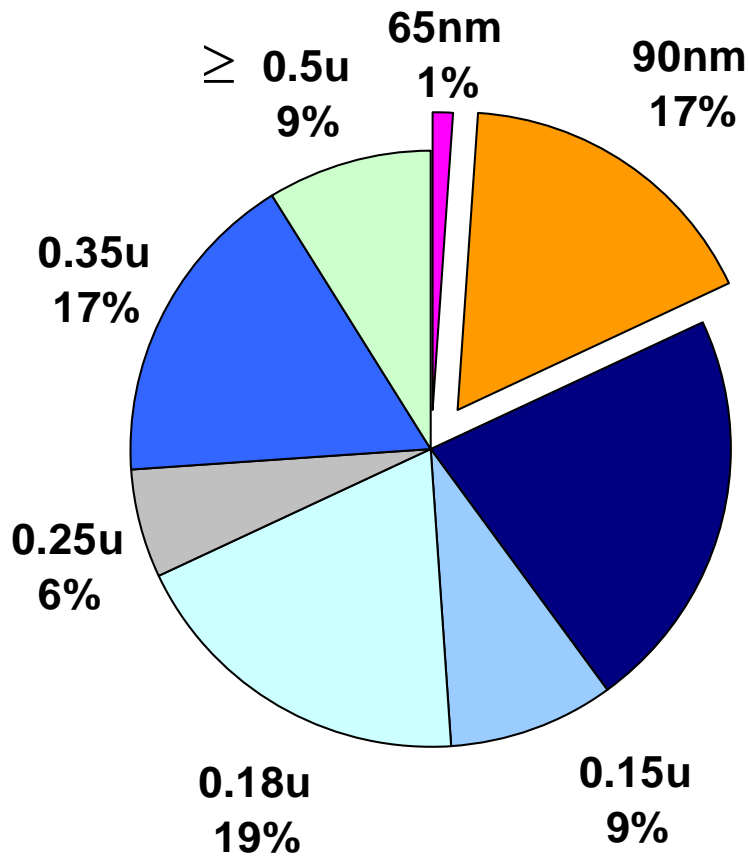


2006 Q3

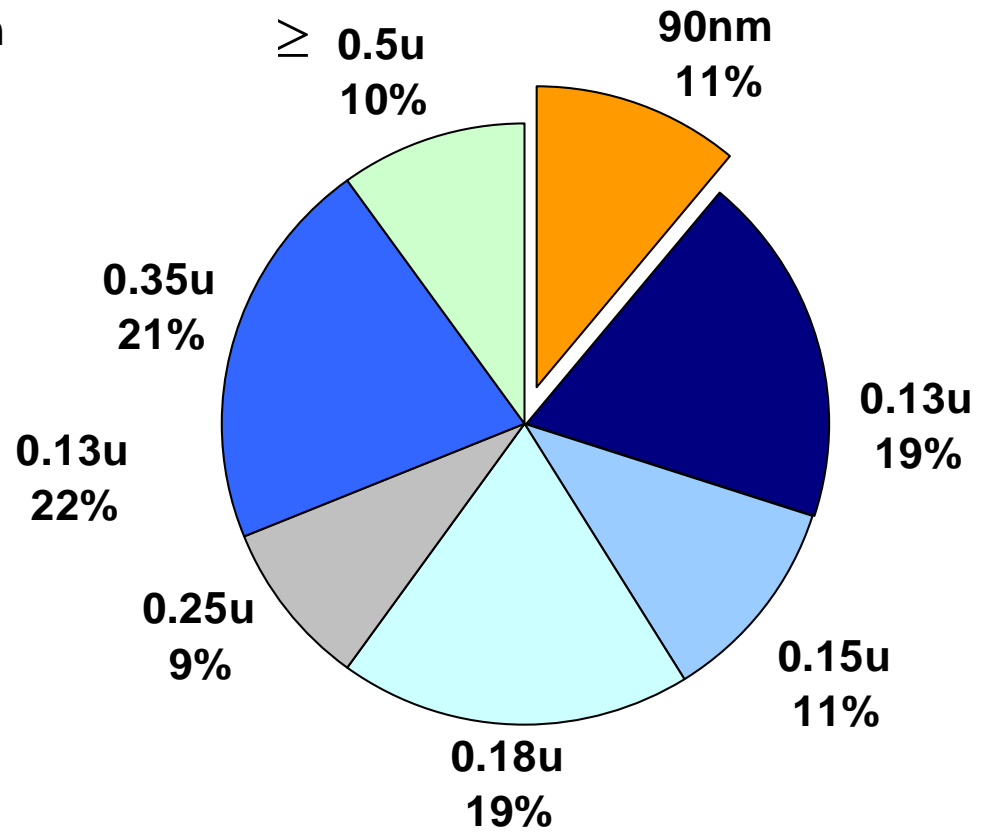


Sales Breakdown by Technology

2006



2005



Quarterly Capacity

unit: in thousands (8" wafer eq.)

FAB	2Q06	3Q06	4Q06	1Q07E
Fab 6A	82	82	82	82
Fab 8AB	204	204	204	204
Fab 8C	100	100	100	100
Fab 8D	63	63	63	65
Fab 8E	101	102	102	102
Fab 8F	93	93	93	93
Fab 8S	69	69	69	69
Fab 12A	191	192	193	200
Fab 12i	99	105	114	128
Total	1,002	1,010	1020	1,043

2006 Capital Expenditure

	8" Fab	12" Fab	12" R&D	Total
UMC	3%	87%	10%	1 billion USD

2007 Capital Expenditure Plan

	8" Fab	12" Fab	12" R&D	Total
UMC	3%	81%	16%	1.0~1.2 billion USD

For more information regarding UMC

www.umc.com

For all inquiries, suggestions, and comments

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