

UMC

2007 Q1 Financial Review

May 2, 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 reviewed 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

	2007	2006	2006
	Q1 / Mar	Q4 / Dec	Q1 / Mar
Net Operating Revenues	23,025	26,112	24,384
Net Income	1,459	5,689	12,286
EPS (NTD)	0.08	0.33	0.66
Cash and Cash Equivalents	80,989	83,395	96,372
Total Assets	357,246	355,229	361,181
Total Liabilities	63,414	64,064	68,847
Stockholders' Equity	293,832	291,165	292,334
Wafer Shipment (in thousands- 8" wafer eq.)	732	783	754
Utilization (%)	74%	76%	79%

Income Statement - QoQ

Unit: NT M

	Q1-07	%	Q4-06	%	Change %
Net Operating Revenues	23,025	100.0	26,112	100.0	(11.8)
Gross Profit	3,676	16.0	5,453	20.9	(32.6)
Operating Expenses	(3,658)	(15.9)	(4,081)	(15.6)	(10.4)
Operating Income (Loss)	18	0.1	1,372	5.3	(98.7)
Net Non-operating Income (Expense)	1,719	7.4	5,288	20.2	(67.5)
Income Tax Expense	(278)	(1.2)	(971)	(3.7)	(71.4)
Net Income	1,459	6.3	5,689	21.8	(74.4)
EPS (NTD)	0.08		0.33		
EPADS (USD)	0.012		0.050		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 33.09 was used to translate NTD to USD.
3. 17,776 million and 17,730 million shares were used in EPS calculation for Q1-07 and Q4-06, respectively.

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Income Statement - YoY: 3 Months

	Unit: NT M				
	Q1-07	%	Q1-06	%	Change %
Net Operating Revenues	23,025	100.0	24,384	100.0	(5.6)
Gross Profit	3,676	16.0	3,255	13.3	12.9
Operating Expenses	(3,658)	(15.9)	(3,170)	(13.0)	15.4
Operating Income (Loss)	18	0.1	85	0.3	(78.8)
Net Non-operating Income (Expense)	1,719	7.4	12,901	52.9	(86.7)
Income Tax Expense	(278)	(1.2)	(700)	(2.9)	(60.3)
Net Income	1,459	6.3	12,286	50.4	(88.1)
EPS (NTD)	0.08		0.66		
EPADS (USD)	0.012		0.100		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 33.09 was used to translate NTD to USD.
3. 17,776 million and 18,692 million shares were used in EPS calculation for Q1-07 and Q1-06, respectively.

Investment Income

Unit: NT M

	Q1-07	Q4-06
Investment income accounted for under the equity method	697	471
Impairment loss	-	(826)
Gain (Loss) on valuation of financial assets	(588)	896
Cash dividends	-	19
Total	109	560

Balance Sheet Highlight - Mar. 31, 2007

Unit: NT M

Cash and Cash Equivalents	80,989
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Funds and Investments	84,782
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Fixed Assets	145,949
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Total Assets	357,246
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Current Liabilities	41,808
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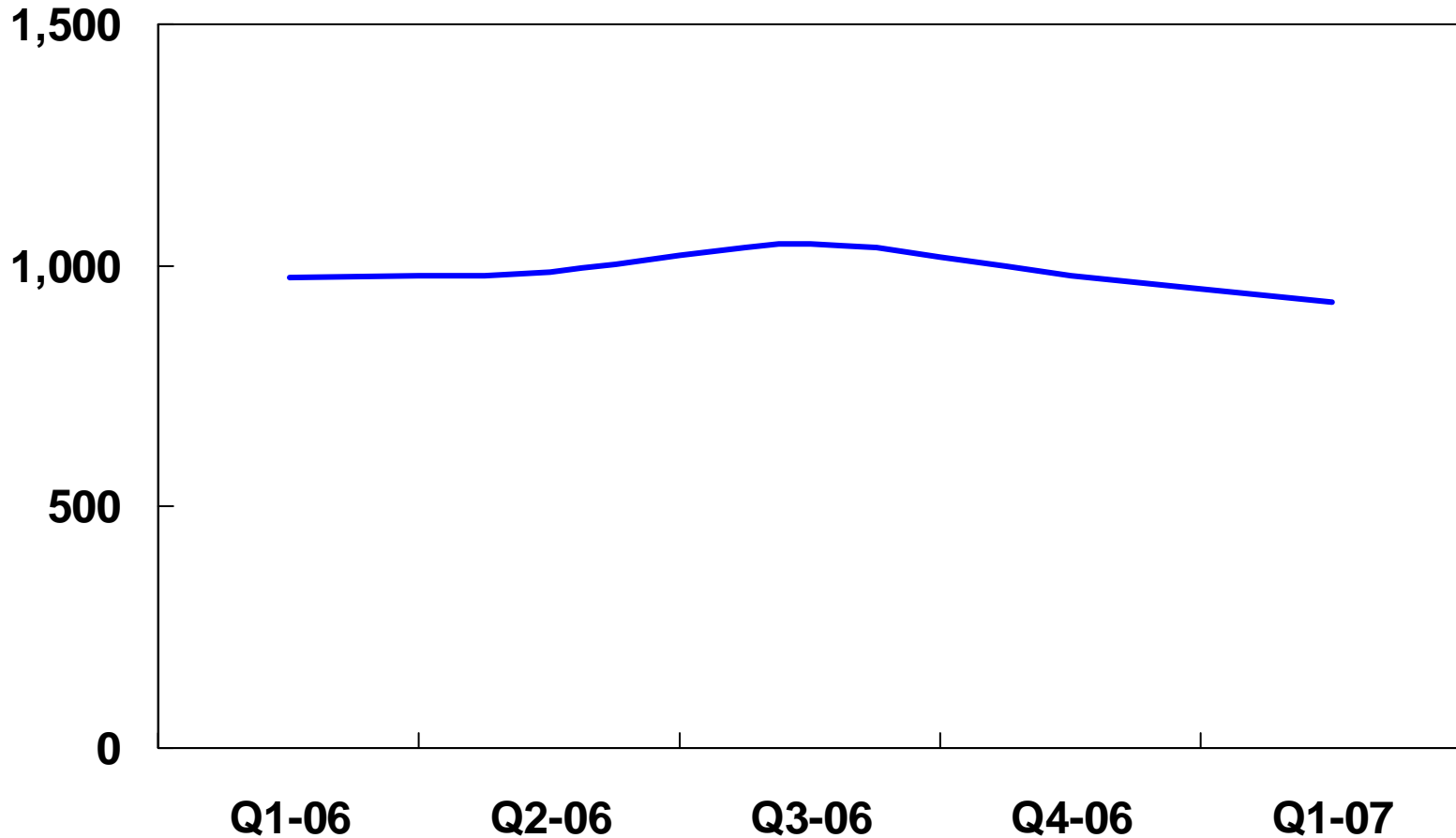
Long-term Debts	17,993
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Stockholders' Equity	293,832
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<i>Depreciation Expense (YTD)</i>	<i>8,857</i>
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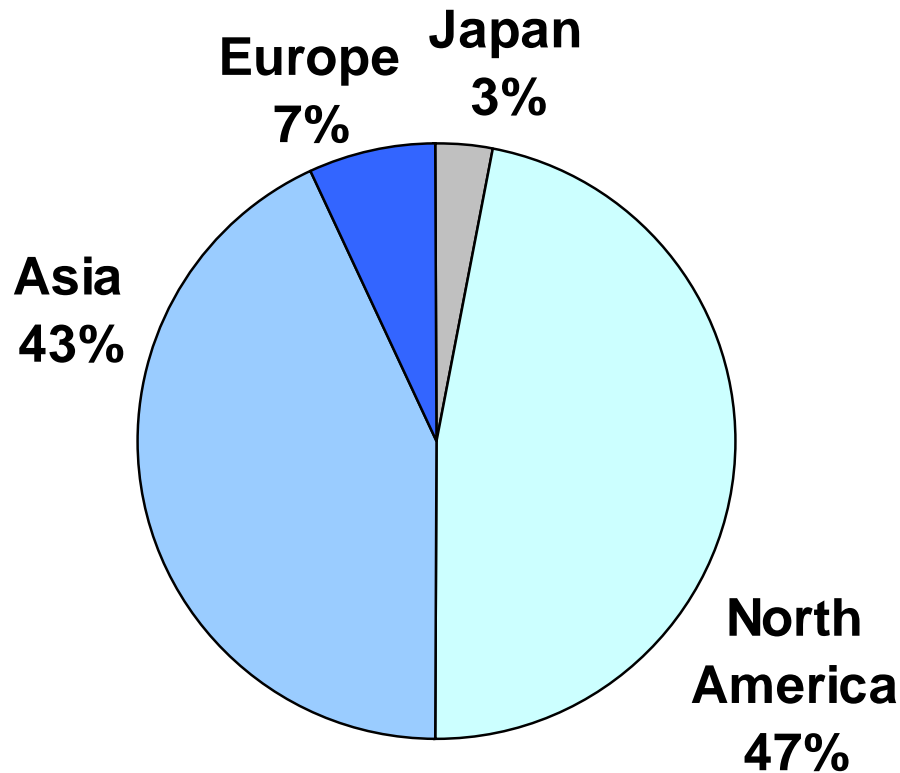
Average Selling Price Trend- 8" Wafer Equivalent

Unit: USD

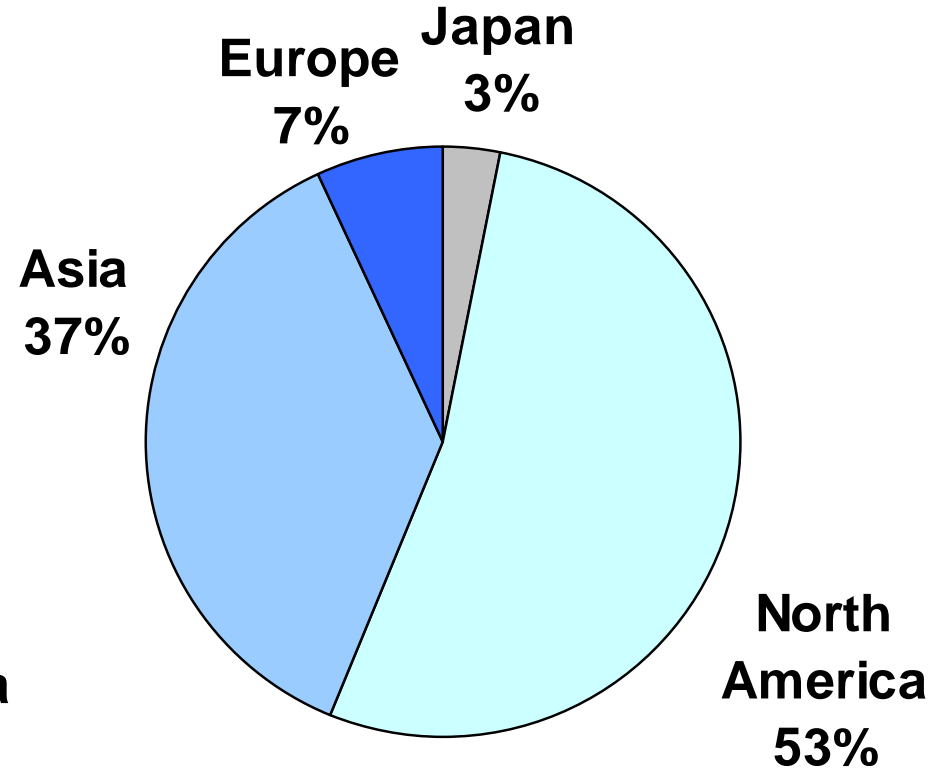


Sales Breakdown by Geography

2007 Q1

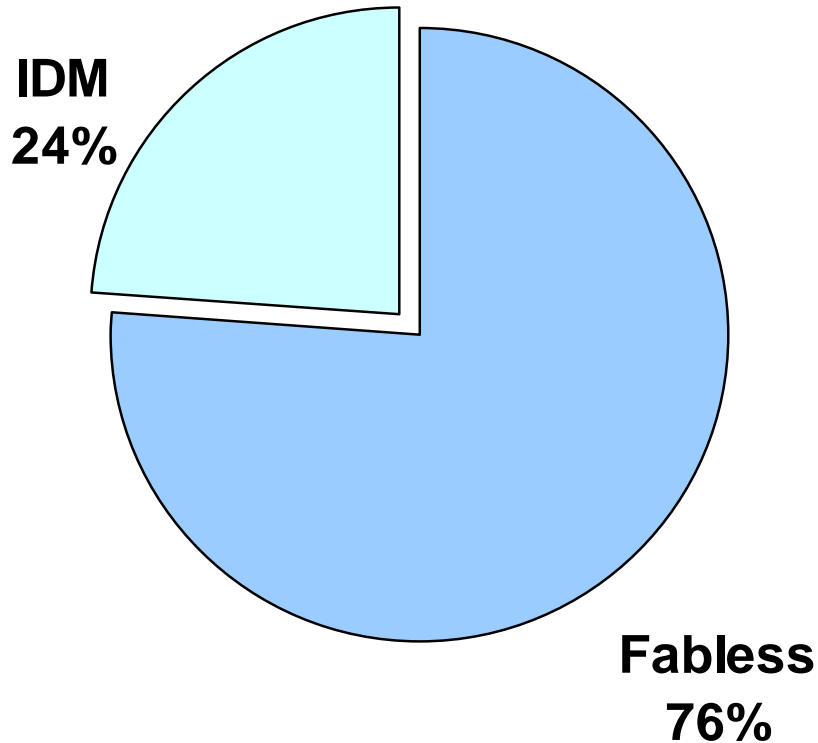


2006 Q4

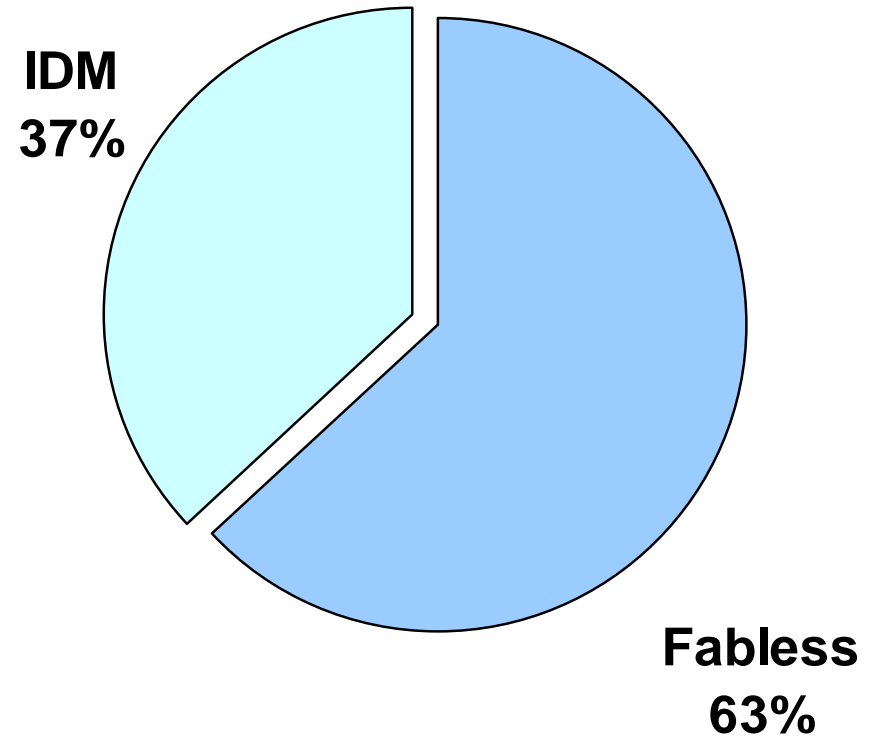


Sales Breakdown by Customer

2007 Q1

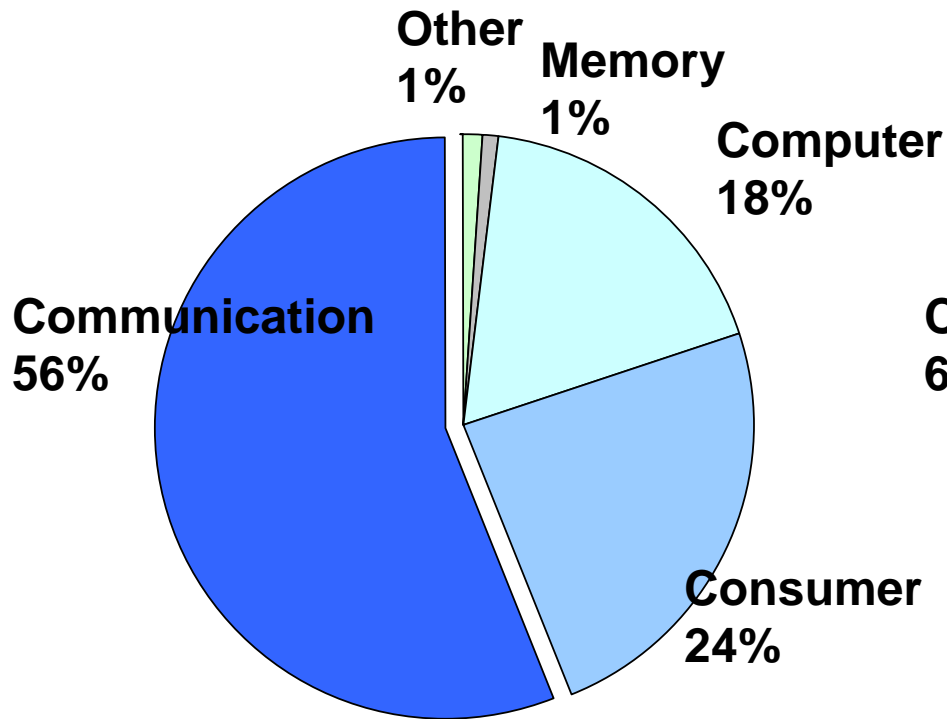


2006 Q4

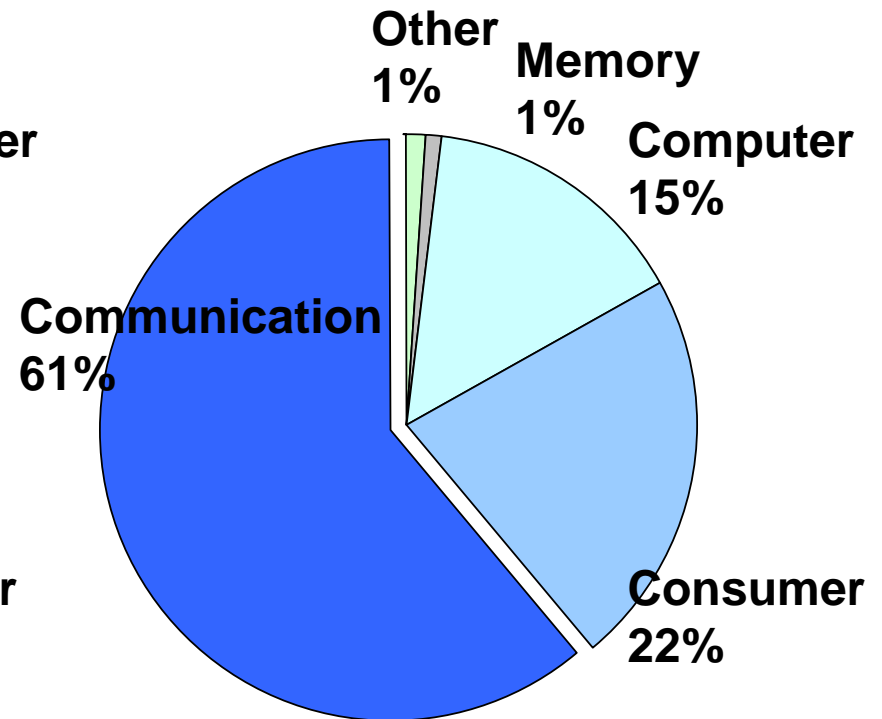


Sales Breakdown by Application

2007 Q1

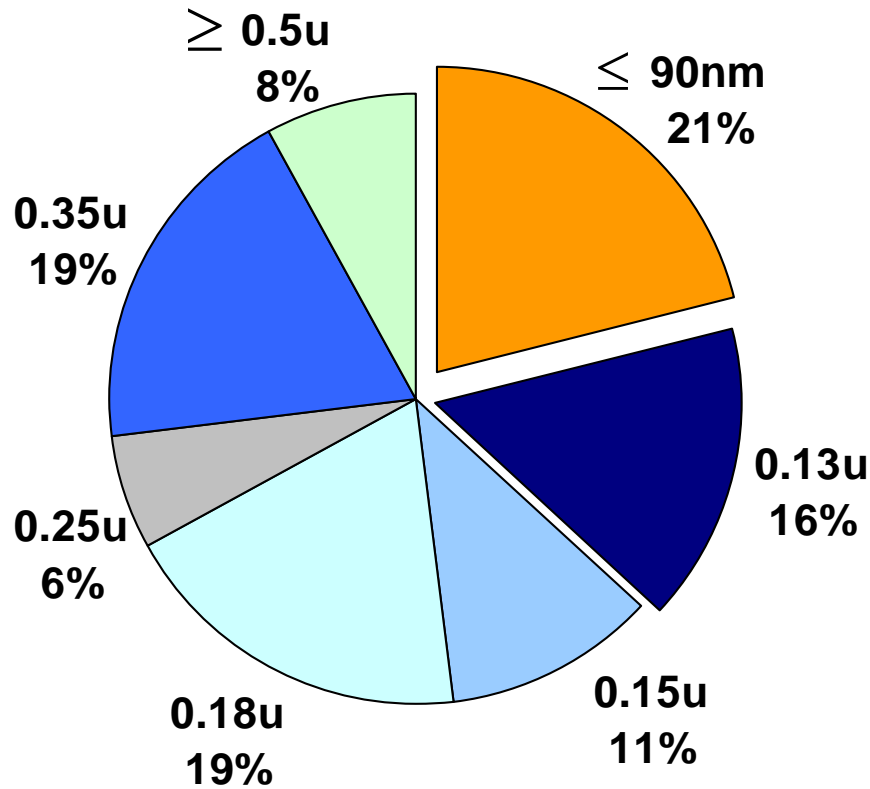


2006 Q4

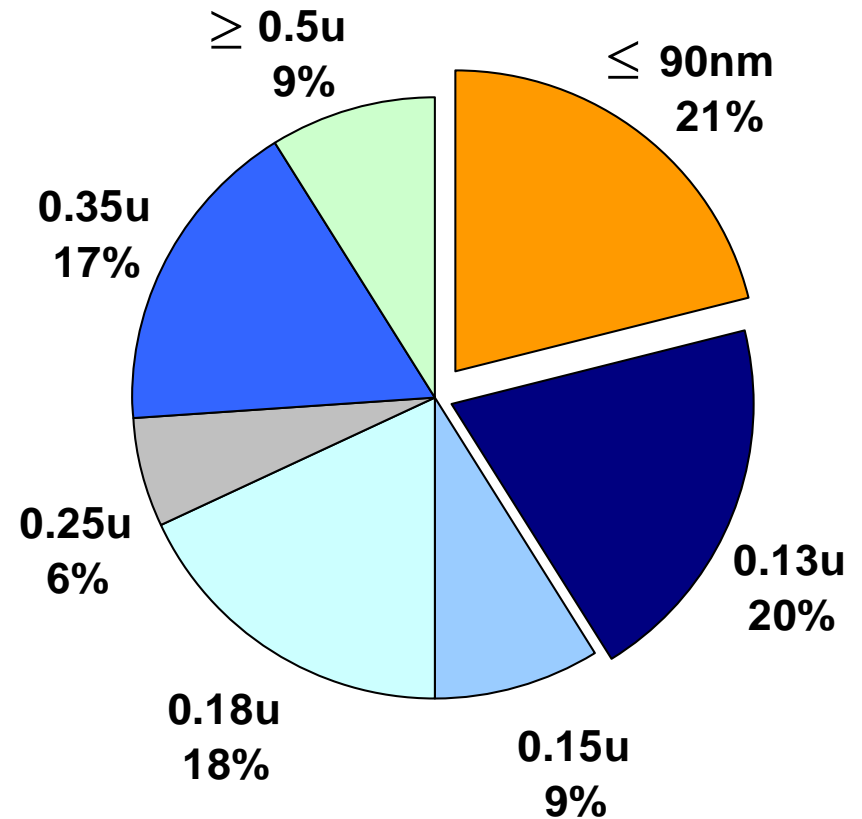


Sales Breakdown by Technology

2007 Q1



2006 Q4



Quarterly Capacity

unit: in thousands (8" wafer eq.)

FAB	3Q06	4Q06	1Q07	2Q07E
Fab 6A	82	82	82	82
Fab 8AB	204	204	204	204
Fab 8C	100	100	100	100
Fab 8D	63	63	65	65
Fab 8E	102	102	102	102
Fab 8F	93	93	93	93
Fab 8S	69	69	69	69
Fab 12A	192	193	200	210
Fab 12i	105	114	128	140
Total	1,010	1,020	1,043	1,065

2007 Capital Expenditure Plan

	8" Fab	12" Fab	12" R&D	Total
UMC	2%	83%	15%	1.0~1.2 billion USD

For more information regarding UMC

www.umc.com

For all inquiries, suggestions, and comments

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