

# **UMC**

# ***2007 Q4 Financial Review***

*Jan 30, 2008*

# ***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, 2006 filed with the U.S. Securities and Exchange Commission on May 9, 2007.

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 US GAAP, as described in note 39 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	2007	2006
	Q4 / Dec	Q3 / Sep	Q4 / Dec
<b>Net Operating Revenues</b>	<b>27,621</b>	<b>31,028</b>	<b>26,112</b>
<b>Net Income</b>	<b>1,359</b>	<b>9,233</b>	<b>5,689</b>
<b>EPS (NTD)</b>	<b>0.16</b>	<b>0.57</b>	<b>0.33</b>
<b>Cash and Cash Equivalents</b>	<b>37,453</b>	<b>76,787</b>	<b>83,395</b>
<b>Total Assets</b>	<b>290,763</b>	<b>351,859</b>	<b>355,229</b>
<b>Total Liabilities</b>	<b>54,296</b>	<b>105,210</b>	<b>64,064</b>
<b>Stockholders' Equity</b>	<b>236,467</b>	<b>246,649</b>	<b>291,165</b>
<b>Wafer Shipment</b> (in thousands- 8" wafer eq.)	<b>921</b>	<b>1,017</b>	<b>783</b>
<b>Utilization (%)</b>	<b>86%</b>	<b>93%</b>	<b>76%</b>

# Income Statement - QoQ

Unit: NT M

	Q4-07	%	Q3-07	%	Change %
<b>Net Operating Revenues</b>	<b>27,621</b>	100.0	<b>31,028</b>	100.0	(11.0)
<b>Gross Profit</b>	<b>5,649</b>	20.5	<b>8,223</b>	26.5	(31.3)
<b>Operating Expenses</b>	<b>(4,323)</b>	(15.7)	<b>(3,988)</b>	(12.9)	8.4
<b>Operating Income (Loss)</b>	<b>1,326</b>	4.8	<b>4,235</b>	13.6	(68.7)
<b>Net Non-operating Income (Expense)</b>	<b>1,097</b>	4.0	<b>5,764</b>	18.6	(81.0)
<b>Income Tax Expense</b>	<b>(1,064)</b>	(3.9)	<b>(766)</b>	(2.4)	38.9
<b>Net Income</b>	<b>1,359</b>	4.9	<b>9,233</b>	29.8	(85.3)
<b>EPS (NTD)</b>	<b>0.16</b>		<b>0.57</b>		
<b>EPADS (USD)</b>	<b>0.025</b>		<b>0.088</b>		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 32.45 was used to translate NTD to USD.
3. 12,427 million and 16,198 million shares were used in EPS calculation for Q4-07 and Q3-07, respectively.

P. 4

# Income Statement - YoY: 12 Months

Unit: NT M

	2007	%	2006	%	Change
	Jan~Dec		Jan~Dec		%
<b>Net Operating Revenues</b>	<b>106,771</b>	100.0	<b>104,099</b>	100.0	2.6
<b>Gross Profit</b>	<b>22,506</b>	21.1	<b>20,693</b>	19.9	8.8
<b>Operating Expenses</b>	<b>(15,701)</b>	(14.7)	<b>(14,569)</b>	(14.0)	7.8
<b>Operating Income (Loss)</b>	<b>6,805</b>	6.4	<b>6,124</b>	5.9	11.1
<b>Net Non-operating Income (Expense)</b>	<b>12,762</b>	11.9	<b>29,703</b>	28.5	(57.0)
<b>Income Tax Expense</b>	<b>(2,605)</b>	(2.4)	<b>(3,208)</b>	(3.1)	(18.8)
<b>Net Income</b>	<b>16,962</b>	15.9	<b>32,619</b>	31.3	(48.0)
<b>EPS (NTD)</b>	<b>1.09</b>		<b>1.81</b>		
<b>EPADS (USD)</b>	<b>0.168</b>		<b>0.279</b>		

Note:

1. Information enclosed is UMC unconsolidated financial data.
2. Exchange rate 32.45 was used to translate NTD to USD.
3. 15,618 million and 18,051 million shares were used in EPS calculation for 2007 and 2006, respectively.

# *Investment Income*

Unit: NT M

	Q4-07	Q3-07
Investment income (Loss) accounted for under the equity method	(213)	1,590
Gain (Loss) on valuation of financial assets	(752)	(1,948)
Cash dividends	6	2,034
<b>Total</b>	<b>(959)</b>	<b>1,676</b>

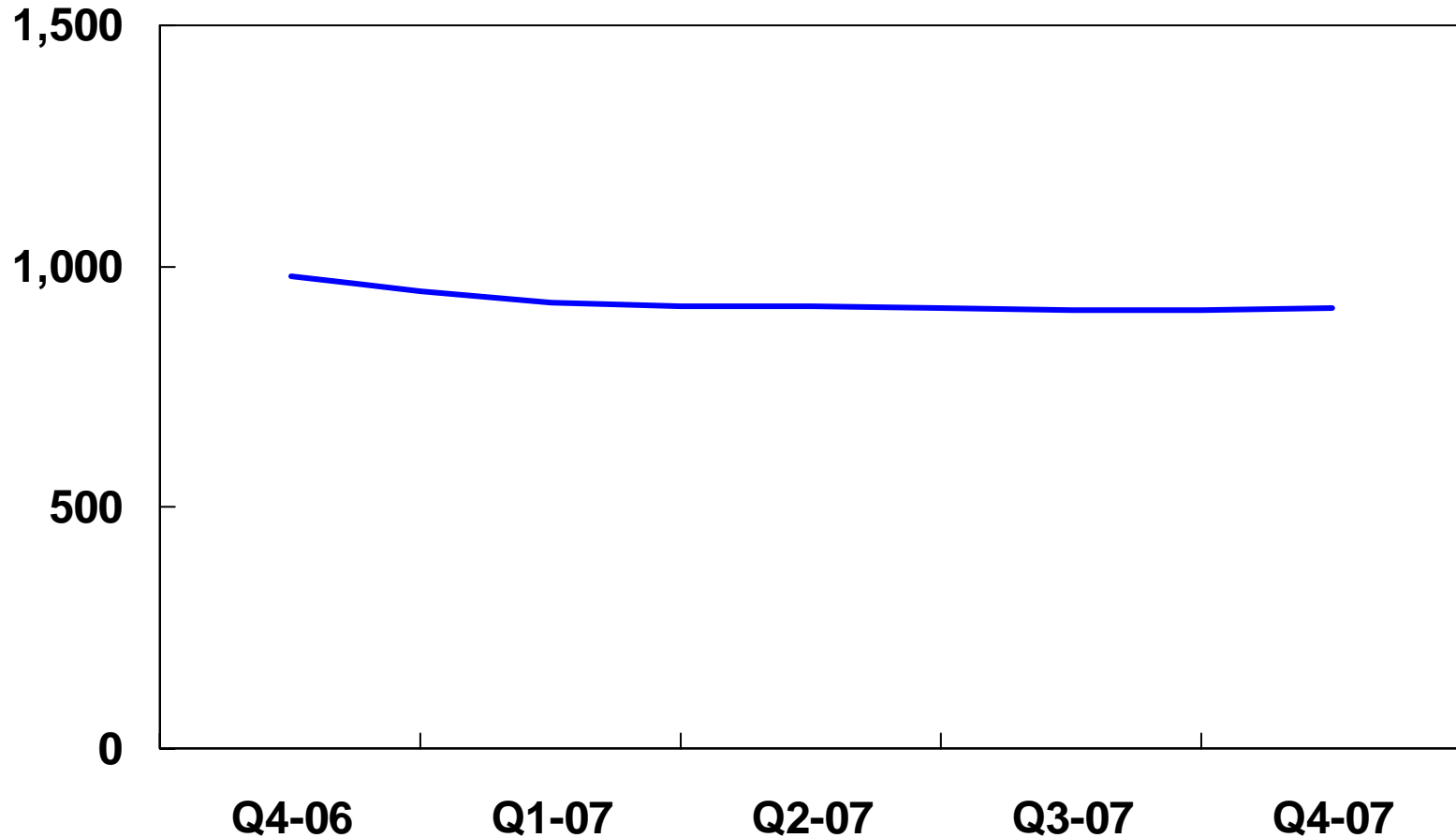
# ***Balance Sheet Highlight - Dec. 31, 2007***

**Unit: NT M**

<b>Cash and Cash Equivalents</b>	<b>37,453</b>
<b>Funds and Investments</b>	<b>81,429</b>
<b>Fixed Assets</b>	<b>129,815</b>
<b>Total Assets</b>	<b>290,763</b>
<b>Current Liabilities</b>	<b>43,153</b>
<b>Long-term Debts</b>	<b>7,495</b>
<b>Stockholders' Equity</b>	<b>236,467</b>
<b><i>Depreciation Expense (YTD)</i></b>	<b><i>36,393</i></b>

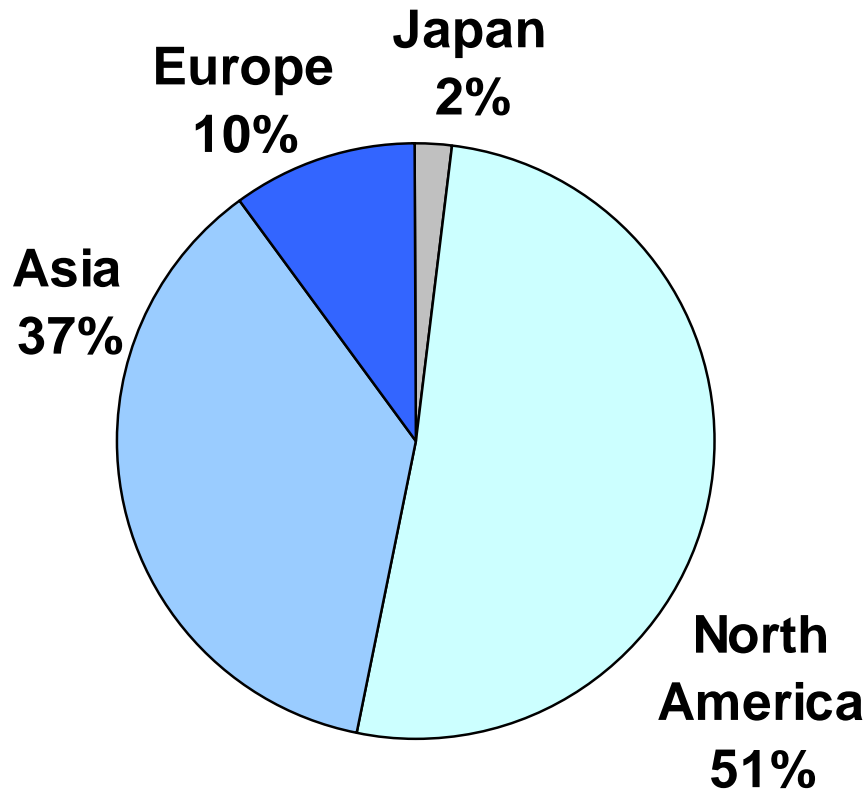
# Average Selling Price Trend- 8" Wafer Equivalent

Unit: USD

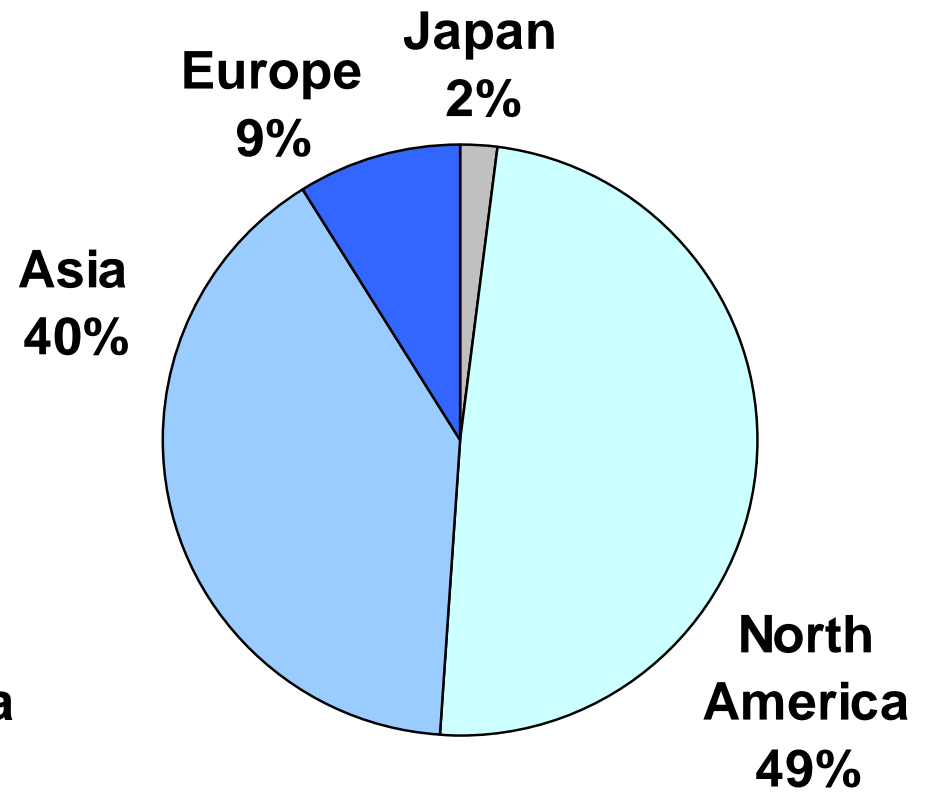


# Sales Breakdown by Geography

## 2007 Q4

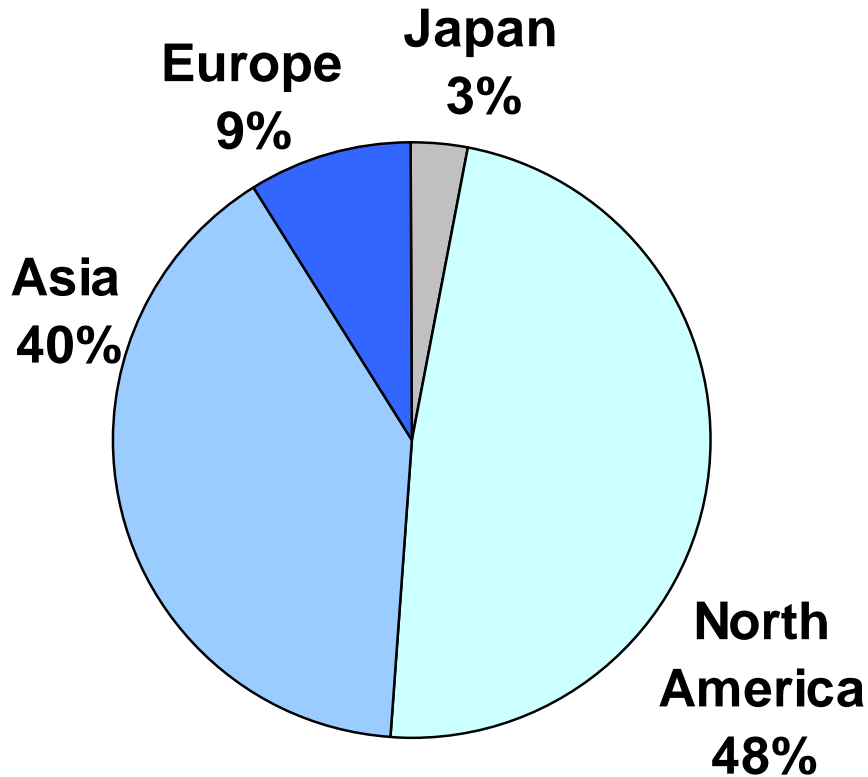


## 2007 Q3

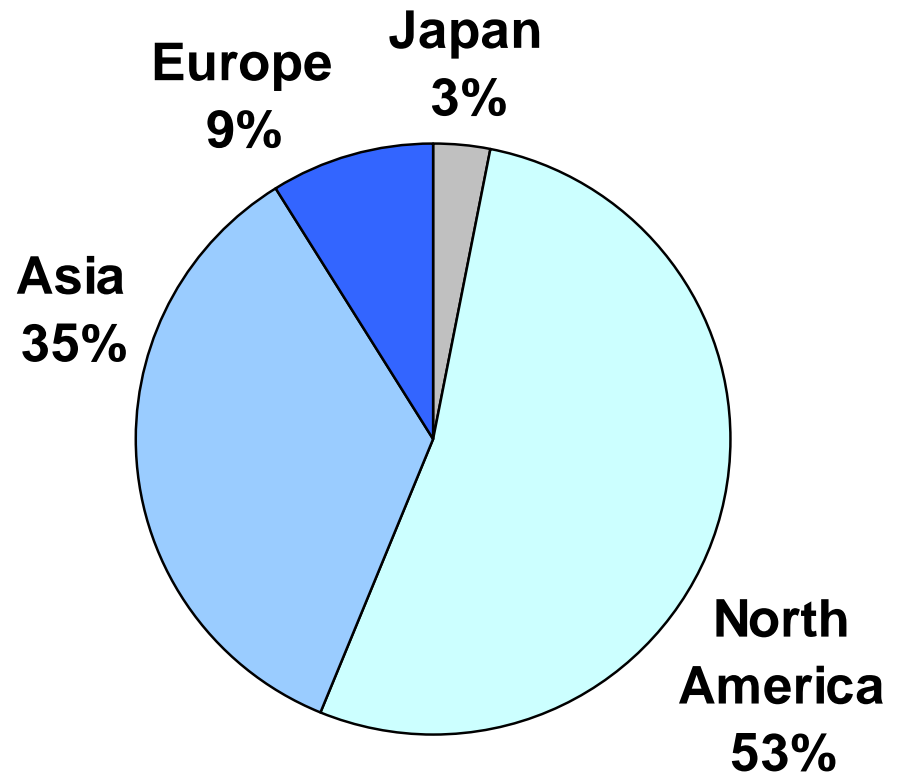


# Sales Breakdown by Geography

**2007**

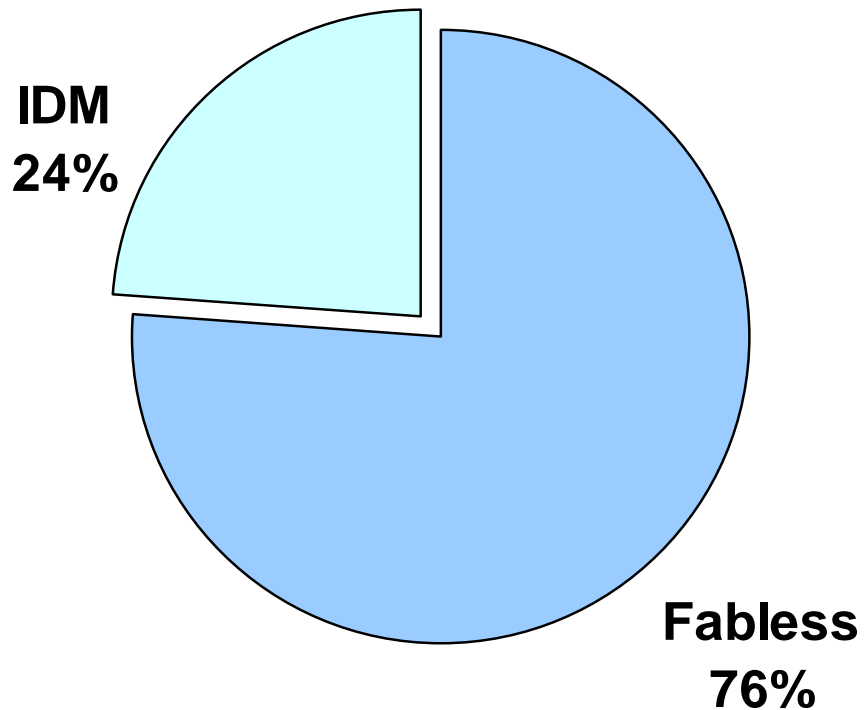


**2006**

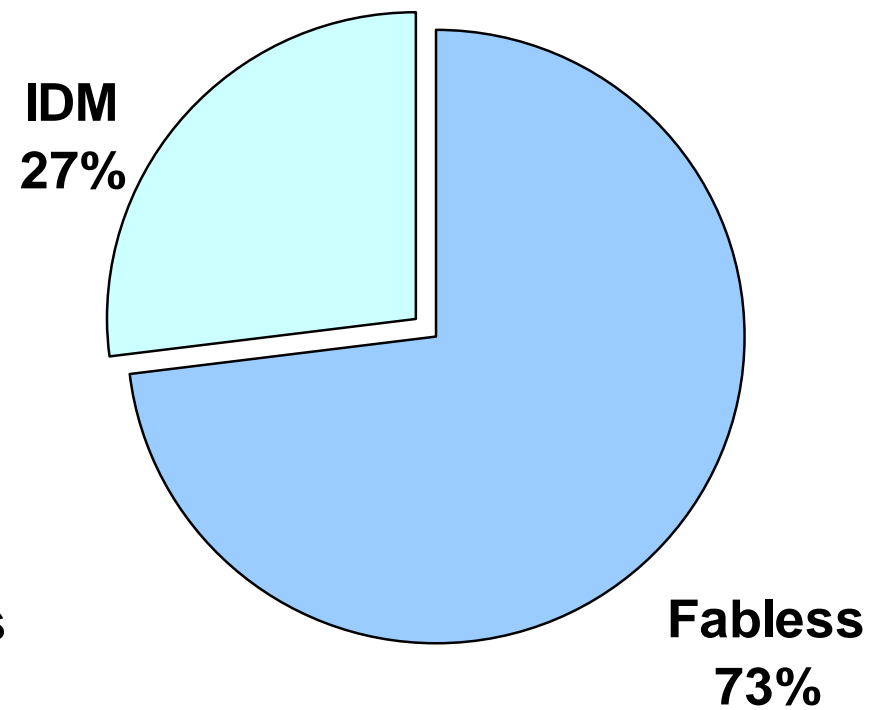


# Sales Breakdown by Customer

**2007 Q4**

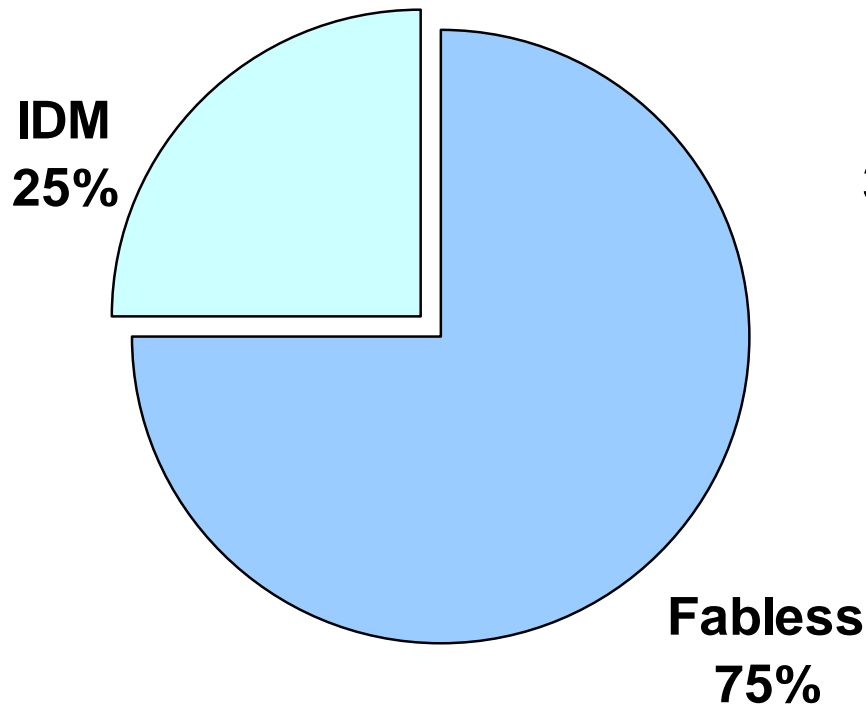


**2007 Q3**

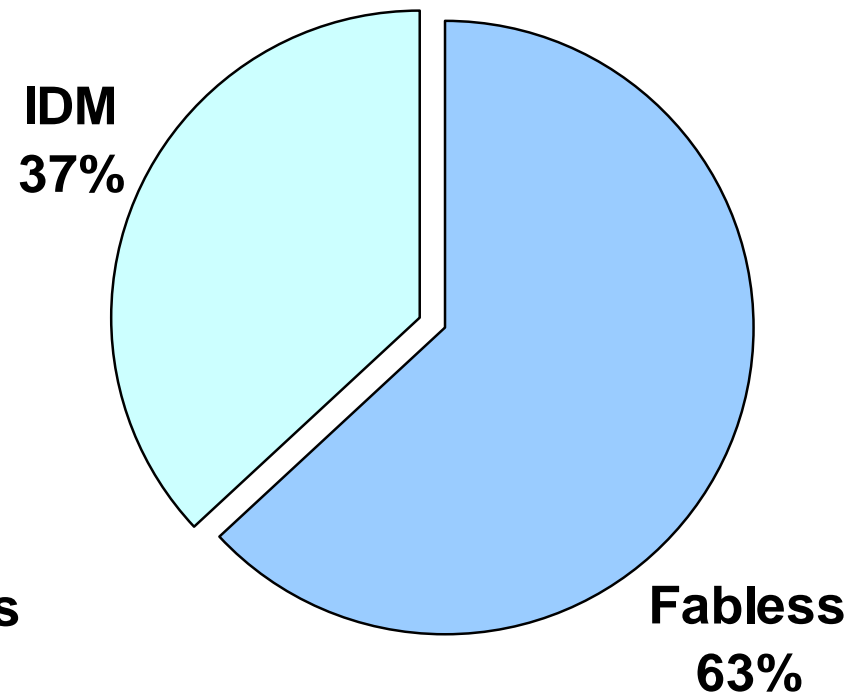


# Sales Breakdown by Customer

**2007**

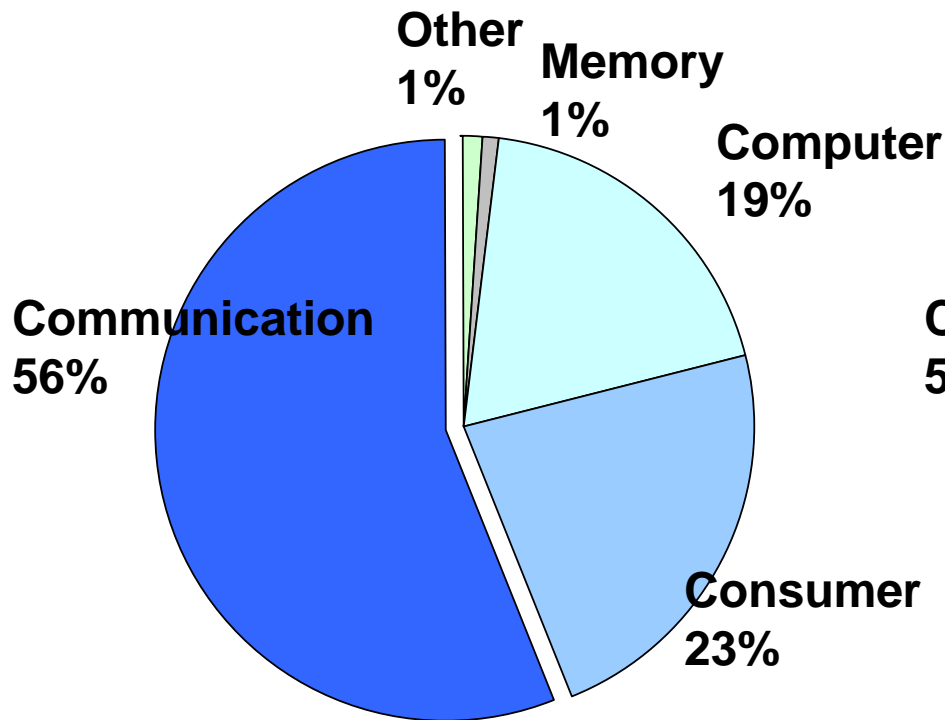


**2006**

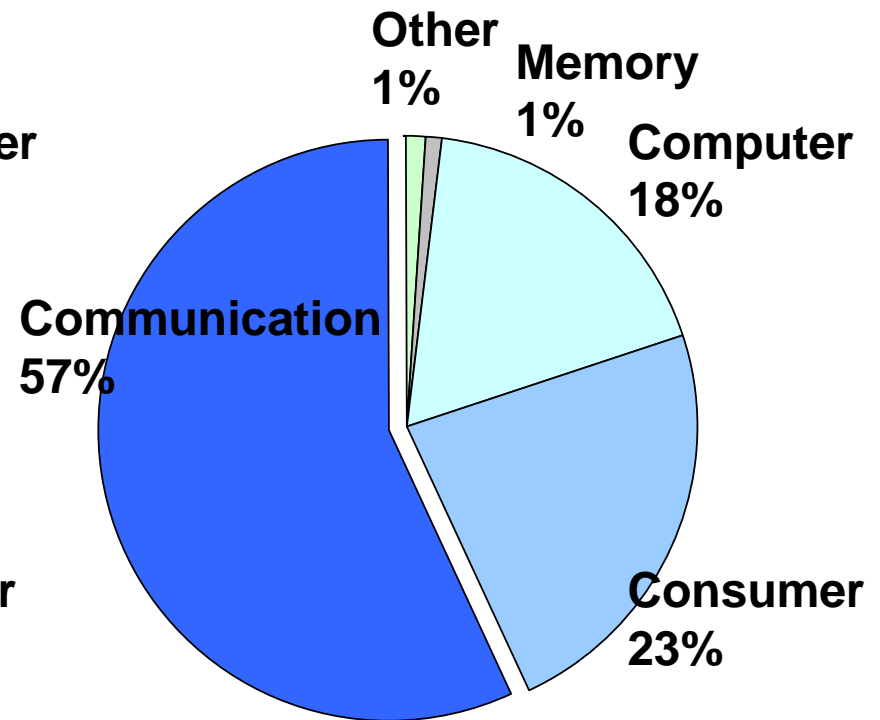


# Sales Breakdown by Application

## 2007 Q4

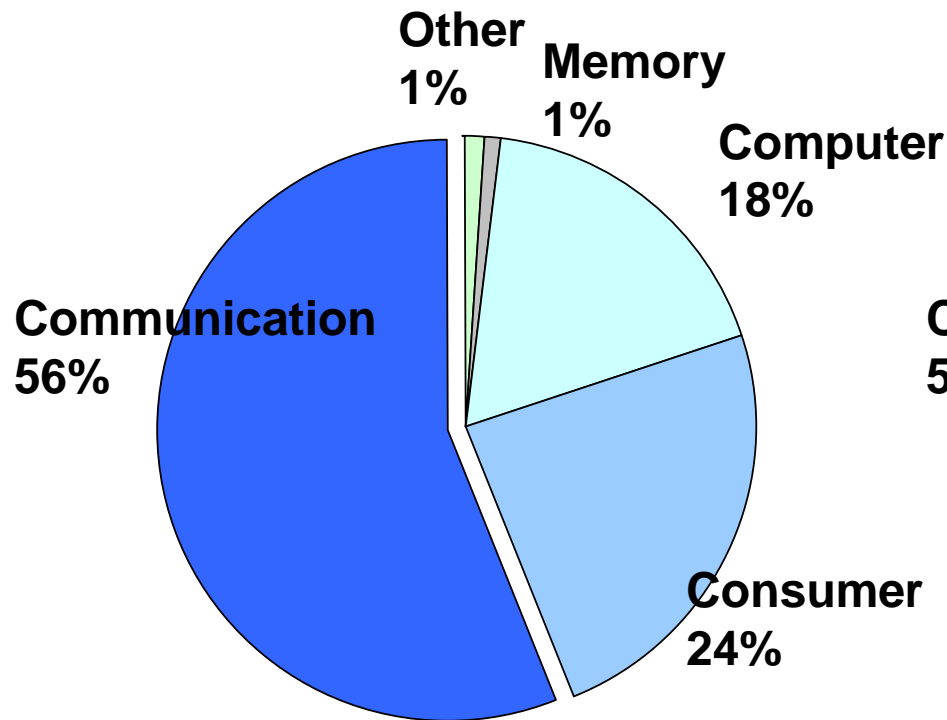


## 2007 Q3

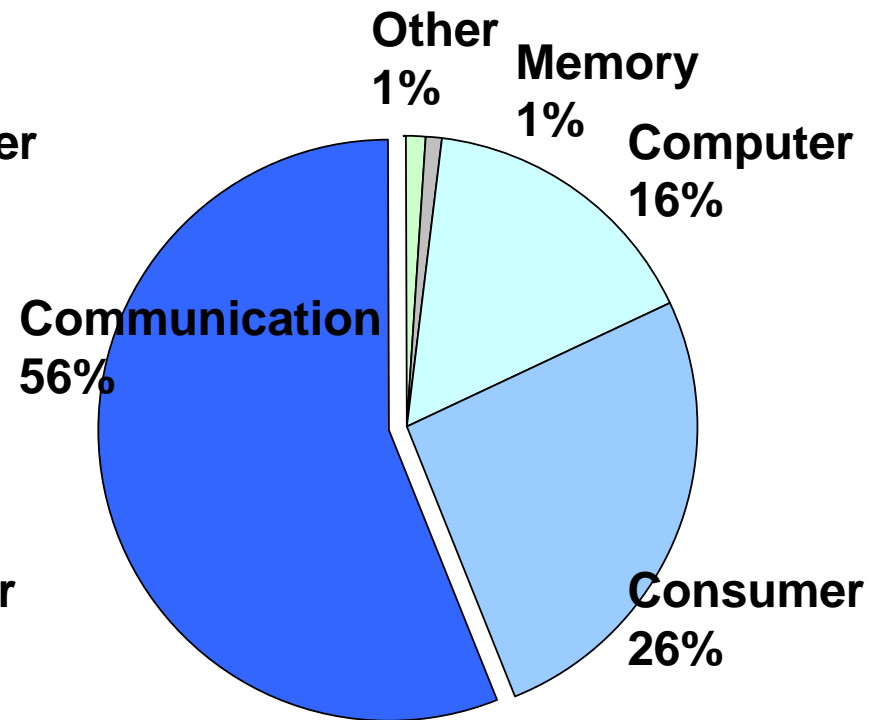


# Sales Breakdown by Application

**2007**

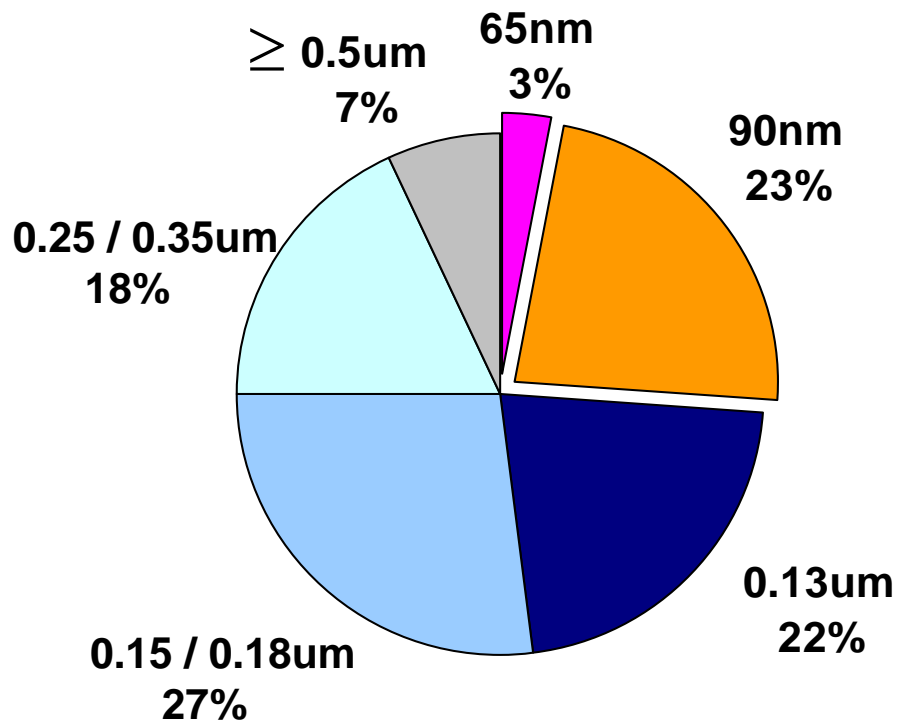


**2006**

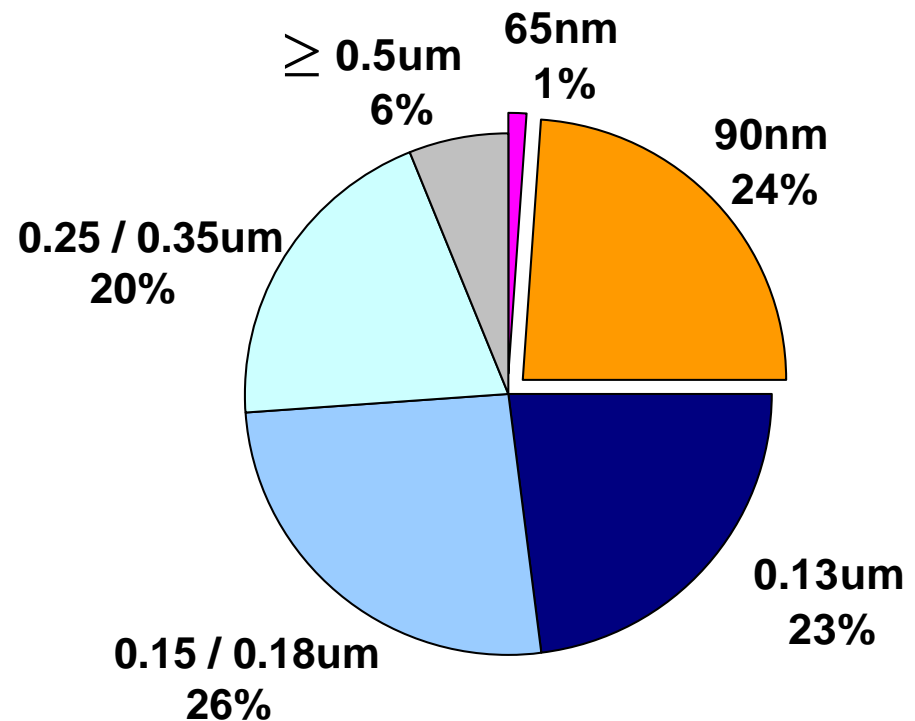


# Sales Breakdown by Technology

2007 Q4

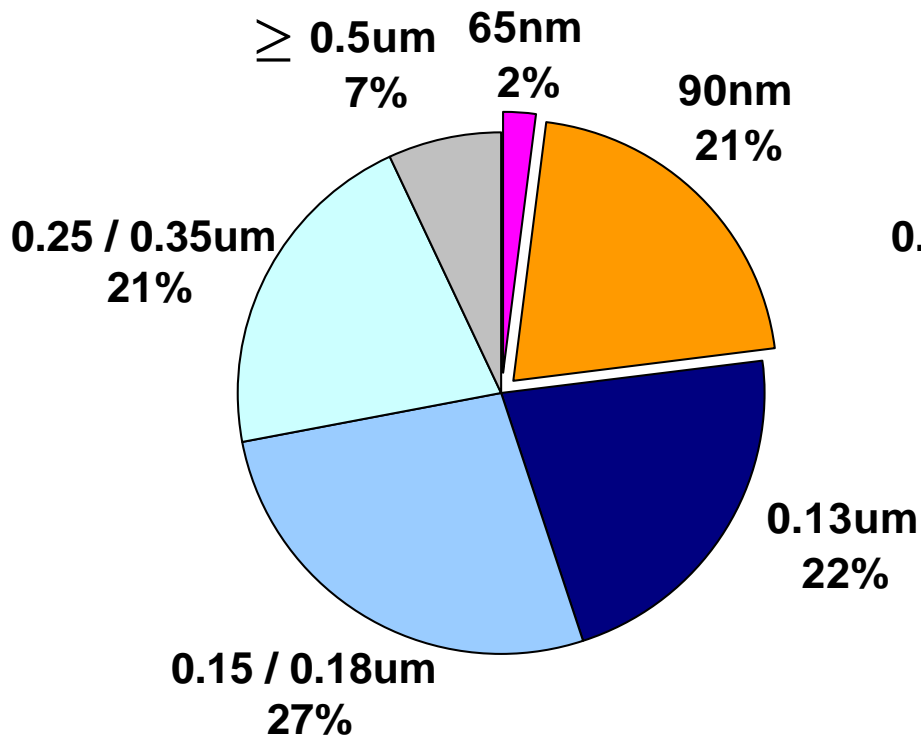


2007 Q3

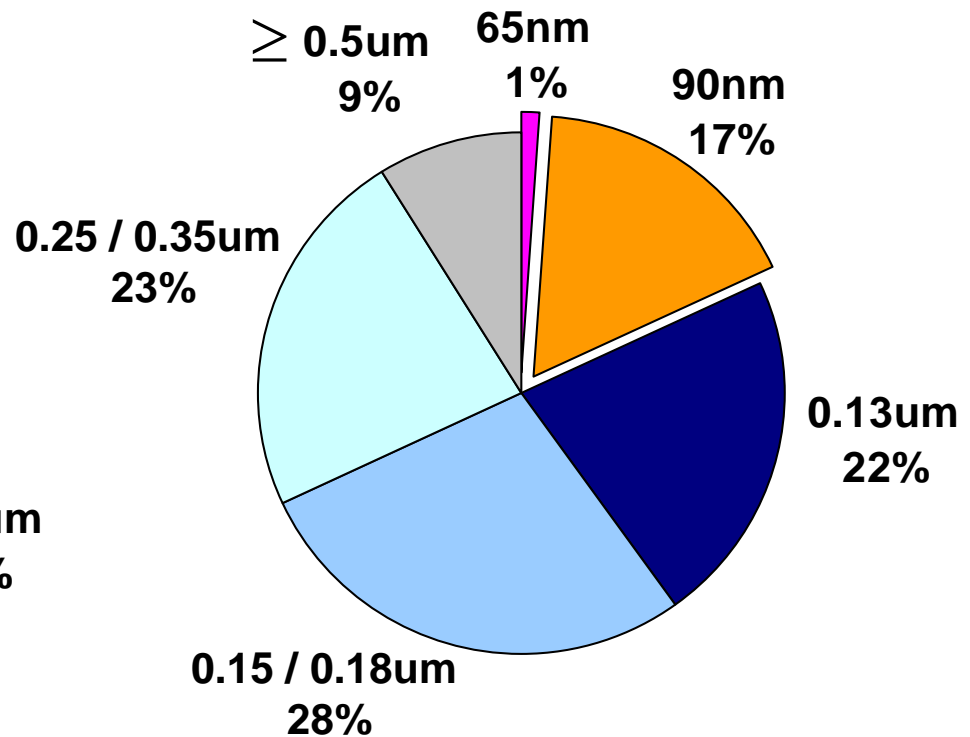


# Sales Breakdown by Technology

2007



2006



# Quarterly Capacity

unit: in thousands (8" wafer eq.)

<b>FAB</b>	<b>2Q07</b>	<b>3Q07</b>	<b>4Q07</b>	<b>1Q08E</b>
<b>Fab 6A</b>	<b>82</b>	<b>82</b>	<b>82</b>	<b>82</b>
<b>Fab 8AB</b>	<b>204</b>	<b>204</b>	<b>204</b>	<b>204</b>
<b>Fab 8C</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Fab 8D</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>
<b>Fab 8E</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>102</b>
<b>Fab 8F</b>	<b>93</b>	<b>93</b>	<b>93</b>	<b>93</b>
<b>Fab 8S</b>	<b>69</b>	<b>69</b>	<b>69</b>	<b>69</b>
<b>Fab 12A</b>	<b>215</b>	<b>216</b>	<b>216</b>	<b>216</b>
<b>Fab 12i</b>	<b>140</b>	<b>164</b>	<b>169</b>	<b>169</b>
<b>Total</b>	<b>1,070</b>	<b>1,095</b>	<b>1,100</b>	<b>1,100</b>

# *2007 Capital Expenditure*

	8" Fab	12" Fab	12" R&D	Total
<b>UMC</b>	<b>2%</b>	<b>80%</b>	<b>18%</b>	<b>0.9 billion USD</b>

# *2008 Capital Expenditure Plan*

	8" Fab	12" Fab	12" R&D	Total
<b>UMC</b>	<b>10%</b>	<b>64%</b>	<b>26%</b>	<b>500-700 million USD</b>

For more information regarding UMC

**[www.umc.com](http://www.umc.com)**

For all inquiries, suggestions, and comments

**[ir@umc.com](mailto:ir@umc.com)**