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UMC Reports 2008 First Quarter Results:

Revenue from 90nm and below jumps to 37%

First Quarter 2008 Overview[1]:

- **Revenue decreased 13.1% sequentially to NT$24 billion (US$790 million)**
- **Net income decreased to NT$206 million (US$7 million)**
- **Revenue from 90nm technology and below was 37%**
- **EPS was NT$0.02; EPADS was US$0.003**

Taipei, Taiwan, ROC – April 30, 2008 - United Microelectronics Corporation (NYSE: UMC; TSE: 2303) ("UMC" or "the Company"), a leading global semiconductor foundry, today announced its unconsolidated operating results for the first quarter of 2008.

"Q1 has traditionally been a slow season for the foundry industry, and this past quarter was no different due to an inventory adjustment situation," said UMC Chairman and CEO, Dr. Jackson Hu.

"The appreciation of the NT$ added another negative variable to Q1. However, we are glad to report that even during such a challenging situation, UMC's quarterly performance exceeded the original guidance. We are also happy to see that revenue contribution from 0.13um, 90nm and 65nm rose to account for 58% of total revenue. Both 90nm and 65nm showed healthy growth at 30% and 7%, respectively. Net loss due to currency exchange was NT$46 million, which is relatively insignificant considering UMC business size."

"Our leading technology customers continue to prepare for 65nm production. We therefore expect continuous increase in volume and revenue during the remainder of the year for this technology node. We are also working closely with early adopters for 45/40nm. Most of them

[1] 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 un-audited, unconsolidated, and represent comparisons among the three-month period ending March 31, 2008, the three-month period ending December 31, 2007, and the equivalent three-month period that ended March 31, 2007. For all 1Q08 results, New Taiwan Dollar (NT$) amounts have been converted into U.S. Dollars at the March 31, 2008 exchange rate of NT$30.39 per U.S. Dollar.

will be in the prototype development stage in the coming months. Finally, we are developing 32nm with customers as well. Besides CMOS logic, we are closely working with Elpida to further improve the DRAM process and develop synergistic processes to broaden our technology offering. Details will be disclosed at a proper time later. ”

Summary of Operating Results

Operating Results					
(Amount: NT$ million)	1Q08	4Q07	QoQ % change	1Q07	YoY % change
Revenue	24,003	27,621	(13.1)	23,025	4.2
Gross Profit	3,576	5,649	(36.7)	3,676	(2.7)
Operating Expenses	(3,386)	(4,323)	(21.7)	(3,658)	(7.4)
Operating Income	190	1,326	(85.7)	18	955.6
Non-op. Income (Expenses)	71	1,097	(93.5)	1,719	(95.9)
Net Income	206	1,359	(84.8)	1,459	(85.9)
EPS (NT$ per share)	0.02	0.16		0.08	
(US$ per ADS)	0.003	0.026		0.013	

Revenue decreased 13.1% QoQ to NT$24 billion, from NT$27.62 billion in 4Q07, and increased 4.2% YoY, from NT$23.03 billion in 1Q07. While ASP was up by 2%, wafer shipment was down by 12.4% while the stronger-than-expected NT$ contributed to the further decrease of revenues in local currency. Gross profit was NT$3.58 billion, or 14.9 % of revenue, compared to NT$5.65 billion, or 20.5% of 4Q07 revenue. Operating profit for the quarter was NT$190 million, or 0.8% of revenue, compared to NT$1.33 billion, or 4.8% of 4Q07 revenue. Lower wafer shipments due to order adjustments for softness in seasonal demand and inventory correction by several customers were the primary reasons for the decrease in revenues, and gross and operating margins during the first quarter. Net income in 1Q08 was NT$206 million, compared to NT$1.36 billion in 4Q07.

Earnings per ordinary share (EPS) for the quarter were NT$0.02. Earnings per ADS (EPADS) were US$0.003. This compares with 4Q07 EPS of NT$0.16 and EPADS of US$0.026. One ADS represents five Taiwan-listed ordinary shares. The basic weighted average number of outstanding shares in 1Q08 was 12,494,809,580, compared with 12,427,436,516 shares in 4Q07 and 17,775,610,526 shares in 1Q07. The diluted weighted average number of outstanding shares was 12,721,467,944 in 1Q08, compared with 12,881,340,388 in 4Q07 and 17,904,075,495 shares in 1Q07. The fully diluted share count on March 31, 2008 was 13,856,133 thousand. On March 31, 2008, UMC held 704,299 thousand treasury shares acquired from the 8th, 9th, and 11th share buy-back programs. UMC will retire 348,583 thousand treasury shares acquired from the 8th share buy-back program in 3Q08.

Detailed Financials Section

Depreciation and amortization expenses totaled NT$9.61 billion in 1Q08, compared to NT$9.67 billion in 4Q07. Depreciation within CoGS slightly increased to NT$8.1 billion. Other manufacturing costs within COGS declined 11.9% to NT$12.33 billion, which reflected the results of cost reduction activities and lower costs associated with a decrease in wafer shipments. Operating expenses decreased 21.7% to NT$3.39 billion. R&D expenses decreased to NT$2.03 billion, mainly due to reduced R&D wafers on 65nm and 90nm technology. The total R&D expense was 8.5% of revenue in 1Q08.

COGS & Expenses

(Amount: NT$ million)	1Q08	4Q07	QoQ % change	1Q07	YoY % change
Revenue	24,003	27,621	(13.1)	23,025	4.2
CoGS	(20,427)	(21,972)	(7.0)	(19,349)	5.6
Depreciation	(8,098)	(7,985)	1.4	(7,649)	5.9
Other Mfg. Costs	(12,329)	(13,987)	(11.9)	(11,700)	5.4
Gross Profit	3,576	5,649	(36.7)	3,676	(2.7)
Gross Margin (%)	14.9%	20.5%		16.0%	
Total Operating Exp.	(3,386)	(4,323)	(21.7)	(3,658)	(7.4)
G&A	(636)	(906)	(29.8)	(678)	(6.2)
Sales & Marketing	(716)	(882)	(18.8)	(650)	10.2
R&D	(2,034)	(2,535)	(19.8)	(2,330)	(12.7)
Operating Income	190	1,326	(85.7)	18	955.6
Operating Margin (%)	0.8%	4.8%		0.1%	

Net non-operating income during 1Q08 was NT$71 million. Total gains on the disposal of investments were NT$652 million, including a gain from the sale of MediaTek shares for NT$616 million. Net investment losses were NT$278 million, which included a NT$599 million loss from valuation of ProMos shares. Net foreign exchange losses were NT$46 million, which include losses of NT$718 from foreign exchange and NT$672 million from hedging gains.

Non-operating Income (Expenses)

(Amount: NT$ million)	1Q08	4Q07	1Q07
Net Non-operating Income (Exp.)	71	1,097	1,719
Net Interest Income (Expense)	116	143	260
Net Investment Income (Loss)	(278)	(1,124)	109
Gain on Disposal of Investment	652	2,025	1,624
Exchange Gain (Loss)	(718)	108	17
Others	299	(55)	(291)

Net cash outflow was NT$7.82 billion in 1Q08. The NT$11.76 billion of financing cash outflow included NT$12.22 billion cash outflow from the redemption of Euro Convertible Bond (ECB) at maturity. Free cash flow[2] for 1Q08 was NT$3.77 billion. Over the next 12 months, we expect to repay NT$10.5 billion in unsecured corporate bonds and US$15 million in short-term loans.

Cash Flow Summary

(Amount: NT$ million)	For the 3-Month Period Ended Mar. 31, 2008	For the 3-Month Period Ended Dec. 31, 2007
Cash Flow from Operations	9,455	14,549
Net Income (Loss)	206	1,359
Depreciation & Amortization	9,605	9,674
Changes in working capital	314	4,399
Others	(670)	(883)
Cash Flow from Investing	(5,362)	(1,873)
Capital Expenditures	(5,685)	(2,740)
Others	323	867
Cash Flow from Financing	(11,763)	(52,004)
Capital Reduction	-	(53,911)
Redemption of bonds	(12,217)	-
Others	454	1,907
Effect of Exchange Rate	(148)	(7)
Net Cash Flow	(7,818)	(39,335)

Cash and cash equivalents decreased NT$7.82 billion to NT$29.63 billion during 1Q08, which was mainly due to the redemption of ECB. The decrease in notes and accounts receivable primarily reflected the downward trend of the business. The decrease in inventory came from the decrease of work-in-process wafers and finished goods.

Current Assets

(Amount: NT$ billion)	1Q08	4Q07	1Q07
Cash & Cash Equivalents	29.63	37.45	80.99
Notes & Accounts Receivable	12.78	13.62	12.85
Days Sales Outstanding	50	51	50
Inventory	11.09	11.33	9.96
Avg. Inventory Turnover	51	47	48
Total Current Assets	60.06	68.25	115.43

Total liabilities decreased by NT$16.28 billion to NT$38.02 billion in 1Q08. This was primarily due to the redemption of ECB. UMC's Debt to Equity ratio decreased to 17% at the end of 1Q08.

Liabilities

(Amount: NT$ billion)	1Q08	4Q07	1Q07
Total Current Liabilities	26.92	43.15	41.81
Accounts Payable	4.50	4.80	4.65
Short-term Credit / Bonds	10.96	22.89	17.83
Others	11.46	15.46	19.33
Long-term Liabilities	7.50	7.50	17.99
Total Liabilities	38.02	54.30	63.41
Debt to Equity	17%	23%	22%

[2] Free cash flow = Operating cash flow – Capital expenditures

Analysis of Revenue[3]

The percentage of revenue from the Asia Pacific region decreased to 29% due to the soft demand for wireless communication chips and driver ICs.

Revenue Breakdown by Region

Region	1Q08	4Q07	3Q07	2Q07	1Q07
North America	58%	51%	49%	47%	47%
Asia Pacific	29%	37%	40%	43%	43%
Europe	11%	10%	9%	8%	7%
Japan	2%	2%	2%	2%	3%

The percentage of revenue from advanced 65nm business increased to 7%, compared to 3% in 4Q07, mainly due to stronger demand for leading communication and computer chips. The percentage of revenue from 90nm and below was 37% in 1Q08, which was improved from 26% in 4Q07.

Revenue Breakdown by Geometry

Geometry	1Q08	4Q07	3Q07	2Q07	1Q07
65nm	7%	3%	1%	-	-
90um	30%	23%	24%	17%	21%
90nm<x<=0.13um	21%	22%	23%	25%	16%
0.13um<x<=0.18um	22%	27%	26%	29%	30%
0.18um<x<=0.35um	14%	18%	20%	22%	25%
0.5um and above	6%	7%	6%	7%	8%

The percentage of revenue from IDM customers increased to 30% in 1Q08 from 24% in 4Q07.

Revenue Breakdown by Customer Type

Customer Type	1Q08	4Q07	3Q07	2Q07	1Q07
Fabless	70%	76%	73%	75%	76%
IDM	30%	24%	27%	25%	24%
System	0%	0%	0%	0%	0%

Revenue from the computer segment increased to 21% of total revenue in 1Q08 due to stronger demand for PC graphics.

Revenue Breakdown by Application (1)

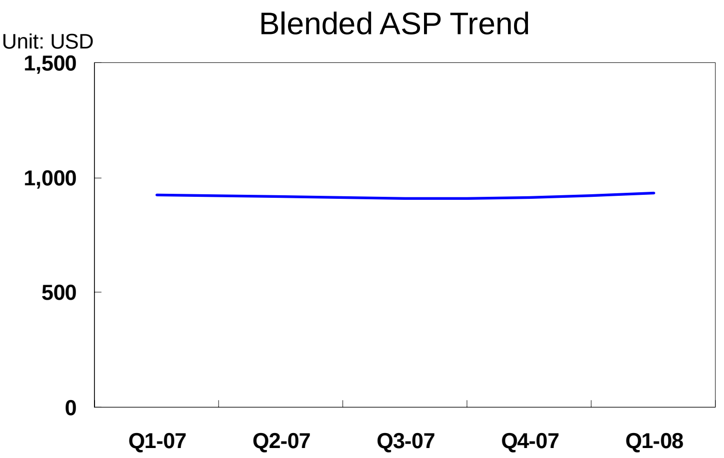
Application	1Q08	4Q07	3Q07	2Q07	1Q07
Computer	21%	19%	18%	17%	18%
Communication	56%	56%	57%	55%	56%
Consumer	21%	23%	23%	26%	24%
Memory	1%	1%	1%	1%	1%
Others	1%	1%	1%	1%	1%

(1) ***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.

[3] Free cash flow = Operating cash flow – Capital expenditures

Blended Average Selling Price Trend

The blended average selling price (ASP) increased by 2% during 1Q08 due to more wafer shipments on leading-edge process technologies.



Shipment and Utilization Rate[4]

807 thousand 8-inch equivalent wafers were shipped in 1Q08, which was a 12.4% decrease from the 921 thousand 8-inch equivalent wafers that were shipped in the previous quarter. Overall utilization rate for the quarter was 73%.

Wafer Shipments

	1Q08	4Q07	3Q07	2Q07	1Q07
Wafer Shipments ('000 8-inch eq.)	807	921	1,017	804	732

Quarterly Capacity Utilization Rate

	1Q08	4Q07	3Q07	2Q07	1Q07
Utilization Rate	73%	86%	93%	76%	74%(1)
Total Capacity ('000 8-inch eq.)	1,100	1,100	1,095	1,070	1,043

(1) 1Q07 utilization rate was calculated based on 1Q07 available capacity, which is about 95% of total capacity after factoring in a 5% productivity loss due to annual scheduled maintenance.

4 Utilization Rate = Quarterly Wafer Out / Quarterly Capacity

Capacity[5]

Total capacity during 1Q08 was 1,100 thousand 8-inch equivalent wafers, which remains unchanged compared to 4Q07. The installed capacity in 2Q08 is expected to be 1,107 thousand 8-inch equivalent wafers. The increase in estimated capacity during 2Q08 is expected to come from additional capacity expansion at some 8-inch fabs and Fab 12A.

Annual Capacity in
thousands of 8-inch wafer equivalents

FAB		Geometry (um)	2007	2006	2005	2004
Fab 6A	6"	3.5 – 0.45	328	328	344	346
Fab 8AB	8"	0.5 – 0.25	816	816	816	796
Fab 8C	8"	0.35 – 0.15	400	400	401	386
Fab 8D	8"	0.18 – 0.09	260	252	274	256
Fab 8E	8"	0.5 – 0.18	408	406	404	401
Fab 8F	8"	0.25 – 0.15	372	372	378	349
Fab 8S (1)	8"	0.25 – 0.15	276	276	278	131
Fab 12A	12"	0.18 – 0.065	847	754	597	392
Fab 12i (2)	12"	0.13 – 0.065	601	413	363	101
Total (3)			4,308	4,017	3,855	3,158
YoY Growth Rate			7%	4%	22%	19%

Quarterly Capacity in
thousands of 8-inch wafer equivalents

FAB	2Q08E	1Q08	4Q07	3Q07
Fab 6A	82	82	82	82
Fab 8AB	204	204	204	204
Fab 8C	101	100	100	100
Fab 8D	66	65	65	65
Fab 8E	102	102	102	102
Fab 8F	93	93	93	93
Fab 8S	72	69	69	69
Fab 12A	218	216	216	216
Fab 12i	169	169	169	164
Total (3)	1,107	1,100	1,100	1,095

(1) Former fab of SiSMC, which was acquired from Silicon Integrated Systems in July 2004.
(2) Former fab of UMCi, a UMC wholly owned subsidiary in December 2004 that was merged into UMC in April 2005
(3) One 6-inch wafer is converted into 0.5625($6^2/8^2$) 8-inch equivalent wafer; one 12-inch wafer is converted into 2.25($12^2/8^2$) 8-inch equivalent wafers.

CAPEX

CAPEX plans for 2008 remain unchanged at US$500-700 million. Total capital expenditure during 1Q08 was US$187 million.

UMC Capital Expenditure by Year - in US$ billion

Year	2007	2006	2005	2004	2003	2002
CAPEX	$ 0.9	$ 1.0	$0.7(1)	$ 1.5	$ 0.4	$ 0.8

2008 CAPEX Plan

	8" fab	12" fab	12" R&D	Total
UMC	11%	63%	26%	US$500-700 million

(1) 2005 CAPEX contained UMC 2005 full year CAPEX and UMCi CAPEX during 1Q05.

5 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.

Recent Developments / Announcements

Apr. 3, 2008 UMC Wins Global Views Magazine 2008 CSR Model Award

Mar. 17, 2008 UMC Board of Directors Announces Proposals for its Annual Shareholders Meeting

A brief summary of the proposals is as follows:

- Shareholder cash dividend of NT$9,382,646,949, stock dividend of NT$1,000,815,670 and NT$4,628,772,490 from capital reserve. Total issued to shareholders estimated at NT$1.20 per share, including cash dividend of estimated NT$0.75 per share, stock dividend of estimated NT$0.08 per share, and estimated NT$0.37 per share from capital reserve.
- Employee cash bonus of NT$286,541,418 and stock bonus of NT$1,146,165,670.
- For the purpose of recording employee bonus expense since Jan 2008, the Company will use 15% of net income after tax (excluding employee bonus expenses) as the accounting book-entry basis
- The 2008 AGM will be held on June 13, 2008 at the UMC Recreation Center in Hsinchu Science Park, Taiwan.

Mar. 17, 2008 UMC and Elpida Partner to Serve Japan based Foundry Customers

Mar. 14, 2008 UMC First Company in Taiwan to Receive Level A Grade from GRI for its CSR Report

Feb. 22, 2008 UMC Holds 2008 Supply Chain Management Summit and Signs CSR Declaration with its Suppliers to Enhance Industry's Green Competitiveness

Feb. 4, 2008 UMC University Program Members to Present Eight Papers During International Solid State Circuits Conference

Jan. 30, 2008 UMC 4Q 2007 Financial Results

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

Second Quarter of 2008 Outlook & Guidance

Quarter-over-quarter Guidance:

- Wafer shipments: to increase by approximately 10% points
- Wafer ASP in US$: to decrease by approximately 2% points
- Impact from Currency Fluctuation: -3% to -5% on revenue
- Capacity utilization rate: approximately 80%
- Profitability: gross profit margin to be approximately 20%
- The communication segment is expected to the strongest followed by the consumer and computer segments
- 2008 capex budget: US$500-700 million

Conference Call / Webcast Announcement

Wednesday, April 30, 2008

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

Dial-in numbers and Access Codes:

USA Toll Free:	1866 549 1292
UK Toll Free:	0808 234 6305
Singapore Toll Free:	800 852 3576
Hong Kong and Other Areas:	+852 3005 2050
Access Code:	UMC

A live webcast and replay of the 1Q08 results announcement will be available at **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 volume production 90nm, industry-leading 65nm, and mixed signal/RFCMOS. UMC's 10 wafer manufacturing facilities include two advanced 300mm fabs; Fab 12A in Taiwan and Singapore-based Fab 12i are both in volume production for a variety of customer products. The company employs approximately 13,000 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 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.

- FINANCIAL TABLES TO FOLLOW -