

ADVANCED MICRO DEVICES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Millions except per share amounts and percentages)

	Quarter Ended		
	March 28, 2009 (Unaudited)	Dec. 27, 2008 ⁽¹⁾ (Unaudited)	March 29, 2008 ⁽¹⁾ (Unaudited)
Net revenue	\$ 1,177	\$ 1,162	\$ 1,487
Cost of sales	674	890	866
Gross margin	503	272	621
Gross margin %	43%	23%	42%
Research and development	446	465	478
Marketing, general and administrative	287	317	337
Amortization of acquired intangible assets	18	30	40
Impairment of goodwill and acquired intangible assets	-	684	-
Restructuring charges	60	50	-
Operating income (loss)	(308)	(1,274)	(234)
Interest income	3	7	15
Interest expense	(97)	(95)	(101)
Other income (expense), net	104	4	(1)
Income (loss) before income taxes	(298)	(1,358)	(321)
Provision (benefit) for income taxes	116	69	-
Income (loss) from continuing operations	(414)	(1,427)	(321)
Income (loss) from discontinued operations, net of tax	-	(10)	(30)
Net income (loss)	\$ (414)	\$ (1,437)	\$ (351)
Net (income) loss attributable to noncontrolling interest	6	(6)	(13)
Class B preferred accretion	(8)	-	-
Net Income (loss) attributable to AMD common stockholders	\$ (416)	\$ (1,443)	\$ (364)
Net income (loss) attributable to AMD common stockholders per common share			
Basic and diluted			
Continuing operations	\$ (0.66)	\$ (2.35)	\$ (0.55)
Discontinued operations	0.00	(0.02)	(0.05)
Basic and diluted net income (loss) per common share	\$ (0.66)	\$ (2.37)	\$ (0.60)
Shares used in per share calculation			
Basic and diluted	626	609	606

(1) Includes retrospective adoption of FASB Staff Position Accounting Principles Board No. 14-1, *Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)* (FSP APB 14-1) in the first quarter of 2009.

ADVANCED MICRO DEVICES, INC.

AMD NON-GAAP AND RECONCILIATIONS TO CONSOLIDATED STATEMENTS OF OPERATIONS⁽²⁾

(Millions except per share amounts and percentages)

	Quarter Ended March 28, 2009		
	AMD Product Company ⁽³⁾	Foundry segment and intersegment eliminations ⁽⁴⁾	AMD
Net revenue	\$ 1,177	\$ -	\$ 1,177
Cost of sales	701	(27)	674
Gross margin	476	27	503
Gross margin %	40%		43%
Research and development	305	141	446
Marketing, general and administrative	252	35	287
Amortization of acquired intangible assets	18	-	18
Restructuring charges	60	-	60
Operating income (loss)	(159)	(149)	(308)
Interest income	6	(3)	3
Interest expense	(74)	(23)	(97)
Other income (expense), net	129	(25)	104
Income (loss) before income taxes	(98)	(200)	(298)
Provision (benefit) for income taxes	(1)	117	116
Net income (loss)	\$ (97)	\$ (317)	\$ (414)
Net (income) loss attributable to noncontrolling interest			6
Class B preferred accretion			(8)
Net income (loss) attributable to AMD common stockholders			\$ (416)

(2) The Company believes this non-GAAP presentation makes it easier for investors to understand what AMD financial results would be if it were not required to consolidate the operations of GLOBALFOUNDRIES.

(3) Consists of the results of the Computing Solutions and Graphics segments and the All other category.

(4) See footnotes 3 and 5 in Selected Corporate Data

ADVANCED MICRO DEVICES, INC.
CONSOLIDATED BALANCE SHEETS
(Millions)

	March 28, 2009 (Unaudited)	Dec. 27, 2008 ⁽⁵⁾
Assets		
Current assets:		
Cash, cash equivalents and marketable securities	\$ 2,719	\$ 1,096
Accounts receivable, net	414	320
Inventories	539	656
Prepaid expenses and other current assets	254	279
Deferred income taxes	45	28
Total current assets	3,971	2,379
Property, plant and equipment, net	4,137	4,296
Goodwill	323	323
Acquisition related intangible assets, net	150	168
Other assets	471	506
Total Assets	\$ 9,052	\$ 7,672
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 497	\$ 631
Accrued compensation and benefits	147	162
Accrued liabilities	684	785
Deferred income on shipments to distributors	87	50
Current portion of long-term debt and capital lease obligation:	281	286
Other short-term obligations	134	86
Other current liabilities	249	226
Total current liabilities	2,079	2,226
Deferred income taxes	219	91
Long-term debt and capital lease obligations, less current portior	5,282	4,490
Other long-term liabilities	546	569
Noncontrolling interest	1,089	169
Stockholders' equity (deficit):		
Capital stock:		
Common stock, par value	7	6
Capital in excess of par value	6,380	6,264
Retained earnings (deficit)	(6,667)	(6,251)
Accumulated other comprehensive income	117	108
Total stockholders' equity (deficit)	(163)	127
Total Liabilities and Stockholders' Equity (Deficit)	\$ 9,052	\$ 7,672

(5) Amounts for the year ended December 27, 2008 were derived from the December 27, 2008 audited financial statements, including retrospective adoption of FSP APB 14-1 implemented in the first quarter of 2009.

ADVANCED MICRO DEVICES, INC.
SELECTED CORPORATE DATA
(Unaudited)
(Millions except headcount and percentages)

Segment and Category Information from Continuing Operations	Quarter Ended		
	March 28, 2009	Dec. 27, 2008	March 29, 2008
Computing Solutions (1)			
Net revenue	\$ 938	\$ 873	\$ 1,194
Operating income (loss)	\$ (36)	\$ (431)	\$ (164)
Graphics (2)			
Net revenue	222	270	262
Operating income (loss)	1	(10)	13
Foundry (3)			
Net revenue	283		
Operating income (loss)	(141)		
All Other (4)			
Net revenue	17	19	31
Operating income (loss)	(124)	(833)	(83)
Intersegment eliminations (5)			
Net revenue	(283)		
Operating income (loss)	(8)		
Total from Continuing Operations			
Net revenue	\$ 1,177	\$ 1,162	\$ 1,487
Operating income (loss)	\$ (308)	\$ (1,274)	\$ (234)
Revenue Reconciliation			
Revenue from continuing operations	\$ 1,177	\$ 1,162	\$ 1,487
Revenue from discontinued operations	-	8	18
Total revenue	<u>\$ 1,177</u>	<u>\$ 1,170</u>	<u>\$ 1,505</u>
Other Data			
AMD Product Company (excludes Foundry segment and intersegment eliminations)			
Depreciation and amortization (excluding amortization of acquired intangible assets)	\$ 105		
Capital additions	\$ 17		
Adjusted EBITDA (6)	\$ 99		
Cash, cash equivalents and marketable securities (7)	\$ 1,599		
Total assets (7)	\$ 4,536		
Long-term debt (7)	\$ 3,711		
Headcount	10,511		
AMD			
Depreciation and amortization (excluding amortization of acquired intangible assets)	\$ 262	\$ 271	\$ 266
Capital additions	\$ 84	\$ 112	\$ 322
Adjusted EBITDA (6)	\$ 77	\$ (284)	\$ 73
Headcount	13,408	14,652	16,398

See footnotes on the next page

- (1) Computing Solutions segment includes microprocessors, chipsets and embedded processors.
- (2) Graphics segment includes graphics, video and multimedia products developed for use in desktop and notebook computers, including home media PCs, professional workstations, servers and also includes royalties received in connection with the sale of game console systems that incorporate the Company's graphics technology.
- (3) Foundry segment includes the operating results attributable to the front end wafer manufacturing operations and related activities as of the beginning of the first quarter of 2009, which includes the operating results of GLOBALFOUNDRIES from March 2, 2009 through March 28, 2009. Prior periods have not been recast.
- (4) All Other category includes non-Foundry segment employee stock-based compensation expense and certain operating expenses and credits that are not allocated to the operating segments. Also included in this category are charges for the impairment of goodwill and acquired intangible assets for prior periods, amortization of acquired intangible assets, restructuring and AMD Product Company formation costs associated with GLOBALFOUNDRIES. Details of these significant items are shown below. The All Other category also includes the results of our Handheld business.

Employee stock-based compensation expense, ATI acquisition-related charges, restructuring charges and AMD Product Company formation costs associated with GLOBALFOUNDRIES:

	Quarter Ended		
	Q109	Q408	Q108
Employee stock-based compensation expense	\$ 17	\$ 20	\$ 21
Impairment of goodwill and acquired intangible assets	-	684	-
Amortization of acquired intangible assets	18	30	40
Restructuring charges	60	50	-
AMD Product Company formation costs associated with GLOBALFOUNDRIES			
	21	23	-
	<u>\$ 116</u>	<u>\$ 807</u>	<u>\$ 61</u>

- (5) Represents intersegment eliminations of \$283 million in revenue and \$275 million in cost of sales and profits on inventory between AMD Product Company and the Foundry segment.

- (6) **AMD reconciliation of net income (loss) attributable to AMD common stockholders to AMD Product Company (excluding Foundry segment and intersegment eliminations) Adjusted EBITDA***

	Quarter Ended
	Q109
Net income (loss) attributable to AMD common stockholders	\$ (416)
Net income (loss) attributable to noncontrolling interest	(6)
Class B preferred accretion	8
Foundry segment and intersegment eliminations net loss	317
AMD Product Company net income (loss)	\$ (97)
Depreciation and amortization	105
Amortization of acquired intangible assets	18
Interest expense	74
Provision (benefit) for income taxes	(1)
Adjusted EBITDA	<u>\$ 99</u>

AMD reconciliation of net income (loss) attributable to AMD common stockholders to Adjusted EBITDA*

	Quarter Ended		
	Q109	Q408	Q108
Net income (loss) attributable to AMD common stockholders	\$ (416)	\$ (1,443)	\$ (364)
Impairment of goodwill and acquired intangible assets	-	684	-
Depreciation and amortization	262	271	266
Amortization of acquired intangible assets	18	30	40
Interest expense	97	95	101
Provision (benefit) for income taxes	116	69	-
Income (loss) from discontinued operations, net of tax	-	10	30
Adjusted EBITDA	<u>\$ 77</u>	<u>\$ (284)</u>	<u>\$ 73</u>

- (7) **Reconciliation of select balance sheet items**

	Cash, cash equivalents and marketable securities		Total Assets	Long-term debt		
	\$			\$		
AMD Product Company	\$	1,599	\$	4,536	\$	3,711
Foundry segment and intersegment eliminations		1,120		4,516		1,717
AMD	<u>\$</u>	<u>2,719</u>	<u>\$</u>	<u>9,052</u>	<u>\$</u>	<u>5,428</u>

*The Company defines Adjusted EBITDA as net income (loss) attributable to AMD common stockholders adjusted for impairment of goodwill and acquired intangible assets, depreciation and amortization, amortization of acquired intangible assets, interest expense, taxes and discontinued operations. AMD Product Company's adjusted EBITDA is also adjusted for the Foundry segment and intersegment eliminations net income (loss), net income (loss) attributable to noncontrolling interest and class B preferred accretion. The Company calculates and communicates Adjusted EBITDA because management believes it is of interest to investors and lenders in relation to its overall capital structure and its ability to borrow additional funds. The Company's calculation of Adjusted EBITDA may or may not be consistent with the calculation of this measure by other companies in the same industry. Investors should not view Adjusted EBITDA as an alternative to the U.S. GAAP operating measure of net income or U.S. GAAP liquidity measures of cash flows from operating, investing and financing activities. In addition, Adjusted EBITDA does not take into account changes in certain assets and liabilities as well as interest and income taxes that can affect cash flows.