

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

	Quarter Ended			Six Months Ended	
	June 28, 2008 (Unaudited)	Mar. 29, 2008 (Unaudited)	June 30, 2007 (Unaudited)	June 28, 2008 (Unaudited)	June 30, 2007 (Unaudited)
Net revenue	\$ 1,349	\$ 1,456	\$ 1,309	\$ 2,805	\$ 2,439
Cost of sales	653	852	870	1,505	1,685
Gross margin	696	604	439	1,300	754
Gross margin %	52%	41%	34%	46%	31%
Research and development	442	455	438	897	830
Marketing, general and administrative	337	334	356	671	683
Amortization of acquired intangible assets and integration charges	30	29	41	59	88
Restructuring charges	30	-	-	30	-
Operating income (loss)	(143)	(214)	(396)	(357)	(847)
Interest income	10	15	19	25	35
Interest expense	(95)	(95)	(99)	(190)	(177)
Other income (expense), net	(10)	(1)	(9)	(11)	(7)
Income (loss) from continuing operations before minority interest, equity in net loss of Spansion Inc. and other and income taxes	(238)	(295)	(485)	(533)	(996)
Minority interest in consolidated subsidiaries	(7)	(13)	(9)	(20)	(17)
Equity in net loss of Spansion Inc. and other	(24)	-	(13)	(24)	(29)
Income (loss) from continuing operations before income taxes	(269)	(308)	(507)	(577)	(1,042)
Provision (benefit) for income taxes	-	-	24	-	39
Income (loss) from continuing operations	\$ (269)	\$ (308)	\$ (531)	\$ (577)	\$ (1,081)
Income (loss) from discontinued operations, net of tax	(920)	(50)	(69)	(970)	(130)
Net income (loss)	\$ (1,189)	\$ (358)	\$ (600)	\$ (1,547)	\$ (1,211)
Net income (loss) per common share					
Basic and Diluted:					
Continuing operations	\$ (0.44)	\$ (0.51)	\$ (0.96)	\$ (0.95)	\$ (1.97)
Discontinued operations	\$ (1.52)	\$ (0.08)	\$ (0.13)	\$ (1.60)	\$ (0.24)
Basic and diluted net income (loss) per common share	\$ (1.96)	\$ (0.59)	\$ (1.09)	\$ (2.55)	\$ (2.20)
Shares used in per share calculation					
Basic	607	606	552	606	550
Diluted	607	606	552	606	550

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

	June 28, 2008 (Unaudited)	Dec. 29, 2007*
Assets		
Current assets:		
Cash, cash equivalents and marketable securities	\$ 1,567	\$ 1,889
Accounts receivable, net	437	588
Inventories	791	802
Prepaid expenses and other current assets	244	395
Deferred income taxes	20	64
Assets of discontinued operations	372	1,323
Total current assets	3,431	5,061
Property, plant and equipment, net	4,599	4,708
Goodwill	945	950
Acquisition related intangible assets, net	253	311
Other assets	556	520
Total Assets	\$ 9,784	\$ 11,550
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 800	\$ 982
Accrued compensation and benefits	160	180
Accrued liabilities	730	814
Deferred income on shipments to distributors	80	98
Current portion of long-term debt and capital lease obligations	246	238
Other short-term obligations	60	-
Other current liabilities	369	270
Liabilities of discontinued operations	23	43
Total current liabilities	2,468	2,625
Deferred income taxes	3	6
Long-term debt and capital lease obligations, less current portion	4,955	5,031
Other long-term liabilities	695	633
Minority interest in consolidated subsidiaries	189	265
Stockholders' equity:		
Capital stock:		
Common stock, par value	6	6
Capital in excess of par value	5,962	5,921
Retained earnings (deficit)	(4,647)	(3,100)
Accumulated other comprehensive income	153	163
Total stockholders' equity	1,474	2,990
Total Liabilities and Stockholders' Equity	\$ 9,784	\$ 11,550

* Amounts for the year ended December 29, 2007 were derived from the December 29, 2007 audited financial statements adjusted for discontinued operations.

ADVANCED MICRO DEVICES, INC.
SELECTED CORPORATE DATA (1)
(Unaudited)

(Millions except headcount and percentages)

Segment Information from Continuing Operations	Quarter Ended			Six Months Ended	
	June 28, 2008	Mar. 29, 2008	June 30, 2007	June 28, 2008	June 30, 2007
Computing Solutions (2)					
Net revenue	\$ 1,101	\$ 1,194	\$ 1,098	\$ 2,295	\$ 2,017
Operating income (loss)	\$ (9)	\$ (164)	\$ (269)	\$ (173)	\$ (600)
Graphics (3)					
Net revenue	248	262	211	510	422
Operating income (loss)	(38)	13	(39)	(25)	(65)
All Other (4)					
Net revenue	-	-	-	-	-
Operating income (loss)	(96)	(63)	(88)	(159)	(182)
Total from Continuing Operations					
Net revenue	\$ 1,349	\$ 1,456	\$ 1,309	\$ 2,805	\$ 2,439
Operating income (loss)	\$ (143)	\$ (214)	\$ (396)	\$ (357)	\$ (847)
Revenue Reconciliation					
Revenue from continuing operations	\$ 1,349	\$ 1,456	\$ 1,309	\$ 2,805	\$ 2,439
Revenue from discontinued operations	37	49	69	86	172
Total revenue	\$ 1,386	\$ 1,505	\$ 1,378	\$ 2,891	\$ 2,611
Components of Discontinued Operations					
Operating loss	\$ (42)	\$ (50)	\$ (69)	\$ (92)	\$ (130)
Impairment of goodwill and acquired intangible assets	(876)	-	-	(876)	-
Restructuring charges	(2)	-	-	(2)	-
Total loss from discontinued operations	\$ (920)	\$ (50)	\$ (69)	\$ (970)	\$ (130)
Other Data					
Depreciation & amortization (excluding amortization of acquired intangible assets)	\$ 263	\$ 265	\$ 253	\$ 528	\$ 494
Capital additions	\$ 104	\$ 322	\$ 414	\$ 426	\$ 1,000
Adjusted EBITDA (5)	\$ 119	\$ 81	\$ (121)	\$ 200	\$ (303)
Headcount	15,653	16,398	16,719	15,653	16,719

(1) Comparative amounts adjusted for discontinued operations except for headcount data.

(2) Computing Solutions segment includes microprocessors, chipsets and embedded processors. For the quarter ended and six months ended June 28, 2008, the operating loss includes a \$193M gain on the sale of 200 mm equipment.

(3) Graphics segment includes graphics, video and multimedia products developed for use in desktop and notebook computers, including home media PCs, professional workstations and servers. Starting in the quarter ended June 28, 2008 this segment also includes royalties received in connection with the sale of game console systems that incorporate the Company's graphics technology. Prior periods have been recast.

(4) All Other category includes 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 the restructuring, severance and ATI acquisition-related charges. Details of the restructuring, severance and ATI acquisition-related charges and employee stock-based compensation expense are shown below.

Restructuring, severance, and ATI acquisition-related charges:

	Quarter Ended			Six Months Ended	
	Q208	Q108	Q207	Q208	Q207
Restructuring charges	\$ 30	\$ -	\$ -	\$ 30	\$ -
Severance charges	-	-	16	-	16
Subtotal	\$ 30	\$ -	\$ 16	\$ 30	\$ 16
Amortization of acquired intangible assets	30	29	34	59	68
Integration charges	-	-	7	-	20
Total amortization of acquired intangibles and integration charges	\$ 30	\$ 29	\$ 41	\$ 59	\$ 88
Cost of fair value adjustment of acquired inventory	-	-	-	-	18
ATI acquisition-related charges	\$ 30	\$ 29	\$ 41	\$ 59	\$ 106
Restructuring, severance, and ATI acquisition-related charges	\$ 60	\$ 29	\$ 57	\$ 89	\$ 122

Employee stock-based compensation expense:

	Quarter Ended			Six Months Ended	
	Q208	Q108	Q207	Q208	Q207
Cost of sales	\$ 3	\$ 3	\$ 2	\$ 6	\$ 5
Research and development	8	15	13	23	26
Marketing, general and administrative	6	2	14	8	25
	\$ 17	\$ 20	\$ 29	\$ 37	\$ 56

(5) **Reconciliation of income (loss) from continuing operations to Adjusted EBITDA***

	Quarter Ended			Six Months Ended	
	Q208	Q108	Q207	Q208	Q207
Income (loss) from continuing operations	\$ (269)	\$ (308)	\$ (531)	\$ (577)	\$ (1,081)
Depreciation and amortization	263	265	253	528	494
Amortization of acquired intangible assets	30	29	34	59	68
Interest expense	95	95	99	190	177
Provision (benefit) for income taxes	-	-	24	-	39
Adjusted EBITDA	\$ 119	\$ 81	\$ (121)	\$ 200	\$ (303)

* The Company defines Adjusted EBITDA as income (loss) from continuing operations adjusted for depreciation and amortization, amortization of acquired intangible assets, interest expense and taxes. 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.