

AMD News Release

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AMD Reports First Quarter Results

SUNNYVALE, Calif. — April 21, 2009 — AMD (NYSE:AMD) today reported first quarter 2009 results.

For financial reporting purposes, AMD consolidates the operating results of GLOBALFOUNDRIES Inc. in its results as of March 2, 2009 and has created the Foundry segment as of the start of the fiscal year. References to “AMD” in this announcement include these consolidated operating results which are reported for GAAP purposes. “AMD Product Company” refers to AMD, excluding the operating results of the Foundry segment and intersegment eliminations^{1,2}.

AMD reported revenue for first quarter of 2009 of \$1.177 billion. First quarter 2009 revenue was flat compared to the fourth quarter of 2008 and decreased 21 percent compared to the first quarter of 2008.

“AMD’s sequential microprocessor unit and revenue growth in difficult economic conditions demonstrate we can grow in an environment where customers are looking for maximum value,” said Dirk Meyer, AMD president and CEO. “We delivered on a number of important priorities in the first quarter. We launched GLOBALFOUNDRIES, maintained our cadence of new product and platform introductions, and made solid progress on our restructuring activities. The result is a more nimble AMD, capable of achieving long-term success based on our strengths designing and integrating industry-leading computing and graphics technologies.”

In the first quarter of 2009, AMD reported a net loss attributable to AMD common stockholders of \$416 million or \$0.66 per share, which includes a net unfavorable impact of \$22 million, or \$0.04 per share, as described in the table below³. AMD's operating loss was \$308 million.

In the fourth quarter of 2008, AMD had revenue from continuing operations of \$1.162 billion, a net loss of \$1.437 billion and an operating loss of \$1.274 billion. In the first quarter of 2008, AMD had revenue from continuing operations of \$1.487 billion, a net loss of \$351 million and an operating loss of \$234 million.

In the first quarter of 2009, AMD Product Company reported an adjusted non-GAAP net loss of \$189 million and an adjusted non-GAAP operating loss of \$124 million.

First quarter 2009 AMD gross margin was 43 percent, including a positive impact of 5 percentage points due to a \$64 million benefit from the sale of inventory written down in the fourth quarter of 2008. Fourth quarter 2008 gross margin was 23 percent, including a negative impact of 20 percentage points due to a \$227 million inventory write down. First quarter 2009 AMD Product Company non-GAAP gross margin was 35 percent.

Current Outlook

AMD's outlook statements are based on current expectations. The following statements are forward looking, and actual results could differ materially depending on market conditions and the factors set forth under "Cautionary Statement" below.

Considering current macroeconomic conditions, limited visibility and historical seasonal patterns, AMD expects its Product Company revenue to be down for the second quarter of 2009.

Additional Highlights

- AMD completed its [Asset Smart transaction](#) with the Advanced Technology Investment Company (ATIC) and Mubadala Development Company of Abu Dhabi, creating [GLOBALFOUNDRIES](#), a leading-edge semiconductor manufacturing company.
- AMD unveiled the "[Yukon](#)" platform for ultrathin notebook PCs, which debuted in the award-winning HP Pavilion dv2 notebook that received CES "Best-of-Show" recognition from *Laptop Magazine*.

- AMD launched “Dragon” platform technology designed for high-definition gaming, video processing and entertainment at an affordable price. “Dragon” systems powered by AMD Phenom™ II quad-core processors are available from more than 40 AMD partners worldwide, including Dell, Alienware and HP. AMD also broadened its desktop product lineup with additional AMD Phenom II quad-core processors and the industry’s first 45nm triple-core processor.
- AMD expanded its award-winning Mobility Radeon series of graphics processors to include the [ATI Radeon HD 4000 series](#).
- Dell, HP, IBM and Sun updated their AMD-based server offerings to take advantage of new [Quad-Core AMD Opteron™ processors](#) targeting both low-power and high-performance designs.
- As part of its strategy to further penetrate the [workstation graphics market](#), AMD unveiled the [ATI FirePro 2450](#) graphics processor targeting energy-efficient workstations and the [ATI FirePro V7750](#) for high-performance workstations.
- AMD demonstrated the [AMD Fusion Render Cloud](#), which has been designed to use the power of the ATI Radeon 4800 series graphics chips to stream HD quality gaming and multimedia experiences to virtually any device with a web browser.
- AMD was named to the [Global 100 Most Sustainable Companies in the World](#) and [100 Best Corporate Citizens](#) lists for 2009. Additionally, AMD’s Lone Star campus in Austin, TX achieved gold certification under the [U.S. Green Building Council Leadership in Energy and Environmental Design \(LEED\) Green Building Rating System™](#).

AMD Teleconference

AMD will hold a conference call for the financial community at 2:00 p.m. PT (5:00 p.m. ET) today to discuss its first quarter financial results. AMD will provide a real-time audio broadcast of the teleconference on the Investor Relations page of its Web site at www.amd.com. The webcast will be available for 10 days after the conference call.

**Reconciliation of GAAP Net Income (Loss) Attributable to AMD Common Stockholders to
AMD Product Company Non-GAAP Net Income (Loss) ^{1,2,3,4}**

(Millions except per share amounts)	Q1-09		Q4-08		Q1-08	
GAAP net income (loss) attributable to AMD common stockholders / EPS	\$ (416)	\$ (0.66)	\$(1,443)	\$(2.37)	\$(364)	\$(0.60)
Loss from discontinued operations	-	-	(10)	(0.02)	(30)	(0.05)
Income (loss) attributable to AMD stockholders from continuing operations	\$ (416)	\$ (0.66)	\$(1,433)	\$(2.35)	\$(334)	\$(0.55)
Gross margin benefit from sales of inventory written down in Q4-08	64	0.10	-	-	-	-
Incremental write-down of inventory	-	-	(227)	(0.37)	-	-
Amortization of acquired intangibles	(18)	(0.03)	(30)	(0.05)	(40)	(0.07)
ATI impairment of goodwill and acquired intangible assets	-	-	(684)	(1.12)	-	-
Restructuring charges	(60)	(0.10)	(50)	(0.08)	-	-
AMD Product Company formation costs associated with GLOBALFOUNDRIES	(21)	(0.03)	(23)	(0.04)	-	-
Investment net charges	(9)	(0.01)	(21)	(0.03)	-	-
Gain on debt buyback	108	0.17	26	0.04	-	-
Gain on sale of Handheld assets	28	0.04	-	-	-	-
Incremental tax provision related to the formation of GLOBALFOUNDRIES	(114)	(0.18)	-	-	-	-
Net unfavorable impact subtotal	\$ (22)	\$ (0.04)	\$(1,009)	\$(1.66)	\$ (40)	\$(0.07)
Non-GAAP net income (loss) attributable to AMD common stockholders	\$ (394)		\$ (424)		\$(294)	
Net income (loss) from Foundry segment and intersegment eliminations	(317)	(0.51)				
Incremental tax provision related to the formation of GLOBALFOUNDRIES	114	0.18				
Net (income) loss attributable to non-controlling interest	6	0.01				
Class B preferred accretion	(8)	(0.01)				
AMD Product Company non-GAAP net income (loss)	\$ (189)					

**Reconciliation of GAAP to AMD Product Company Non-GAAP Operating Income
(Loss) ^{1,2,3,4}**

(Millions)	Q1-09	Q4-08	Q1-08
GAAP operating income (loss)	\$ (308)	\$ (1,274)	\$ (234)
Gross margin benefit from sales of inventory written down in Q4-08	64	-	-
Incremental write-down of inventory	-	(227)	-
Amortization of acquired intangibles	(18)	(30)	(40)
ATI impairment of goodwill and acquired intangible assets	-	(684)	-
Restructuring charges	(60)	(50)	-
AMD Product Company formation costs associated with GLOBALFOUNDRIES	(21)	(23)	-
Non-GAAP operating income (loss)	\$ (273)	\$ (260)	\$ (194)
Operating income (loss) from Foundry segment and intersegment eliminations	(149)		
AMD Product Company non-GAAP operating income (loss)	\$ (124)		

Reconciliation of GAAP to AMD Product Company Non-GAAP Gross Margin^{1,2,3,4}

(Millions, except percentages)	Q1-09	Q4-08	Q1-08
GAAP Gross Margin	\$ 503	\$ 272	\$ 621
GAAP Gross Margin %	43%	23%	42%
Gross margin benefit from sales of inventory written down in Q4-08	64	-	-
Incremental write-down of inventory	-	(227)	-
Non-GAAP Gross Margin	\$ 439	\$ 499	\$ 621
Non-GAAP Gross Margin %	37%	43%	42%
Gross margin from Foundry segment and intersegment eliminations	27		
AMD Product Company non-GAAP Gross Margin	\$ 412		
AMD Product Company non-GAAP Gross Margin %	35%		

Select Segment Information⁴

(Millions, except percentages)	Q1-09	vs Q4-08	vs Q1-08
Computing Solutions			
Revenue	\$ 938	7%	-21%
Microprocessor Units		up	down
Microprocessor Average Selling Prices (ASP)		down	down
Graphics			
Revenue	\$ 222	-18%	-15%
Graphic Processor Units		down	down
Graphic Processor Average Selling Prices (ASP)		down	up

About AMD

Advanced Micro Devices (NYSE: AMD) is an innovative technology company dedicated to collaborating with customers and technology partners to ignite the next generation of computing and graphics solutions at work, home and play. For more information, visit <http://www.amd.com>

Cautionary Statement

This release contains forward-looking statements concerning AMD Product Company, its second quarter 2009 revenue, and its future products and technologies, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are commonly identified by words such as "would," "may," "expects," "believes," "plans," "intends," "projects," and other terms with similar meaning. Investors are cautioned that the forward-looking statements in this release are based on current beliefs, assumptions and expectations, speak only as of the date of this release and involve risks and uncertainties that could cause actual results to differ materially from current expectations. Risks include the possibility that Intel Corporation's pricing, marketing and rebating programs, product bundling, standard setting, new product introductions or other activities targeting the company's business will prevent attainment of the company's current plans; global business and economic conditions will continue in their current state or worsen resulting in lower than currently expected revenue in the second quarter of 2009 and beyond; the company's Asset Smart strategy will be less beneficial than anticipated; demand for computers and consumer electronics products and, in turn, demand for the company's products will be lower than currently expected; customers stop buying the company's products or materially reduce their demand for its products; the company will require additional funding and may not be able to raise funds on favorable terms or at all; the company's restructuring efforts will not be effective; the company will be unable to develop, launch and ramp

new products and technologies in the volumes and mix required by the market and at mature yields on a timely basis; there will be unexpected variations in market growth and demand for the company's products and technologies in light of the product mix that it may have available at any particular time or a decline in demand; the company will be unable to transition its products to advanced manufacturing process technologies in a timely and effective way; the company will be unable to maintain the level of investment in research and development and capacity that is required to remain competitive; and the company will be unable to obtain sufficient manufacturing capacity or components to meet demand for its products or will under-utilize its commitment with respect to GLOBALFOUNDRIES' microprocessor manufacturing facilities. Investors are urged to review in detail the risks and uncertainties in the company's Securities and Exchange Commission filings, including but not limited to the Annual Report on Form 10-K for the year ended December 27, 2008.

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¹ 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. Intersegment eliminations consist of revenues, cost of sales and profits on inventory between AMD Product Company and the Foundry segment.

² The Company is providing non-GAAP financial measures for AMD Product Company such as a statement of operations and selected balance sheet items as reflected in the tables at the end of this press release. In addition, for AMD Product Company, the Company is providing non-GAAP financial measures such as net income (loss), operating income (loss) and gross margin which exclude certain adjustments as reflected in the tables in the body of this press release. AMD is providing these financial measures because it believes it is important for investors to have visibility into AMD's financial results excluding the Foundry segment, intersegment eliminations and certain adjustments as reflected in the tables in this press release.

³ In this press release, in addition to GAAP financial results, the Company has provided non-GAAP financial measures for AMD net income (loss) attributable to AMD common stockholders, operating income (loss) and gross margin. These non-GAAP financial measures exclude certain adjustments as reflected in the tables in this press release. Management believes this non-GAAP presentation makes it easier for investors to compare current and historical period operating results.

⁴ Refer to corresponding tables at the end of this press release for additional AMD and AMD Product Company data.