

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

	Quarter Ended			Six Months Ended	
	June 27, 2009 (Unaudited)	March 28, 2009 (Unaudited)	June 28, 2008 ⁽¹⁾ (Unaudited)	June 27, 2009 (Unaudited)	June 28, 2008 ⁽¹⁾ (Unaudited)
Net revenue	\$ 1,184	\$ 1,177	\$ 1,362	\$ 2,361	\$ 2,849
Cost of sales	743	666	851	1,409	1,717
Gross margin	441	511	511	952	1,132
Gross margin %	37%	43%	38%	40%	40%
Research and development	425	444	467	869	945
Marketing, general and administrative	247	287	335	534	672
Amortization of acquired intangible assets	17	18	37	35	77
Impairment of goodwill and acquired intangible assets	-	-	403	-	403
Restructuring charges	1	60	31	61	31
Gain on sale of 200 millimeter equipment	-	-	(193)	-	(193)
Operating income (loss)	(249)	(298)	(569)	(547)	(803)
Interest income	6	3	10	9	25
Interest expense	(108)	(97)	(101)	(205)	(202)
Other income (expense), net	6	94	(34)	100	(35)
Income (loss) before income taxes	(345)	(298)	(694)	(643)	(1,015)
Provision (benefit) for income taxes	(10)	116	-	106	-
Income (loss) from continuing operations	(335)	(414)	(694)	(749)	(1,015)
Income (loss) from discontinued operations, net of tax	-	-	(494)	-	(524)
Net income (loss)	\$ (335)	\$ (414)	\$ (1,188)	\$ (749)	\$ (1,539)
Net (income) loss attributable to noncontrolling interest	25	6	(7)	31	(20)
Class B preferred accretion	(20)	(8)	-	(28)	-
Net Income (loss) attributable to AMD common stockholders	\$ (330)	\$ (416)	\$ (1,195)	\$ (746)	\$ (1,559)
Net income (loss) attributable to AMD common stockholders per common share					
Basic and diluted					
Continuing operations	\$ (0.49)	\$ (0.66)	\$ (1.16)	\$ (1.15)	\$ (1.71)
Discontinued operations	-	-	(0.81)	-	(0.86)
Basic and diluted net income (loss) attributable to AMD common stockholders per common share	\$ (0.49)	\$ (0.66)	\$ (1.97)	\$ (1.15)	\$ (2.57)
Shares used in per share calculation					
Basic and diluted	667	626	607	647	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) and FASB Statement No. 160, *Noncontrolling Interests in Consolidated Financial Statements - An Amendment of ARB No. 51 (SFAS 160)* 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						Six Months Ended		
	June 27, 2009			March 28, 2009			June 27, 2009		
	AMD Product Company ⁽³⁾	Foundry segment and intersegment eliminations ⁽⁴⁾	AMD	AMD Product Company ⁽³⁾	Foundry segment and intersegment eliminations ⁽⁴⁾	AMD	AMD Product Company ⁽³⁾	Foundry segment and intersegment eliminations ⁽⁴⁾	AMD
Net revenue	\$ 1,184	\$ -	\$ 1,184	\$ 1,177	\$ -	\$ 1,177	\$ 2,361	\$ -	\$ 2,361
Cost of sales	763	(20)	743	700	(34)	666	1,463	(54)	1,409
Gross margin	421	20	441	477	34	511	898	54	952
Gross margin %	36%		37%	41%		43%	38%		40%
Research and development	306	119	425	305	139	444	611	258	869
Marketing, general and administrative	222	25	247	252	35	287	474	60	534
Amortization of acquired intangible assets	17	-	17	18	-	18	35	-	35
Restructuring charges	1	-	1	60	-	60	61	-	61
Operating income (loss)	(125)	(124)	(249)	(158)	(140)	(298)	(283)	(264)	(547)
Interest income	3	3	6	6	(3)	3	9	-	9
Interest expense	(71)	(37)	(108)	(74)	(23)	(97)	(145)	(60)	(205)
Other income (expense), net	16	(10)	6	128	(34)	94	144	(44)	100
Income (loss) before income taxes	(177)	(168)	(345)	(98)	(200)	(298)	(275)	(368)	(643)
Provision (benefit) for income taxes	(19)	9	(10)	(1)	117	116	(20)	126	106
Net income (loss)	\$ (158)	\$ (177)	\$ (335)	\$ (97)	\$ (317)	\$ (414)	\$ (255)	\$ (494)	\$ (749)
Net (income) loss attributable to noncontrolling interest			25			6			31
Class B preferred accretion			(20)			(8)			(28)
Net income (loss) attributable to AMD common stockholders			\$ (330)			\$ (416)			\$ (746)

(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)

	June 27, 2009 (Unaudited)	Dec. 27, 2008 ⁽⁵⁾
Assets		
Current assets:		
Cash, cash equivalents and marketable securities	\$ 2,514	\$ 1,096
Accounts receivable, net	366	320
Inventories	493	656
Prepaid expenses and other current assets	302	279
Deferred income taxes	38	28
Total current assets	3,713	2,379
Property, plant and equipment, net	4,042	4,296
Goodwill	323	323
Acquisition related intangible assets, net	133	168
Other assets	472	506
Total Assets	\$ 8,683	\$ 7,672
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 571	\$ 631
Accrued compensation and benefits	162	162
Accrued liabilities	642	785
Deferred income on shipments to distributors	87	50
Current portion of long-term debt and capital lease obligations	289	286
Other short-term obligations	89	86
Other current liabilities	182	226
Total current liabilities	2,022	2,226
Deferred income taxes	221	91
Long-term debt and capital lease obligations, less current portion	5,243	4,490
Other long-term liabilities	577	569
Noncontrolling interest	1,085	169
Stockholders' equity (deficit):		
Capital stock:		
Common stock, par value	7	6
Capital in excess of par value	6,398	6,264
Retained earnings (deficit)	(6,997)	(6,251)
Accumulated other comprehensive income	127	108
Total stockholders' equity (deficit)	(465)	127
Total Liabilities and Stockholders' Equity (Deficit)	\$ 8,683	\$ 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 and SFAS 160 implemented in the first quarter of 2009.

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

<u>Segment and Category Information from Continuing Operations</u>	<u>Quarter Ended</u>			<u>Six Months Ended</u>	
	<u>June 27, 2009</u>	<u>March 28, 2009</u>	<u>June 28, 2008</u>	<u>June 27, 2009</u>	<u>June 28, 2008</u>
Computing Solutions (1)					
Net revenue	\$ 910	\$ 938	\$ 1,101	\$ 1,848	\$ 2,295
Operating income (loss)	\$ (72)	\$ (35)	\$ (9)	\$ (107)	\$ (173)
Graphics (2)					
Net revenue	251	222	248	473	510
Operating income (loss)	(12)	1	(38)	(11)	(25)
Foundry (3)					
Net revenue	253	283		536	
Operating income (loss)	(101)	(132)		(233)	
All Other (4)					
Net revenue	23	17	13	40	44
Operating income (loss)	(41)	(124)	(522)	(165)	(605)
Intersegment eliminations (5)					
Net revenue	(253)	(283)		(536)	
Operating income (loss)	(23)	(8)		(31)	
Total from Continuing Operations					
Net revenue	\$ 1,184	\$ 1,177	\$ 1,362	\$ 2,361	\$ 2,849
Operating income (loss)	\$ (249)	\$ (298)	\$ (569)	\$ (547)	\$ (803)
Revenue Reconciliation					
Revenue from continuing operations	\$ 1,184	\$ 1,177	\$ 1,362	\$ 2,361	\$ 2,849
Revenue from discontinued operations	-	-	24	-	42
Total revenue	<u>\$ 1,184</u>	<u>\$ 1,177</u>	<u>\$ 1,386</u>	<u>\$ 2,361</u>	<u>\$ 2,891</u>
Other Data					
AMD Product Company (excludes Foundry segment and intersegment eliminations)					
Depreciation and amortization (excluding amortization of acquired intangible assets)	\$ 103	\$ 105		\$ 208	
Capital additions	\$ 15	\$ 17		\$ 32	
Adjusted EBITDA (6)	\$ 14	\$ 99		\$ 113	
Cash, cash equivalents and marketable securities (7)	\$ 1,637	\$ 1,599		\$ 1,637	
Total assets (7)	\$ 4,405	\$ 4,536		\$ 4,405	
Long-term debt (7)	\$ 3,703	\$ 3,711		\$ 3,703	
Headcount	10,366	10,511		10,366	
AMD					
Depreciation and amortization (excluding amortization of acquired intangible assets)	\$ 265	\$ 262	\$ 265	\$ 527	\$ 531
Capital additions	\$ 112	\$ 84	\$ 104	\$ 196	\$ 426
Adjusted EBITDA (6)	\$ 50	\$ 77	\$ 105	\$ 127	\$ 178
Headcount	13,281	13,408	15,653	13,281	15,653

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 onward. 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 unit.

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

	Quarter Ended			Six Months Ended	
	Q209	Q109	Q208	Q209	Q208
Employee stock-based compensation expense	\$ 18	\$ 17	\$ 18	\$ 35	\$ 38
Impairment of goodwill and acquired intangible assets	-	-	403	-	403
Amortization of acquired intangible assets	17	18	37	35	77
Restructuring charges	1	60	31	61	31
AMD Product Company formation costs associated with GLOBALFOUNDRIES	-	21	-	21	-
	<u>\$ 36</u>	<u>\$ 116</u>	<u>\$ 489</u>	<u>\$ 152</u>	<u>\$ 549</u>

- (5) Represents intersegment eliminations in revenue and in cost of sales and profits on inventory between AMD Product Company and the Foundry segment. For the quarters ended June 27, 2009, March 28, 2009 and six months ended June 27, 2009, intersegment eliminations of revenue was \$253 million, \$283 million and \$536 million, respectively. For the quarters ended June 27, 2009, March 28, 2009 and six months ended June 27, 2009, intersegment eliminations of cost of sales and profits on inventory was \$230 million, \$275 million and \$505 million, respectively.

(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		Six Months Ended
	Q209	Q109	Q209
Net income (loss) attributable to AMD common stockholders	\$ (330)	\$ (416)	\$ (746)
Net income (loss) attributable to noncontrolling interest	(25)	(6)	(31)
Class B preferred accretion	20	8	28
Foundry segment and intersegment eliminations net loss	177	317	494
AMD Product Company net income (loss)	\$ (158)	\$ (97)	\$ (255)
Depreciation and amortization	103	105	208
Amortization of acquired intangible assets	17	18	35
Interest expense	71	74	145
Provision (benefit) for income taxes	(19)	(1)	(20)
Adjusted EBITDA	<u>\$ 14</u>	<u>\$ 99</u>	<u>\$ 113</u>

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

	Quarter Ended			Six Months Ended	
	Q209	Q109	Q208	Q209	Q208
Net income (loss) attributable to AMD common stockholders	\$ (330)	\$ (416)	\$ (1,195)	\$ (746)	\$ (1,559)
Impairment of goodwill and acquired intangible assets	-	-	403	-	403
Depreciation and amortization	265	262	265	527	531
Amortization of acquired intangible assets	17	18	37	35	77
Interest expense	108	97	101	205	202
Provision (benefit) for income taxes	(10)	116	-	106	-
Income (loss) from discontinued operations, net of tax	-	-	494	-	524
Adjusted EBITDA	<u>\$ 50</u>	<u>\$ 77</u>	<u>\$ 105</u>	<u>\$ 127</u>	<u>\$ 178</u>

(7) Reconciliation of select balance sheet items

	Q209			Q109		
	Cash, cash equivalents and marketable securities	Total Assets	Long-term debt**	Cash, cash equivalents and marketable securities	Total Assets	Long-term debt**
AMD Product Company	\$ 1,637	\$ 4,405	\$ 3,703	\$ 1,599	\$ 4,536	\$ 3,711
Foundry segment and intersegment eliminations	877	4,278	1,829	1,120	4,516	1,852
AMD	<u>\$ 2,514</u>	<u>\$ 8,683</u>	<u>\$ 5,532</u>	<u>\$ 2,719</u>	<u>\$ 9,052</u>	<u>\$ 5,563</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.

** Long-term debt also includes the current portion of long-term debt and capital lease obligations.