

NEWS RELEASE

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AMD Reports Third Quarter Results

- AMD revenue \$1.69 billion, 7 percent sequential increase and 4 percent increase year-over-year
- Net income \$97 million, earnings per share \$0.13, operating income \$138 million
- Non-GAAP¹ net income \$110 million, earnings per share \$0.15, operating income \$146 million
- Gross margin 45 percent
- More than 60 percent sequential increase in mobile Accelerated Processor Unit (APU) shipments drives record mobile microprocessor revenue and unit shipments

SUNNYVALE, Calif. – Oct. 27, 2011 – [AMD](#) (NYSE:AMD) today announced revenue for the third quarter of 2011 of \$1.69 billion, net income of \$97 million, or \$0.13 per share, and operating income of \$138 million. The company reported non-GAAP net income of \$110 million, or \$0.15 per share, and non-GAAP operating income of \$146 million.

“Strong adoption of AMD APUs drove a 35 percent sequential revenue increase in our mobile business,” said Rory Read, AMD president and CEO. “Despite supply constraints, we saw double digit revenue and unit shipment growth in emerging markets like China and India as well as overall notebook share gains in retail at mainstream price points. Through disciplined execution and continued innovation we will look to accelerate our growth and refine our focus on lower power, emerging markets, and the cloud.”

GAAP Financial Results²

	Q3-11	Q2-11	Q3-10
Revenue	\$1.69B	\$1.57B	\$1.62B
Operating income	\$138M	\$105M	\$128M
Net income (loss) / Earnings (loss) per share	\$97M/\$0.13	\$61M/\$0.08	\$(118)M/\$(0.17)

Non-GAAP Financial Results¹

	Q3-11	Q2-11	Q3-10
Revenue	\$1.69B	\$1.57B	\$1.62B
Operating income	\$146M	\$114M	\$144M
Net income / Earnings per share	\$110M/\$0.15	\$70M/\$0.09	\$108M/\$0.15

Quarterly Summary

- Gross margin was 45 percent.
- Cash, cash equivalents and marketable securities balance, including long-term marketable securities, was \$1.86 billion at the end of the quarter.
- Computing Solutions segment revenue increased 6 percent sequentially and 5 percent year-over-year. Sequentially, higher mobile and server microprocessor revenues were partially offset by lower desktop revenue. The year-over-year increase was primarily driven by higher mobile processor and chipset revenue.
 - Operating income was \$149 million, compared with \$142 million in Q2 11 and \$164 million in Q3 10.
 - Microprocessor ASP increased sequentially and decreased year-over-year.
 - Leading notebook manufacturers including [Acer](#), [ASUS](#), [Dell](#), [HP](#), [Lenovo](#), [Samsung](#) and [Toshiba](#) continued to increase global availability of their notebook platforms based on the AMD A-Series APUs, bringing brilliant HD graphics and up to 10.5 hours of battery life³ to users worldwide.
 - [Acer](#), [ASUS](#), [HP](#), [Lenovo](#), [MSI](#), [Samsung](#), [Sony](#) and [Toshiba](#) also introduced ultraportable notebooks with improved performance and battery life based on the updated AMD C- and E-Series APUs.
 - AMD introduced the first processors based on the next-generation x86 “Bulldozer” architecture.
 - AMD launched the AMD FX series of desktop processors, including the first-ever eight-core desktop processor that enables extreme multi-display gaming, mega-tasking and HD content creation. The 8-core AMD FX desktop processor also set the Guinness World Record for ‘Highest Frequency of a Computer Processor’.⁴
 - The next-generation AMD Opteron™ processor codenamed “Interlagos” began shipping in the quarter and has been integrated into a significant number of new or upgraded supercomputer installations including the [High Performance Computing Center Stuttgart](#), the [UK’s National Academic Supercomputer Service](#), the [Swiss National Supercomputing Center](#) and the [Department of Energy’s \(DOE\) Oak Ridge National Laboratory \(ORNL\) “Titan.”](#) which is expected to be one of the world’s fastest supercomputers.
 - AMD announced two advances in its work with the software community to promote development of applications that take full advantage of the computing power found in APUs and discrete graphics processor units (GPUs).
 - AMD announced an AMD Fusion Fund investment in [BlueStacks](#), whose software enables Android applications to run on Windows®-based devices.
 - AMD software partner [MotionDSP](#) announced that it has optimized the industry-leading Ikena real-time video reconstruction software for [OpenCL™](#), to enable a 60 percent improvement on AMD FirePro™ professional graphics.
- Graphics segment revenue increased 10 percent sequentially and 4 percent year-over-year. The sequential increase was driven primarily by seasonality in the add-in-board market. The year-over-year increase was primarily driven by increased discrete mobile graphics revenue.
 - Operating income was \$12 million, compared with operating loss of \$7 million in Q2 11 and operating income of \$1 million in Q3 10.
 - GPU ASP increased sequentially and year-over-year.

- AMD demonstrated the industry's first 28 nanometer mobile GPU. AMD's next-generation family of high-performance graphics cards is expected to ship for revenue later this year.
- AMD launched the AMD Radeon™ HD 6990M GPU, the world's fastest mobile graphics product⁵ with support for DirectX®11 gaming, AMD Eyefinity Technology multi-monitor configurations driving up to six monitors, and AMD App Acceleration that enhances the performance of a growing number of games as well as multimedia and productivity applications.
- AMD expanded the company's professional graphics solutions to the real-time professional video and broadcast graphics market with the launch of AMD FirePro™ SDI-Link.

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.

AMD expects revenue to increase 3 percent, plus or minus 2 percent, sequentially for the fourth quarter of 2011.

For additional detail regarding AMD's results and outlook please see the CFO commentary posted at quarterlyearnings.amd.com.

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 third quarter financial results. AMD will provide a real-time audio broadcast of the teleconference on the [Investor Relations](#) page of its Web site at [AMD](#). The webcast will be available for 10 days after the conference call.

Reconciliation of GAAP Net Income (Loss) to Non-GAAP Net Income¹

(Millions except per share amounts)	Q3-11		Q2-11		Q3-10	
GAAP net income (loss) / Earnings (loss) per share	\$ 97	\$ 0.13	\$ 61	\$ 0.08	\$ (118)	\$ (0.17)
Equity income (loss) and dilution gain in investee, net	-	-	-	-	(186)	(0.25)
Non-GAAP net income excluding GLOBALFOUNDRIES related items	97	0.13	61	0.08	68	0.09
Amortization of acquired intangible assets	(8)	(0.01)	(9)	(0.01)	(16)	(0.02)
Loss on debt repurchase	(5)	(0.01)	-	-	(24)	(0.03)
Non-GAAP net income / Earnings per share	\$ 110	\$ 0.15	\$ 70	\$ 0.09	\$ 108	\$ 0.15

Reconciliation of GAAP to Non-GAAP Operating Income¹

(Millions)	Q3-11	Q2-11	Q3-10
GAAP operating income	\$ 138	\$ 105	\$ 128
Amortization of acquired intangible assets	(8)	(9)	(16)
Non-GAAP operating income	\$ 146	\$ 114	\$ 144

About AMD

AMD (NYSE: AMD) is a semiconductor design innovator leading the next era of vivid digital experiences with its groundbreaking AMD Fusion Accelerated Processing Units (APUs) that power a wide range of computing devices. AMD's server computing products are focused

on driving industry-leading cloud computing and virtualization environments. AMD's superior graphics technologies are found in a variety of solutions ranging from game consoles, PCs to supercomputers. For more information, visit <http://www.amd.com>.

Cautionary Statement

This release contains forward-looking statements concerning AMD, its fourth quarter 2011 revenue, demand for its products, supply of products from GLOBALFOUNDRIES, growth opportunities in low power, emerging markets and the cloud, and the timing of future product releases, 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; 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; GLOBALFOUNDRIES will be unable to manufacture the company's products on a timely basis in sufficient quantities and using competitive technologies; 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; the company will be unable to transition its products to advanced manufacturing process technologies in a timely and effective way; global business and economic conditions will not continue to improve or will worsen resulting in lower than currently expected demand; 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; 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; and the company will be unable to maintain the level of investment in research and development that is required to remain competitive. 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 Quarterly Report on Form 10-Q for the quarter ended July 2, 2011.

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¹ In this press release, in addition to GAAP financial results, the Company has provided non-GAAP financial measures, including for non-GAAP net income excluding GLOBALFOUNDRIES related items, non-GAAP net income, non-GAAP operating income and non-GAAP earnings per share. These non-GAAP financial measures reflect certain adjustments as presented in the tables in this press release. The Company also provided Adjusted EBITDA and non-GAAP Adjusted free cash flow as supplemental measures of its performance. These items are defined in the footnotes to the selected corporate data tables provided at the end of this press release. The Company is providing these financial measures because it believes this non-GAAP presentation makes it easier for investors to compare its operating results for current and historical periods and also because the Company believes it assists investors in comparing the Company's performance across reporting periods on a consistent basis by excluding items that it does not believe are indicative of its core operating performance and for the other reasons described in the footnotes to the selected data tables. Refer to corresponding tables at the end of this press release for additional AMD data.

² For the year 2010, the Company accounted for its investment in GLOBALFOUNDRIES under the equity method of accounting. Starting in the first quarter of 2011, the Company started accounting for its investment in GLOBALFOUNDRIES under the cost method of accounting.

³ Testing conducted by AMD performance labs using a 2011 Sabine Reference Design "Torpedo" showed 628 minutes (10:28 hrs) using Windows Idle as a "Resting" metric. "Active" battery life using FutureMark® 3DMark™06 as workload test showed 218 minutes (2:58 hrs). Battery life calculations are based on using a 6 cell Li-Ion 62.16Whr battery pack at 98% utilization. AMD defines "all-day" battery life as a score of 8+ hours.

⁴ Testing conducted in AMD performance labs using liquid helium. Final frequency obtained was 8.429GHz on August 31, 2011. AMD's product warranty does not cover damages caused by overclocking, even when overclocking is enabled via AMD hardware or software.

⁵ In tests conducted in AMD performance labs at 1920x1080, simulating mobile performance with a down-clocked desktop test system the AMD Radeon™ HD 6990M-based system was measured to be faster than the Nvidia GeForce 580M in the following benchmarks: Dragon Age 2 at 4AA/16AF (23.69% faster), Total War: Shogun 2 at 2xAA/16xAF (10.36% faster), Aliens vs. Predator at 2xAA/8xAF (13.19% faster), Batman: Arkham Asylum at 4xAA/16xAF (16.85% faster), ET: Quake Wars at 8xAA/16xAF (25.82% faster), Just Cause 2 at 0xAA/2xAF (14.22% faster), Left 4 Dead 2 at 0xAA/0xAF (8.30% faster), Metro2033 at AAA/4xAF (11.40% faster), The Chronicles of Riddick: Assault on Dark Athena at 4xAA/8xAF (15.32% faster), Wolfenstein MP at 8xAA/16xAF (16.59% faster). Tests conducted with the following configuration: Asus M4A89GTD PRO/USB3, AMD Phenom™ II X4 965 (2.4GHz), 4GB (2GBx2GB), DDR3 system memory, Microsoft® Windows® 7 64-bit Ultimate operating system. Drivers: AMD Catalyst 8.861 RC1, Nvidia Driver 275.33 WHQL.