

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

	Quarter Ended			Six Months Ended	
	Jun. 29, 2013	Mar. 30, 2013	Jun. 30, 2012	Jun. 29, 2013	Jun. 30, 2012
Net revenue	\$ 1,161	\$ 1,088	\$ 1,413	\$ 2,249	\$ 2,998
Cost of sales	702	643	775	1,345	2,333
Gross margin	459	445	638	904	665
Gross margin %	40%	41%	45%	40%	22%
Research and development	308	312	345	620	713
Marketing, general and administrative	171	179	212	350	442
Amortization of acquired intangible assets	4	5	4	9	5
Restructuring and other special charges, net	5	47	-	52	8
Operating income (loss)	(29)	(98)	77	(127)	(503)
Interest income	2	1	2	3	4
Interest expense	(42)	(44)	(43)	(86)	(86)
Other income (expense), net	(2)	(3)	(5)	(5)	(6)
Income (loss) before income taxes	(71)	(144)	31	(215)	(591)
Provision (benefit) for income taxes	3	2	(6)	5	(38)
Net income (loss)	\$ (74)	\$ (146)	\$ 37	\$ (220)	\$ (553)
Net income (loss) per share					
Basic	\$ (0.10)	\$ (0.19)	\$ 0.05	\$ (0.29)	\$ (0.75)
Diluted	\$ (0.10)	\$ (0.19)	\$ 0.05	\$ (0.29)	\$ (0.75)
Shares used in per share calculation					
Basic	752	749	739	751	737
Diluted	752	749	755	751	737

ADVANCED MICRO DEVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Millions)

	Quarter Ended			Six Months Ended	
	Jun. 29, 2013	Mar. 30, 2013	Jun. 30, 2012	Jun. 29, 2013	Jun. 30, 2012
Total comprehensive income (loss)	\$ (76)	\$ (147)	\$ 36	\$ (223)	\$ (552)

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

	Jun. 29, 2013	Mar. 30, 2013	Dec. 29, 2012
Assets			
Current assets:			
Cash, cash equivalents and marketable securities	\$ 968	\$ 1,003	\$ 1,002
Accounts receivable, net	670	645	630
Inventories, net	711	613	562
Prepaid expenses and other current assets	109	77	71
Total current assets	2,458	2,338	2,265
Long-term marketable securities	149	180	181
Property, plant and equipment, net	402	411	658
Acquisition related intangible assets, net	87	92	96
Goodwill	553	553	553
Other assets	248	223	247
Total Assets	\$ 3,897	\$ 3,797	\$ 4,000
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	\$ 402	\$ 301	\$ 278
Payable to GLOBALFOUNDRIES	414	379	454
Accrued liabilities	475	461	489
Deferred income on shipments to distributors	129	132	108
Current portion of long-term debt and capital lease obligations	5	5	5
Other current liabilities	26	43	63
Total current liabilities	1,451	1,321	1,397
Long-term debt and capital lease obligations, less current portion	2,042	2,039	2,037
Other long-term liabilities	45	22	28
Stockholders' equity:			
Capital stock:			
Common stock, par value	7	7	7
Additional paid-in capital	6,848	6,827	6,803
Treasury stock, at cost	(110)	(109)	(109)
Accumulated deficit	(6,380)	(6,306)	(6,160)
Accumulated other comprehensive loss	(6)	(4)	(3)
Total stockholders' equity	359	415	538
Total Liabilities and Stockholders' Equity	\$ 3,897	\$ 3,797	\$ 4,000

ADVANCED MICRO DEVICES, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Millions)

	Quarter Ended	Six Months Ended
	Jun. 29, 2013	Jun. 29, 2013
Cash flows from operating activities:		
Net loss	\$ (74)	\$ (220)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	59	125
Net loss on disposal of property, plant and equipment	(1)	47
Benefit for deferred income taxes	-	1
Employee stock-based compensation expense	20	44
Non-cash interest expense	6	12
Other	2	1
Changes in operating assets and liabilities:		
Accounts receivable	(25)	(39)
Inventories	(97)	(149)
Prepaid expenses and other current assets	(35)	(42)
Other assets	(39)	(33)
Payable to GLOBALFOUNDRIES	34	(40)
Accounts payable, accrued liabilities and other	115	103
Net cash used in operating activities	\$ (35)	\$ (190)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(28)	(48)
Proceeds from sale of property, plant and equipment	3	181
Purchases of available-for-sale securities	(392)	(753)
Proceeds from sale and maturity of available-for-sale securities	343	593
Net cash used in investing activities	\$ (74)	\$ (27)
Cash flows from financing activities:		
Net proceeds from foreign grants and allowances	2	2
Proceeds from issuance of common stock	1	2
Repayments of debt and capital lease obligations	(1)	(2)
Net cash provided by financing activities	\$ 2	\$ 2
Net decrease in cash and cash equivalents	(107)	(215)
Cash and cash equivalents at beginning of period	\$ 441	\$ 549
Cash and cash equivalents at end of period	\$ 334	\$ 334

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

Segment and Category Information	Quarter Ended			Six Months Ended	
	Jun. 29, 2013	Mar. 30, 2013	Jun. 30, 2012	Jun. 29, 2013	Jun. 30, 2012
Computing Solutions (1)					
Net revenue	\$ 841	\$ 751	\$ 1,046	\$ 1,592	\$ 2,249
Operating income (loss)	\$ 2	\$ (39)	\$ 82	\$ (37)	\$ 206
Graphics and Visual Solutions (2)					
Net revenue	320	337	367	657	749
Operating income	-	16	31	16	65
All Other (3)					
Operating loss	(31)	(75)	(36)	(106)	(774)
Total					
Net revenue	\$ 1,161	\$ 1,088	\$ 1,413	\$ 2,249	\$ 2,998
Operating income (loss)	\$ (29)	\$ (98)	\$ 77	\$ (127)	\$ (503)
Other Data					
Depreciation and amortization, excluding amortization	\$ 54	\$ 62	\$ 61	\$ 116	\$ 123
Capital additions	\$ 28	\$ 20	\$ 39	\$ 48	\$ 79
Adjusted EBITDA (4)	\$ 54	\$ 40	\$ 173	\$ 94	\$ 394
Cash, cash equivalents and marketable securities, including long-term marketable securities	\$ 1,117	\$ 1,183	\$ 1,759	\$ 1,117	\$ 1,759
Non-GAAP free cash flow (5)	\$ (63)	\$ (175)	\$ 42	\$ (238)	\$ 109
Total assets	\$ 3,897	\$ 3,797	\$ 5,041	\$ 3,897	\$ 5,041
Long-term debt and capital lease obligations, including current portion	\$ 2,047	\$ 2,044	\$ 2,021	\$ 2,047	\$ 2,021
Headcount	9,928	9,844	11,737	9,928	11,737

See footnotes on the next page

- (1) Computing Solutions segment includes x86 microprocessors, as standalone devices or as incorporated as an accelerated processing unit (APU), chipsets, embedded processors and dense servers.
- (2) Graphics and Visual Solutions segment includes graphics, video and multimedia products developed for use in desktop and notebook computers, including home media PCs, professional workstations and servers as well as revenue received in connection with semi-custom products and development and game console royalties.
- (3) All Other category includes certain expenses and credits that are not allocated to any of the operating segments. Also included in this category are amortization of acquired intangible assets, employee stock-based compensation expense, net restructuring and other special charges and a charge related to the limited waiver of exclusivity from GLOBALFOUNDRIES ("GF").

(4) **Reconciliation of GAAP operating income (loss) to Adjusted EBITDA***

	Quarter Ended			Six Months Ended	
	Jun. 29, 2013	Mar. 30, 2013	Jun. 30, 2012	Jun. 29, 2013	Jun. 30, 2012
GAAP operating income (loss)	\$ (29)	\$ (98)	\$ 77	\$ (127)	\$ (503)
Limited waiver of exclusivity from GF	-	-	-	-	703
Legal settlement	-	-	5	-	5
Depreciation and amortization	54	62	61	116	123
Employee stock-based compensation expense	20	24	26	44	47
Amortization of acquired intangible assets	4	5	4	9	5
Restructuring and other special charges, net	5	47	-	52	8
SeaMicro acquisition costs	-	-	-	-	6
Adjusted EBITDA	\$ 54	\$ 40	\$ 173	\$ 94	\$ 394

(5) **Non-GAAP free cash flow reconciliation****

	Quarter Ended			Six Months Ended	
	Jun. 29, 2013	Mar. 30, 2013	Jun. 30, 2012	Jun. 29, 2013	Jun. 30, 2012
GAAP net cash provided by (used in) operating activities	\$ (35)	\$ (155)	\$ 81	\$ (190)	\$ 188
Purchases of property, plant and equipment	(28)	(20)	(39)	(48)	(79)
Non-GAAP free cash flow	\$ (63)	\$ (175)	\$ 42	\$ (238)	\$ 109

* The Company presents Adjusted EBITDA as a supplemental measure of its performance. Adjusted EBITDA for the Company is determined by adjusting operating income (loss) for depreciation and amortization, employee stock-based compensation expense and amortization of acquired intangible assets. In addition, the Company also included the following adjustments for the applicable period: for all periods presented, except for the second quarter of 2012, the Company also included an adjustment for net restructuring and other special charges; for the second quarter of 2012, the Company included an adjustment related to a legal settlement with a third party; and for six months ended June 30, 2012, the Company also included adjustments for the limited waiver of exclusivity from GLOBALFOUNDRIES, legal settlement with a third party and costs related to acquisition of SeaMicro, Inc. The Company calculates and communicates Adjusted EBITDA in the financial schedules because the Company's management believes it is of importance to investors and lenders in relation to its overall capital structure and its ability to borrow additional funds. In addition, the Company presents Adjusted EBITDA because it believes this measure assists investors in comparing its performance across reporting periods on a consistent basis by excluding items that the Company does not believe are indicative of its core operating performance. 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 GAAP operating measure of operating income (loss) or 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.

** The Company also presents non-GAAP free cash flow in the earnings release as a supplemental measure of its performance. Non-GAAP free cash flow is determined by adjusting GAAP net cash provided by (used in) operating activities for capital expenditures. The Company calculates and communicates non-GAAP free cash flow in the financial schedules because the Company's management believes it is of importance to investors to understand the nature of these cash flows. The Company's calculation of non-GAAP free cash flow may or may not be consistent with the calculation of this measure by other companies in the same industry. Investors should not view non-GAAP free cash flow as an alternative to GAAP liquidity measures of cash flows from operating activities. The Company has provided reconciliations within the press release and financial schedules of these non-GAAP financial measures to the most directly comparable GAAP financial measures.