AMD FIRST QUARTER 2014 FINANCIAL RESULTS

April 17, 2014

CAUTIONARY STATEMENT

This document contains forward-looking statements concerning Advanced Micro Devices, Inc. ("AMD" or the "Company"), its financial outlook for the second quarter of 2014 and fiscal 2014, including revenue, GAAP gross margin, non-GAAP operating expenses, inventory, taxes and capital expenditures; its ability to achieve positive free cash flow and net income profitability in 2014; its targeted and optimal cash, cash equivalents and marketable securities, including long-term marketable securities, balances; its ability to build leadership IP; AMD's ability to transition approximately 50% of its revenue to high growth adjacent markets by the end of 2015; and AMD's ability to diversify its product portfolio, 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 "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "estimates," "anticipates," "projects," "would" and other terms with similar meaning. Investors are cautioned that the forward-looking statements in this document are based on current beliefs, assumptions and expectations, speak only as of the date of this document 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 may negatively impact AMD's plans, that AMD will require additional funding and may be unable to raise sufficient capital on favorable terms, or at all; that customers stop buying AMD's products or materially reduce their operations or demand for AMD's products; that AMD may be unable to develop, launch and ramp new products and technologies in the volumes that are required by the market at mature yields on a timely basis; that AMD's third-party foundry suppliers will be unable to transition AMD's products to advanced manufacturing process technologies in a timely and effective way or to manufacture AMD's products on a timely basis in sufficient quantities and using competitive process technologies; that AMD will be unable to obtain sufficient manufacturing capacity or components to meet demand for its products or will not fully utilize its projected manufacturing capacity needs at GF microprocessor manufacturing facilities; that AMD's requirements for wafers will be less than the fixed number of wafers that it agreed to purchase from GF or GF encounters problems that significantly reduce the number of functional die it receives from each wafer; that AMD is unable to successfully implement its long-term business strategy; that AMD inaccurately estimates the quantity or type of products that its customers will want in the future or will ultimately end up purchasing, resulting in excess or obsolete inventory; that AMD is unable to manage the risks related to the use of its third-party distributors and add-in-board (AIB) partners or offer the appropriate incentives to focus them on the sale of AMD's products; that AMD may be unable to maintain the level of investment in research and development that is required to remain competitive; that there may be unexpected variations in market growth and demand for AMD's products and technologies in light of the product mix that it may have available at any particular time; that global business and economic conditions will not improve or will worsen; that PC market conditions will not improve or will worsen; that demand for computers will be lower than currently expected; and the effect of political or economic instability, domestically or internationally, on AMD's sales or supply chain. 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 Form 10-K for the year ended December 28, 2013.

3 STEPS TO TURNAROUND AND TRANSFORM

AMD

1. RESET & RESTRUCTURE
Q3 2012 – Q3 2013

- Hit $450M OPEX[1] target in Q3 2013
- Managed cash and working capital
  - Maintained cash above $1B
- Stabilized the business
- Reduced headcount by ~14%

COMPLETED

2. ACCELERATE & EXECUTE PLAN
2013

- Executed powerful 2013 roadmap
  - Client APUs
  - Next generation graphics
  - Embedded/Semi-custom
  - Accelerate dense server
- Delivered on our financial commitments
- Returned to profitability in 2H 2013
- Achieved positive free cash flow in 2H 2013
- Derived more than 30% of revenues from semi-custom and embedded businesses in 2H 2013

COMPLETED

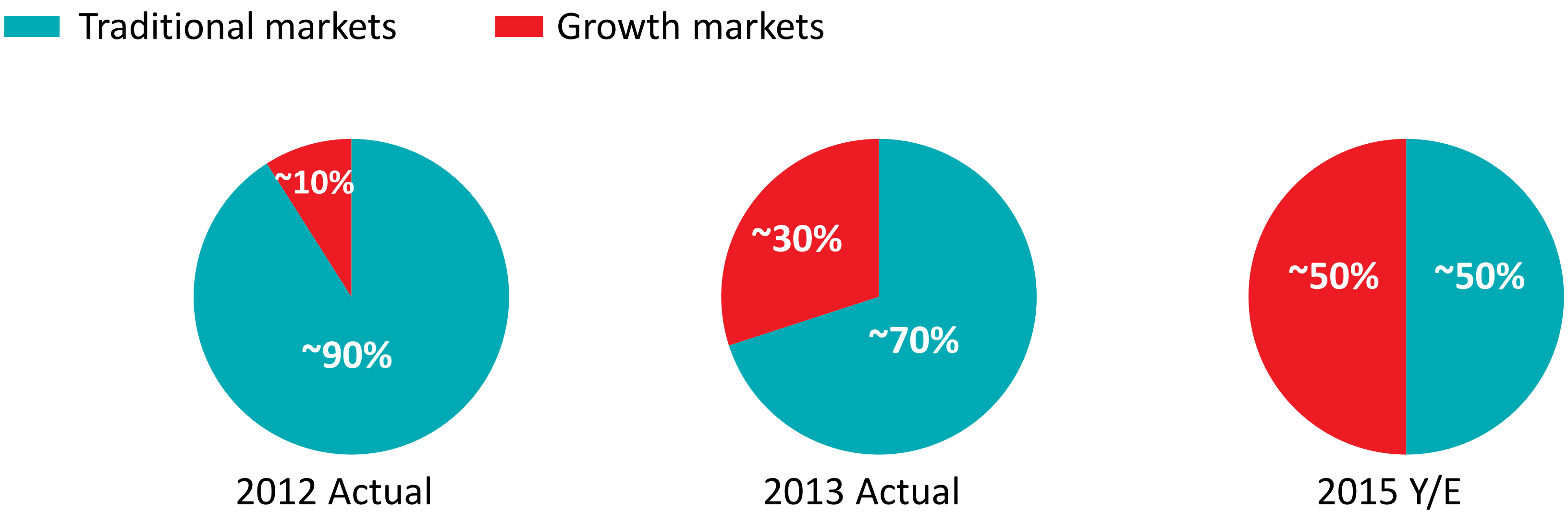
3. TRANSFORM AMD TO WIN
2014+

- Build leadership IP
  - Low power
  - Next generation x86 and ARM cores
  - Graphics
- Tailored, semi-custom design & integration capabilities
- Continue to diversify our portfolio
  - Move ~50% of our revenue to high growth adjacent markets by the end of 2015
  - Ultra low-power client
  - Embedded
  - Professional graphics
  - Semi-custom
  - Dense servers

PURPOSE DRIVEN

1. See Appendices for GAAP to Non-GAAP OPEX reconciliation.

TRANSFORMING OUR BUSINESS TO HIGH GROWTH AREAS



TRADITIONAL MARKET FOCUS

- Maintain traditional PC strongholds
  - High-volume notebook/desktop opportunities
  - Discrete graphics
- Grow in desktop and graphics channels
- Target commercial opportunities
  - Secured a number of client design wins with Tier 1 OEMs

GROWTH OPPORTUNITIES FOR AMD

- Professional graphics
- Semi-custom
- Dense Server: x86 and 64-bit ARM
- Embedded: x86 and 64-bit ARM
- Ultra low-power client

Q1 2014: CONTINUED NON-GAAP PROFITABILITY

AMD

	Q3 2013	Q4 2013	Q1 2014	Q-to-Q Fav / (Unfav)
Revenue	$1,461 M	$1,589 M	**$1,397 M**	(12) %
Gross Margin[1]	36 %	35 %	**35 %**	-
Non-GAAP Operating Expenses[2]	$443 M	$462 M	**$421 M**	$41 M
Non-GAAP Operating Income[2]	$78 M	$91 M	**$66 M**	$(25) M
Non-GAAP Net Income[2]	$31 M	$45 M	**$12 M**	$(33) M
Cash, Cash Equivalents and Marketable Securities (incl. Long-Term)	$1,181 M	$1,187 M	**$982 M**	$(205) M
Inventories, net	$922 M	$884 M	**$869 M**	$15 M
Total Debt[3]	$2,049 M	$2,058 M	**$2,138 M**	$(80) M

1. Q3 2013 36% gross margin includes a $19 million benefit from the sale of inventory reserved in Q3 2012, Q4 2013 35% gross margin includes a similar $7 million benefit and Q1 2014 35% gross margin includes a similar $4 million benefit.
2. See Appendices for GAAP to Non-GAAP operating expenses, operating income and net income reconciliations.
3. See Appendices for Total Debt reconciliation.

Q1 2014 SEGMENT FINANCIAL RESULTS

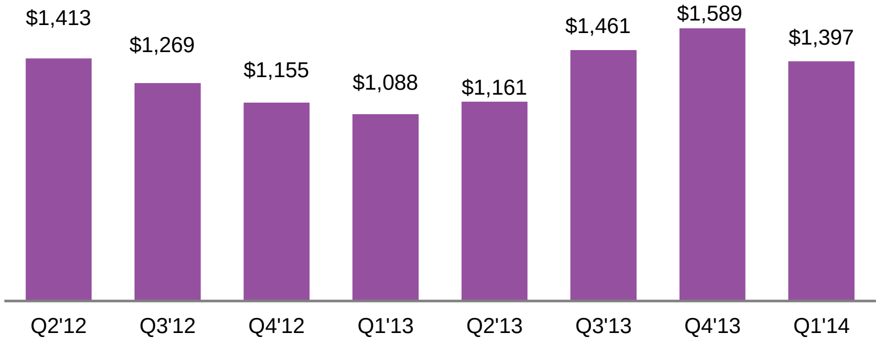
AMD

	Q1 2013	Q4 2013	**Q1 2014**	**Q-to-Q** **Fav / (Unfav)**
Computing Solutions				
Net Revenue	$751 M	$722 M	**$663 M**	**(8) %**
Operating Loss	$(39) M	$(7) M	**$(3) M**	
Graphics and Visual Solutions				
Net Revenue	$337 M	$865 M	**$734 M**	**(15) %**
Operating Income	$16 M	$121 M	**$91 M**	
All Other Category				
Operating Income (Loss)	$(75) M	$21 M	**$(39) M**	
TOTAL				
Net Revenue	$1,088 M	$1,589 M	**$1,397 M**	**(12) %**
Operating Income (Loss)	$(98) M	$135 M	**$49 M**	

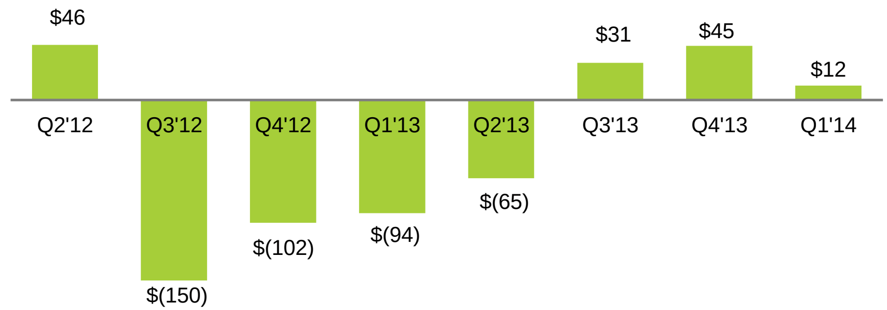
TRANSFORMATION YIELDING IMPROVED FINANCIAL RESULTS

AMD

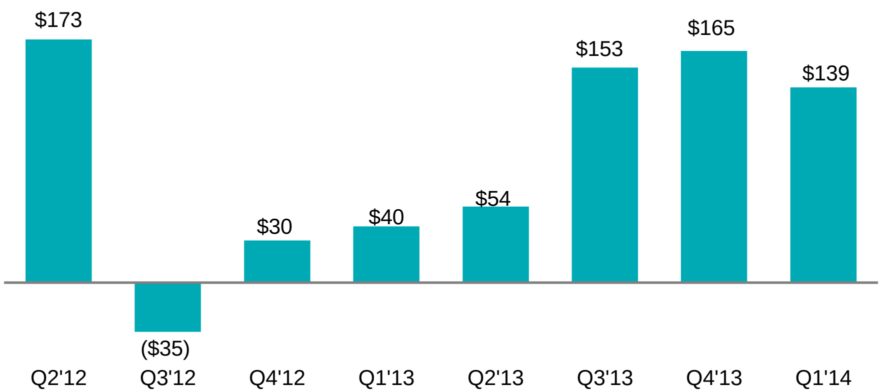
REVENUE



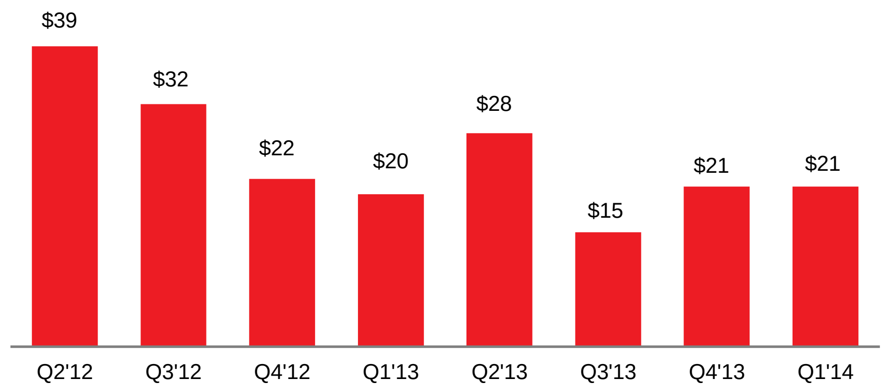
NON-GAAP NET INCOME (LOSS) [1]



ADJUSTED EBITDA [1]



CAPITAL EXPENDITURES

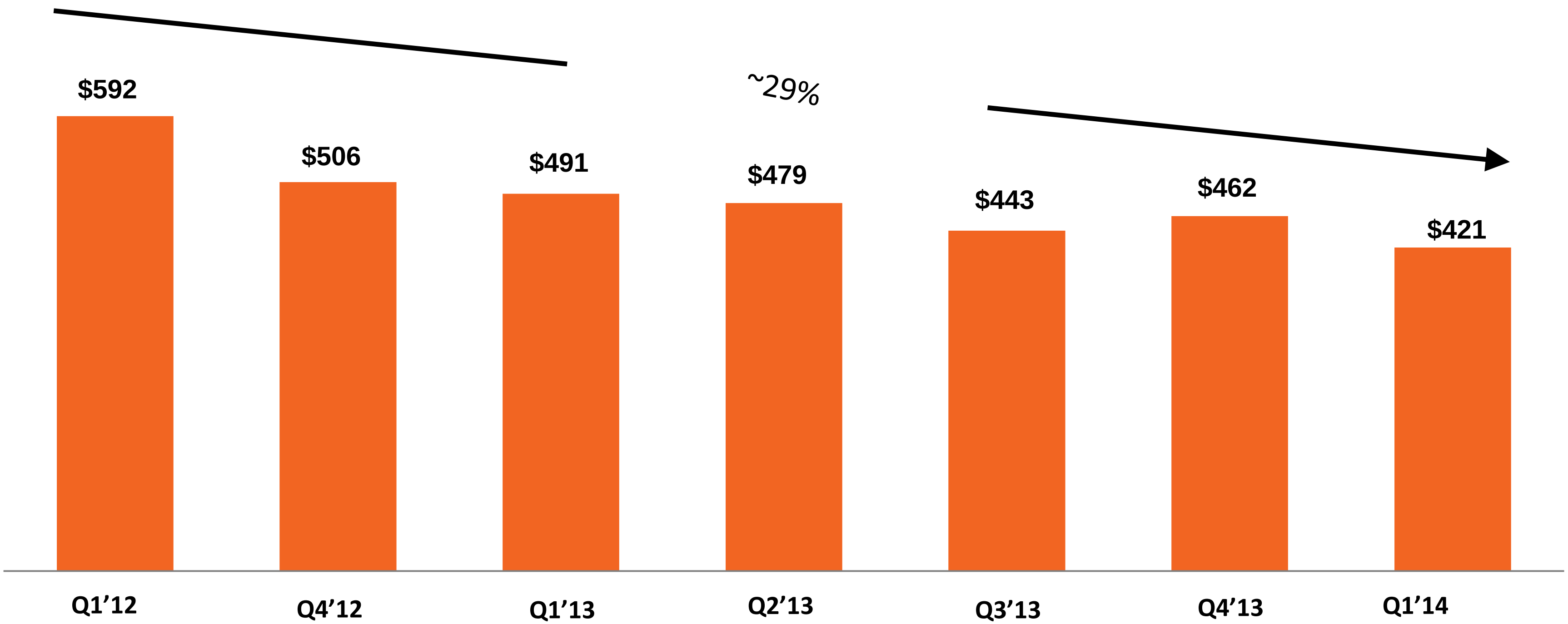


All numbers in millions USD.

1. See Appendices for GAAP to Non-GAAP net income (loss) and adjusted EBITDA reconciliations.

OPERATING EXPENSE DISCIPLINE

NON GAAP OPEX[1]($ IN MILLIONS)



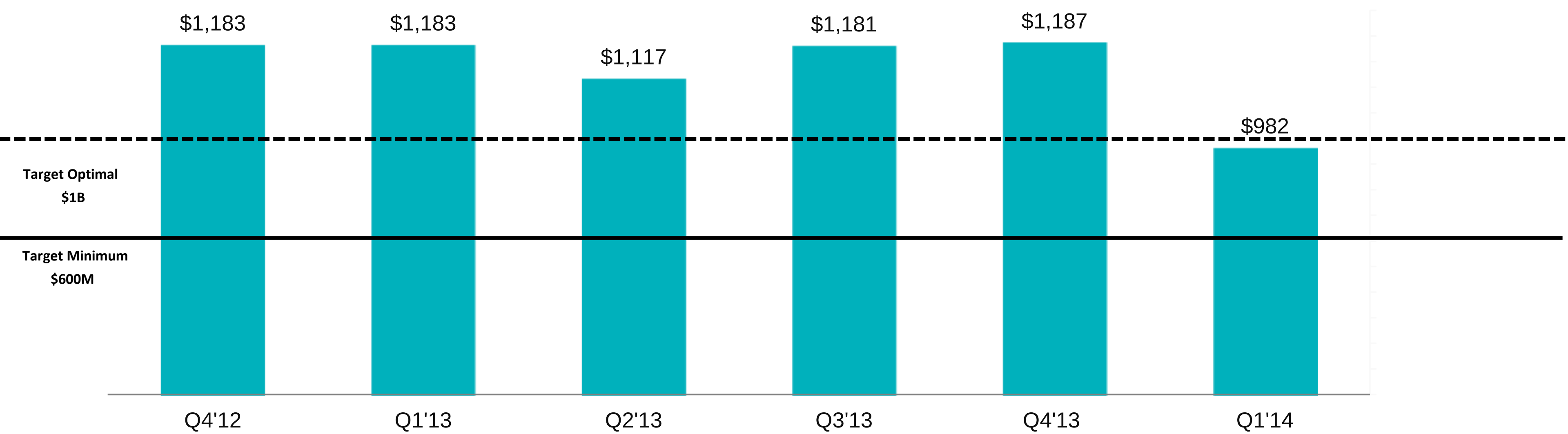
	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14
E/R %[1][2]	37%	39%	41%	44%	45%	41%	30%	29%	30%

1. See Appendices for GAAP to Non-GAAP operating expense and expense ratio reconciliations.
2. Expense to revenue ratio.

TARGET OPTIMAL AND MINIMUM CASH

CASH BALANCE(1) ($ IN MILLIONS)

TARGETING $1B OPTIMAL CASH BALANCE(1) WITH MORE DIVERSIFIED BUSINESS MODEL



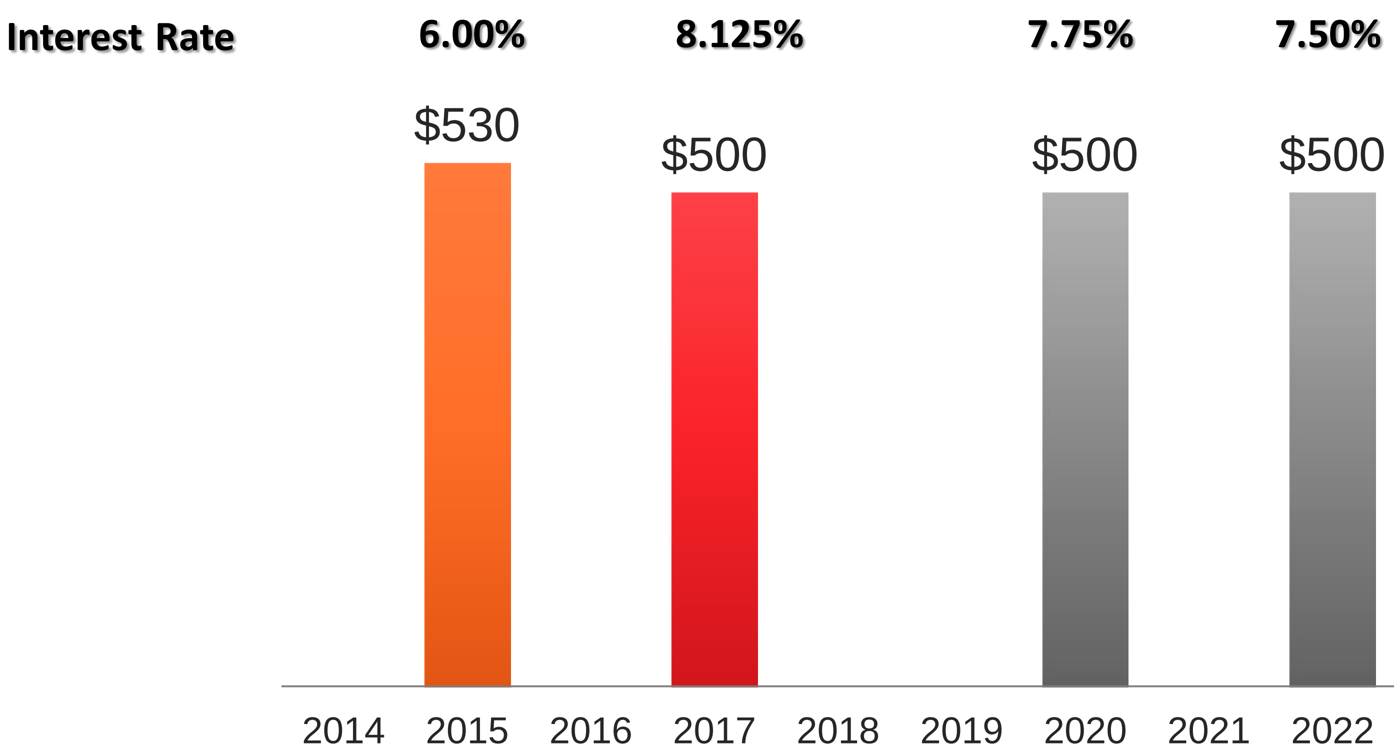
- ~90% of cash held domestically
- Optimal cash balance(1) ~$1B and minimum level $600M
- Made $200M payment to GLOBALFOUNDRIES in Q1 2014 related to 2012 take or pay obligation

1. Cash balance includes: cash, cash equivalents and marketable securities (including long term marketable securities)

2013 DEBT MATURITY PROFILE

DECEMBER 28, 2013

TERM DEBT[1] PROFILE/STRUCTURE ($M)

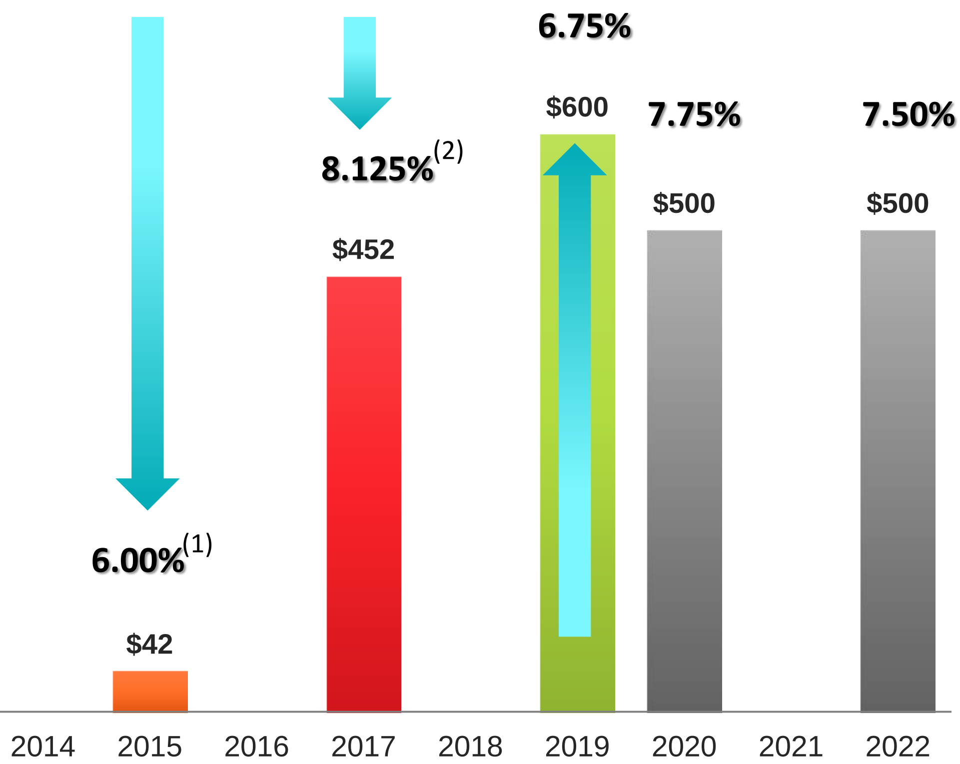


[1] Represents aggregate par value of the term debt, without the effect of associated discounts.

2014 DEBT MATURITY PROFILE

MARCH 29, 2014

LARGELY EXTENDED MATURITY FOR 3.5 YEARS



CAPITALIZATION

Q1 2014	$M
Cash, Cash Equivalents and Marketable Securities (including Long-Term)	**$982**
6.75% Sr. Notes due March 1, 2019 (issued 02/14)	600
7.50% Sr. Notes due August 15, 2022 (issued 08/12)	500
7.75% Sr. Notes due August 1, 2020 (issued 08/10)	500
8.125% Sr. Notes due December 15, 2017 (issued 11/09)	452
6.00% Sr. Cvt. Notes due May 1, 2015 (issued 04/07)	42
Borrowings from secured revolving line of credit, net	55
Other Obligations, including capital leases	15
Total Debt (see Appendices for reconciliation)	$ 2,138
Net Debt [3]	$ 1,156

(1) 6.00% Notes: Amount reflects open market purchases of $64M principal amount and the completion of tender offer repurchases of $423M principal amount completed in Q1 2014.
(2) 8.125% Notes: Amount reflects the completion of tender offer repurchases of $48M principal amount in Q1 2014.
(3) Net Debt defined as Total Debt minus Cash, Cash Equivalents and Marketable Securities (including Long-Term Marketable Securities)

Q2 2014 AND FY 2014 FINANCIAL GUIDANCE

AMD

	Q1 2014 Actual	Q2 2014 Guidance	2013 Actual	2014 Guidance
Revenue	$1,397 M	**Up 3 % +/- 3 %**	$5,299 M	**Y/Y Growth**
Gross Margin(1)	35 %	**~35 %**	37 %	**-**
Non-GAAP Operating Expenses(2)	$421 M	**~$435 M**	$1,875 M	**$420 M – $450 M/Q**
Cash, Cash Equivalents and Marketable Securities (incl. Long-Term Marketable Securities)	$982 M	**~$1 B**	$1,187 M	**~$1 B**
Inventories, net	$869 M	**Up slightly Q/Q**	$884 M	**Flat to down Y/Y**
Capital Expenditures	$21 M	**-**	$84 M	**~$120 M**
Taxes	$2 M	**$3 M**	$9 M	**$3 M/Q**
Free Cash Flow				**Positive**
Net Income				**Profitable**

1. Q1 2014 35% gross margin includes a $4 million benefit from the sale of inventory reserved in Q3 2012.
2. See Appendices for GAAP to Non-GAAP operating expense reconciliations.

KEY FINANCIAL MILESTONES IN TRANSFORMATION

AMD

OPEX	Dramatically decreased non-GAAP opex [1] and targeting quarterly spend of $420M-$450M in 2014
CASH BALANCE	Cash balances[2] near optimal balance of $1B and above minimum level of $600M
FREE CASH FLOW	Generated positive FCF in 2H 2013, expect to be positive for full year 2014
PROFITABILITY	Non-GAAP net income profitable for 3 quarters as of Q1 2014 and expect to continue to be net income profitable for the full year
PRODUCT DIVERSIFICATION	Move ~50% of our revenue to high growth adjacent markets by the end of 2015

1. See Appendices for GAAP to Non-GAAP gross margin and operating expense reconciliations
2. Cash balance includes: cash, cash equivalents and marketable securities (including long term marketable securities)

AMD'S FINANCIAL FOCUS

AMD

RE-SET AND REFOCUS CORPORATION	2014: ONGOING FOCUS ON LIQUIDITY	TARGET GROWTH MARKETS BEYOND PCS WITH DIFFERENTIATED IP	EXECUTE NEW OPERATING MODEL TO ACHIEVE PROFITABLE GROWTH
Operating expense discipline	$1B optimal cash balance Well above target minimum $600M	Transitioning ~50% of revenue to high growth adjacent markets	Expect positive free cash flow and net income profitability in 2014

FOOTNOTES

Non-GAAP Measures:

To supplement the financial results of Advanced Micro Devices, Inc. ("AMD" or the "Company") presented on a U.S. GAAP ("GAAP") basis, this presentation contains non-GAAP financial measures, including non-GAAP operating expenses, non-GAAP operating income (loss), non-GAAP net income (loss), non-GAAP earnings (loss) per share, Adjusted EBITDA, and non-GAAP free cash flow. These non-GAAP financial measures reflect certain adjustments, and the Company has presented a reconciliation of GAAP to non-GAAP financial measures in the tables below.

The Company presented "Adjusted EBITDA" in this presentation 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 indicated periods: for the first quarter of 2014, the Company included an adjustment for workforce rebalancing severance charges; for the fourth quarter of 2013, the Company included an adjustment for net legal settlements; and for the first quarter of 2013, the Company included net restructuring and other special charges. The Company calculates and communicates Adjusted EBITDA 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 this presentation as a supplemental measure of its performance. Non-GAAP free cash flow for the Company was determined by adjusting GAAP net cash provided by (used in) operating activities less capital expenditures. The Company calculates and communicates non-GAAP free cash flow because the Company's management believes it is important to investors to understand the nature of this cash flow. 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 of these non-GAAP financial measures to the most directly comparable GAAP financial measures. 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.

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APPENDICES

AMD

Reconciliation of GAAP Operating Income (Loss) to Adjusted EBITDA

(Millions)	Q1-14	Q4-13	Q3-13	Q2-13	Q1-13	Q4-12	Q3-12	Q2-12
GAAP operating income (loss)	**$ 49**	**$ 135**	**$ 95**	**$ (29)**	**$ (98)**	**$ (422)**	**$ (131)**	**$ 77**
Lower of cost or market charge related to GF take-or-pay obligation	-	-	-	-	-	273	-	-
Workforce rebalancing severance charges	14	-	-	-	-	-	-	-
Legal settlements, net	-	(48)	-	-	-	-	-	5
Depreciation and amortization	50	50	52	54	62	62	62	61
Employee stock-based compensation expense	23	24	23	20	24	23	27	26
Amortization of acquired intangible assets	3	4	5	4	5	4	4	4
Restructuring and other special charges (gains), net	-	-	(22)	5	47	90	3	-
Adjusted EBITDA	**$ 139**	**$ 165**	**$ 153**	**$ 54**	**$ 40**	**$ 30**	**$ (35)**	**$ 173**

Reconciliation of GAAP to Non-GAAP Operating Expenses

(Millions)	Q1-14	Q4-13	Q3-13	Q2-13	Q1-13	Q4-12	Q3-12	Q2-12	Q1-12
GAAP operating expenses	**$ 438**	**$ 418**	**$ 426**	**$ 488**	**$ 543**	**$ 600**	**$ 523**	**$ 561**	**$ 607**
Workforce rebalancing severance charges	14	-	-	-	-	-	-	-	-
Amortization of acquired intangible assets	3	4	5	4	5	4	4	4	1
Restructuring and other special charges (gains), net	-	-	(22)	5	47	90	3	-	8
Legal settlements, net	-	(48)	-	-	-	-	-	-	-
SeaMicro acquisition costs	-	-	-	-	-	-	-	-	6
Non-GAAP operating expenses	**$ 421**	**$ 462**	**$ 443**	**$ 479**	**$ 491**	**$ 506**	**$ 516**	**$ 557**	**$ 592**

Reconciliation of GAAP to Non-GAAP Operating Income (Loss)

(Millions)	Q1-14	Q4-13	Q1-13
GAAP operating income (loss)	**$ 49**	**$ 135**	**$ (98)**
Workforce rebalancing severance charges	14	-	-
Amortization of acquired intangible assets	3	4	5
Restructuring and other special charges (gains), net	-	-	47
Legal settlements, net	-	(48)	-
Non-GAAP operating income (loss)	**$ 66**	**$ 91**	**$ (46)**

APPENDICES

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

(Millions except per share amounts)	Q1-14		Q4-13		Q3-13		Q2-13		Q1-13	
GAAP net income (loss) / Earnings (loss) per share	**$ (20)**	**$ (0.03)**	**$ 89**	**$ 0.12**	**$ 48**	**$ 0.06**	**$ (74)**	**$ (0.10)**	**$ (146)**	**$ (0.19)**
Workforce rebalancing severance charges	14	0.02	-	-	-	-	-	-	-	-
Loss on debt redemption	15	0.02	-	-	-	-	-	-	-	-
Amortization of acquired intangible assets	3	0.00	4	0.00	5	0.01	4	0.01	5	0.01
Restructuring and other special charges (gains), net	-	-	-	-	(22)	(0.03)	5	0.01	47	0.06
Legal settlements, net	-	-	(48)	(0.06)	-	-	-	-	-	-
Non-GAAP net income (loss) / Earnings (loss) per share	**$ 12**	**$ 0.02**	**$ 45**	**$ 0.06**	**$ 31**	**$ 0.04**	**$ (65)**	**$ (0.09)**	**$ (94)**	**$ (0.13)**

(Millions except per share amounts)	Q4-12		Q3-12		Q2-12	
GAAP net income (loss) / Earnings (loss) per share	**$ (473)**	**$ (0.63)**	**$ (157)**	**$ (0.21)**	**$ 37**	**$ 0.05**
Amortization of acquired intangible assets	4	0.01	4	0.01	4	0.01
Restructuring and other special charges, net	90	0.12	3	0.00	-	-
Legal settlements, net	-	-	-	-	5	0.01
Lower of cost or market charge related to GF take-or-pay obligation	273	0.37	-	-	-	-
Impairment charge on certain marketable securities	4	-	-	-	-	-
Non-GAAP net income (loss) / Earnings (loss) per share	**$ (102)**	**$ (0.14)**	**$ (150)**	**$ (0.20)**	**$ 46**	**$ 0.06**

Non-GAAP Expense Ratio

(Millions)	Q1-14	Q4-13	Q3-13	Q2-13	Q1-13	Q4-12	Q3-12	Q2-12
Net Revenue	**$ 1,397**	**$ 1,589**	**$ 1,461**	**$ 1,161**	**$ 1,088**	**$ 1,155**	**$ 1,269**	**$ 1,413**
Operating Expenses- GAAP	$ 438	$ 418	$ 426	$ 488	$ 543	$ 600	$ 523	$ 561
E/R Ratio- GAAP	31%	26%	29%	42%	50%	52%	41%	40%
Operating Expenses- Non-GAAP	$ 421	$ 462	$ 443	$ 479	$ 491	$ 506	$ 516	$ 557
E/R Ratio- Non-GAAP	30%	29%	30%	41%	45%	44%	41%	39%

APPENDICES

Total Debt

(Millions)	Q1-14 Gross	Q1-14 Discount	Q1-14 Net	Q4-13 Gross	Q4-13 Discount	Q4-13 Net
6.00% Convertible Senior Notes due 2015	**$ 42**	**$ (1)**	**$ 41**	**$ 530**	**$ (13)**	**$ 517**
8.125% Senior Notes due 2017	452	(25)	427	500	(30)	470
6.75% Senior Notes due 2019	600	-	600	-	-	-
7.75% Senior Notes due 2020	500	-	500	500	-	500
7.50% Senior Notes due 2022	500		500	500	-	500
Capital lease obligations, including short-term portion	15	-	15	16	-	16
Borrowings from secured revolving line of credit, net	55	-	55	55	-	55
Total Debt	**$ 2,164**	**$ (26)**	**$ 2,138**	**$ 2,101**	**$ (43)**	**$ 2,058**

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