

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

	Quarter Ended			Year Ended	
	Dec. 26, 2009 (Unaudited)	Sept. 26, 2009 (Unaudited)	Dec. 27, 2008 <sup>(1)</sup> (Unaudited)	Dec. 26, 2009 (Unaudited)	Dec. 27, 2008 <sup>(1)</sup> (Unaudited)
Net revenue	\$ 1,646	\$ 1,396	\$ 1,162	\$ 5,403	\$ 5,808
Cost of sales	911	811	890	3,131	3,488
Gross margin	735	585	272	2,272	2,320
Gross margin %	45%	42%	23%	42%	40%
Research and development	432	420	465	1,721	1,848
Marketing, general and administrative	239	221	317	994	1,304
Legal settlement	(1,242)	-	-	(1,242)	-
Amortization of acquired intangible assets	18	17	30	70	137
Impairment of goodwill and acquired intangible assets	-	-	684	-	1,089
Restructuring charges	-	4	50	65	90
Gain on sale of 200 millimeter equipment	-	-	-	-	(193)
<b>Operating income (loss)</b>	<b>1,288</b>	<b>(77)</b>	<b>(1,274)</b>	<b>664</b>	<b>(1,955)</b>
Interest income	3	4	7	16	39
Interest expense	(119)	(114)	(95)	(438)	(391)
Other income (expense), net	19	47	11	166	(37)
Income (loss) before income taxes	1,191	(140)	(1,351)	408	(2,344)
Provision (benefit) for income taxes	11	(5)	69	112	68
Income (loss) from continuing operations	1,180	(135)	(1,420)	296	(2,412)
Income (loss) from discontinued operations, net of tax	(3)	-	(10)	(3)	(684)
<b>Net income (loss)</b>	<b>\$ 1,177</b>	<b>\$ (135)</b>	<b>\$ (1,430)</b>	<b>\$ 293</b>	<b>\$ (3,096)</b>
Net (income) loss attributable to noncontrolling interest	23	29	(6)	83	(33)
Class B preferred accretion	(22)	(22)	-	(72)	-
<b>Net Income (loss) attributable to AMD common stockholders</b>	<b>\$ 1,178</b>	<b>\$ (128)</b>	<b>\$ (1,436)</b>	<b>\$ 304</b>	<b>\$ (3,129)</b>
<b>Net income (loss) attributable to AMD common stockholders per common share</b>					
Basic					
Continuing operations	\$ 1.68	\$ (0.18)	\$ (2.34)	\$ 0.46	\$ (4.03)
Discontinued operations	-	-	(0.02)	-	(1.12)
Basic net income (loss) attributable to AMD common stockholders per common share	\$ 1.68	\$ (0.18)	\$ (2.36)	\$ 0.46	\$ (5.15)
Diluted					
Continuing operations	\$ 1.52	\$ (0.18)	\$ (2.34)	\$ 0.45	\$ (4.03)
Discontinued operations	-	-	(0.02)	-	(1.12)
Diluted net income (loss) attributable to AMD common stockholders per common share	\$ 1.52	\$ (0.18)	\$ (2.36)	\$ 0.45	\$ (5.15)
Shares used in per share calculation					
Basic	705	694	609	673	607
Diluted	791	694	609	678	607

(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) codified principally in Accounting Standards Codification (ASC) Topic 470, Debt (ASC 470) and FASB Statement No. 160 *Noncontrolling Interests in Consolidated Financial Statements - An Amendment of ARB No. 51 (SFAS 160)* now codified in ASC Topic 810, Consolidation (ASC 810) in the first quarter of 2009.

ADVANCED MICRO DEVICES, INC.

AMD NON-GAAP AND RECONCILIATIONS TO CONSOLIDATED STATEMENTS OF OPERATIONS<sup>(2)</sup>

(Millions except per share amounts and percentages)

	Quarter Ended						Year Ended		
	Dec. 26, 2009			Sept. 26, 2009			Dec. 26, 2009		
	AMD Product Company <sup>(3)</sup>	Foundry segment and Intersegment Eliminations <sup>(4)</sup>	AMD	AMD Product Company <sup>(3)</sup>	Foundry segment and Intersegment Eliminations <sup>(4)</sup>	AMD	AMD Product Company <sup>(3)</sup>	Foundry segment and Intersegment Eliminations <sup>(4)</sup>	AMD
Net revenue	\$ 1,646	\$ -	\$ 1,646	\$ 1,396	\$ -	\$ 1,396	\$ 5,403	\$ -	\$ 5,403
Cost of sales	967	(56)	911	860	(49)	811	3,290	(159)	3,131
Gross margin	679	56	735	536	49	585	2,113	159	2,272
Gross margin %	41%		45%	38%		42%	39%		42%
Research and development	301	131	432	285	135	420	1,197	524	1,721
Marketing, general and administrative	209	30	239	195	26	221	878	116	994
Legal settlement	(1,242)	-	(1,242)	-	-	-	(1,242)	-	(1,242)
Amortization of acquired intangible assets	18	-	18	17	-	17	70	-	70
Restructuring charges	-	-	-	4	-	4	65	-	65
<b>Operating income (loss)</b>	<b>1,393</b>	<b>(105)</b>	<b>1,288</b>	<b>35</b>	<b>(112)</b>	<b>(77)</b>	<b>1,145</b>	<b>(481)</b>	<b>664</b>
Interest income	3	-	3	3	1	4	15	1	16
Interest expense	(71)	(48)	(119)	(70)	(44)	(114)	(286)	(152)	(438)
Other income (expense), net	13	6	19	64	(17)	47	221	(55)	166
Income (loss) before income taxes	1,338	(147)	1,191	32	(172)	(140)	1,095	(687)	408
Provision (benefit) for income taxes	20	(9)	11	(24)	19	(5)	(24)	136	112
Income (loss) from continuing operations	1,318	(138)	1,180	56	(191)	(135)	1,119	(823)	296
Income (loss) from discontinued operations, net of tax	(3)	-	(3)	-	-	-	(3)	-	(3)
<b>Net income (loss)</b>	<b>\$ 1,315</b>	<b>\$ (138)</b>	<b>\$ 1,177</b>	<b>\$ 56</b>	<b>\$ (191)</b>	<b>\$ (135)</b>	<b>\$ 1,116</b>	<b>\$ (823)</b>	<b>\$ 293</b>
Net (income) loss attributable to noncontrolling interest			23			29			83
Class B preferred accretion			(22)			(22)			(72)
<b>Net income (loss) attributable to AMD common stockholders</b>			<b>\$ 1,178</b>			<b>\$ (128)</b>			<b>\$ 304</b>

(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)

	Dec. 26, 2009 (Unaudited)	Dec. 27, 2008 <sup>(5)</sup>
<b>Assets</b>		
Current assets:		
Cash, cash equivalents and marketable securities	\$ 2,676	\$ 1,096
Accounts receivable, net	745	320
Inventories	567	656
Deferred income taxes	9	28
Prepaid expenses and other current assets	278	279
<b>Total current assets</b>	<b>4,275</b>	<b>2,379</b>
Property, plant and equipment, net	3,809	4,296
Acquisition related intangible assets, net	98	168
Goodwill	323	323
Other assets	573	506
<b>Total Assets</b>	<b>\$ 9,078</b>	<b>\$ 7,672</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 647	\$ 631
Accrued compensation and benefits	179	162
Accrued liabilities	612	785
Deferred income on shipments to distributors	138	50
Other short-term obligations	171	86
Current portion of long-term debt and capital lease obligations	308	286
Other current liabilities	155	226
<b>Total current liabilities</b>	<b>2,210</b>	<b>2,226</b>
Deferred income taxes	197	91
Long-term debt and capital lease obligations, less current portion	4,252	4,490
Other long-term liabilities	695	569
Noncontrolling interest	1,076	169
Stockholders' equity:		
Capital stock:		
Common stock, par value	7	6
Capital in excess of par value	6,426	6,257
Retained earnings (deficit)	(5,939)	(6,244)
Accumulated other comprehensive income	154	108
<b>Total stockholders' equity</b>	<b>648</b>	<b>127</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 9,078</b>	<b>\$ 7,672</b>

(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 (now codified in ASC 470) and SFAS 160 (now codified in ASC 810) 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>Year Ended</u>	
	<u>Dec. 26, 2009</u>	<u>Sept. 26, 2009</u>	<u>Dec. 27, 2008</u>	<u>Dec. 26, 2009</u>	<u>Dec. 27, 2008</u>
Computing Solutions (1)					
Net revenue	\$ 1,214	\$ 1,069	\$ 873	\$ 4,131	\$ 4,559
Operating income (loss)	\$ 158	\$ 76	\$ (431)	\$ 127	\$ (461)
Graphics (2)					
Net revenue	427	306	270	1,206	1,165
Operating income (loss)	53	8	(10)	50	12
Foundry (3)					
Net revenue	309	256		1,101	
Operating income (loss)	(99)	(101)		(433)	
All Other (4)					
Net revenue	5	21	19	66	84
Operating income (loss)	1,182	(49)	(833)	968	(1,506)
Intersegment Eliminations (5)					
Net revenue	(309)	(256)		(1,101)	
Operating income (loss)	(6)	(11)		(48)	
<b>Total from Continuing Operations</b>					
Net revenue	<b>\$ 1,646</b>	<b>\$ 1,396</b>	<b>\$ 1,162</b>	<b>\$ 5,403</b>	<b>\$ 5,808</b>
Operating income (loss)	<b>\$ 1,288</b>	<b>\$ (77)</b>	<b>\$ (1,274)</b>	<b>\$ 664</b>	<b>\$ (1,955)</b>
<b>Other Data</b>					
<b>AMD Product Company (excludes Foundry segment and Intersegment Eliminations)</b>					
Depreciation and amortization (excluding amortization of acquired intangible assets)	\$ 95	\$ 96		\$ 398	
Capital additions	\$ 37	\$ 19		\$ 88	
Adjusted EBITDA (6)	\$ 282	\$ 169		\$ 527	
Cash, cash equivalents and marketable securities (7)	\$ 1,772	\$ 1,536		\$ 1,772	
Total assets (7)	\$ 4,846	\$ 4,376		\$ 4,846	
Long-term debt (7)	\$ 2,607	\$ 3,541		\$ 2,607	
Headcount	10,352	10,412		10,352	
<b>AMD</b>					
Depreciation and amortization (excluding amortization of acquired intangible assets)	\$ 266	\$ 265	\$ 271	\$ 1,058	\$ 1,068
Capital additions	\$ 173	\$ 97	\$ 112	\$ 466	\$ 621
Adjusted EBITDA (6)	\$ 348	\$ 227	\$ (219)	\$ 711	\$ 531
Headcount	13,395	13,379	14,652	13,395	14,652

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 is a gain for a legal settlement, charges for the impairment of goodwill and acquired intangible assets, 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.

**Legal settlement gain, employee stock-based compensation expense, ATI acquisition-related charges, restructuring charges and AMD Product Company formation costs associated with GLOBALFOUNDRIES:**

	Quarter Ended			Year Ended	
	Q409	Q309	Q408	2009	2008
Legal settlement	\$ (1,242)	\$ -	\$ -	\$ (1,242)	\$ -
Employee stock-based compensation expense	18	17	20	70	79
Impairment of goodwill and acquired intangible assets	-	-	684	-	1,089
Amortization of acquired intangible assets	18	17	30	70	137
Restructuring charges	-	4	50	65	90
AMD Product Company formation costs associated with GLOBALFOUNDRIES	-	-	23	21	23
	<u>\$ (1,206)</u>	<u>\$ 38</u>	<u>\$ 807</u>	<u>\$ (1,016)</u>	<u>\$ 1,418</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 December 26, 2009 and September 26, 2009, and year ended December 26, 2009, intersegment eliminations of revenue was \$309 million, \$256 million and \$1,101 million, respectively. For the quarters ended December 26, 2009 and September 26, 2009, and year ended December 26, 2009, intersegment eliminations of cost of sales and profits on inventory was \$303 million, \$245 million and \$1,053 million, respectively.

**(6) AMD reconciliation of operating income (loss) to AMD Product Company (excluding Foundry segment and Intersegment Eliminations) Adjusted EBITDA\***

	Quarter Ended		Year Ended
	Q409	Q309	2009
Operating income (loss)	\$ 1,288	\$ (77)	\$ 664
Foundry segment and Intersegment Eliminations operating loss	105	112	481
AMD Product Company net income (loss)	\$ 1,393	\$ 35	\$ 1,145
Legal settlement	(1,242)	-	(1,242)
Depreciation and amortization	95	96	398
Employee stock-based compensation expense	18	17	70
Amortization of acquired intangible assets	18	17	70
Restructuring charges	-	4	65
AMD Product Company formation costs associated with GLOBALFOUNDRIES	-	-	21
Adjusted EBITDA	<u>\$ 282</u>	<u>\$ 169</u>	<u>\$ 527</u>

**AMD reconciliation of operating income (loss) to Adjusted EBITDA\***

	Quarter Ended			Year Ended	
	Q409	Q309	Q408	2009	2008
Operating income (loss)	\$ 1,288	\$ (77)	\$ (1,274)	\$ 664	\$ (1,955)
Legal settlement	(1,242)	-	-	(1,242)	-
Impairment of goodwill and acquired intangible assets	-	-	684	-	1,089
Depreciation and amortization	266	265	271	1,058	1,068
Employee stock-based compensation expense	18	18	20	75	79
Amortization of acquired intangible assets	18	17	30	70	137
Restructuring charges	-	4	50	65	90
AMD Product Company formation costs associated with GLOBALFOUNDRIES	-	-	-	21	23
Adjusted EBITDA	<u>\$ 348</u>	<u>\$ 227</u>	<u>\$ (219)</u>	<u>\$ 711</u>	<u>\$ 531</u>

**(7) Reconciliation of select balance sheet items**

	Q409			Q309		
	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	\$ 1,772	\$ 4,846	\$ 2,607	\$ 1,536	\$ 4,376	\$ 3,541
Foundry segment and intersegment eliminations	904	4,232	1,953	975	4,371	2,029
AMD	<u>\$ 2,676</u>	<u>\$ 9,078</u>	<u>\$ 4,560</u>	<u>\$ 2,511</u>	<u>\$ 8,747</u>	<u>\$ 5,570</u>

\*Starting with the quarter ended December 26, 2009, the Company defines Adjusted EBITDA as operating income (loss) adjusted for a legal settlement gain, impairment of goodwill and acquired intangible assets, depreciation & amortization, employee stock-based compensation expense, amortization of acquired intangible assets, restructuring charges, and AMD Product Company formation costs associated with GLOBALFOUNDRIES. 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 operating 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.