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Inspiring tomorrow.*

AMD SECOND QUARTER 2015 FINANCIAL RESULTS

July 16, 2015



CAUTIONARY STATEMENT



This presentation contains forward-looking statements concerning AMDs; its financial outlook for the third quarter of 2015, including revenue, non-GAAP gross margin, non-GAAP operating expenses, the total of interest expense, taxes and other, inventory and its cash, cash equivalents and marketable securities balances; and AMD's ability to achieve its 2015 focus, 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 presentation 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. Material factors that could cause actual results to differ materially from current expectations include, without limitation, the following: Intel Corporation's dominance of the microprocessor market and its aggressive business practices may limit AMD's ability to compete effectively; AMD relies on GlobalFoundries Inc. ("GF") to manufacture most of its microprocessor and APU products and certain of its GPU and semi-custom products. If GF is not able to satisfy AMD's manufacturing requirements, its business could be adversely impacted; AMD relies on third parties to manufacture its products, and if they are unable to do so on a timely basis in sufficient quantities and using competitive technologies, its business could be materially adversely affected; failure to achieve expected manufacturing yields for AMD's products could negatively impact its financial results; the success of AMD's business is dependent upon AMD's ability to introduce products on a timely basis with features and performance levels that provide value to its customers while supporting and coinciding with significant industry transitions; if AMD cannot generate sufficient revenue and operating cash flow or obtain external financing, it may face a cash shortfall and be unable to make all of its planned investments in research and development or other strategic investments; AMD may not be able to successfully implement its business strategy to refocus its business to address markets beyond its core PC market to high-growth adjacent markets; the completion and impact of the 2014 Restructuring Plan and its transformation initiatives could adversely affect AMD; global economic uncertainty may adversely impact AMD's business and operating results; AMD may not be able to generate sufficient cash to service its debt obligations or meet its working capital requirements; AMD has a substantial amount of indebtedness which could adversely affect its financial position and prevent AMD from implementing its strategy or fulfilling its contractual obligations; the agreements governing AMD's notes and its secured revolving line of credit for a principal amount up to \$500 million (Secured Revolving Line of Credit) impose restrictions on AMD that may adversely affect its ability to operate its business; the markets in which AMD's products are sold are highly competitive; the loss of a significant customer may have a material adverse effect on AMD; AMD's receipt of revenue from its semi-custom SoC products is dependent upon its technology being designed into third-party products and the success of those products; the demand for AMD's products depends in part on the market conditions in the industries into which they are sold. Fluctuations in demand for AMD's products or a market decline in any of these industries could have a material adverse effect on AMD's results of operations; AMD's ability to design and introduce new products in a timely manner is dependent upon third-party intellectual property; AMD depends on third-party companies for the design, manufacture and supply of motherboards, BIOS software and other computer platform components to support its business; if AMD loses Microsoft Corporation's support for its products or other software vendors do not design and develop software to run on its products, AMD's ability to sell its products could be materially adversely affected; AMD may incur future impairments of goodwill; uncertainties involving the ordering and shipment of its products could materially adversely affect AMD; AMD's reliance on third-party distributors and AIB partners subjects it to certain risks; AMD's inability to continue to attract and retain qualified personnel may hinder its product development programs; in the event of a change of control, AMD may not be able to repurchase its outstanding debt as required by the applicable indentures and its Secured Revolving Line of Credit, which would result in a default under the indentures and the Secured Revolving Line of Credit; the semiconductor industry is highly cyclical and has experienced severe downturns that have materially adversely affected, and may continue to materially adversely affect, AMD's business in the future; AMD's business is dependent upon the proper functioning of its internal business processes and information systems and modification or interruption of such systems may disrupt AMD's business, processes and internal controls; data breaches and cyber-attacks could compromise its intellectual property or other sensitive information and cause significant damage to its business and reputation; AMD's operating results are subject to quarterly and seasonal sales patterns; if essential equipment or materials are not available to manufacture AMD's products, AMD could be materially adversely affected; if AMD's products are not compatible with some or all industry-standard software and hardware, it could be materially adversely affected; costs related to defective products could have a material adverse effect on AMD; if AMD fails to maintain the efficiency of its supply chain as it responds to changes in customer demand for its products, AMD's business could be materially adversely affected; AMD outsources to third parties certain supply-chain logistics functions, including portions of its product distribution, transportation management and information technology support services; acquisitions could disrupt its business, harm its financial condition and operating results or dilute, or adversely affect the price of, its common stock; AMD's worldwide operations are subject to political, legal and economic risks and natural disasters, which could have a material adverse effect on it; worldwide political conditions may adversely affect demand for AMD's products; unfavorable currency exchange rate fluctuations could adversely affect AMD; AMD's inability to effectively control the sales of its products on the gray market could have a material adverse effect on it; if AMD cannot adequately protect AMD's technology or other intellectual property in the United States and abroad, through patents, copyrights, trade secrets, trademarks and other measures, AMD may lose a competitive advantage and incur significant expenses; AMD is party to litigation and may become a party to other claims or litigation that could cause it to incur substantial costs or pay substantial damages or prohibit AMD from selling its products; a variety of environmental laws that AMD is subject to could result in additional costs and liabilities; higher health care costs and labor costs could adversely affect AMD's business; and, AMD's business is subject to potential tax liabilities; AMD could be a target of a cybersecurity attack potentially resulting in disruption of operations, loss of data and breach of data privacy that could materially adversely affect its business and competitive position while subjecting it to potential litigation. Investors are urged to review in detail the risks and uncertainties in the AMD's Securities and Exchange Commission filings, including but not limited to the Quarterly Report on Form 10-Q for the fiscal quarter ended March 28, 2015.

AMD'S MISSION



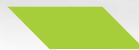
BUILD
GREAT PRODUCTS

DRIVE
DEEP CUSTOMER
RELATIONSHIPS

SIMPLIFY
THE BUSINESS



Dr. Lisa Su
President and Chief Executive Officer



Q2 2015: WEAKER CONSUMER PC DEMAND



	Q2 2014	Q1 2015	Q2 2015	Q-to-Q Fav / (Unfav)
Revenue	\$1,441 M	\$1,030 M	\$942 M	(8%)
Gross Margin	35 %	32%	25%	(7 pp)
Non-GAAP Gross Margin ⁽¹⁾	35 %	32%	28%	(4 pp)
Non-GAAP Operating Expenses ⁽¹⁾	\$411 M	\$357 M	\$353 M	\$4 M
Non-GAAP Operating Income (Loss) ⁽¹⁾	\$88 M	\$(30) M	\$(87) M	\$(57) M
Non-GAAP Net Income (Loss) ⁽¹⁾	\$38 M	\$(73) M	\$(131) M	\$(58) M
Cash, Cash Equivalents and Marketable Securities	\$948 M	\$906 M	\$829 M	\$(77) M
Inventories, Net	\$960 M	\$688 M	\$799 M	\$(111) M
Total Debt ⁽²⁾	\$2,210 M	\$2,268 M	\$2,269 M	\$(1) M

1. See Appendices for GAAP to Non-GAAP gross margin, operating expenses, operating income (loss) and net income (loss) reconciliations.

2. See Appendices for Total Debt reconciliation.

Q2 2015 GROSS MARGIN DRIVERS



	Q1 2015	Q2 2015
GAAP Gross Margin	32%	25%
Non-GAAP Gross Margin ⁽¹⁾	32%	28%

Q2 2015 GROSS MARGIN DRIVERS:

- ▲ Higher mix of Enterprise, Embedded and Semi-Custom segment sales
- ▲ Lower than anticipated Computing and Graphics segment APU unit volumes
- ▲ Charge of approximately \$33M associated with a technology node transition from 20 nanometer to FinFET (GAAP only)

\$33M
20NM TO FINFET
TRANSITION
CHARGE

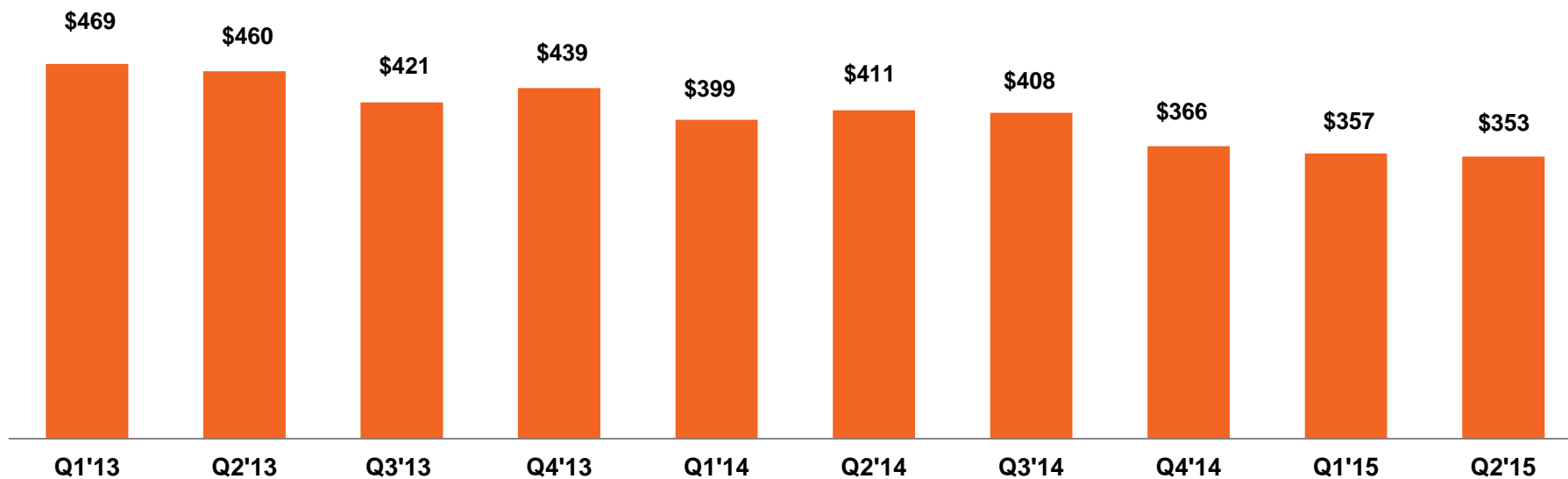
1. See Appendices for GAAP to Non-GAAP gross margin reconciliation.

OPERATING EXPENSE TREND



DECREASED OPEX FROM 43% OF REVENUE IN Q1 2013 TO 37% IN Q2 2015

NON-GAAP OPEX^(1,2)(IN MILLIONS)



1. All amounts exclude stock-based compensation.

2. See Appendices for GAAP to Non-GAAP operating expense reconciliation.

Q2 2015 SEGMENT FINANCIAL RESULTS

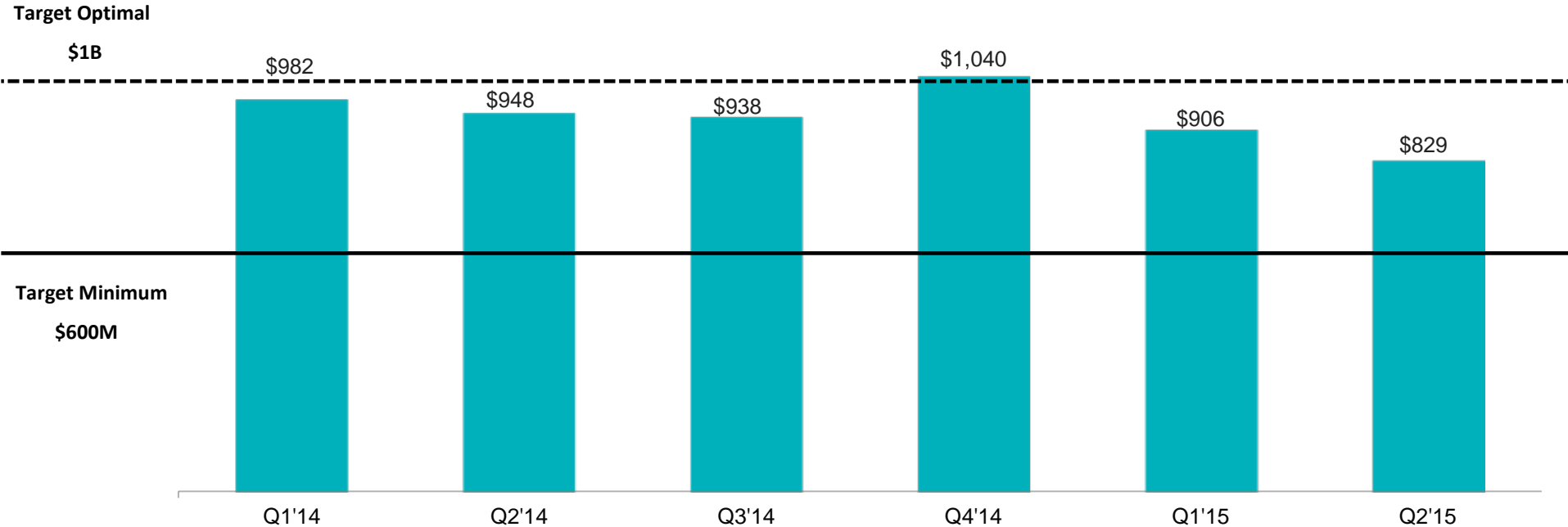


	Q2 2014	Q1 2015	Q2 2015	Q-to-Q Fav / (Unfav)
Computing and Graphics				
Net Revenue	\$828 M	\$532 M	\$379 M	(29) %
Operating Loss	\$(6) M	\$(75) M	\$(147) M	
Enterprise, Embedded and Semi-Custom				
Net Revenue	\$613 M	\$498 M	\$563 M	13 %
Operating Income	\$97 M	\$45 M	\$27 M	
All Other Category				
Operating Loss	\$(28) M	\$(107) M	\$(17) M	
TOTAL				
Net Revenue	\$1,441 M	\$1,030 M	\$942 M	(8) %
Operating Income (Loss)	\$63 M	\$(137) M	\$(137) M	

TARGET OPTIMAL AND MINIMUM CASH



CASH BALANCE⁽¹⁾ (\$ IN MILLIONS)



- ▲ ~90% of cash held domestically and the remaining balance can be repatriated
- ▲ Managed cash⁽¹⁾ significantly above target minimum in Q2 2015

1. Cash balance includes: cash, cash equivalents and marketable securities

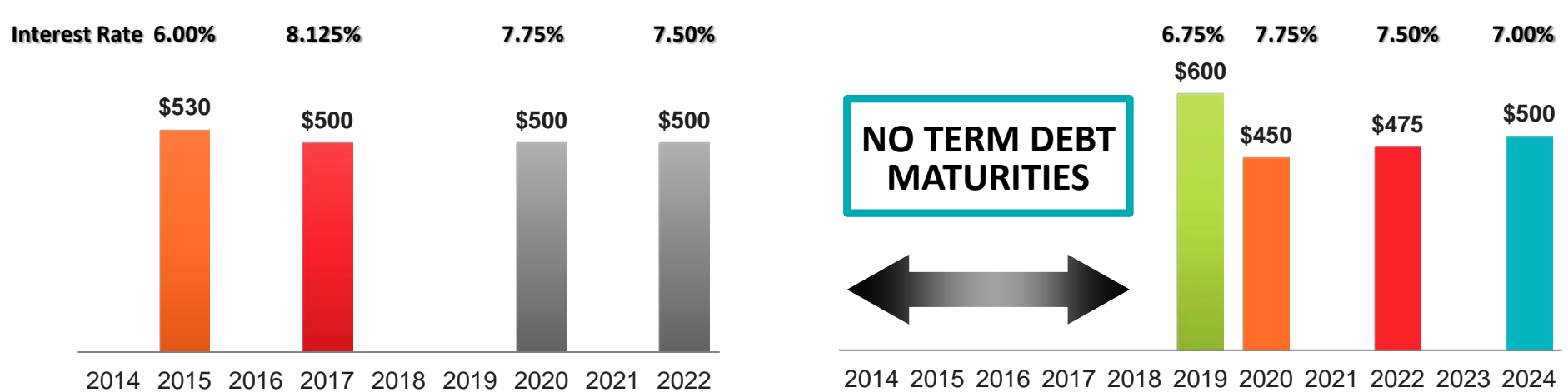
DEBT MATURITY PROFILE



December 28, 2013

June 27, 2015

TERM DEBT PROFILE/STRUCTURE (\$M)



- ▲ Paid off \$42M of 6.00% Notes which matured May 1, 2015
- ▲ No term debt due until March 2019
- ▲ Weighted average interest rate of term debt is 7.2% as of June 27, 2015
- ▲ Total ABL borrowing of \$230M at the end of Q2, up \$42M sequentially, due to payoff of 6.00% Notes

Q3 2015 FINANCIAL GUIDANCE



	Q2 2015 Actual	Q3 2015 Guidance
Revenue	\$942 M	Up 6% +/- 3%
Non-GAAP Gross Margin ⁽¹⁾	28 %	~29%
Non-GAAP Operating Expenses ⁽¹⁾	\$353 M	~\$340 M
Interest Expense, Taxes and Other	\$44 M	~\$45 M
Inventories, Net	\$799 M	~\$850
Cash and Cash Equivalents	\$829 M	\$700 M

1. See Appendices for GAAP to Non-GAAP gross margin and operating expense reconciliations.



BUSINESS DIVERSIFICATION

Progress in growth markets, with EESC revenue up 13% Q/Q in Q2 2015



OPEX DISCIPLINE

Reduced non-GAAP operating expenses by 14% from Q2 2014 to Q2 2015.⁽¹⁾



INTEREST EXPENSE AND LIQUIDITY

Reduced interest expense for five quarters as of Q2 2015.



CASH BALANCE

Cash and cash equivalents of \$829M in Q2 2015, well above target minimum.

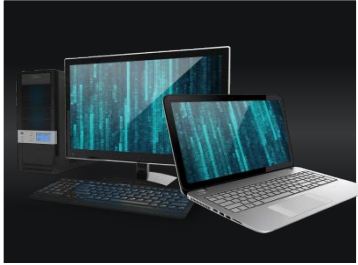


DEBT

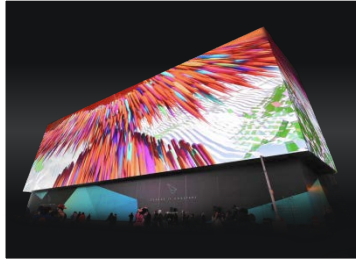
No term debt maturities until March 2019.

1. See Appendices for GAAP to Non-GAAP operating expense reconciliation.

2015 FOCUS



**STABILIZE THE
PC BUSINESS**



**INVEST IN
ENTERPRISE,
EMBEDDED
AND SEMI-
CUSTOM
BUSINESSES**



**FUND THE
ROADMAP
WHILE
CONTINUING
OPEX
DISCIPLINE**



**MANAGE
CASH AND
LIQUIDITY**



**LAY
FOUNDATION
FOR GROWTH
AND
PROFITABILITY**

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 slide deck contains non-GAAP financial measures, including non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income (loss), and non-GAAP net income (loss). 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.

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Reconciliation of GAAP to Non-GAAP Gross Margin

(Millions except percentages)

	Q2-15	Q1-15	Q2-14
GAAP Gross Margin	\$ 232	\$ 326	\$ 498
GAAP Gross Margin %	25%	32%	35%
Technology node transition charge	33	-	-
Stock-based compensation*	1	1	1
Non-GAAP Gross Margin	\$ 266	\$ 327	\$ 499
Non-GAAP Gross Margin %	28%	32%	35%

Reconciliation of GAAP to Non-GAAP Operating Expenses

(Millions)

	Q2-15	Q1-15	Q414	Q314	Q214	Q1-14	Q4-13	Q3-13	Q2-13	Q1-13
GAAP operating expenses	\$ 369	\$ 463	\$ 690	\$ 431	\$ 435	\$ 438	\$ 418	\$ 426	\$ 488	\$ 543
Goodwill Impairment	-	-	233	-	-	-	-	-	-	-
Restructuring and other special charges (gains), net	-	87	71	-	-	-	-	(22)	5	47
Amortization of acquired intangible assets	-	3	4	3	4	3	4	5	4	5
Workforce rebalancing severance charges	-	-	-	-	-	14	-	-	-	-
Legal settlements, net	-	-	-	-	-	-	(48)	-	-	-
SeaMicro acquisition costs	-	-	-	-	-	-	-	-	-	-
Stock-based compensation*	16	16	16	20	20	22	23	22	19	22
Non-GAAP operating expenses	\$ 353	\$ 357	\$ 366	\$ 408	\$ 411	\$ 399	\$ 439	\$ 421	\$ 460	\$ 469

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

(Millions)	Q2-15	Q1-15	Q2-14
GAAP operating income (loss)	\$ (137)	\$ (137)	\$ 63
Technology node transition charge	33	-	-
Restructuring and other special charges, net	-	87	-
Amortization of acquired intangible assets	-	3	4
Stock-based compensation*	17	17	21
Non-GAAP operating income (loss)	\$ (87)	\$ (30)	\$ 88

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

(Millions except per share amounts)	Q2-15		Q1-15		Q2-14	
GAAP net loss / Loss per share	\$ (181)	\$ (0.23)	\$ (180)	\$ (0.23)	\$ (36)	\$ (0.05)
Technology node transition charge	33	0.04	-	-	-	-
Restructuring and other special charges, net	-	-	87	0.11	-	-
Amortization of acquired intangible assets	-	-	3	-	4	0.01
Loss on debt redemption	-	-	-	-	49	0.06
Stock-based compensation*	17	0.02	17	0.02	21	0.03
Non-GAAP net income (loss) / Earnings (loss) per share	\$ (131)	\$ (0.17)	\$ (73)	\$ (0.09)	\$ 38	\$ 0.05

*Beginning Q1 2015, AMD started excluding the impact of stock-based compensation from non-GAAP results. Prior periods have been adjusted accordingly.

APPENDICES



Total Debt

(Millions)	Q2-15	Q1-15
6.00% Convertible Senior Notes due 2015	\$ -	\$42
6.75% Senior Notes due 2019	600	600
6.75% Senior Notes due 2019 - Interest Rate Swap	6	3
7.75% Senior Notes due 2020	450	450
7.50% Senior Notes due 2022	475	475
7.00% Senior Notes due 2024	500	500
Capital lease obligations	8	10
Borrowings from secured revolving line of credit, net	230	188
Total Debt	\$2,269	\$2,268

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