

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

	Three Months Ended			Year Ended	
	December 26, 2015	September 26, 2015	December 27, 2014	December 26, 2015	December 27, 2014
Net revenue	\$ 958	\$ 1,061	\$ 1,239	\$ 3,991	\$ 5,506
Cost of sales	675	822	879	2,911	3,667
Gross margin	283	239	360	1,080	1,839
Gross margin %	30%	23%	29%	27%	33%
Research and development	229	241	238	947	1,072
Marketing, general and administrative	109	108	144	482	604
Amortization of acquired intangible assets	-	-	4	3	14
Restructuring and other special charges, net	(6)	48	71	129	71
Goodwill impairment charge	-	-	233	-	233
Operating loss	(49)	(158)	(330)	(481)	(155)
Interest expense	(41)	(39)	(41)	(160)	(177)
Other income (expense), net	(2)	-	4	(5)	(66)
Loss before income taxes	(92)	(197)	(367)	(646)	(398)
Provision (benefit) for income taxes	10	-	(3)	14	5
Net loss	\$ (102)	\$ (197)	\$ (364)	\$ (660)	\$ (403)
Net loss per share					
Basic	\$ (0.13)	\$ (0.25)	\$ (0.47)	\$ (0.84)	\$ (0.53)
Diluted	\$ (0.13)	\$ (0.25)	\$ (0.47)	\$ (0.84)	\$ (0.53)
Shares used in per share calculation					
Basic	791	785	776	783	768
Diluted	791	785	776	783	768

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

	Three Months Ended			Year Ended	
	December 26, 2015	September 26, 2015	December 27, 2014	December 26, 2015	December 27, 2014
Total comprehensive loss	\$ (95)	\$ (207)	\$ (368)	\$ (663)	\$ (406)

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

	December 26, 2015	September 26, 2015	December 27, 2014
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 785	\$ 755	\$ 805
Marketable securities	-	-	235
Accounts receivable, net	533	648	818
Inventories, net	678	761	685
Prepayment and other - GLOBALFOUNDRIES	33	20	113
Prepaid expenses	43	63	32
Other current assets	248	206	48
Total current assets	2,320	2,453	2,736
Property, plant and equipment, net	188	194	302
Acquisition related intangible assets, net	-	-	65
Goodwill	278	283	320
Other assets	323	286	344
<b>Total Assets</b>	<b>\$ 3,109</b>	<b>\$ 3,216</b>	<b>\$ 3,767</b>
<b>Liabilities and Stockholders' Equity (Deficit)</b>			
Current liabilities:			
Short-term debt	\$ 230	\$ 230	\$ 177
Accounts payable	279	388	415
Payable to GLOBALFOUNDRIES	245	226	218
Accrued liabilities	472	395	518
Other current liabilities	124	137	40
Deferred income on shipments to distributors	53	60	72
Total current liabilities	1,403	1,436	1,440
Long-term debt	2,032	2,030	2,035
Other long-term liabilities	86	86	105
Stockholders' equity (deficit):			
Capital stock:			
Common stock, par value	8	8	8
Additional paid-in capital	7,017	6,997	6,949
Treasury stock, at cost	(123)	(122)	(119)
Accumulated deficit	(7,306)	(7,204)	(6,646)
Accumulated other comprehensive loss	(8)	(15)	(5)
Total Stockholders' equity (deficit)	(412)	(336)	187
<b>Total Liabilities and Stockholders' Equity (Deficit)</b>	<b>\$ 3,109</b>	<b>\$ 3,216</b>	<b>\$ 3,767</b>

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

	Three Months Ended	Year Ended
	December 26, 2015	December 26, 2015
<b>Cash flows from operating activities:</b>		
Net Loss	\$ (102)	\$ (660)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	34	167
Stock-based compensation expense	16	63
Non-cash interest expense	3	11
Restructuring and other special charges, net	-	83
Other	(10)	(3)
Changes in operating assets and liabilities:		
Accounts receivable	116	280
Inventories	82	(11)
Prepayment and other - GLOBALFOUNDRIES	(13)	84
Prepaid expenses and other assets	(9)	(122)
Accounts payable, accrued liabilities and other	(82)	(156)
Payable to GLOBALFOUNDRIES	18	27
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 53</b>	<b>\$ (237)</b>
<b>Cash flows from investing activities:</b>		
Purchases of available-for-sale securities	-	(227)
Purchases of property, plant and equipment	(32)	(96)
Proceeds from maturities of available-for-sale securities	-	462
Proceeds from sale of property, plant and equipment	-	8
<b>Net cash provided by (used in) investing activities</b>	<b>\$ (32)</b>	<b>\$ 147</b>
<b>Cash flows from financing activities:</b>		
Net proceeds from grants	6	14
Proceeds from issuance of common stock	3	4
Proceeds from borrowings, net	-	100
Repayments of long-term debt and capital lease obligations	-	(44)
Other	-	(4)
<b>Net cash provided by financing activities</b>	<b>\$ 9</b>	<b>\$ 70</b>
Net increase (decrease) in cash and cash equivalents	30	(20)
<b>Cash and cash equivalents at beginning of period</b>	<b>\$ 755</b>	<b>\$ 805</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 785</b>	<b>\$ 785</b>

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

Segment and Category Information	Three Months Ended			Year Ended	
	December 26, 2015	September 26, 2015	December 27, 2014	December 26, 2015	December 27, 2014
Computing and Graphics <sup>(1)</sup>					
Net revenue	\$ 470	\$ 424	\$ 662	\$ 1,805	\$ 3,132
Operating loss	\$ (99)	\$ (181)	\$ (56)	\$ (502)	\$ (76)
Enterprise, Embedded and Semi-Custom <sup>(2)</sup>					
Net revenue	\$ 488	\$ 637	\$ 577	\$ 2,186	\$ 2,374
Operating income	\$ 59	\$ 84	\$ 109	\$ 215	\$ 399
All Other <sup>(3)</sup>					
Net revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Operating loss	\$ (9)	\$ (61)	\$ (383)	\$ (194)	\$ (478)
<b>Total</b>					
<b>Net revenue</b>	<b>\$ 958</b>	<b>\$ 1,061</b>	<b>\$ 1,239</b>	<b>\$ 3,991</b>	<b>\$ 5,506</b>
<b>Operating loss</b>	<b>\$ (49)</b>	<b>\$ (158)</b>	<b>\$ (330)</b>	<b>\$ (481)</b>	<b>\$ (155)</b>
<b>Other Data</b>					
Depreciation and amortization, excluding amortization of acquired intangible assets	\$ 34	\$ 42	\$ 44	\$ 164	\$ 189
Capital additions	\$ 32	\$ 25	\$ 22	\$ 96	\$ 95
Adjusted EBITDA <sup>(4)</sup>	\$ (5)	\$ (55)	\$ 96	\$ (89)	\$ 505
Cash, cash equivalents and marketable securities	\$ 785	\$ 755	\$ 1,040	\$ 785	\$ 1,040
Non-GAAP free cash flow <sup>(5)</sup>	\$ 21	\$ (84)	\$ 94	\$ (333)	\$ (193)
Total assets	\$ 3,109	\$ 3,216	\$ 3,767	\$ 3,109	\$ 3,767
Total debt	\$ 2,262	\$ 2,260	\$ 2,212	\$ 2,262	\$ 2,212
Headcount	9,139	9,475	9,687	9,139	9,687

See footnotes on the next page

(1) Computing and Graphics segment primarily includes desktop and notebook processors, chipsets, discrete graphics processing units (GPUs) and professional graphics.

(2) Enterprise, Embedded and Semi-Custom segment primarily includes server and embedded processors, semi-custom System-on-Chip (SoC) products, development services and technology for game consoles.

(3) All Other category primarily 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 and stock-based compensation expense. In addition, the Company also included the following adjustments for the indicated periods: for the fourth and third quarters of 2015 and for 2015, the Company included restructuring and other special charges, net; for the fourth quarter of 2014, the Company included a goodwill impairment, net restructuring and other special charges and a lower of cost or market inventory adjustment; and for 2014, the Company included a goodwill impairment, net restructuring and other special charges, a lower of cost or market inventory adjustment and workforce rebalancing severance charges;

(4) **Reconciliation of GAAP Operating Loss to Adjusted EBITDA\***

	Three Months Ended			Year Ended	
	December 26, 2015	September 26, 2015	December 27, 2014	December 26, 2015	December 27, 2014
GAAP operating loss	\$ (49)	\$ (158)	\$ (330)	\$ (481)	\$ (155)
Goodwill impairment	-	-	233	-	233
Restructuring and other special charges, net	(6)	48	71	129	71
Workforce rebalancing severance charges	-	-	-	-	14
Lower of cost or market inventory adjustment	-	-	58	-	58
Technology node transition charge	-	-	-	33	-
Stock-based compensation expense	16	13	16	63	81
Amortization of acquired intangible assets	-	-	4	3	14
Depreciation and amortization	34	42	44	164	189
Adjusted EBITDA	\$ (5)	\$ (55)	\$ 96	\$ (89)	\$ 505

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

	Three Months Ended			Year Ended	
	December 26, 2015	September 26, 2015	December 27, 2014	December 26, 2015	December 27, 2014
GAAP net cash provided by (used in) operating activities	\$ 53	\$ (59)	\$ 116	\$ (237)	\$ (98)
Purchases of property, plant and equipment	(32)	(25)	(22)	(96)	(95)
Non-GAAP free cash flow	\$ 21	\$ (84)	\$ 94	\$ (333)	\$ (193)

\* 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, stock-based compensation expense and restructuring and other special charges, net. In addition, the Company also excluded the following adjustments for the indicated periods: for 2015, the Company excluded a technology node transition charge and amortization of acquired intangible assets; for the fourth quarter of 2014 and for 2014, the Company excluded an adjustment for a goodwill impairment charge, restructuring and other special charges and lower of cost or market inventory adjustment and amortization of acquired intangible assets. In addition, for 2014, the Company also excluded workforce rebalancing severance 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 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 earnings press release 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 earnings press release of these non-GAAP financial measures to the most directly comparable GAAP financial measures.