

NEWS RELEASE

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AMD Reports Record Second Quarter Revenue

- AMD revenue \$1.65 billion, 5 percent sequential increase and 40 percent increase year-over-year
- Net loss \$43 million, net loss per share \$0.06, operating income \$125 million
- Non-GAAP^{1,2} net income \$83 million, EPS \$0.11, operating income \$138 million
- Gross margin 45 percent

SUNNYVALE, Calif. – July 15, 2010 – [AMD](#) (NYSE:AMD) today announced revenue for the second quarter of 2010 of \$1.65 billion, a net loss of \$43 million, or \$0.06 per share, and operating income of \$125 million. The company reported non-GAAP net income of \$83 million, or \$0.11 per share, and non-GAAP operating income of \$138 million.

“Robust demand for our latest mobile platforms and solid execution drove record second quarter revenue and a healthy gross margin,” said Dirk Meyer, AMD President and CEO. “Our unmatched combination of microprocessor and graphics capabilities resulted in customers launching a record number of new mobile and desktop platforms. We added Sony as a microprocessor customer and continue to see our existing customers expand their AMD-based platform offerings.”

GAAP Financial Results

	Q2-10	Q1-10	Q2-09
Revenue	\$1.65B	\$1.57B	\$1.18B
Operating income (loss)	\$125M	\$182M	\$(249)M
Net income (loss) attributable to AMD common stockholders/ Earnings (loss) per share	\$(43)M/\$0.06	\$257M/\$0.35	\$(330)M/\$(0.49)

Non-GAAP Financial Results¹

	Q2-10	Q1-10	Q2-09
Revenue	\$1.65B	\$1.57B	\$1.18B
Operating income (loss)	\$138M	\$130M	\$(205)M
Net income (loss) / Earnings (loss) per share	\$83M/\$0.11	\$63M/\$0.09	\$(244)M/\$(0.37)

Quarterly Summary

- Gross margin was 45 percent
- Cash, cash equivalents and marketable securities balance at the end of the quarter was \$1.90 billion, approximately flat from the first quarter.
 - During the quarter, AMD used \$200 million to repurchase \$206 million principal amount of our 6.00 percent Convertible Senior Notes due 2015.
- Computing Solutions segment revenue increased 4 percent sequentially and 31 percent year-over-year. The increases were primarily driven by record notebook microprocessor and chipset unit shipments.
 - Operating income was \$128 million, compared with \$146 million in Q1-10 and an operating loss of \$67 million in Q2-09.
 - Microprocessor average selling price (ASP) was flat sequentially and increased year-over-year.
 - AMD [demonstrated](#) the world's first Fusion Accelerated Processing Units (APU), codenamed "Ontario" and "Llano", at Computex. Fusion APUs combine the microprocessor and graphics processor unit (GPU) onto a single piece of silicon to deliver breakthroughs in visual computing, user interface and performance-per-watt while enabling new PC designs.
 - [Sony](#) joined the ranks of global PC companies offering AMD microprocessor-based solutions. [Acer](#), [Dell](#), [HP](#), [Lenovo](#), [Sony](#), and [Toshiba](#) announced new notebooks featuring [VISION Technology from AMD](#) for the back-to-school and holiday buying periods. Global PC manufacturers have tripled the number of notebook offerings featuring VISION Technology in the last year.
 - AMD launched the world's first server platform designed specifically for cloud and hyperscale data centers, featuring the industry's lowest power-per-core x86 server processor. Acer, Dell, HP and [Supermicro](#) announced plans to adopt the [Opteron™ 4000 Series](#) for their product offerings.
 - AMD microprocessors power the [highest-performing supercomputer](#) in the world and three of the top four systems in the most recent [TOP500 Supercomputers](#) list. AMD is the only company with both microprocessor and GPU technology on the list.
- Graphics segment revenue increased 8 percent sequentially and 87 percent year-over-year. The sequential increase was driven by record GPU unit shipments, partially offset by a decrease in ASP. The year-over-year increase was driven by an increase in GPU shipments and ASP.
 - Operating income was \$33 million, compared with \$47 million in Q1-10 and a loss of \$17 million in Q2-09.

- o In just three quarters, AMD has shipped more than 16 million Microsoft DirectX 11-capable GPUs. The ATI Radeon™ HD 5000 series remains the industry's only complete top-to-bottom family of DirectX11-compatible graphics solutions.
- o Dell adopted the latest [ATI FirePro™](#) professional graphics products in its highest-performing workstations designed for graphics-intensive professions.

Current Outlook

AMD's outlook statements are based on current expectations. The following statements are forward looking, and actual results could differ materially depending on market conditions and the factors set forth under "Cautionary Statement" below.

AMD expects revenue to be up seasonally for the third quarter of 2010.

AMD Teleconference

AMD will hold a conference call for the financial community at 2:00 p.m. PT (5:00 p.m. ET) today to discuss its second quarter financial results. AMD will provide a real-time audio broadcast of the teleconference on the [Investor Relations](#) page of its Web site at [AMD](#). The webcast will be available for 10 days after the conference call.

Reconciliation of GAAP Net Income (Loss) Attributable to AMD Common Stockholders to Non-GAAP Net Income (Loss) ^{1,3}

(Millions except per share amounts)	Q2-10		Q1-10		Q2-09	
GAAP net income (loss) attributable to AMD common stockholders / Earnings (loss) per share	\$ (43)	\$ (0.06)	\$ 257	\$ 0.35	\$ (330)	\$ (0.49)
Net impact of GF/Foundry segment related items*	(120)	(0.16)	211	0.28	(177)	\$ (0.27)
Net (income) loss attributable to noncontrolling interest	-	-	-	-	25	\$ 0.04
Class B preferred accretion	-	-	-	-	(20)	\$ (0.03)
Non-GAAP net income (loss) excluding GF/Foundry segment related items	77	0.11	46	0.06	(158)	(0.24)
Gross margin benefit from sales of inventory written down in Q4-08	-	-	-	-	98	\$ 0.15
Amortization of acquired intangible assets	(17)	(0.02)	(17)	(0.02)	(17)	\$ (0.03)
Restructuring (charges) reversals	4	0.01	-	-	(1)	-
Gain on investment sale	7	0.01	-	-	-	-
Gain (loss) on debt redemption	0	-	-	-	6	\$ 0.01
Non-GAAP net income (loss) / Earnings (loss) per share	\$ 83	0.11	\$ 63	0.09	\$ (244)	\$ (0.37)

* Q2-10 consists of \$120 million equity loss related to GF. Q1-10 consists of \$69M gross margin benefit related to the deconsolidation of GF in Q1-10, a \$325 million gain on the fair value assessment of our investment in GF, and \$183 million equity loss related to GF. Q2-09 consists of the Foundry segment and Intersegment Eliminations loss.

Reconciliation of GAAP to Non-GAAP Operating Income (Loss) ^{1,3}

(Millions)	Q2-10	Q1-10	Q2-09
GAAP operating income (loss)	\$ 125	\$ 182	\$ (249)
Gross margin benefit due to the deconsolidation of GF	-	69	-
Gross margin benefit from sales of inventory written down in Q4-08	-	-	98
Amortization of acquired intangible assets	(17)	(17)	(17)
Restructuring (charges) reversals	4	-	(1)
Operating income (loss) from Foundry segment and Intersegment Eliminations	-	-	(124)
Non-GAAP operating income (loss)	\$ 138	\$ 130	\$ (205)

Reconciliation of GAAP to Non-GAAP Gross Margin ^{1,3}

(Millions, except percentages)	Q2-10	Q1-10	Q2-09
GAAP Gross Margin	\$ 738	\$ 741	\$ 441
GAAP Gross Margin %	45%	47%	37%
Gross margin benefit due to the deconsolidation of GF	-	69	-
Gross margin benefit from sales of inventory written down in Q4-08	-	-	98
Gross margin from Foundry segment and Intersegment Eliminations	-	-	20
Non-GAAP Gross Margin	\$ 738	\$ 672	\$ 323
Non-GAAP Gross Margin %	45%	43%	27%

About AMD

Advanced Micro Devices (NYSE: AMD) is an innovative technology company dedicated to collaborating with customers and technology partners to ignite the next generation of computing and graphics solutions at work, home and play. For more information, visit [AMD](#).

Cautionary Statement

This release contains forward-looking statements concerning AMD, its third quarter 2010 revenue and demand for the Company's products, 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 release are based on current beliefs, assumptions and expectations, speak only as of the date of this release 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 targeting the company's business will prevent attainment of the company's current plans; the company will be unable to develop, launch and ramp new products and technologies in the volumes and mix required by the market and at mature yields on a timely basis; the company will be unable to transition its products to advanced manufacturing process technologies in a timely and effective way; global business and economic conditions will not continue to improve or will worsen resulting in lower than currently expected revenue in the third quarter of 2010 and beyond; demand for computers and consumer electronics products and, in turn, demand for the company's products will be lower than currently expected; customers stop buying the company's products or materially reduce their demand for its products; the company will require additional funding and may not be able to raise funds on favorable terms or at all; there will be unexpected variations in market growth and demand for the company's products and technologies in light of the product mix

that it may have available at any particular time or a decline in demand; the company will be unable to maintain the level of investment in research and development and capacity that is required to remain competitive; and the company will be unable to obtain sufficient manufacturing capacity or components to meet demand for its products or will under-utilize its commitment with respect to GLOBALFOUNDRIES' microprocessor manufacturing facilities. 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 Quarterly Report on Form 10-Q for the quarter ended March 27, 2010.

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¹ In this press release, in addition to GAAP financial results, the Company has provided non-GAAP financial measures, including for non-GAAP net income (loss) excluding GF/Foundry segment related items, non-GAAP net income (loss), non-GAAP operating income (loss), non-GAAP earnings per share and non-GAAP gross margin. These non-GAAP financial measures reflect certain adjustments as presented in the tables in this press release. The Company also provided Adjusted EBITDA and non-GAAP Adjusted free cash flow as supplemental measures of its performance. These items are defined in the footnotes to the selected corporate data tables provided at the end of this press release. The Company is providing these financial measures because it believes this non-GAAP presentation makes it easier for investors to compare current and historical periods operating results and also because the Company believes it assists investors in comparing the Company's performance across reporting period 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.

² Starting in the first quarter of 2010 the Company accounted for its investment in GLOBALFOUNDRIES (GF) under the equity method of accounting.

³ Refer to corresponding tables at the end of this press release for additional AMD data.