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

	Quarter Ended			Six Months Ended	
	Jun. 26, 2010	Mar. 27, 2010	Jun. 27, 2009	June 26, 2010	June 27, 2009
Net revenue	$ 1,653	$ 1,574	$ 1,184	$ 3,227	$ 2,361
Cost of sales	915	833	743	$ 1,748	1,409
Gross margin	738	741	441	1,479	952
Gross margin %	45%	47%	37%	46%	40%
Research and development	371	323	425	694	869
Marketing, general and administrative	229	219	247	448	534
Amortization of acquired intangible assets	17	17	17	34	35
Restructuring charges (reversal)	(4)	-	1	(4)	61
Operating income (loss)	125	182	(249)	307	(547)
Interest income	3	3	6	6	9
Interest expense	(55)	(49)	(108)	(104)	(205)
Other income (expense), net	(1)	304	6	303	100
Income (loss) before equity in net income (loss) of investee and income taxes	72	440	(345)	512	(643)
Provision (benefit) for income taxes	(5)	-	(10)	(5)	106
Equity in net income (loss) of investee	(120)	(183)	-	(303)	-
Net income (loss)	$ (43)	$ 257	$ (335)	$ 214	$ (749)
Net (income) loss attributable to noncontrolling interest	-	-	25	-	31
Class B preferred accretion	-	-	(20)	-	(28)
Net income (loss) attributable to AMD common stockholders	$ (43)	$ 257	$ (330)	$ 214	$ (746)
Net income (loss) attributable to AMD common stockholders per common share					
Basic	$ (0.06)	$ 0.36	$ (0.49)	$ 0.30	$ (1.15)
Diluted	$ (0.06)	$ 0.35	$ (0.49)	$ 0.29	$ (1.15)
Shares used in per share calculation					
Basic	709	707	667	708	647
Diluted	709	754	667	732	647

ADVANCED MICRO DEVICES, INC.

AMD NON-GAAP AND RECONCILIATIONS TO CONSOLIDATED STATEMENTS OF OPERATIONS[1]

(Millions except per share amounts and percentages)

	Quarter Ended									Six Months Ended					
	June 26, 2010			March 27, 2010			June 27, 2009			June 26, 2010			June 27, 2009		
	AMD[2]	GF related adjustments[3]	AMD Non-GAAP	AMD[2]	GF related adjustments[3]	AMD Non-GAAP	AMD[2]	Foundry segment and Intersegment Eliminations [3]	AMD Non-GAAP	AMD[2]	GF related adjustments[3]	AMD Non-GAAP	AMD[2]	Foundry segment and Intersegment Eliminations [3]	AMD Non-GAAP
Net Oka	$ 1,653	$ -	1,653	$ 1,574	$ -	$ 1,574	$ 1,184	$ -	$ 1,184	$ 3,227	-	$ 3,227	$ 2,361	$ -	$ 2,361
Cost of sales	915	-	915	833	(69)	902	743	(20)	763	1,748	(69)	$ 1,817	1,409	(54)	1,463
Gross margin	738	-	738	741	69	672	441	20	421	1,479	69	1,410	952	54	898
Gross margin %	45%		45%	47%		43%	37%		36%	46%		44%	40%		38%
Research and development	371	-	371	323	-	323	425	119	306	694	-	694	869	258	611
Marketing, general and administrative	229	-	229	219	-	219	247	25	222	448	-	448	534	60	474
Amortization of acquired intangible assets	17	-	17	17	-	17	17	-	17	34	-	34	35	-	35
Restructuring charges (reversal)	(4)	-	(4)	-	-	-	1	-	1	(4)	-	(4)	61	-	61
Operating income (loss)	125	-	125	182	69	113	(249)	(124)	(125)	307	69	238	(547)	(264)	(283)
Interest income	3	-	3	3	-	3	6	3	3	6	-	6	9	-	9
Interest expense	(55)	-	(55)	(49)	-	(49)	(108)	(37)	(71)	(104)	-	(104)	(205)	(60)	(145)
Other income (expense), net	(1)	-	(1)	304	325	(21)	6	(10)	16	303	325	(22)	100	(44)	144
Income (loss) before equity in net income (loss) of investee and income taxes	72	-	72	440	394	46	(345)	(168)	(177)	512	394	118	(643)	(368)	(275)
Provision (benefit) for income taxes	(5)	-	(5)	-	-	-	(10)	9	(19)	(5)	-	(5)	106	126	(20)
Equity in net income (loss) of investee	(120)	(120)	-	(183)	(183)	-	-	-	-	$ (303)	(303)	-	-	-	-
Net income (loss)	$ (43)	$ (120)	77	$ 257	$ 211	$ 46	$ (335)	$ (177)	$ (158)	$ 214	$ 91	123	$ (749)	$ (494)	(255)
Net Income (loss) attributable to non-controlling interest	-			-			25			-			31		
Class B preferred accretion	-			-			(20)			-			(28)		
Net income (loss) attributable to AMD common stockholders	$ (43)		$ 77	$ 257		$ 46	$ (330)		$ (158)	$ 214		$ 123	$ (746)		$ (255)
Non-GAAP diluted earnings per share(4)			$ 0.11			$ 0.06			$ (0.24)			$ 0.17			$ (0.39)

(1) From March 2, 2009 through December 26, 2009, the Company consolidated the operating results of GLOBALFOUNDRIES Inc. (GF). Starting in the first fiscal quarter of 2010 the Company began to account for its investment in GF under the equity method of accounting. The Company believes this non-GAAP presentation makes it easier for investors to compare current and historical period operating results, by excluding the results of operations of GF in the first and second fiscal quarter of 2010, and the six months ended 2010 and Foundry segment and Intersegment Eliminations in the second fiscal quarter of 2009 and six months ended June 27, 2009.

(2) Starting in the first fiscal quarter of 2010, the Company began to account for its investment in GF under the equity method of accounting. From March 2, 2009 through December 26, 2009 the operating results of GF were included in the Foundry segment.

(3) For the second fiscal quarter of 2010, the Company excluded Equity in net income (loss) of investee and for the first fiscal quarter of 2010, the Company further excluded the gain recognized on the fair value assessment of its investment in GF upon deconsolidation, and the gross margin benefit due to the deconsolidation of GF. For the second fiscal quarter of 2009 and the six months ended June 27, 2009, the Company excluded the Foundry segment and Intersegment Eliminations consisting of revenues, cost of sales, and profits on inventory between the Computing Solutions segment and the Foundry segment.

(4) The outstanding diluted share amount for the non-GAAP diluted earnings per share calculation for the second fiscal quarter of 2010, the first fiscal quarter of 2010, and the six month period ended June 26, 2010 are 733 million shares, 730 million shares, and 732 million shares, respectively. These share amounts exclude the 24 million shares related to the Company's 5.75% convertible notes because the inclusion of these shares would be anti-dilutive.

ADVANCED MICRO DEVICES, INC.

CONSOLIDATED BALANCE SHEETS

(Millions)

	Jun. 26, 2010	Mar. 27, 2010	Dec. 26, 2009*
Assets			
Cash, cash equivalents and marketable securities	$ 1,896	$ 1,932	$ 2,676
Accounts receivable, net	725	675	745
Inventories, net	581	577	567
Deferred income taxes	-	-	9
Prepaid expenses and other current assets	111	147	278
Total current assets	3,313	3,331	4,275
Property, plant and equipment, net	755	789	3,809
Investment in GLOBALFOUNDRIES	148	270	-
Acquisition related intangible assets, net	64	81	98
Goodwill	323	323	323
Other assets	352	438	573
Total Assets	$ 4,955	$ 5,232	$ 9,078
Liabilities and Stockholders' Equity			
Current liabilities:			
	$ 409	$ 434	$ 647
Accounts payable to GLOBALFOUNDRIES	213	182	-
Accrued liabilities	663	674	795
Deferred income on shipments to distributors	148	149	138
Other short-term obligations	159	154	171
Current portion of long-term debt and capital lease obligations	3	3	308
Other current liabilities	35	49	151
Total current liabilities	1,630	1,645	2,210
Deferred income taxes	1	1	197
Long-term debt and capital lease obligations, less current portion	2,418	2,601	4,252
Other long-term liabilities	154	189	695
Noncontrolling interest	-	-	1,076
Stockholders' equity:			
Capital stock:			
Common stock, par value	7	7	7
Capital in excess of par value	6,562	6,548	6,524
Treasury stock, at cost	(99)	(99)	(98)
Retained earnings (deficit)	(5,725)	(5,682)	(5,939)
Accumulated other comprehensive income	7	22	154
Total stockholders' equity	752	796	648
Total Liabilities and Stockholders' Equity	$ 4,955	$ 5,232	$ 9,078

* Includes the account balances of GF which were deconsolidated as of the beginning of the first quarter of 2010.

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

	Quarter Ended June 26, 2010	Six Months Ended June 26, 2010
Cash flows from operating activities:		
Net income (loss)	$ (43)	$ 214
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Equity in net (income) loss of investee	120	303
Gain on deconsolidation of GLOBALFOUNDRIES	-	(325)
Depreciation and amortization	100	200
Compensation recognized under employee stock plans	23	43
Non-cash interest expense	9	17
Provision (benefit) for deferred income taxes	(11)	(11)
Amortization of foreign grant	(3)	(4)
Net (gain) on sale of marketable securities	(8)	(8)
Other	(6)	(2)
Changes in operating assets and liabilities (excludes the effects of deconsolidation):		
Accounts receivable	(254)	(388)
Inventories	(4)	(93)
Prepaid expenses and other current assets	25	19
Other assets	1	14
Accounts payables to GLOBALFOUNDRIES	(32)	(63)
Income taxes payable	4	5
Accounts payables and accrued liabilities and other	(19)	4
Net cash provided by (used in) operating activities	(98)	(75)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(31)	(79)
Purchases of available-for-sale securities	(165)	(668)
Net cash impact of change in status of GLOBALFOUNDRIES from consolidated entity to unconsolidated investee	-	(904)
Proceeds from sale of property, plant and equipment	-	1
Proceeds from sale and maturity of available-for-sale securities	670	909
Proceeds from sale of trading securities	25	25
Other	17	17
Net cash provided by (used in) investing activities	516	(699)
Cash flows from financing activities:		
Proceeds from borrowings, net of issuance cost	224	423
Net proceeds from foreign grants and allowances	11	11
Proceeds from issuance of AMD common stock	4	7
Repayments of debt and capital lease obligations	(215)	(240)
Net cash provided by (used in) financing activities	24	201
Net increase (decrease) in cash and cash equivalents	442	(573)
Cash and cash equivalents at beginning of period	642	1,657
Cash and cash equivalents at end of period	$ 1,084	$ 1,084

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

	Quarter Ended			Six Months Ended	
Segment and Category Information	**June 26, 2010**	**March 27, 2010**	**June 27, 2009**	**June 26, 2010**	**June 27, 2009**
Computing Solutions (1)					
Net revenue	$ 1,212	$ 1,160	$ 926	$ 2,372	$ 1,868
Operating income (loss)	$ 128	$ 146	$ (67)	$ 274	$ (101)
Graphics (2)					
Net revenue	440	409	235	849	453
Operating income (loss)	33	47	(17)	80	(17)
All Other (3)					
Net revenue	1	5	23	6	40
Operating income (loss)	(36)	(11)	(41)	(47)	(165)
Subtotal (excludes Foundry segment and Intersegment Eliminations)					
Net revenue	**1,653**	**1,574**	**1,184**	**3,227**	**2,361**
Operating income (loss)	**125**	**182**	**(125)**	**307**	**(283)**
Foundry (4)					
Net revenue	-	-	253	-	536
Operating income (loss)	-	-	(101)	-	(233)
Intersegment Eliminations (5)					
Net revenue	-	-	(253)	-	(536)
Operating income (loss)	-	-	(23)	-	(31)
Total AMD					
Net revenue	**$ 1,653**	**$ 1,574**	**$ 1,184**	**$ 3,227**	**$ 2,361**
Operating income (loss)	**$ 125**	**$ 182**	**$ (249)**	**$ 307**	**$ (547)**
Other Data					
Depreciation and amortization (excluding amortization of acquired intangible assets)	$ 83	$ 83	$ 265	$ 166	$ 527
Capital additions	$ 31	$ 48	$ 112	$ 79	$ 196
Headcount (excludes Foundry segment)	10,649	10,365	10,366	10,649	10,366
AMD non-GAAP comparison*					
Depreciation and amortization (excluding amortization of acquired intangible assets)	$ 83	$ 83	$ 103	$ 166	$ 208
Capital additions	$ 31	$ 48	$ 15	$ 79	$ 32
Adjusted EBITDA (6)	$ 244	$ 302	$ 14	$ 546	$ 113
Cash, cash equivalents and marketable securities (7)	$ 1,896	$ 1,932	$ 1,637	$ 1,896	$ 1,637
Adjusted free cash flow (8)	$ 76	$ 177	N/A	$ 76	N/A
Total assets (7)	$ 4,955	$ 5,232	$ 4,405	$ 4,955	$ 4,405
Long-term debt and capital lease obligations(7)	$ 2,421	$ 2,604	$ 3,703	$ 2,421	$ 3,703

* 2009 periods exclude Foundry segment and Intersegment Eliminations
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) 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 gross margin benefit from the deconsolidation of GF, amortization of acquired intangible assets, restructuring charges and GF formation costs. The All Other category also includes the results of our Handheld business unit.

(4) In 2009, Foundry segment included 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 GF from March 2, 2009 to December 26, 2009. Starting with the first quarter of 2010, the Company began to account for its investment in GF under the equity method of accounting.

(5) In 2009, Intersegment Eliminations represented eliminations in revenue and in cost of sales and profits on inventory between the Computing Solutions segment and the Foundry segment. For the quarter and six months ended June 27, 2009, intersegment eliminations of revenue was $253 million and $536 million, respectively. For the quarter and six months ended June 27, 2009, intersegment eliminations of cost of sales and profits on inventory was $230 million and $505 million, respectively.

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

	Quarter Ended			Six Months Ended	
	Q210	Q110	Q209	Q210	Q209
GAAP operating income (loss)	$ 125	$ 182	$ (249)	$ 307	$ (547)
Foundry segment and Intersegment Eliminations operating loss	-	-	124	$ -	264
Depreciation and amortization	83	83	103	$ 166	208
Employee stock-based compensation expense	23	20	18	$ 43	35
Amortization of acquired intangible assets	17	17	17	$ 34	35
Restructuring charges (reversals)	(4)	-	1	$ (4)	61
GF formation costs	-	-	-	$ -	21
Adjusted EBITDA	$ 244	$ 302	$ 14	$ 546	$ 77

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

	Q209		
	Cash, cash equivalents and marketable securities	Total Assets	Long-term debt and capital lease obligations**
AMD GAAP	$ 2,514	$ 8,683	$ 5,532
Foundry segment and Intersegment Eliminations	(877)	(4,278)	(1,829)
AMD Non-GAAP	$ 1,637	$ 4,405	$ 3,703

(8) **Non-GAAP adjusted free cash flow reconciliation*** **	Q210	Q110
GAAP net cash provided by (used in) operating activities	$ (98)	$ 23
Non-GAAP adjustment	205	202
Non-GAAP net cash provided by (used in) operating activities	107	225
Purchases of property, plant and equipment	(31)	(48)
Non-GAAP adjusted free Cash Flow	$ 76	$ 177

*Starting with the quarter ended December 26, 2009, the Company presented "Adjusted EBITDA" as a supplemental measure of its performance. Adjusted EBITDA for the Company was determined by adjusting operating income (loss) for depreciation and amortization, employee stock-based compensation expense and amortization of acquired intangible assets. In addition, for the second quarter of 2010 and the six months ended June 26, 2010, the Company further included an adjustment for certain restructuring reversals. For the second fiscal quarter of 2009 and the six months ended June 27, 2009, the Company further included adjustments for the Foundry segment and Intersegment Eliminations operating loss, and for restructuring charges, and for the six months ended June 27, 2009, the Company further included an adjustment for GF formation costs. The Company calculates and communicates Adjusted EBITDA in the financial schedules 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.

** Long-term debt and capital lease obligations also includes the current portion.

*** Starting in the first quarter of 2010, the Company presents non-GAAP adjusted free cash flow as a supplemental measure of its performance. In 2008 and 2009 the Company and certain of its subsidiaries (collectively, the "AMD Parties") entered into supplier agreements with IBM Credit LLC and certain of its subsidiaries, (collectively, the "IBM Parties"). Pursuant to these supplier agreements, the AMD Parties sell to the IBM Parties invoices of selected distributor customers. Because the Company does not recognize revenue until its distributors sell its products to their customers, under U.S. GAAP, the Company classifies funds received from the IBM Parties as debt on the balance sheet. Moreover, for cash flow purposes, these funds are classified as cash flows from financing activities. When a distributor pays the applicable IBM Party, the Company reduces the distributor's accounts receivable and the corresponding debt resulting in a non-cash accounting entry. Because the Company does not receive the cash from the distributor to reduce the accounts receivable, the distributor's payment is never reflected in the Company's cash flows from operating activities. Non-GAAP adjusted free cash flow for the Company was determined by adjusting GAAP net cash provided by (used in) operating activities by adding the distributors' payments to the IBM Parties to GAAP net cash provided by (used in) operating activities. This amount is then further adjusted by subtracting capital expenditures . Generally, under U.S. GAAP, the reduction in accounts receivable is assumed to be a source of operating cash flows. Therefore, the Company believes that treating the payments from its distributor customers to the IBM Parties as if the Company actually received the cash from the distributor and then used that cash to pay down the debt is more reflective of the economic substance of the transaction. The Company calculates and communicates non-GAAP adjusted free cash flow in the financial schedules 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 Adjusted 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 Adjusted Free Cash Flow as an alternative to GAAP liquidity measures of cash flows from operating or financing activities.