

NEWS RELEASE

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AMD Reports Third Quarter Results

- AMD revenue \$1.62 billion, 2 percent sequential decrease and 16 percent increase year-over-year
- Net loss \$118 million, net loss per share \$0.17, operating income \$128 million
- Non-GAAP^{1,2} net income \$108 million, EPS \$0.15, operating income \$144 million
- Gross margin 46 percent

SUNNYVALE, Calif. – Oct. 14, 2010 – [AMD](#) (NYSE:AMD) today announced revenue for the third quarter of 2010 of \$1.62 billion, a net loss of \$118 million, or \$0.17 per share, and operating income of \$128 million. The company reported non-GAAP net income of \$108 million, or \$0.15 per share, and non-GAAP operating income of \$144 million.

“AMD’s third quarter performance was highlighted by solid gross margin and a continued focus on profitability, despite weaker than expected consumer demand,” said Dirk Meyer, AMD president and CEO. “Our strategy to deliver platforms with superior visual experiences continues to resonate. We look forward to building on this momentum when we begin shipping our first AMD Fusion Accelerated Processor Units later this quarter.”

GAAP Financial Results

	Q3-10	Q2-10	Q3-09
Revenue	\$1.62B	\$1.65B	\$1.40B
Operating income (loss)	\$128M	\$125M	\$(77)M
Net loss attributable to AMD common stockholders/loss per share	\$(118)M/\$(0.17)	\$(43)M/\$(0.06)	\$(128)M/\$(0.18)

Non-GAAP Financial Results¹

	Q3-10	Q2-10	Q3-09
Revenue	\$1.62B	\$1.65B	\$1.40B
Operating income	\$144M	\$138M	\$47M
Net income / Earnings per share	\$108M/\$0.15	\$83M/\$0.11	\$2M/\$0.00

Quarterly Summary

- Gross margin was 46 percent.
- Cash, cash equivalents and marketable securities balance at the end of the quarter was \$1.73 billion. The decrease from the second quarter was primarily due to the repurchase of \$800 million aggregate principal amount of 6.00% Convertible Senior Notes due 2015 offset by proceeds from our issuance of \$500 million of 7.75% Senior Notes due 2020.
 - Approximately \$780 million of the 6.00% Convertible Senior Notes remained outstanding as of September 25, 2010.
- Computing Solutions segment revenue was flat sequentially and up 13 percent year-over-year. The year-over-year increase was primarily driven by record notebook microprocessor unit shipments.
 - Operating income was \$164 million, compared with \$128 million in Q2-10 and \$82 million in Q3-09.
 - Microprocessor average selling price (ASP) decreased slightly sequentially and increased year-over-year.
 - AMD [updated its desktop processor family](#) with six new offerings, including the six-core AMD Phenom™ II X6 1075 processor with high-end features like Turbo CORE acceleration technology, and the unlocked, quad-core AMD Phenom™ II X2 560 Black Edition processor which enables performance-tuning capabilities.
 - IBM joined the ranks of [global customers](#) offering AMD Opteron™ 6000 series platform-based systems. In total, more than 40 unique [AMD Opteron™ 6000 series](#)-based platforms are now available from leading server manufacturers, including the [HP ProLiant DL385 G7](#), the [Dell PowerEdge™ R815](#), and many others.
 - [AMD released significant technical details](#) of two new x86 cores during the quarter. “Bulldozer” targets high-performance PC and server markets, while “Bobcat” is intended for low-power notebook and desktop markets. Both cores were designed from the ground up to address specific customer requirements and compute workloads.
 - AMD demonstrated “[Brazos](#)”, the upcoming platform combining low-power x86 processor cores and discrete-level graphics capabilities in a single AMD Fusion Accelerated Processing Unit (APU). “Brazos” platforms will feature the “Ontario” and “Zacate” APUs and are expected to bring many of the vivid digital computing experiences once reserved for high-end PCs to value and mainstream notebooks and desktops early next year.
- Graphics segment revenue decreased 11 percent sequentially but increased 33 percent year-over-year. The sequential decrease was driven by decreased mobile graphics processor unit (GPU) unit shipments and

decreased ASP. The year-over-year increase was driven by an increase in GPU unit shipments and ASP.

- o Operating income was \$1 million, compared with \$33 million in Q2-10 and \$2 million in Q3-09.
- o AMD has shipped more than 25 million DirectX11-capable GPUs since introduction in September 2009.
- o AMD launched the [ATI FirePro™ V9800](#), the company's flagship professional graphics card and the industry's only single-card solution for driving up to six monitors at a time.
- o Apple refreshed its [iMac and Mac Pro](#) desktop computers, making ATI Radeon™ cards the only graphics solution for all configurations of these products.

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 approximately flat sequentially for the fourth 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 third 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)	Q3-10		Q2-10		Q3-09	
GAAP net income (loss) attributable to AMD common stockholders / Earnings (loss) per share	\$ (118)	\$ (0.17)	\$ (43)	\$ (0.06)	\$ (128)	\$ (0.18)
Net impact of GF/Foundry segment related items*	(186)	(0.25)	(120)	(0.16)	(191)	(0.27)
Net (income) loss attributable to noncontrolling interest	-	-	-	-	29	0.04
Class B preferred accretion	-	-	-	-	(22)	(0.03)
Non-GAAP net income (loss) excluding GF/Foundry segment related items	68	0.09	77	0.11	56	0.08
Gross margin benefit from sales of inventory written down in Q4-08	-	-	-	-	9	0.01
Amortization of acquired intangible assets	(16)	(0.02)	(17)	(0.02)	(17)	(0.02)
Restructuring (charges) reversals	-	-	4	0.01	(4)	(0.01)
Gain on investment sale	-	-	7	0.01	-	-
Gain (loss) on debt redemption	(24)	(0.03)	-	-	66	0.10
Non-GAAP net income (loss) / Earnings (loss) per share	\$ 108	\$ 0.15	\$ 83	\$ 0.11	\$ 2	\$ 0.00

* Q3-10 and Q2-10 consist of equity losses related to GF. Q3-09 consists of the Foundry segment and Intersegment Eliminations loss.

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

(Millions)	Q3-10	Q2-10	Q3-09
GAAP operating income (loss)	\$ 128	\$ 125	\$ (77)
Gross margin benefit from sales of inventory written down in Q4-08	-	-	9
Amortization of acquired intangible assets	(16)	(17)	(17)
Restructuring (charges) reversals	-	4	(4)
Operating income (loss) from Foundry segment and Intersegment Eliminations	-	-	(112)
Non-GAAP operating income (loss)	\$ 144	\$ 138	\$ 47

Reconciliation of GAAP to Non-GAAP Gross Margin 1,3

(Millions, except percentages)	Q3-10	Q2-10	Q3-09
GAAP Gross Margin	\$ 739	\$ 738	\$ 585
GAAP Gross Margin %	46%	45%	42%
Gross margin benefit from sales of inventory written down in Q4-08	-	-	9
Gross margin from Foundry segment and Intersegment Eliminations	-	-	49
Non-GAAP Gross Margin	\$ 739	\$ 738	\$ 527
Non-GAAP Gross Margin %	46%	45%	38%

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 fourth quarter 2010 revenue, the timing of the launch and ramp of new products and technologies and the features of these products, 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 fourth 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 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 June 26, 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 its operating results for current and historical periods and also because the Company believes it assists investors in comparing the Company's performance across reporting periods 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.