

Advanced Micro Devices, Inc.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Thousands except per share amounts)

	Quarter Ended			Year Ended	
	Dec. 25, 2005 (Unaudited)	Sept. 25, 2005 (Unaudited)	Dec. 26, 2004 (Unaudited)	Dec. 25, 2005 (Unaudited)	Dec. 26, 2004* (Unaudited)
<b>Net sales</b>	\$ 1,838,276	\$ 1,522,755	\$ 1,263,706	\$ 5,847,577	\$ 5,001,435
Cost of sales	986,148	896,261	742,650	3,455,812	3,032,585
Research and development	329,301	289,018	252,767	1,144,025	934,574
Marketing, general and administrative	317,111	258,748	245,622	1,016,085	807,011
Restructuring and other special charges, net	-	-	2,942	-	5,456
	1,632,560	1,444,027	1,243,981	5,615,922	4,779,626
Operating income	205,716	78,728	19,725	231,655	221,809
Interest and other income (expense), net	445	6,054	(42,430)	13,571	(31,150)
Interest expense	(24,447)	(30,615)	(29,070)	(104,960)	(112,328)
Income (loss) before minority interest, equity in income (loss) of unconsolidated investee and income taxes	181,714	54,167	(51,775)	140,266	78,331
Minority interest in loss of consolidated subsidiaries	19,166	21,227	16,831	125,151	18,663
Loss on disposition of equity interest in Spansion Inc.	(109,681)	-	-	(109,681)	-
Equity in income of unconsolidated investee	3,105	-	-	3,105	-
Provision (benefit) for income taxes	(1,284)	(606)	(4,981)	(6,642)	5,838
<b>Net income (loss)</b>	\$ 95,588	\$ 76,000	\$ (29,963)	\$ 165,483	\$ 91,156
<b>Net income (loss) per common share</b>					
Basic	\$ 0.23	\$ 0.19	\$ (0.08)	\$ 0.41	\$ 0.25
Diluted	\$ 0.21	\$ 0.18	\$ (0.08)	\$ 0.40	\$ 0.25
Shares used in per share calculation					
- Basic	412,498	399,025	375,308	400,004	358,886
- Diluted	452,323	443,681	375,308	440,776	371,066

\*Derived from the December 26, 2004 audited financial statements of Advanced Micro Devices, Inc.

Advanced Micro Devices, Inc.

<b>RECONCILIATION OF NET INCOME (LOSS) TO EBITDA</b>					
(Thousands)					
	Quarter Ended			Year Ended	
	Dec. 25, 2005 (Unaudited)	Sept. 25, 2005 (Unaudited)	Dec. 26, 2004 (Unaudited)	Dec. 25, 2005 (Unaudited)	Dec. 26, 2004 (Unaudited)
Net income (loss)	\$ 95,588	\$ 76,000	\$ (29,963)	\$ 165,483	\$ 91,156
Depreciation and amortization	277,258	290,750	329,148	1,219,344	1,224,252
Interest income	(13,562)	(9,510)	(6,397)	(37,151)	(18,013)
Interest expense	24,447	30,615	29,070	104,960	112,328
Provision (benefit) for income taxes	(1,284)	(606)	(4,981)	(6,642)	5,838
<b>EBITDA</b>	<b>\$ 382,447</b>	<b>\$ 387,249</b>	<b>\$ 316,877</b>	<b>\$ 1,445,994</b>	<b>\$ 1,415,561</b>

**Advanced Micro Devices, Inc.**  
**CONSOLIDATED BALANCE SHEETS**  
(Thousands)

	Dec. 25, 2005	Sept. 25, 2005	Dec. 26, 2004*
	(Unaudited)	(Unaudited)	
<b>Assets</b>			
Current assets:			
Cash, cash equivalents and short-term investments	\$ 1,794,765	\$ 1,342,167	\$ 1,195,559
Accounts receivable, net (1)	805,531	861,799	719,572
Inventories	388,631	931,763	874,790
Prepaid expenses and other current assets	477,304	272,442	350,240
Deferred income taxes	92,606	54,232	87,836
<b>Total current assets</b>	<b>3,558,837</b>	<b>3,462,403</b>	<b>3,227,997</b>
Property, plant and equipment, net	2,700,999	4,321,384	4,233,807
Net investment in Spansion, Inc.	721,342	-	-
Other assets	306,602	376,169	382,406
<b>Total Assets</b>	<b>\$ 7,287,780</b>	<b>\$ 8,159,956</b>	<b>\$ 7,844,210</b>
<b>Liabilities and Stockholders' Equity</b>			
Current liabilities:			
Notes payable	\$ -	\$ 75,656	\$ -
Accounts payable	855,834	941,651	655,123
Accrued compensation and benefits	226,874	232,446	191,431
Accrued liabilities	388,999	402,895	445,341
Restructuring accruals	18,616	21,355	18,997
Income taxes payable	3,326	12,245	47,145
Deferred income on shipments to distributors	141,898	163,652	141,738
Current portion of long-term debt and capital lease obligations	43,225	224,872	230,828
Other current liabilities	143,191	137,583	115,773
<b>Total current liabilities</b>	<b>1,821,963</b>	<b>2,212,355</b>	<b>1,846,376</b>
Deferred income taxes	92,605	50,630	104,246
Long-term debt and capital lease obligations	1,327,064	1,708,872	1,628,268
Other long-term liabilities	459,323	436,802	414,626
Minority interest in consolidated subsidiaries	234,988	777,052	840,641
Stockholders' equity:			
Capital stock:			
Common stock, par value	4,353	4,020	3,917
Capital in excess of par value	2,710,171	2,438,504	2,316,669
Retained earnings	473,676	378,067	308,497
Accumulated other comprehensive income	163,637	153,654	380,970
<b>Total stockholders' equity</b>	<b>3,351,837</b>	<b>2,974,245</b>	<b>3,010,053</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 7,287,780</b>	<b>\$ 8,159,956</b>	<b>\$ 7,844,210</b>

(1) Includes accounts receivable from customers of Spansion Inc.

\*Derived from the December 26, 2004 audited financial statements of Advanced Micro Devices, Inc.

**AMD**  
**Selected Corporate Data**  
**(Unaudited)**

	Quarter Ended			Year Ended	
	Dec. 25, 2005	Sep. 25, 2005	Dec. 26, 2004	Dec. 25, 2005	Dec. 26, 2004
<b><u>Segment Information (5)</u></b>					
Computation Products (1)					
Net Sales	\$1,307 M	\$ 969 M	\$ 730 M	\$ 3,793 M	\$ 2,528 M
Operating Income (Loss)	287 M	149 M	90 M	617 M	266 M
Personal Connectivity Solutions Products (2)					
Net Sales	42 M	35 M	30 M	136 M	131 M
Operating Income (Loss)	(15) M	(14) M	(21) M	(55) M	(54) M
All Other (3)					
Net Sales	2 M	3 M	0 M	7 M	(1) M
Operating Income (Loss)	(4) M	(6) M	(10) M	(19) M	(25) M
<b>Subtotal (excluding Memory Products Segment)</b>					
<b>Net Sales</b>	<b>1,351 M</b>	<b>1,007 M</b>	<b>760 M</b>	<b>3,936 M</b>	<b>2,658 M</b>
<b>Operating Income (Loss)</b>	<b>268 M</b>	<b>129 M</b>	<b>59 M</b>	<b>543 M</b>	<b>187 M</b>
Memory Products (4)					
Net Sales	487 M	516 M	504 M	1,912 M	2343 M
Operating Income (Loss)	(62) M	(50) M	(39) M	(311) M	35 M
<b>Total AMD</b>					
<b>Net Sales</b>	<b>1,838 M</b>	<b>1,523 M</b>	<b>1,264 M</b>	<b>5,848 M</b>	<b>5,001 M</b>
<b>Operating Income (Loss)</b>	<b>206 M</b>	<b>79 M</b>	<b>20 M</b>	<b>232 M</b>	<b>222 M</b>
<b><u>Other Data (AMD Only)(6)</u></b>	<b>Dec. 25, 2005</b>	<b>Sep. 25, 2005</b>	<b>Dec. 26, 2004</b>	<b>Dec. 25, 2005</b>	<b>Dec. 26, 2004</b>
Gross Margin	57%	55%	57%	56%	55%
Depreciation & Amortization	\$ 153 M	\$ 154 M	\$ 183 M	\$ 668 M	\$ 668 M
Capital Additions	\$ 250 M	\$ 177 M	\$ 368 M	\$ 1,109 M	\$ 909 M
Headcount	9,860	9,530	8,335	9,860	8,335
International Sales	70%	73%	70%	70%	68%

(1) Computation Products segment includes PC processors and Chipsets.

(2) The Personal Connectivity Solution Products segment includes Embedded Processors and Products for global commercial and consumer markets.

(3) The All Other category includes certain operating expenses and credits that are not allocated to the operating segments and, starting Q3-05, includes Personal Internet Communicator (PIC) products.

(4) Memory Products segment includes Flash memory products of AMD and Spansion LLC, and for the quarter ended Dec. 25, 2005 reflects consolidated Spansion results through December 20, 2005.

(5) Due to the Spansion IPO the Company has allocated bonus and profit sharing expenses to the segments. Prior period information has been restated to conform to current period information.

(6) Other Data reflects AMD information, excluding the Memory Products Segment.

Note: Figures may not foot due to rounding

Advanced Micro Devices, Inc.

RECONCILIATION OF NON GAAP PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS TO GAAP CONSOLIDATED STATEMENTS OF OPERATIONS  
(Thousands except per share amounts)

	Quarter Ended					
	Dec. 25, 2005 (Unaudited) (GAAP)	Reconciliation Adjustments	Dec. 25, 2005 (pro-forma non-GAAP) (Note A)	Reconciliation Adjustments	Dec. 25, 2005 (pro-forma non-GAAP) (Note B)	
<b>Net sales</b>	\$ 1,838,276	\$ -	\$ 1,838,276	\$ (487,200) (2)	\$ 1,351,076	
Cost of sales	986,148	-	986,148	(409,000) (2)	577,148	
Gross Margin	852,128		852,128		773,928	
Gross Margin %	46.4%		46.4%		57.3%	
Research and development	329,301	-	329,301	(73,000) (2)	256,301	
Marketing, general and administrative	317,111	-	317,111	(67,600) (2)	249,511	
Operating expenses	646,412		646,412		505,812	
Operating income (loss)	205,716		205,716		268,116	
Interest income and other, net	445	-	445	(664) (3)	(219)	
Interest expense	(24,447)	-	(24,447)	5,185 (3)	(19,262)	
Income (loss) before minority interest, equity in income (loss) of unconsolidated investee and income taxes	181,714	-	181,714		248,635	
Minority interest in loss of consolidated subsidiary	19,166	-	19,166	(24,698) (4)	(5,532)	
Loss on disposition of equity interest in Spansion Inc.	(109,681)	109,681 (1)	-	-	-	
Equity in income of unconsolidated investee	3,105	-	3,105	(3,105) (5)	-	
Net impact of Memory Products Segment and Spansion IPO	-	-	-	(39,109) (7)	(39,109)	
Provision (benefit) for income taxes	(1,284)	-	(1,284)	9 (6)	(1,275)	
<b>Net income</b>	\$ 95,588		\$ 205,269		\$ 205,269	
<b>Net income per common share</b>						
Basic	\$ 0.23		\$ 0.50		\$ 0.50	
Diluted	\$ 0.21		\$ 0.45		\$ 0.45	
Shares used in per share calculation						
Basic	412,498		412,498		412,498	
Diluted	452,323		473,709		473,709	

Note A: Non-GAAP pro-forma consolidated statement of operations with adjustment for loss on disposition of equity interest in Spansion Inc. For details see note (1) below.

Note B: Non-GAAP pro-forma consolidated statement of operations with adjustments for loss on disposition of equity interest in Spansion Inc. and the exclusion of the Memory Products Segment and Spansion results for the quarter ended December 25, 2005. For details see notes (2) through (7) below.

Notes to the Reconciliation Adjustments:

- (1) Excludes the non-cash loss on disposition of the Company's ownership interest in Spansion from 60 percent to 37.9 percent as a result of Spansion's initial public offering.
- (2) Excludes the Memory Products segment results and reclassifies them to "Net impact of Memory Products Segment and Spansion IPO".
- (3) Excludes Spansion's results and reclassifies them to "Net impact of Memory Products Segment and Spansion IPO".
- (4) Excludes Fujitsu's 40% minority interest share in AMD's earnings relating to Spansion up to December 20, 2005 and reclassifies it to "Net impact of Memory Products Segment and Spansion IPO".
- (5) Excludes AMD's 37.9% equity income share of Spansion's net income from December 21, 2005 to December 25, 2005 and reclassifies it to "Net impact of Memory Products Segment and Spansion IPO".
- (6) Excludes Spansion's results and reclassifies them to "Net impact of Memory Products Segment and Spansion IPO".
- (7) Net impact of all adjustments from (2) to (6) above.