

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

	Quarter Ended			Year Ended	
	Dec. 31, 2006 (Unaudited)	Oct. 1, 2006 (Unaudited)	Dec. 25, 2005 (Unaudited)	Dec. 31, 2006 (Unaudited)	Dec. 25, 2005* (Unaudited)
<b>Net revenue</b>	\$ 1,773	\$ 1,328	\$ 1,838	\$ 5,649	\$ 5,848
Cost of sales	1,132	645	986	2,857	3,456
Gross margin	641	682	852	2,792	2,392
Gross margin %	36.1%	51.4%	46.4%	49.4%	40.9%
Research and development	385	277	329	1,205	1,144
Marketing, general and administrative	294	280	317	1,140	1,016
In-process research and development	416	-	-	416	-
Amortization of acquired intangible assets and integration charges	72	6	-	79	-
<b>Operating income (loss)</b>	(527)	119	206	(47)	232
Interest income	21	31	14	116	37
Interest expense	(67)	(18)	(24)	(126)	(105)
Other income (expense), net	(0)	(2)	(13)	(14)	(24)
Income (loss) before minority interest, equity in net loss of Spansion Inc. and other and income taxes	(573)	131	182	(71)	140
Minority interest of consolidated subsidiaries	(7)	(7)	19	(28)	125
Equity in net loss of Spansion Inc. and other	(4)	(10)	(107)	(45)	(107)
Provision (benefit) for income taxes	(10)	(21)	(1)	23	(7)
<b>Net income (loss)</b>	\$ (574)	\$ 134	\$ 96	\$ (166)	\$ 165
<b>Net income (loss) per common share</b>					
Basic	\$ (1.08)	\$ 0.28	\$ 0.23	\$ (0.34)	\$ 0.41
Diluted	\$ (1.08)	\$ 0.27	\$ 0.21	\$ (0.34)	\$ 0.40
Shares used in per share calculation					
Basic	531	486	412	492	400
Diluted	531	497	452	492	441

\*Derived from the December 25, 2005 audited financial statements of Advanced Micro Devices, Inc.

Note: Figures may not foot due to rounding

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

	Dec. 31, 2006 (Unaudited)	Oct. 1, 2006 (Unaudited)	Dec. 25, 2005*
<b>Assets</b>			
Current assets:			
Cash, cash equivalents and marketable securities	\$ 1,541	\$ 2,357	\$ 1,795
Accounts receivable, net	1,141	688	806
Inventories	814	466	389
Prepaid expenses and other current assets	443	326	477
Deferred income taxes	25	75	93
<b>Total current assets</b>	<b>3,965</b>	<b>3,912</b>	<b>3,559</b>
Property, plant and equipment, net	3,985	3,404	2,701
Goodwill	3,217	-	-
Net investment in Spansion Inc.	371	671	721
Acquired intangible assets, net	1,207	-	-
Other assets	401	392	307
<b>Total Assets</b>	<b>\$ 13,147</b>	<b>\$ 8,379</b>	<b>\$ 7,288</b>
<b>Liabilities and Stockholders' Equity</b>			
Current liabilities:			
Accounts payable	1,338	901	856
Accrued compensation and benefits	177	147	227
Accrued liabilities	715	473	389
Income taxes payable	78	18	3
Deferred income on shipments to distributors	170	116	142
Current portion of long-term debt and capital lease obligations	125	45	43
Other current liabilities	249	192	162
<b>Total current liabilities</b>	<b>2,851</b>	<b>1,892</b>	<b>1,822</b>
Deferred income taxes	31	76	93
Long-term debt and capital lease obligations	3,672	644	1,327
Other long-term liabilities	517	482	459
Minority interest in consolidated subsidiaries	290	272	235
Stockholders' equity:			
Capital stock:			
Common stock, par value	5	5	4
Capital in excess of par value	5,316	3,959	2,710
Retained earnings	308	882	474
Accumulated other comprehensive income	156	167	164
<b>Total stockholders' equity</b>	<b>5,786</b>	<b>5,012</b>	<b>3,352</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 13,147</b>	<b>\$ 8,379</b>	<b>\$ 7,288</b>

\*Derived from the December 25, 2005 audited financial statements of Advanced Micro Devices, Inc.

Note: Figures may not foot due to rounding