

Advanced Micro Devices, Inc.

PROFORMA NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS

(Includes Pre-Tax FASL Investment Equity Income in Operating Income and other proforma adjustments below)

(Thousands except per share amounts)

	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)	
	Sept. 30, 2001	July 1, 2001	Oct. 1, 2000	Sept. 30, 2001	Oct. 1, 2000
Net sales	\$ 765,870	\$ 985,264	\$ 1,206,549	\$ 2,939,881	\$ 3,469,015
Cost of sales	587,155	636,199	639,010	1,938,184	1,857,334
(Income) loss from equity investment in FASL	2,036	(12,521)	(7,558)	(33,097)	(5,953)
Research and development	161,185	171,114	162,764	490,059	479,712
Marketing, general and administrative	150,918	156,291	141,931	456,346	438,259
	901,294	951,083	936,147	2,851,492	2,769,352
Operating income (loss)	(135,424)	34,181	270,402	88,389	699,663
Interest income and other, net	10,749	12,308	19,789	41,880	60,852
Interest expense	(9,946)	(20,199)	(17,382)	(51,790)	(40,105)
Income (loss) before income taxes	(134,621)	26,290	272,809	78,479	720,410
Provision (benefit) for income taxes	(36,348)	3,717	50,356	19,912	102,134
Provision (benefit) for taxes on equity income in FASL	(849)	5,221	3,152	13,801	2,484
Net income (loss)	\$ (97,424)	\$ 17,352	\$ 219,301	\$ 44,766	\$ 615,792
Net income (loss) per common share					
Basic	\$ (0.28)	\$ 0.05	\$ 0.70	\$ 0.14	\$ 2.00
Diluted	\$ (0.28)	\$ 0.05	\$ 0.64	\$ 0.13	\$ 1.81
Shares used in per share calculation					
- Basic	345,044	330,120	311,943	329,837	307,942
- Diluted	345,044	340,533	352,893	338,308	350,082

Advanced Micro Devices, Inc.

THE PROFORMA ADJUSTMENTS ARE AS FOLLOWS:

(Thousands)

	Quarter Ended			Nine Months Ended	
	Sept. 30, 2001	July 1, 2001	Oct. 1, 2000	Sept. 30, 2001	Oct. 1, 2000
Additional inventory provision	\$ 6,901	\$ -	\$ -	\$ 6,901	\$ -
Restructuring and other special charges	89,305	-	-	89,305	-
Sale of Legerity	-	-	336,899	-	336,899
Impaired investments	21,969	-	-	21,969	-
Total before income taxes and extraordinary item	(118,175)	-	336,899	(118,175)	336,899
Provision (benefit) for income taxes	(28,670)	-	124,653	(28,670)	124,653
Extraordinary item - debt retirement, net of tax benefit	-	-	(22,980)	-	(22,980)
Total	\$ (89,505)	\$ -	\$ 189,266	\$ (89,505)	\$ 189,266

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

	Sept. 30, 2001 (unaudited)	July 1, 2001 (unaudited)	December 31, 2000*
Assets			
Current assets:			
Cash, cash equivalents and short-term investments	\$ 903,534	\$ 1,057,163	\$ 1,293,165
Accounts receivable, net	588,563	728,356	547,200
Inventories	449,078	400,849	343,541
Deferred income taxes	168,846	188,946	218,527
Prepaid expenses and other current assets	289,722	175,522	255,256
Total current assets	2,399,743	2,550,836	2,657,689
Property, plant and equipment, net	2,715,292	2,668,271	2,636,467
Investment in joint venture	396,351	377,639	261,728
Other assets	227,819	234,207	211,851
	\$ 5,739,205	\$ 5,830,953	\$ 5,767,735
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	\$ 369,064	\$ 314,606	\$ 477,369
Accrued compensation and benefits	143,987	121,523	172,815
Accrued liabilities	382,797	315,928	276,721
Income tax payable	49,591	38,184	74,806
Deferred income on shipments to distributors	34,620	67,407	92,828
Current portion of long-term debt, capital lease obligations and other	192,487	220,080	129,570
Total current liabilities	1,172,546	1,077,728	1,224,109
Deferred income taxes	139,850	198,203	203,986
Long-term debt, capital lease obligations and other, less current portion	796,021	754,717	1,167,973
Stockholders' equity:			
Capital stock:			
Common stock, par value	3,471	3,464	3,141
Capital in excess of par value	1,890,646	1,955,498	1,406,290
Retained earnings	1,811,522	1,998,450	1,856,261
Accumulated other comprehensive loss	(74,851)	(157,107)	(94,025)
Total stockholders' equity	3,630,788	3,800,305	3,171,667
	\$ 5,739,205	\$ 5,830,953	\$ 5,767,735

*Derived from the December 31, 2000 audited financial statements of Advanced Micro Devices, Inc.

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

	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)	
	Sept. 30, 2001	July 1, 2001	Oct. 1, 2000	Sept. 30, 2001	Oct. 1, 2000
Net sales	\$ 765,870	\$ 985,264	\$ 1,206,549	\$ 2,939,881	\$ 3,469,015
Cost of sales	594,056	636,199	639,010	1,945,085	1,857,334
Research and development	161,185	171,114	162,764	490,059	479,712
Marketing, general and administrative	150,918	156,291	141,931	456,346	438,259
Restructuring and other special charges	89,305	-	-	89,305	-
	995,464	963,604	943,705	2,980,795	2,775,305
Operating income (loss)	(229,594)	21,660	262,844	(40,914)	693,710
Gain on sale of Legerity	-	-	336,899	-	336,899
Interest and other income (expense), net	(11,220)	12,308	19,789	19,911	60,852
Interest expense	(9,946)	(20,199)	(17,382)	(51,790)	(40,105)
Income (loss) before income taxes, equity in joint venture and extraordinary item	(250,760)	13,769	602,150	(72,793)	1,051,356
Provision (benefit) for income taxes	(65,018)	3,717	175,009	(8,758)	226,787
Income (loss) before equity in joint venture and extraordinary item	(185,742)	10,052	427,141	(64,035)	824,569
Equity in net income (loss) in joint venture	(1,187)	7,300	4,406	19,296	3,469
Income (loss) before extraordinary item	(186,929)	17,352	431,547	(44,739)	828,038
Extraordinary item - debt retirement, net of tax benefit	-	-	22,980	-	22,980
Net income (loss)	\$ (186,929)	\$ 17,352	\$ 408,567	\$ (44,739)	\$ 805,058
Net income (loss) per common share					
Basic:					
Income (loss) before extraordinary item	\$ (0.54)	\$ 0.05	\$ 1.38	\$ (0.14)	\$ 2.69
Net income (loss)	\$ (0.54)	\$ 0.05	\$ 1.31	\$ (0.14)	\$ 2.61
Diluted:					
Income (loss) before extraordinary item	\$ (0.54)	\$ 0.05	\$ 1.24	\$ (0.14)	\$ 2.42
Net income (loss)	\$ (0.54)	\$ 0.05	\$ 1.18	\$ (0.14)	\$ 2.36
Shares used in per share calculation					
- Basic	345,044	330,120	311,943	329,837	307,942
- Diluted	345,044	340,533	352,893	329,837	350,082

AMD
Selected Corporate Data
(Unaudited)

<u>Segment Breakdown</u>	<u>Q3 '01</u>	<u>Q2 '01</u>	<u>Q3 '00</u>
	<u>% of Sales</u> <u>Revenue</u>	<u>% of Sales</u> <u>Revenue</u>	<u>% of Sales</u> <u>Revenue</u>
Core Products segment:			
PC Processor Products	61 \$467M	60 \$588M	52 \$625M
Memory Products (Flash)	28 210M	32 316M	35 420M
Other IC Products	8 64M	5 51M	8 99M
Voice Communications segment	0 0	0 0	1 17M
Foundry Services segment	3 25M	3 30M	4 46M
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<u>Other Data</u>	<u>Q3 '01</u>	<u>Q2 '01</u>	<u>Q3 '00</u>
Depreciation and Amortization	\$160M	\$159M	\$154M
Capital Additions	\$164M	\$215M	\$249M
Headcount	15,152	15,088	14,004
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International Sales	68%	61%	57%
Research and Development	\$161M	\$171M	\$163M
EBITDA	\$(70)M	\$181M	\$417M
EBITDA (Proforma)	\$25M	\$193M	\$424M