

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)			Year Ended (Unaudited)	
	Dec. 30, 2001	Sept. 30, 2001	Dec. 31, 2000	Dec. 30, 2001	Dec. 31, 2000
<b>Net sales</b>	\$ 951,873	\$ 765,870	\$ 1,175,172	\$ 3,891,754	\$ 4,644,187
Cost of sales	644,662	587,155	657,303	2,582,846	2,514,637
(Income) loss from equity investment in FASL	715	2,036	(12,985)	(32,382)	(18,938)
Research and development	160,871	161,185	162,088	650,930	641,799
Marketing, general and administrative	163,684	150,918	160,753	620,030	599,015
	969,932	901,294	967,159	3,821,424	3,736,513
Operating income (loss)	(18,059)	(135,424)	208,013	70,330	907,674
Interest income and other, net	5,784	10,749	25,449	47,664	86,301
Interest expense	(9,570)	(9,946)	(19,933)	(61,360)	(60,037)
Income (loss) before income taxes	(21,845)	(134,621)	213,529	56,634	933,938
Provision (benefit) for income taxes	(5,705)	(36,348)	30,082	14,207	132,215
Provision (benefit) for taxes on equity income in FASL	(298)	(849)	5,415	13,503	7,899
<b>Net income (loss)</b>	\$ (15,842)	\$ (97,424)	\$ 178,032	\$ 28,924	\$ 793,824
<b>Net income (loss) per common share</b>					
Basic	\$ (0.05)	\$ (0.28)	\$ 0.57	\$ 0.09	\$ 2.57
Diluted	\$ (0.05)	\$ (0.28)	\$ 0.53	\$ 0.09	\$ 2.35
Shares used in per share calculation					
- Basic	340,119	345,044	313,501	332,407	309,331
- Diluted	340,119	345,044	349,782	339,815	350,000

Advanced Micro Devices, Inc.

**THE PROFORMA ADJUSTMENTS ARE AS FOLLOWS:**

(Thousands)

	Quarter Ended (Unaudited)			Year Ended (Unaudited)	
	Dec. 30, 2001	Sept. 30, 2001	Dec. 31, 2000	Dec. 30, 2001	Dec. 31, 2000
Additional inventory provision	\$ -	\$ 6,901	\$ -	\$ 6,901	\$ -
Restructuring and other special charges	-	89,305	-	89,305	-
Sale of Legerity	-	-	-	-	336,899
Impaired investments	-	21,969	-	21,969	-
Total before income taxes and extraordinary item	-	(118,175)	-	(118,175)	336,899
Provision (benefit) for income taxes	-	(28,670)	-	(28,670)	124,653
Extraordinary item - debt retirement, net of tax benefit	-	-	(64)	-	(23,044)
<b>Total</b>	\$ -	\$ (89,505)	\$ (64)	\$ (89,505)	\$ 189,202

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

	Dec. 30, 2001 (unaudited)	Sept. 30, 2001 (unaudited)	December 31, 2000*
<b>Assets</b>			
Current assets:			
Cash, cash equivalents and short-term investments	\$ 869,997	\$ 903,534	\$ 1,293,165
Accounts receivable, net	659,783	588,563	547,200
Inventories	380,474	449,078	343,541
Deferred income taxes	155,898	168,846	218,527
Prepaid expenses and other current assets	286,957	289,722	255,256
<b>Total current assets</b>	<b>2,353,109</b>	<b>2,399,743</b>	<b>2,657,689</b>
Property, plant and equipment, net	2,739,138	2,715,292	2,636,467
Investment in joint venture	363,611	396,351	261,728
Other assets	191,384	227,819	211,851
	<b>\$ 5,647,242</b>	<b>\$ 5,739,205</b>	<b>\$ 5,767,735</b>
<b>Liabilities and Stockholders' Equity</b>			
Current liabilities:			
Accounts payable	\$ 304,990	\$ 369,064	\$ 477,369
Accrued compensation and benefits	129,042	143,987	172,815
Accrued liabilities	443,995	382,797	276,721
Income tax payable	56,234	49,591	74,806
Deferred income on shipments to distributors	47,978	34,620	92,828
Current portion of long-term debt, capital lease obligations and other	331,698	192,487	129,570
<b>Total current liabilities</b>	<b>1,313,937</b>	<b>1,172,546</b>	<b>1,224,109</b>
Deferred income taxes	105,305	139,850	203,986
Long-term debt, capital lease obligations and other, less current portion	672,945	796,021	1,167,973
Stockholders' equity:			
Capital stock:			
Common stock, par value	3,405	3,471	3,141
Capital in excess of par value	1,889,217	1,959,483	1,406,290
Retained earnings	1,795,680	1,811,522	1,856,261
Accumulated other comprehensive loss	(133,247)	(74,851)	(94,025)
<b>Total stockholders' equity</b>	<b>3,555,055</b>	<b>3,630,788</b>	<b>3,171,667</b>
	<b>\$ 5,647,242</b>	<b>\$ 5,739,205</b>	<b>\$ 5,767,735</b>

\*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)			Year Ended (Unaudited)	
	Dec. 30, 2001	Sept. 30, 2001	Dec. 31, 2000	Dec. 30, 2001	Dec. 31, 2000*
<b>Net sales</b>	\$ 951,873	\$ 765,870	\$ 1,175,172	\$ 3,891,754	\$ 4,644,187
Cost of sales	644,662	594,056	657,303	2,589,747	2,514,637
Research and development	160,871	161,185	162,088	650,930	641,799
Marketing, general and administrative	163,684	150,918	160,753	620,030	599,015
Restructuring and other special charges	-	89,305	-	89,305	-
	969,217	995,464	980,144	3,950,012	3,755,451
Operating income (loss)	(17,344)	(229,594)	195,028	(58,258)	888,736
Gain on sale of Legerity	-	-	-	-	336,899
Interest and other income (expense), net	5,784	(11,220)	25,449	25,695	86,301
Interest expense	(9,570)	(9,946)	(19,933)	(61,360)	(60,037)
Income (loss) before income taxes, equity in joint venture and extraordinary item	(21,130)	(250,760)	200,544	(93,923)	1,251,899
Provision (benefit) for income taxes	(5,705)	(65,018)	30,082	(14,463)	256,868
Income (loss) before equity in joint venture and extraordinary item	(15,425)	(185,742)	170,462	(79,460)	995,031
Equity in net income (loss) in joint venture	(417)	(1,187)	7,570	18,879	11,039
Income (loss) before extraordinary item	(15,842)	(186,929)	178,032	(60,581)	1,006,070
Extraordinary item - loss on debt retirement, net of tax benefit	-	-	64	-	23,044
<b>Net income (loss)</b>	\$ (15,842)	\$ (186,929)	\$ 177,968	\$ (60,581)	\$ 983,026
<b>Net income (loss) per common share</b>					
Basic:					
Income (loss) before extraordinary item	\$ (0.05)	\$ (0.54)	\$ 0.57	\$ (0.18)	\$ 3.25
Net income (loss)	\$ (0.05)	\$ (0.54)	\$ 0.57	\$ (0.18)	\$ 3.18
Diluted:					
Income (loss) before extraordinary item	\$ (0.05)	\$ (0.54)	\$ 0.53	\$ (0.18)	\$ 2.95
Net income (loss)	\$ (0.05)	\$ (0.54)	\$ 0.53	\$ (0.18)	\$ 2.89
Shares used in per share calculation					
- Basic	340,119	345,044	313,501	332,407	309,331
- Diluted	340,119	345,044	349,782	332,407	350,000

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

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

<u>Segment Breakdown</u>	Q4 '01		Q3 '01		Q4 '00		2001		2000	
	<u>% of Sales</u>	<u>Revenue</u>	<u>% of Sales</u>	<u>Revenue</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	74	\$703M	61	\$467M	48	\$566M	62	\$2,419M	50	\$2,337M
Memory Products (Flash)	21	196M	28	210M	39	458M	29	1,133M	34	1,567M
Other IC Products	5	51M	8	64M	8	98M	6	242M	10	457M
Voice Communications segment	0	0	0	0	0	0	0	0	3	140M
Foundry Services segment	0	2M	3	25M	5	53M	3	98M	3	143M
<hr/>										
<u>Other Data</u>	<u>Q4 '01</u>		<u>Q3 '01</u>		<u>Q4 '00</u>		<u>2001</u>		<u>2000</u>	
Depreciation and Amortization	\$150M		\$160M		\$150M		\$623M		\$579M	
Capital Additions	\$161M		\$164M		\$266M		\$703M		\$805M	
Headcount	14,757		15,152		14,435		14,757		14,435	
<hr/>										
International Sales	73%		68%		62%		66%		60%	
Research and Development	\$161M		\$161M		\$162M		\$651M		\$642M	
EBITDA	\$133M		\$ (70)M		\$345M		\$564M		\$1,468M	
EBITDA (Proforma)	\$132M		\$25M		\$358M		\$693M		\$1,481M	