

Advanced Micro Devices, Inc.

NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS

(Includes Pre-Tax FASL Equity Investment Equity (Income) loss in Operating Income (loss))

(Thousands except per share amounts)

	Quarter Ended (Unaudited)			Six Months Ended (Unaudited)	
	June 30, 2002	March 31, 2002	July 1, 2001	June 30, 2002	July 1, 2001
Net sales	\$ 600,299	\$ 902,073	\$ 985,264	\$ 1,502,372	\$ 2,174,011
Cost of sales	558,290	586,874	636,199	1,145,164	1,351,029
(Income) loss from equity investment in FASL	4,630	(5,076)	(12,521)	(446)	(35,133)
Research and development	178,425	171,882	171,114	350,307	328,874
Marketing, general and administrative	160,248	156,860	156,291	317,108	305,429
	901,593	910,540	951,083	1,812,133	1,950,199
Operating income (loss)	(301,294)	(8,467)	34,181	(309,761)	223,812
Interest and other income, net	8,661	9,538	12,308	18,199	31,131
Interest expense	(15,729)	(12,158)	(20,199)	(27,887)	(41,844)
Income (loss) before income taxes	(308,362)	(11,087)	26,290	(319,449)	213,099
Provision (benefit) for income taxes	(121,493)	(4,041)	3,717	(125,534)	56,260
Provision (benefit) for taxes on equity income (loss) in FASL	(1,931)	2,117	5,221	186	14,650
Net income (loss)	\$ (184,938)	\$ (9,163)	\$ 17,352	\$ (194,101)	\$ 142,189
Net income (loss) per common share					
Basic	\$ (0.54)	\$ (0.03)	\$ 0.05	\$ (0.57)	\$ 0.44
Diluted	\$ (0.54)	\$ (0.03)	\$ 0.05	\$ (0.57)	\$ 0.43
Shares used in per share calculation					
- Basic	341,782	340,806	330,120	341,294	322,234
- Diluted	341,782	340,806	340,533	341,294	332,183

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

	Quarter Ended (Unaudited)			Six Months Ended (Unaudited)	
	June 30, 2002	March 31, 2002	July 1, 2001	June 30, 2002	July 1, 2001
Net sales	\$ 600,299	\$ 902,073	\$ 985,264	\$ 1,502,372	\$ 2,174,011
Cost of sales	558,290	586,874	636,199	1,145,164	1,351,029
Research and development	178,425	171,882	171,114	350,307	328,874
Marketing, general and administrative	160,248	156,860	156,291	317,108	305,429
	896,963	915,616	963,604	1,812,579	1,985,332
Operating income (loss)	(296,664)	(13,543)	21,660	(310,207)	188,679
Interest and other income, net	8,661	9,538	12,308	18,199	31,131
Interest expense	(15,729)	(12,158)	(20,199)	(27,887)	(41,844)
Income (loss) before income taxes and equity in net income (loss) of joint venture	(303,732)	(16,163)	13,769	(319,895)	177,966
Provision (benefit) for income taxes	(121,493)	(4,041)	3,717	(125,534)	56,260
Income (loss) before equity in net income (loss) of joint venture	(182,239)	(12,122)	10,052	(194,361)	121,706
Equity in net income (loss) of joint venture	(2,699)	2,959	7,300	260	20,483
Net income (loss)	\$ (184,938)	\$ (9,163)	\$ 17,352	\$ (194,101)	\$ 142,189
Net income (loss) per common share					
Basic:					
Net income (loss)	\$ (0.54)	\$ (0.03)	\$ 0.05	\$ (0.57)	\$ 0.44
Diluted:					
Net income (loss)	\$ (0.54)	\$ (0.03)	\$ 0.05	\$ (0.57)	\$ 0.43
Shares used in per share calculation					
- Basic	341,782	340,806	330,120	341,294	322,234
- Diluted	341,782	340,806	340,533	341,294	332,183

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

	June 30, 2002 (unaudited)	March 31, 2002 (unaudited)	Dec. 30, 2001*
Assets			
Current assets:			
Cash, cash equivalents and short-term investments	\$ 1,099,943	\$ 1,276,723	\$ 869,997
Accounts receivable, net	534,929	692,165	659,783
Inventories	380,078	376,795	380,474
Deferred income taxes	236,152	162,820	155,898
Prepaid expenses and other current assets	166,963	151,377	286,957
Total current assets	2,418,065	2,659,880	2,353,109
Property, plant and equipment, net	2,934,877	2,769,234	2,739,138
Investment in joint venture	378,164	353,352	363,611
Other assets	171,936	182,476	191,384
	\$ 5,903,042	\$ 5,964,942	\$ 5,647,242
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	\$ 258,641	\$ 383,495	\$ 304,990
Accrued compensation and benefits	128,641	133,401	129,042
Accrued liabilities	343,289	321,953	443,995
Income taxes payable	37,824	56,113	56,234
Deferred income on shipments to distributors	38,381	68,016	47,978
Current portion of long-term debt, capital lease obligations and other	367,360	264,029	331,698
Total current liabilities	1,174,136	1,227,007	1,313,937
Deferred income taxes	75,438	104,661	105,305
Long-term debt, capital lease obligations and other, less current portion	1,141,060	1,123,671	672,945
Stockholders' equity:			
Capital stock:			
Common stock, par value	3,423	3,414	3,405
Capital in excess of par value	1,906,952	1,898,349	1,889,217
Retained earnings	1,601,580	1,786,517	1,795,680
Accumulated other comprehensive income (loss)	453	(178,677)	(133,247)
Total stockholders' equity	3,512,408	3,509,603	3,555,055
	\$ 5,903,042	\$ 5,964,942	\$ 5,647,242

*Derived from the December 30, 2001 audited financial statements of Advanced Micro Devices, Inc.

AMD
Selected Corporate Data
(Unaudited)

<u>Segment Breakdown</u>	<u>Q2 '02</u>		<u>Q1 '02</u>		<u>Q2 '01</u>		<u>2002</u>		<u>2001</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>	<u>% of Sales</u>	<u>Revenue</u>
Core Products segment:										
PC Processor Products	63	\$380M	76	\$684M	60	\$588M	71	\$1,064M	58	\$1,249M
Memory Products (Flash)	29	175M	18	160M	32	316M	22	335M	33	727M
Other IC Products	7	39M	5	46M	5	51M	6	85M	6	126M
Foundry Services segment	1	6M	1	12M	3	30M	1	18M	3	72M
Other Data										
	<u>Q2 '02</u>		<u>Q1 '02</u>		<u>Q2 '01</u>		<u>2002</u>		<u>2001</u>	
Depreciation and Amortization	\$183M		\$174M		\$159M		\$357M		\$312M	
Capital Additions	\$172M		\$199M		\$215M		\$371M		\$378M	
Headcount	13,730		14,442		15,088		13,730		15,088	
International Sales	72%		65%		61%		68%		62%	
Research and Development	\$178M		\$172M		\$171M		\$350M		\$329M	
EBITDA	-\$114M		\$161M		\$181M		\$47M		\$501M	
EBITDA (Non-GAAP)	-\$118M		\$166M		\$194M		\$47M		\$536M	