

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

	Quarter Ended			Year Ended	
	Dec. 29, 2007 (Unaudited)	Sept. 29, 2007 (Unaudited)	Dec. 31, 2006 (Unaudited)	Dec. 29, 2007 (Unaudited)	Dec. 31, 2006*
Net revenue	\$ 1,770	\$ 1,632	\$ 1,773	\$ 6,013	\$ 5,649
Cost of sales	985	963	1,132	3,751	2,856
Gross margin	785	669	641	2,262	2,793
Gross margin %	44%	41%	36%	38%	49%
Research and development	473	467	385	1,847	1,205
Marketing, general and administrative	321	352	296	1,373	1,140
In-process research and development	-	-	416	-	416
Amortization of acquired intangible assets and integration charges	61	76	73	299	79
Impairment of goodwill and acquired intangible assets	1,608	-	-	1,608	-
Operating income (loss)	(1,678)	(226)	(529)	(2,865)	(47)
Interest income	19	19	22	73	116
Interest expense	(95)	(95)	(67)	(367)	(126)
Other income (expense), net	1	(1)	2	(7)	(13)
Income (loss) before minority interest, equity in net loss of Spansion Inc. and other and income taxes	(1,753)	(303)	(572)	(3,166)	(70)
Minority interest in consolidated subsidiaries	(9)	(9)	(8)	(35)	(28)
Equity in net loss of Spansion Inc. and other	(69)	(57)	(5)	(155)	(45)
Income (loss) before income taxes	(1,831)	(369)	(585)	(3,356)	(143)
Provision (benefit) for income taxes	(59)	27	(9)	23	23
Net income (loss)	\$ (1,772)	\$ (396)	\$ (576)	\$ (3,379)	\$ (166)
Net income (loss) per common share					
Basic	\$ (3.06)	\$ (0.71)	\$ (1.08)	\$ (6.06)	\$ (0.34)
Diluted	\$ (3.06)	\$ (0.71)	\$ (1.08)	\$ (6.06)	\$ (0.34)
Shares used in per share calculation					
Basic	579	554	531	558	492
Diluted	579	554	531	558	492

* Amounts for the year ended December 31, 2006 were derived from the December 31, 2006 audited financial statements.

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

	Dec. 29, 2007 (Unaudited)	Sept. 29, 2007 (Unaudited)	Dec. 31, 2006*
Assets			
Current assets:			
Cash, cash equivalents and marketable securities	\$ 1,889	\$ 1,528	\$ 1,541
Accounts receivable, net	640	682	1,140
Inventories	821	839	814
Prepaid expenses and other current assets	402	432	443
Deferred income taxes	64	62	25
Total current assets	3,816	3,543	3,963
Property, plant and equipment, net	4,720	4,725	3,987
Goodwill	1,907	3,165	3,217
Investment in Spansion Inc.	-	-	371
Acquisition related intangible assets, net	587	994	1,207
Other assets	520	507	402
Total Assets	\$ 11,550	\$ 12,934	\$ 13,147
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	\$ 1,009	\$ 1,064	\$ 1,338
Accrued compensation and benefits	186	198	177
Accrued liabilities	821	858	769
Deferred income on shipments to distributors	101	106	169
Current portion of long-term debt and capital lease obligations	238	218	125
Other current liabilities	270	283	327
Total current liabilities	2,625	2,727	2,905
Deferred income taxes	6	32	31
Long-term debt and capital lease obligations, less current portion	5,031	5,117	3,672
Other long-term liabilities	633	650	517
Minority interest in consolidated subsidiaries	265	283	237
Stockholders' equity:			
Capital stock:			
Common stock, par value	6	6	5
Capital in excess of par value	5,921	5,280	5,316
Retained earnings (deficit)	(3,100)	(1,328)	308
Accumulated other comprehensive income	163	167	156
Total stockholders' equity	2,990	4,125	5,785
Total Liabilities and Stockholders' Equity	\$ 11,550	\$ 12,934	\$ 13,147

* Amounts for the year ended December 31, 2006 were derived from the December 31, 2006 audited financial statements.

ADVANCED MICRO DEVICES, INC.
SELECTED CORPORATE DATA
(Unaudited)
(Millions except headcount and percentages)

Segment Information	Quarter Ended			Year Ended	
	Dec. 29, 2007	Sept. 29, 2007	Dec. 31, 2006	Dec. 29, 2007	Dec. 31, 2006
Computing Solutions (1)					
Net revenue	\$ 1,402	\$ 1,283	\$ 1,486	\$ 4,702	\$ 5,367
Operating income (loss)	\$ 21	\$ (112)	\$ 65	\$ (670)	\$ 680
Graphics (2)					
Net revenue	259	252	166	903	166
Operating income (loss)	(12)	(3)	(27)	(100)	(27)
Consumer Electronics (3)					
Net revenue	109	97	120	408	120
Operating income (loss)	12	(3)	20	(17)	20
All Other (4)					
Net revenue	-	-	1	-	(4)
Operating income (loss)	(1,699)	(108)	(587)	(2,078)	(720)
Total AMD					
Net revenue	\$ 1,770	\$ 1,632	\$ 1,773	\$ 6,013	\$ 5,649
Operating income (loss)	\$ (1,678)	\$ (226)	\$ (529)	\$ (2,865)	\$ (47)
Other Data					
Depreciation & amortization (excluding amortization of acquired intangible assets)	\$ 273	\$ 263	\$ 224	\$ 1,034	\$ 791
Capital additions	\$ 267	\$ 419	\$ 666	\$ 1,686	\$ 1,856
Headcount	16,420	16,498	16,464	16,420	16,464
Adjusted EBITDA (5)	\$ 203	\$ 60	\$ 169	\$ (76)	\$ 1,237

(1) Computing Solutions segment includes what was formerly the Computation Products segment and the Embedded Products segment as well as revenue from sales of ATI chipsets.

(2) Graphics segment includes graphics, video and multimedia products developed for use in desktop and notebook computers, including home media PCs, professional workstations and servers.

(3) Consumer Electronics segment includes products for and revenue related to mobile phones and PDAs, digital televisions and other consumer electronics and royalties received in connection with the sale of game console systems that incorporate the Company's technology.

(4) All Other category includes employee stock-based compensation expense, profit sharing expense, certain operating expenses and credits that are not allocated to the operating segments, and Personal Internet Communicator (PIC) related activities in 2006. Also included in this category are the ATI acquisition-related and severance charges. Details of the ATI acquisition-related and severance charges and employee stock-based compensation expense are shown below.

ATI acquisition-related and severance charges:

	Quarter Ended			Year Ended	
	Q407	Q307	Q406	FY07	FY06
Amortization of acquired intangible asset	\$ 58	\$ 71	\$ 47	\$ 271	\$ 47
Integration charges	3	5	26	28	32
Subtotal	\$ 61	\$ 76	\$ 73	\$ 299	\$ 79
Impairment of goodwill and acquired intangible assets	1,608	-	-	1,608	-
In-process research and development	-	-	416	-	416
Cost of fair value adjustment of acquired inventor	-	-	62	29	62
ATI acquisition-related charges	\$ 1,669	\$ 76	\$ 551	\$ 1,936	\$ 557
Severance	-	2	-	18	-
Total ATI acquisition-related and severance charges	\$ 1,669	\$ 78	\$ 551	\$ 1,954	\$ 557

Employee stock-based compensation expense:

	Quarter Ended			Year Ended	
	Q407	Q307	Q406	FY07	FY06
Cost of sales	\$ 3	\$ 2	\$ 2	\$ 9	\$ 8
Research and development	12	14	13	54	30
Marketing, general and administrative	11	11	12	49	39
	\$ 26	\$ 27	\$ 27	\$ 112	\$ 77

(5) **Reconciliation of Net income (loss) to Adjusted EBITDA***

	Quarter Ended			Year Ended	
	Q407	Q307	Q406	FY07	FY06
Net income (loss)	\$ (1,772)	\$ (396)	\$ (576)	\$ (3,379)	\$ (166)
Depreciation and amortization	273	263	224	1,034	791
In-process research and development	-	-	416	-	416
Amortization of acquired intangible asset	58	71	47	271	47
Impairment of goodwill and acquired intangible assets	1,608	-	-	1,608	-
Interest expense	95	95	67	367	126
Provision (benefit) for income taxes	(59)	27	(9)	23	23
Adjusted EBITDA	\$ 203	\$ 60	\$ 169	\$ (76)	\$ 1,237

* The Company defines Adjusted EBITDA as net income (loss) adjusted for depreciation and amortization, in-process research and development, amortization of acquired intangible assets, impairment of goodwill and acquired intangible assets, interest expense and taxes. The Company calculated and communicated Adjusted EBITDA because management believes it is of interest to investors and lenders in relation to its overall capital structure and its ability to borrow additional funds. The Company's calculation of Adjusted EBITDA may or may not be consistent with the calculation of this measure by other companies in the same industry. Investors should not view Adjusted EBITDA as an alternative to the U.S. GAAP operating measure of net income or U.S. GAAP liquidity measures of cash flows from operating, investing and financing activities. In addition, Adjusted EBITDA does not take into account changes in certain assets and liabilities as well as interest and income taxes that can affect cash flows.