

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

	Quarter Ended			Year Ended	
	Dec. 29, 2002 (Unaudited)	Sept. 29 2002 (Unaudited)	Dec. 30, 2001 (Unaudited)	Dec. 29, 2002 (Unaudited)	Dec. 30, 2001*
<b>Net sales</b>	\$ 686,430	\$ 508,227	\$ 951,873	\$ 2,697,029	\$ 3,891,754
Cost of sales	506,613	453,884	644,662	2,105,661	2,589,747
Research and development	244,848	220,959	160,871	816,114	650,930
Marketing, general and administrative	194,389	158,568	163,684	670,065	620,030
Restructuring and other special charges	330,575	-	-	330,575	89,305
	1,276,425	833,411	969,217	3,922,415	3,950,012
Operating loss	(589,995)	(325,184)	(17,344)	(1,225,386)	(58,258)
Interest and other income, net	992	12,941	5,784	32,132	25,695
Interest expense	(22,296)	(21,166)	(9,570)	(71,349)	(61,360)
Loss before income taxes and equity in net income (loss) of joint venture	(611,299)	(333,409)	(21,130)	(1,264,603)	(93,923)
Provision (benefit) for income taxes	243,470	(73,350)	(5,705)	44,586	(14,463)
Loss before equity in net income (loss) of joint venture	(854,769)	(260,059)	(15,425)	(1,309,189)	(79,460)
Equity in net income (loss) of joint venture	29	5,888	(417)	6,177	18,879
<b>Net loss</b>	\$ (854,740)	\$ (254,171)	\$ (15,842)	\$ (1,303,012)	\$ (60,581)
<b>Net loss per common share</b>					
Basic	\$ (2.49)	\$ (0.74)	\$ (0.05)	\$ (3.81)	\$ (0.18)
Diluted	\$ (2.49)	\$ (0.74)	\$ (0.05)	\$ (3.81)	\$ (0.18)
Shares used in per share calculation					
- Basic	343,949	342,780	340,119	342,334	332,407
- Diluted	343,949	342,780	340,119	342,334	332,407

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

Advanced Micro Devices, Inc.

**RECONCILIATION OF GAAP TO PRO FORMA NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS**

(Thousands)

	Quarter Ended (Unaudited)			Year Ended (Unaudited)	
	Dec. 29, 2002	Sept. 29 2002	Dec. 30, 2001	Dec. 29, 2002	Dec. 30, 2001*
Net loss (GAAP)	\$ (854,740)	\$ (254,171)	\$ (15,842)	\$ (1,303,012)	\$ (60,581)
Adjustments:					
Restructuring and other special charges	330,575	-	-	330,575	89,305
Impaired investments	3,550	-	-	3,550	21,969
R&D expense	42,000	-	-	42,000	-
Additional inventory provision	-	-	-	-	6,901
Net loss before income taxes	(478,615)	(254,171)	(15,842)	(926,887)	57,594
Provision (benefit) for income taxes	-	-	-	-	(28,670)
Deferred tax asset write-off	243,470	-	-	243,470	-
<b>Net loss (Pro Forma Non-GAAP)</b>	<b>\$ (235,145)</b>	<b>\$ (254,171)</b>	<b>\$ (15,842)</b>	<b>\$ (683,417)</b>	<b>\$ 28,924</b>

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

	Dec. 29, 2002	Dec. 30, 2001*
	(unaudited)	
<b>Assets</b>		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 1,037,705	\$ 869,997
Accounts receivable, net	395,828	659,783
Inventories	432,603	380,474
Deferred income taxes	-	155,898
Prepaid expenses and other current assets	153,542	286,957
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Total current assets	2,019,678	2,353,109
Property, plant and equipment, net	2,880,809	2,739,138
Investment in joint venture	382,942	363,611
Deferred income taxes	-	-
Other assets	335,752	191,384
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	\$ 5,619,181	\$ 5,647,242
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<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 352,438	\$ 304,990
Accrued compensation and benefits	185,744	129,042
Accrued liabilities	593,778	443,995
Income taxes payable	21,246	56,234
Deferred income on shipments to distributors	57,184	47,978
Current portion of long-term debt, capital lease obligations and other	161,689	331,698
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Total current liabilities	1,372,079	1,313,937
Deferred income taxes	-	105,305
Long-term debt, capital lease obligations and other, less current portion	1,779,837	672,945
Stockholders' equity:		
Capital stock:		
Common stock, par value	3,445	3,405
Capital in excess of par value	1,921,247	1,889,217
Retained earnings	492,668	1,795,680
Accumulated other comprehensive income (loss)	49,905	(133,247)
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Total stockholders' equity	2,467,265	3,555,055
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	\$ 5,619,181	\$ 5,647,242
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\*Derived from the December 30, 2001 audited financial statements of Advanced Micro Devices, Inc.

Advanced Micro Devices, Inc.

**PRO FORMA NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS**

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

(Thousands except per share amounts)

	Quarter Ended			Year Ended	
	Dec. 29, 2002 (Unaudited)	Sept. 29 2002 (Unaudited)	Dec. 30, 2001 (Unaudited)	Dec. 29, 2002 (Unaudited)	Dec. 30, 2001*
<b>Net sales</b>	\$ 686,430	\$ 508,227	\$ 951,873	\$ 2,697,029	\$ 3,891,754
Cost of sales	506,613	453,884	644,662	2,105,661	2,582,846
(Income) loss from equity investment in FASL	(50)	(10,100)	715	(10,596)	(32,382)
Research and development	202,848	220,959	160,871	774,114	650,930
Marketing, general and administrative	194,389	158,568	163,684	670,065	620,030
	903,800	823,311	969,932	3,539,244	3,821,424
Operating income (loss)	(217,370)	(315,084)	(18,059)	(842,215)	70,330
Interest and other income, net	4,542	12,941	5,784	35,682	47,664
Interest expense	(22,296)	(21,166)	(9,570)	(71,349)	(61,360)
Income (loss) before income taxes	(235,124)	(323,309)	(21,845)	(877,882)	56,634
Provision (benefit) for income taxes	-	(73,350)	(5,705)	(198,884)	14,207
Provision (benefit) for taxes on equity income (loss) in FASL	21	4,212	(298)	4,419	13,503
<b>Net income (loss)</b>	\$ (235,145)	\$ (254,171)	\$ (15,842)	\$ (683,417)	\$ 28,924
<b>Net income (loss) per common share</b>					
Basic	\$ (0.68)	\$ (0.74)	\$ (0.05)	\$ (2.00)	\$ 0.09
Diluted	\$ (0.68)	\$ (0.74)	\$ (0.05)	\$ (2.00)	\$ 0.09
Shares used in per share calculation					
- Basic	343,949	342,780	340,119	342,334	332,407
- Diluted	343,949	342,780	340,119	342,334	339,815

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

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

<u>Segment Breakdown</u>	<u>Q4 '02</u>		<u>Q3 '02</u>		<u>Q4 '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	61	\$420M	52	\$262M	74	\$703M	65	\$1,746M	62	\$2,419M
Memory Products (Flash)	32	217M	37	189M	21	196M	27	741M	29	1,133M
Other IC Products	7	47M	8	43M	5	51M	7	176M	6	242M
Foundry Services segment	0	2M	3	14M	0	2M	1	34M	3	98M
<b>Other Data</b>										
	<u>Q4 '02</u>		<u>Q3 '02</u>		<u>Q4 '01</u>		<u>2002</u>		<u>2001</u>	
Depreciation & Amortization	\$200M		\$190M		\$150M		\$756M		\$622M	
Capital Additions	\$138M		\$196M		\$161M		\$705M		\$703M	
Headcount	12,832		13,218		14,757		12,832		14,757	
International Sales	76%		75%		73%		71%		66%	
Research and Development	\$245M		\$221M		\$161M		\$816M		\$651M	
Research and Development (Non-GAAP)	\$203M		\$221M		\$161M		\$774M		\$651M	
EBITDA	\$(390)M		\$(136)M		\$133M		\$(469)M		\$564M	
EBITDA (Non-GAAP)	\$(18)M		\$(126)M		\$132M		\$(86)M		\$693M	