

**Advanced Micro Devices, Inc.**

(Thousands)

**Reconciliation of Net cash provided by Operating Activities to Free Cash Flow**

Net cash provided by operating activities	566,349
Purchases of property, plant and equipment	(310,326)
Proceeds from sale of property, plant and equipment	2,291
Proceeds from Spansion's repayment of outstanding debt	15,000
Other Investing activity	<u>1,858</u>
Free Cash Flow	275,172

During the first quarter of 2006 earnings release conference call, the Company disclosed a non-GAAP financial measure, Free Cash Flow. Pursuant to the requirements of Regulation G, the Company has provided a reconciliation above of the non-GAAP financial measure to the most directly comparable GAAP financial measure.

Free Cash Flow was determined by adjusting Net cash provided by operating activities for purchases of property, plant and equipment; proceeds from the sale of property, plant and equipment; proceeds from Spansion's repayment of outstanding debt; and other investing activity.

The Company's calculation of Free Cash Flow may or may not be consistent with the calculation of this measure by other companies in the same industry. Investors should not view Free Cash Flow as an alternative to the GAAP measure of net cash provided by operating activities. Management does not intend the presentation of Free Cash Flow to be considered in isolation or as a substitute for results prepared in accordance with GAAP.