

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

	Quarter Ended			Nine Months Ended	
	Oct. 1, 2006 (Unaudited)	Jul. 2, 2006 (Unaudited)	Sept. 25, 2005 (Unaudited)	Oct. 1, 2006 (Unaudited)	Sept. 25, 2005 (Unaudited)
Net sales	\$ 1,327,622	\$ 1,216,367	\$ 1,522,755	\$ 3,876,147	\$ 4,009,301
Cost of sales (includes stock-based compensation expense of \$1,932 for Q3 FY'06; \$2,200 for Q2 FY'06 and \$0 for Q3 FY'05; \$5,920 for nine months ended Oct. 1,06 and \$0 for nine months ended Sept. 25,05)	645,264	526,059	896,261	1,724,663	2,469,663
Gross margin	682,358	690,308	626,494	2,151,484	1,539,638
Gross margin %	51.4%	56.8%	41.1%	55.5%	38.4%
Research and development (includes stock-based compensation expense of \$6,110 for Q3 FY'06; \$6,834 for Q2 FY'06 and \$0 for Q3 FY'05; \$17,039 for nine months ended Oct. 1,06 and \$0 for nine months ended Sept. 25,05)	277,380	278,674	289,018	820,230	814,724
Marketing, general and administrative (includes stock-based compensation expense of \$8,468 for Q3 FY'06; \$9,020 for Q2 FY'06; \$ 277 for Q3 FY'05; \$26,650 for nine months ended Oct. 1,06 and \$743 for nine months ended Sept. 25,05)	285,806	309,525	258,748	851,373	698,974
Operating income	119,172	102,109	78,728	479,881	25,940
Interest income	31,188	35,308	9,510	94,658	23,589
Interest expense	(17,637)	(17,859)	(30,615)	(58,743)	(80,513)
Other income (expense), net	(1,975)	7,240	(3,456)	(13,863)	(10,463)
Income (loss) before minority interest, equity in net loss of Spansion Inc. and income taxes	130,748	126,798	54,167	501,933	(41,447)
Minority interest of consolidated subsidiaries	(6,941)	(7,183)	21,227	(20,471)	105,985
Equity in net loss of Spansion Inc.	(10,204)	(12,467)	-	(40,914)	-
Provision (benefit) for income taxes	(20,852)	18,301	(606)	32,722	(5,358)
Net income	\$ 134,455	\$ 88,847	\$ 76,000	\$ 407,826	\$ 69,896
Net income per common share					
Basic	\$ 0.28	\$ 0.18	\$ 0.19	\$ 0.85	\$ 0.18
Diluted	\$ 0.27	\$ 0.18	\$ 0.18	\$ 0.82	\$ 0.17
Shares used in per share calculation					
Basic	486,331	484,541	399,025	478,318	395,839
Diluted	496,772	500,176	443,681	497,332	409,586

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

	Oct. 1, 2006 (Unaudited)	Jul. 2, 2006 (Unaudited)	Dec. 25, 2005*
Assets			
Current assets:			
Cash, cash equivalents and marketable securities	\$ 2,356,903	\$ 2,530,062	\$ 1,794,766
Accounts receivable, net	688,023	571,539	805,531
Inventories	465,716	405,285	388,631
Prepaid expenses and other current assets	326,238	308,323	477,302
Deferred income taxes	74,981	90,323	92,606
Total current assets	3,911,861	3,905,532	3,558,836
Property, plant and equipment, net	3,403,878	3,163,181	2,701,000
Net investment in Spansion Inc.	671,249	686,984	721,342
Other assets	392,255	306,198	306,601
Total Assets	\$ 8,379,243	\$ 8,061,895	\$ 7,287,779
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	901,349	706,454	855,834
Accrued compensation and benefits	147,250	161,547	226,874
Accrued liabilities	473,477	429,843	388,998
Income taxes payable	17,790	45,567	3,326
Deferred income on shipments to distributors	115,571	189,992	141,898
Current portion of long-term debt and capital lease obligations	44,950	45,139	43,224
Other current liabilities	191,824	175,947	161,807
Total current liabilities	1,892,211	1,754,489	1,821,961
Deferred income taxes	75,861	90,323	92,606
Long-term debt and capital lease obligations	644,357	647,109	1,327,065
Other long-term liabilities	482,204	450,289	459,322
Minority interest in consolidated subsidiaries	272,116	267,095	234,988
Stockholders' equity:			
Capital stock:			
Common stock, par value	4,870	4,856	4,355
Capital in excess of par value	3,958,680	3,921,784	2,710,168
Retained earnings	881,631	747,160	473,678
Accumulated other comprehensive income	167,313	178,790	163,636
Total stockholders' equity	5,012,494	4,852,590	3,351,837
Total Liabilities and Stockholders' Equity	\$ 8,379,243	\$ 8,061,895	\$ 7,287,779

*Derived from the December 25, 2005 audited financial statements of Advanced Micro Devices, Inc.

Advanced Micro Devices, Inc.
 SELECTED CORPORATE DATA
 (Unaudited)
 (Millions except headcount and percentages)

<u>Segment Information (6)</u>	<u>Quarter Ended</u>			<u>Nine Months Ended</u>	
	<u>Oct. 1, 2006</u>	<u>Jul. 2, 2006</u>	<u>Sept. 25, 2005</u>	<u>Oct. 1, 2006</u>	<u>Sept. 25, 2005</u>
Computation Products (2)					
Net sales	\$ 1,290	\$ 1,172	\$ 969	\$ 3,761	\$ 2,486
Operating income	133	113	149	531	331
Embedded Products (3)					
Net sales	38	44	35	120	95
Operating loss	(1)	(6)	(14)	(18)	(40)
All Other (4)					
Net sales	-	-	3	(5)	3
Operating loss	(13)	(5)	(6)	(33)	(16)
Subtotal (excluding Memory Products segment)					
Net sales	1,328	1,216	1,007	3,876	2,584
Operating income	119	102	129	480	275
Memory Products (5)					
Net sales	-	-	516	-	1,425
Operating loss	-	-	(50)	-	(249)
Total AMD					
Net sales	1,328	1,216	1,523	3,876	4,009
Operating income	119	102	79	480	26
<u>Other Data (AMD excluding Memory Products segment)</u>					
Gross margin %	51.4%	56.8%	55.4%	55.5%	55.4%
Research and development expenses	\$ 277	\$ 279	\$ 216	\$ 820	\$ 598
Marketing, general and administrative expenses	\$ 286	\$ 310	\$ 214	\$ 851	\$ 559
Depreciation & amortization	\$ 200	\$ 193	\$ 154	\$ 567	\$ 515
Capital additions	\$ 425	\$ 455	\$ 177	\$ 1,190	\$ 859
Headcount	11,609	10,967	9,530	11,609	9,530
International sales %	70.9%	70.2%	72.5%	70.2%	70.7%
EBITDA (1)	\$ 331	\$ 318	\$ 397	\$ 1,066	\$ 1,087

(1) RECONCILIATION OF NET INCOME TO EBITDA*

Net income	\$ 134	\$ 89	\$ 76	\$ 408	\$ 70
Depreciation and amortization	200	193	291	567	942
Interest expense	18	18	31	59	81
Provision (benefit) for income taxes	(21)	18	(1)	33	(5)
EBITDA	\$ 331	\$ 318	\$ 397	\$ 1,066	\$ 1,087

* Starting Q106, the Company defines EBITDA as net income adjusted for interest expense, tax, depreciation and amortization. Prior period information has been restated to conform to current period presentation.

(2) Computation Products segment includes PC processors and Chipsets.

(3) Embedded Products segment, formerly known as Personal Connectivity Solution Products, includes Embedded Processors and Products for global commercial and consumer markets.

(4) The All Other category includes certain operating expenses and credits that are not allocated to the operating segments and, starting Q305, includes Personal Internet Communicator (PIC) products.

(5) Memory Products segment included Flash memory products of AMD and Spansion. Spansion closed its IPO on Dec 21, 2005. Since that time, AMD uses the equity method of accounting to reflect its proportionate share of Spansion's net income (loss).

(6) Starting Q405, the Company allocates bonus and profit sharing expenses to the segments. Prior period information has been restated to conform to current period presentation.

Note: Figures may not foot due to rounding