

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

	Quarter Ended			Six Months Ended	
	June 29, 2003 (Unaudited)	March 30, 2003 (Unaudited)	June 30, 2002 (Unaudited)	June 29, 2003 (Unaudited)	June 30, 2002 (Unaudited)
Net sales	\$ 645,261	\$ 714,555	\$ 600,299	\$ 1,359,816	\$ 1,502,372
Cost of sales	425,085	496,592	558,290	921,677	1,145,164
Research and development	208,513	203,062	178,425	411,575	350,307
Marketing, general and administrative	135,161	138,228	160,248	273,389	317,108
Restructuring and other special charges, net	-	2,146	-	2,146	-
	768,759	840,028	896,963	1,608,787	1,812,579
Operating loss	(123,498)	(125,473)	(296,664)	(248,971)	(310,207)
Interest and other income, net	4,971	6,740	8,661	11,711	18,199
Interest expense	(26,364)	(25,805)	(15,729)	(52,169)	(27,887)
Loss before income taxes and equity in net income (loss) of joint venture	(144,891)	(144,538)	(303,732)	(289,429)	(319,895)
Provision (benefit) for income taxes	-	2,936	(121,493)	2,936	(125,534)
Loss before equity in net income (loss) of joint venture	(144,891)	(147,474)	(182,239)	(292,365)	(194,361)
Equity in net income (loss) of joint venture and other	4,795	1,118	(2,699)	5,913	260
Net loss	\$ (140,096)	\$ (146,356)	\$ (184,938)	\$ (286,452)	\$ (194,101)
Net loss per common share					
Basic	\$ (0.40)	\$ (0.42)	\$ (0.54)	\$ (0.83)	\$ (0.57)
Diluted	\$ (0.40)	\$ (0.42)	\$ (0.54)	\$ (0.83)	\$ (0.57)
Shares used in per share calculation					
- Basic	346,320	345,012	341,782	345,666	341,294
- Diluted	346,320	345,012	341,782	345,666	341,294

Advanced Micro Devices, Inc.

RECONCILIATION OF GAAP TO PRO FORMA NON-GAAP CONSOLIDATED NET LOSS

(Thousands)

	Quarter Ended			Six Months Ended	
	June 29, 2003	March 30, 2003	June 30, 2002	June 29, 2003	June 30, 2002
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net loss (GAAP)	\$ (140,096)	\$ (146,356)	\$ (184,938)	\$ (286,452)	\$ (194,101)
Adjustments:					
Restructuring and other special charges	-	2,146	-	2,146	-
Net loss (Pro Forma Non-GAAP)	\$ (140,096)	\$ (144,210)	\$ (184,938)	\$ (284,306)	\$ (194,101)

RECONCILIATION OF EBITDA TO PROFORMA EBITDA

(Thousands)

	Quarter Ended			Six Month Ended	
	June 29, 2003	March 30, 2003	June 30, 2002	June 29, 2003	June 30, 2002
Net loss	\$ (140,096)	\$ (146,356)	\$ (184,938)	\$ (286,452)	\$ (194,101)
Depreciation and amortization	213,568	209,754	183,105	423,322	357,213
Interest income	3,291	5,084	7,625	8,375	14,263
Interest expense	(26,364)	(25,805)	(15,729)	(52,169)	(27,887)
Provision (benefit) for income taxes	-	2,936	(121,493)	2,936	(125,534)
EBITDA	96,545	87,055	(115,222)	183,600	51,202
Adjustments:					
Restructuring and other special charges	-	2,146	-	2,146	-
Proforma EBITDA	\$ 96,545	\$ 89,201	\$ (115,222)	\$ 185,746	\$ 51,202

PRO FORMA NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS*(Includes Pre-Tax FASL Investment Equity Income in Operating Loss and other proforma adjustments)**(Thousands except per share amounts)*

	Quarter Ended			Six Months Ended	
	June 29, 2003 (Unaudited)	March 30, 2003 (Unaudited)	June 30, 2002 (Unaudited)	June 29, 2003 (Unaudited)	June 30, 2002 (Unaudited)
Net sales	\$ 645,261	\$ 714,555	\$ 600,299	\$ 1,359,816	\$ 1,502,372
Cost of sales	425,085	496,592	558,290	921,677	1,145,164
(Income) loss from equity investment in FASL	(5,585)	(1,917)	4,630	(10,299)	(446)
Research and development	208,513	203,062	178,425	411,575	350,307
Marketing, general and administrative	135,161	138,228	160,248	273,389	317,108
	763,174	835,965	901,593	1,596,342	1,812,133
Operating loss	(117,913)	(121,410)	(301,294)	(236,526)	(309,761)
Interest and other income, net	4,971	6,740	8,661	11,711	18,199
Interest expense	(26,364)	(25,805)	(15,729)	(52,169)	(27,887)
Loss before income taxes	(139,306)	(140,475)	(308,362)	(276,984)	(319,449)
Provision (benefit) for income taxes	-	2,936	(121,493)	2,936	(125,534)
Provision (benefit) for taxes on equity (income) loss in FASL	790	799	(1,931)	4,386	186
Net loss	\$ (140,096)	\$ (144,210)	\$ (184,938)	\$ (284,306)	\$ (194,101)
Net loss per common share					
Basic	\$ (0.40)	\$ (0.42)	\$ (0.54)	\$ (0.82)	\$ (0.57)
Diluted	\$ (0.40)	\$ (0.42)	\$ (0.54)	\$ (0.82)	\$ (0.57)
Shares used in per share calculation					
- Basic	346,320	345,012	341,782	345,666	341,294
- Diluted	346,320	345,012	341,782	345,666	341,294

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

	June 29, 2003 (unaudited)	March 30, 2003 (unaudited)	Dec. 29, 2002* (unaudited)
Assets			
Current assets:			
Cash, cash equivalents and short-term investments	\$ 738,801	\$ 800,009	\$ 1,037,705
Accounts receivable, net	351,834	371,841	395,828
Inventories	467,384	440,049	432,603
Prepaid expenses and other current assets	157,022	183,091	153,542
Total current assets	1,715,041	1,794,990	2,019,678
Property, plant and equipment, net	2,894,127	2,910,244	2,880,809
Investment in joint venture	390,069	385,503	382,942
Other assets	294,670	308,065	335,752
	\$ 5,293,907	\$ 5,398,802	\$ 5,619,181
Liabilities and Stockholders' Equity			
Current liabilities:			
Notes payable	\$ -	\$ 7,350	\$ 913
Accounts payable	350,399	386,841	352,438
Accrued compensation and benefits	122,361	149,389	131,324
Accrued liabilities	269,561	270,966	435,657
Restructuring accruals	54,467	76,546	99,974
Income taxes payable	38,368	36,821	21,246
Deferred income on shipments to distributors	65,412	76,923	57,184
Current portion of long-term debt and capital lease obligations	77,693	72,807	71,339
Other current liabilities	85,732	83,754	89,437
Total current liabilities	1,063,993	1,161,397	1,259,512
Long-term debt and capital lease obligations	1,587,009	1,561,768	1,570,322
Other liabilities	359,625	313,753	322,082
Stockholders' equity:			
Capital stock:			
Common stock, par value	3,469	3,457	3,445
Capital in excess of par value	1,932,791	1,926,820	1,921,247
Retained earnings	205,931	346,312	492,668
Accumulated other comprehensive income	141,089	85,295	49,905
Total stockholders' equity	2,283,280	2,361,884	2,467,265
	\$ 5,293,907	\$ 5,398,802	\$ 5,619,181

*Derived from the December 29, 2002 audited financial statements of Advanced Micro Devices, Inc.

AMD
Selected Corporate Data
(Unaudited)

<u>Segment Breakdown</u>	<u>Quarter Ended</u>						<u>Six Months Ended</u>			
	<u>June 29,</u>		<u>March 30,</u>		<u>June 30,</u>		<u>June 29,</u>		<u>June 30,</u>	
	<u>2003</u>		<u>2003</u>		<u>2002</u>		<u>2003</u>		<u>2002</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	62	\$402M	65	\$468M	63	\$380M	64	\$870M	71	\$1,064M
Memory Products (Flash)	33	211M	31	218M	29	175M	32	429M	22	335M
Other IC Products	5	32M	4	29M	7	39M	4	61M	6	85M
Foundry Services segment	0	0M	0	0M	1	6M	0	0M	1	18M
<u>Other Data</u>	<u>Q2 '03</u>		<u>Q1 '03</u>		<u>Q2 '02</u>		<u>2003</u>		<u>2002</u>	
Depreciation & Amortization	\$214M		\$210M		\$183M		\$424M		\$357M	
Capital Additions	\$103M		\$181M		\$172M		\$284M		\$371M	
Headcount	11,723		12,113		13,730		11,723		13,370	
International Sales	73%		73%		72%		73%		68%	
Research and Development	\$209M		\$203M		\$178M		\$412M		\$350M	
EBITDA	\$97M		\$87M		\$ (115)M		\$184M		\$51M	
EBITDA (Proforma)	\$97M		\$89M		\$ (115)M		\$186M		\$51M	