

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

	Quarter Ended			Year Ended	
	Dec. 31, 2006 (Unaudited)	Oct. 1, 2006 (Unaudited)	Dec. 25, 2005 (Unaudited)	Dec. 31, 2006 (Unaudited)	Dec. 25, 2005* (Unaudited)
Net revenue	\$ 1,773	\$ 1,328	\$ 1,838	\$ 5,649	\$ 5,848
Cost of sales	1,132	645	986	2,857	3,456
Gross margin	641	682	852	2,792	2,392
Gross margin %	36.1%	51.4%	46.4%	49.4%	40.9%
Research and development	385	277	329	1,205	1,144
Marketing, general and administrative	294	280	317	1,140	1,016
In-process research and development	416	-	-	416	-
Amortization of acquired intangible assets and integration charges	72	6	-	79	-
Operating income (loss)	(527)	119	206	(47)	232
Interest income	21	31	14	116	37
Interest expense	(67)	(18)	(24)	(126)	(105)
Other income (expense), net	(0)	(2)	(13)	(14)	(24)
Income (loss) before minority interest, equity in net loss of Spansion Inc. and other and income taxes	(573)	131	182	(71)	140
Minority interest of consolidated subsidiaries	(7)	(7)	19	(28)	125
Equity in net loss of Spansion Inc. and other	(4)	(10)	(107)	(45)	(107)
Provision (benefit) for income taxes	(10)	(21)	(1)	23	(7)
Net income (loss)	\$ (574)	\$ 134	\$ 96	\$ (166)	\$ 165
Net income (loss) per common share					
Basic	\$ (1.08)	\$ 0.28	\$ 0.23	\$ (0.34)	\$ 0.41
Diluted	\$ (1.08)	\$ 0.27	\$ 0.21	\$ (0.34)	\$ 0.40
Shares used in per share calculation					
Basic	531	486	412	492	400
Diluted	531	497	452	492	441

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

Note: Figures may not foot due to rounding

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

	Dec. 31, 2006 (Unaudited)	Oct. 1, 2006 (Unaudited)	Dec. 25, 2005*
Assets			
Current assets:			
Cash, cash equivalents and marketable securities	\$ 1,541	\$ 2,357	\$ 1,795
Accounts receivable, net	1,141	688	806
Inventories	814	466	389
Prepaid expenses and other current assets	443	326	477
Deferred income taxes	25	75	93
Total current assets	3,965	3,912	3,559
Property, plant and equipment, net	3,985	3,404	2,701
Goodwill	3,217	-	-
Net investment in Spansion Inc.	371	671	721
Acquired intangible assets, net	1,207	-	-
Other assets	401	392	307
Total Assets	\$ 13,147	\$ 8,379	\$ 7,288
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	1,338	901	856
Accrued compensation and benefits	177	147	227
Accrued liabilities	715	473	389
Income taxes payable	78	18	3
Deferred income on shipments to distributors	170	116	142
Current portion of long-term debt and capital lease obligations	125	45	43
Other current liabilities	249	192	162
Total current liabilities	2,851	1,892	1,822
Deferred income taxes	31	76	93
Long-term debt and capital lease obligations	3,672	644	1,327
Other long-term liabilities	517	482	459
Minority interest in consolidated subsidiaries	290	272	235
Stockholders' equity:			
Capital stock:			
Common stock, par value	5	5	4
Capital in excess of par value	5,316	3,959	2,710
Retained earnings	308	882	474
Accumulated other comprehensive income	156	167	164
Total stockholders' equity	5,786	5,012	3,352
Total Liabilities and Stockholders' Equity	\$ 13,147	\$ 8,379	\$ 7,288

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

Note: Figures may not foot due to rounding

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

Segment Information (1)	Quarter Ended			Year Ended	
	Dec. 31, 2006	Oct. 1, 2006	Dec. 25, 2005	Dec. 31, 2006	Dec. 25, 2005
Computation Products (2)					
Net revenue	\$ 1,344	\$ 1,290	\$ 1,307	\$ 5,104	\$ 3,793
Operating income (loss)	\$ 72	\$ 168	\$ 305	\$ 706	\$ 641
Embedded Products (3)					
Net revenue	30	38	41	149	136
Operating income (loss)	0	(1)	(15)	(18)	(55)
Subtotal					
Net revenue	1,373	1,327	1,348	5,253	3,929
Operating income (loss)	73	167	291	688	586
Graphics and Chipsets (4)					
Net revenue	278	-	-	278	-
Operating income (loss)	(33)	-	-	(33)	-
Consumer Electronics (5)					
Net revenue	120	-	-	120	-
Operating income (loss)	20	-	-	20	-
Subtotal (Former ATI operations)					
Net revenue	398	-	-	398	-
Operating income (loss)	(13)	-	-	(13)	-
All Other (6)					
Net revenue	1	0	3	(3)	6
Operating income (loss)	(587)	(48)	(22)	(723)	(43)
Subtotal (excluding Memory Products segment)					
Net revenue	1,773	1,328	1,351	5,649	3,935
Operating income (loss)	(527)	119	268	(47)	543
Memory Products (7)					
Net revenue	-	-	487	-	1,913
Operating income (loss)	-	-	(62)	-	(311)
Total AMD					
Net revenue	\$ 1,773	\$ 1,328	\$ 1,838	\$ 5,649	\$ 5,848
Operating income (loss)	\$ (527)	\$ 119	\$ 206	\$ (47)	\$ 232
Other Data (AMD excluding Memory Products segment)					
Research and development expenses	\$ 385	\$ 277	\$ 256	\$ 1,205	\$ 854
Marketing, general and administrative expenses	\$ 294	\$ 280	\$ 250	\$ 1,140	\$ 808
Depreciation & amortization (excluding amortization of acquired intangible assets)	\$ 223	\$ 200	\$ 153	\$ 790	\$ 668
Amortization of acquired intangible assets	\$ 47	-	-	\$ 47	-
Capital additions	\$ 666	\$ 425	\$ 250	\$ 1,856	\$ 1,109
Headcount	16,464	11,609	9,860	16,464	9,860
International revenue %	65.7%	70.9%	70.0%	68.8%	70.4%
Adjusted EBITDA (8)	\$ 170	\$ 331	\$ 396	\$ 1,236	\$ 1,483

SEE FOOTNOTES ON NEXT PAGE

Note: Figures may not foot due to rounding

ADVANCED MICRO DEVICES, INC.
SELECTED CORPORATE DATA FOOTNOTES
(Unaudited)
(Millions)

- (1) Starting in Q406, the Company no longer allocates employee stock-based compensation and profit sharing expenses to its segments. These expenses are recorded in the All Other category. Prior period information has been restated to conform to current period presentation.
- (2) Computation Products segment includes PC processors and pre-acquisition AMD chipset products and related revenue.
- (3) Embedded Products segment includes embedded processors and products and related revenue for global commercial and consumer markets.
- (4) Graphics and Chipsets, formerly known as the ATI PC segment, includes 3D graphics, video and multimedia products, and former ATI chipsets developed for use in desktop and notebook computers, including home media PCs, professional workstations and servers and related revenue.
- (5) Consumer Electronics, formerly known as the ATI Consumer segment, includes products and revenue related to mobile phones, PDAs, digital televisions, and consumer electronics.
- (6) The 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) products. Also included in this category are the ATI acquisition-related and integration charges incurred in Q406 and Q306. Details of the ATI acquisition-related and integration charges and employee stock-based compensation expense are shown below.

ATI acquisition-related and integration charges:

	Q406	Q306	FY06
Amortization of acquired intangible assets	\$ 47	\$ -	\$ 47
Integration charges	25	6	31
Subtotal	72	6	79
In-process research and development	416	-	\$ 416
Cost of fair value adjustment of acquired inventory	62	-	\$ 62
Total	\$ 550	\$ 6	\$ 557

Employee stock-based compensation expense:

	Q406	Q306	Q405	FY06	FY05
Cost of sales	\$ 2	\$ 2	\$ -	\$ 8	\$ -
Research and development	13	6	-	30	-
Marketing, general and administrative	12	8	4	39	5
	\$ 27	\$ 17	\$ 4	\$ 77	\$ 5

- (7) 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). For Q406, the Consolidated Statements of Operations line item "Equity in net loss of Spansion Inc. and other" includes the Company's share of Spansion Inc.'s operating results and other items related to the Company's investment in Spansion, which are preliminary and subject to change.

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

	Q406	Q306	Q405	FY06	FY05
Net income (loss)	\$ (574)	\$ 134	\$ 96	\$ (166)	\$ 165
Depreciation and amortization	223	200	277	790	1,219
In-process research and development	416	-	-	416	-
Amortization of acquired intangible assets	47	-	-	47	-
Interest expense	67	18	24	126	105
Provision (benefit) for income taxes	(10)	(21)	(1)	23	(7)
Adjusted EBITDA	\$ 170	\$ 331	\$ 396	\$ 1,236	\$ 1,483

* Starting in Q406, the Company defines Adjusted EBITDA as net income (loss) adjusted for interest expense, tax, depreciation and amortization, amortization of acquired intangible assets, and in-process research and development.

Note: Figures may not foot due to rounding