

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

	Three Months Ended		
	March 26, 2016	December 26, 2015	March 28, 2015
Net revenue	\$ 832	\$ 958	\$ 1,030
Cost of sales	563	675	704
Gross margin	269	283	326
Gross margin %	32%	30%	32%
Research and development	242	229	242
Marketing, general and administrative	105	109	131
Amortization of acquired intangible assets	-	-	3
Restructuring and other special charges, net	(3)	(6)	87
Licensing gain	(7)	-	-
Operating loss	(68)	(49)	(137)
Interest expense	(40)	(41)	(40)
Other expense, net	-	(2)	-
Loss before income taxes	(108)	(92)	(177)
Provision for income taxes	1	10	3
Net loss	\$ (109)	\$ (102)	\$ (180)
Net loss per share			
Basic	\$ (0.14)	\$ (0.13)	\$ (0.23)
Diluted	\$ (0.14)	\$ (0.13)	\$ (0.23)
Shares used in per share calculation			
Basic	793	791	777
Diluted	793	791	777

**ADVANCED MICRO DEVICES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(Millions)

	Three Months Ended		
	March 26, 2016	December 26, 2015	March 28, 2015
Total comprehensive loss	\$ (107)	\$ (95)	\$ (187)

**ADVANCED MICRO DEVICES, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS** <sup>(1) (2)</sup>  
(Millions)

	March 26, 2016	December 26, 2015
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 716	\$ 785
Accounts receivable, net	508	533
Inventories, net	675	678
Prepayment and other - GLOBALFOUNDRIES	26	33
Prepaid expenses	49	43
Other current assets	252	248
<b>Total current assets</b>	<b>2,226</b>	<b>2,320</b>
Property, plant and equipment, net	176	188
Goodwill	278	278
Other assets	301	298
<b>Total Assets</b>	<b>\$ 2,981</b>	<b>\$ 3,084</b>
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
Current liabilities:		
Short-term debt	\$ 230	\$ 230
Accounts payable	324	279
Payable to GLOBALFOUNDRIES	233	245
Accrued liabilities	347	472
Other current liabilities	151	124
Deferred income on shipments to distributors	43	53
<b>Total current liabilities</b>	<b>1,328</b>	<b>1,403</b>
Long-term debt	2,006	2,007
Other long-term liabilities	150	86
Stockholders' equity (deficit):		
Capital stock:		
Common stock, par value	8	8
Additional paid-in capital	7,033	7,017
Treasury stock, at cost	(123)	(123)
Accumulated deficit	(7,415)	(7,306)
Accumulated other comprehensive loss	(6)	(8)
<b>Total Stockholders' equity (deficit)</b>	<b>(503)</b>	<b>(412)</b>
<b>Total Liabilities and Stockholders' Equity (Deficit)</b>	<b>\$ 2,981</b>	<b>\$ 3,084</b>

<sup>(1)</sup> Amounts reflected adoption of FASB ASU 2015-17, *Balance Sheet Classification of Deferred Taxes* in the first quarter of 2016.

<sup>(2)</sup> Amounts reflected adoption of FASB ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs* in the first quarter of 2016.

**ADVANCED MICRO DEVICES, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
(Millions)

	Three Months Ended	
	March 26, 2016	
<b>Cash flows from operating activities:</b>		
Net Loss	\$	(109)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization		33
Stock-based compensation expense		16
Non-cash interest expense		4
Other		(5)
Changes in operating assets and liabilities:		
Accounts receivable		26
Inventories		3
Prepayment and other - GLOBALFOUNDRIES		7
Prepaid expenses and other assets		22
Accounts payable, accrued liabilities and other		(27)
Payable to GLOBALFOUNDRIES		(12)
<b>Net cash used in operating activities</b>	<b>\$</b>	<b>(42)</b>
<b>Cash flows from investing activities:</b>		
Purchases of property, plant and equipment		(26)
<b>Net cash used in investing activities</b>	<b>\$</b>	<b>(26)</b>
<b>Cash flows from financing activities:</b>		
Other		(1)
<b>Net cash used in financing activities</b>	<b>\$</b>	<b>(1)</b>
Net decrease in cash and cash equivalents		(69)
<b>Cash and cash equivalents at beginning of period</b>	<b>\$</b>	<b>785</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$</b>	<b>716</b>

**ADVANCED MICRO DEVICES, INC.**  
**SELECTED CORPORATE DATA**  
(Millions except headcount)

Segment and Category Information	Three Months Ended		
	March 26, 2016	December 26, 2015	March 28, 2015
Computing and Graphics <sup>(1)</sup>			
Net revenue	\$ 460	\$ 470	\$ 532
Operating loss	\$ (70)	\$ (99)	\$ (75)
Enterprise, Embedded and Semi-Custom <sup>(2)</sup>			
Net revenue	\$ 372	\$ 488	\$ 498
Operating income	\$ 16	\$ 59	\$ 45
All Other <sup>(3)</sup>			
Net revenue	-	-	-
Operating loss	\$ (14)	\$ (9)	\$ (107)
<b>Total</b>			
<b>Net revenue</b>	<b>\$ 832</b>	<b>\$ 958</b>	<b>\$ 1,030</b>
<b>Operating loss</b>	<b>\$ (68)</b>	<b>\$ (49)</b>	<b>\$ (137)</b>
<b>Other Data</b>			
Depreciation and amortization, excluding amortization of acquired intangible assets	\$ 33	\$ 34	\$ 43
Capital additions	\$ 26	\$ 32	\$ 22
Adjusted EBITDA <sup>(4)</sup>	\$ (22)	\$ (5)	\$ 13
Cash and cash equivalents	\$ 716	\$ 785	\$ 906
Non-GAAP free cash flow <sup>(5)</sup>	\$ (68)	\$ 27	\$ (194)
Total assets	\$ 2,981	\$ 3,084	\$ 3,399
Total debt	\$ 2,236	\$ 2,237	\$ 2,239
Headcount	9,047	9,139	9,583

See footnotes on the next page

- (1) Computing and Graphics segment primarily includes desktop and notebook processors, chipsets, discrete graphics processing units (GPUs) and professional graphics.
- (2) Enterprise, Embedded and Semi-Custom segment primarily includes server and embedded processors, semi-custom System-on-Chip (SoC) products, development services, technology for game consoles and licensing gain.
- (3) All Other category primarily includes certain expenses and credits that are not allocated to any of the operating segments. Also included in this category are stock-based compensation expense and restructuring and other special charges, net. In addition, the Company also included amortization of acquired intangible assets for the first quarter of 2015.

(4) **Reconciliation of GAAP Operating Loss to Adjusted EBITDA\***

	Three Months Ended		
	March 26, 2016	December 26, 2015	March 28, 2015
GAAP operating loss	\$ (68)	\$ (49)	\$ (137)
Restructuring and other special charges, net	(3)	(6)	87
Stock-based compensation expense	16	16	17
Amortization of acquired intangible assets	-	-	3
Depreciation and amortization	33	34	43
Adjusted EBITDA	\$ (22)	\$ (5)	\$ 13

(5) **Non-GAAP free cash flow reconciliation\*\***

	Three Months Ended		
	March 26, 2016	December 26, 2015	March 28, 2015
GAAP net cash provided by (used in) operating activities	\$ (42)	\$ 59	\$ (172)
Purchases of property, plant and equipment	(26)	(32)	(22)
Non-GAAP free cash flow	\$ (68)	\$ 27	\$ (194)

\* The Company presents "Adjusted EBITDA" as a supplemental measure of its performance. Adjusted EBITDA for the Company is determined by adjusting operating income (loss) for depreciation and amortization, stock-based compensation expense and restructuring and other special charges, net. In addition, the company excluded amortization of acquired intangible assets for the first quarter of 2015. The Company calculates and communicates Adjusted EBITDA because the Company's management believes it is of importance to investors and lenders in relation to its overall capital structure and its ability to borrow additional funds. In addition, the Company presents Adjusted EBITDA because it believes this measure assists investors in comparing its performance across reporting periods on a consistent basis by excluding items that the Company does not believe are indicative of its core operating performance. The Company's calculation of Adjusted EBITDA may or may not be consistent with the calculation of this measure by other companies in the same industry. Investors should not view Adjusted EBITDA as an alternative to the GAAP operating measure of operating income (loss) or GAAP liquidity measures of cash flows from operating, investing and financing activities. In addition, Adjusted EBITDA does not take into account changes in certain assets and liabilities as well as interest and income taxes that can affect cash flows.

\*\* The Company also presents non-GAAP free cash flow as a supplemental measure of its performance. Non-GAAP free cash flow is determined by adjusting GAAP net cash provided by (used in) operating activities for capital expenditures. The Company calculates and communicates non-GAAP free cash flow in the financial earnings press release because the Company's management believes it is of importance to investors to understand the nature of these cash flows. The Company's calculation of non-GAAP 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 non-GAAP free cash flow as an alternative to GAAP liquidity measures of cash flows from operating activities. The Company has provided reconciliations within the earnings press release of these non-GAAP financial measures to the most directly comparable GAAP financial measures.