UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

January 24, 2012
Date of Report (Date of earliest event reported)

ADVANCED MICRO DEVICES, INC.
(Exact name of registrant as specified in its charter)

Delaware	001-07882	94-1692300
(State of Incorporation)	(Commission File Number)	(IRS Employer Identification Number)

One AMD Place
P.O. Box 3453
Sunnyvale, California 94088-3453
(Address of principal executive offices) (Zip Code)

(408) 749-4000
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

Item 7.01 Regulation FD Disclosure.

The information in this report furnished pursuant to Items 2.02 and 7.01, including Exhibit 99.1 and 99.2 attached hereto, shall not be deemed "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Exchange Act or the Securities Act of 1933, as amended, if such subsequent filing specifically references the information furnished pursuant to Items 2.02 and 7.01 of this report.

On January 24, 2012, Advanced Micro Devices, Inc. (the "Company") announced its financial position and results of operations as of and for its fiscal quarter ended December 31, 2011 and for the fiscal year then ended in a press release that is attached hereto as Exhibit 99.1. Attached hereto as Exhibit 99.2 is financial information and commentary by Thomas J. Seifert, Senior Vice President and the Chief Financial Officer of the Company regarding the Company's fiscal quarter and year ended December 31, 2011.

During fiscal 2010, the Company accounted for its investment in GLOBALFOUNDRIES Inc. ("GF") under the equity method of accounting. During fiscal 2011, the Company accounted for its investment in GF under the cost method of accounting. To supplement the Company's financial results presented on a U.S. GAAP ("GAAP") basis, the Company's earnings release contains non-GAAP financial measures, including non-GAAP net income excluding GF related items, non-GAAP operating income, non-GAAP net income, non-GAAP earnings per share, non-GAAP gross margin, Adjusted EBITDA, and non-GAAP adjusted free cash flow. The Company believes that this non-GAAP presentation makes it easier for investors to compare current and historical periods' operating results and that it assists investors in comparing the Company's performance across reporting periods on a consistent basis by excluding items that it does not believe are indicative of its core operating performance.

To derive non-GAAP net income for the fourth fiscal quarter of 2011, the Company excluded a non-cash impairment charge related to its investment in GF, the amortization of acquired intangible assets, a loss related to its repurchase of certain outstanding indebtedness, net restructuring charges and a loss from discontinued operations.

To derive non-GAAP net income for the third fiscal quarter of 2011, the Company excluded the amortization of acquired intangible assets and a loss related to its repurchase of certain outstanding indebtedness.

To derive non-GAAP net income for the fourth fiscal quarter of 2010, the Company excluded the equity income (loss) and dilution gain in investee, net, the amortization of acquired intangible assets, a gain from a legal settlement, income tax related to a legal settlement and gain on investment sale.

To derive non-GAAP net income for fiscal 2011, the Company excluded the equity income (loss) and dilution gain in investee, net, a payment to GF, a non-cash impairment charge related to its investment in GF, the amortization of acquired intangible assets, a charge related to a legal settlement, a loss related to its repurchase of certain outstanding indebtedness, net restructuring charges and a loss from discontinued operations.

To derive non-GAAP net income for fiscal 2010, the Company excluded the gross margin benefit due to the deconsolidation of GF, the deconsolidation gain based on the fair value assessment of its investment in GF, the equity income (loss) and dilution gain in investee, net, the amortization of acquired intangible assets, a gain from a legal settlement, income tax related to a legal settlement, the gain on investment sale, a loss related to its repurchase of certain outstanding indebtedness and certain restructuring reversals.

To derive non-GAAP operating income for the third and fourth fiscal quarters of 2011, the Company excluded the amortization of acquired intangible assets. For the fourth fiscal quarter of 2011, the Company further excluded certain restructuring charges and reversals, net.

To derive non-GAAP operating income (loss) for the fourth fiscal quarter of 2010, the Company excluded the amortization of acquired intangible assets and a gain from a legal settlement.

To derive non-GAAP operating income for fiscal 2011, the Company excluded a payment to GF, the amortization of acquired intangible assets, a charge related to a legal settlement and certain restructuring charges and reversals, net.

To derive non-GAAP operating income for fiscal 2010, the Company excluded the gross margin benefit due the deconsolidation of GF, the amortization of acquired intangible assets, a gain from a legal settlement and certain restructuring reversals.

To derive non-GAAP gross margin for the Company for fiscal 2011, the Company excluded a payment to GF and a charge related to a legal settlement.

To derive non-GAAP gross margin for the Company for fiscal 2010, the Company excluded the gross margin benefit due to the deconsolidation of GF.

Specifically, these non-GAAP financial measures reflect adjustments based on the following:

Gross margin benefit due to the deconsolidation of GF: The deconsolidation of GF's results of operations from the Company's results of operations resulted in incremental gross margin benefit in the first fiscal quarter of 2010 when compared to AMD Product Company in prior periods. "AMD Product Company" historically referred to the results of operations of Advanced Micro Devices, Inc. on a stand-alone basis, which were derived by excluding from the Company's consolidated operating results the operating results of the Company's former Foundry segment and certain Intersegment Eliminations consisting of revenues, cost of sales, and profits on inventory between AMD Product Company and the Foundry segment. The incremental gross margin benefit was partially attributable to the elimination of the mark-up charged by GF from the value of inventory as of the beginning of the first fiscal quarter of 2010. In addition, in the first fiscal quarter of 2010, the Company updated its inventory standard costs process with respect to inventory purchased from GF. The Company excluded this item from the Company's GAAP net income, GAAP operating income and GAAP gross margin for fiscal 2010 because it is not indicative of ongoing operating performance and because the Company believes exclusion of this item enables investors to better evaluate the Company's current operating performance with prior periods.

Deconsolidation gain on the fair value assessment of investment in GF: Effective as of the first fiscal quarter of 2010, the Company deconsolidated the results of operations of GF and through December 25, 2010, accounted for its investment in GF under the equity method of accounting. Under the accounting guidelines pertaining to deconsolidation, the Company was required to record its opening investment in GF at fair value as of the date of deconsolidation. The difference between this initial fair value of the investment in GF and the net carrying book value was recognized as a gain or loss in earnings. During the first fiscal quarter of 2010, the Company completed a valuation analysis to determine the initial fair value of its investment in GF. Based on this analysis, in the first fiscal quarter of 2010, the Company recognized a non-cash, one-time gain related to the deconsolidation of approximately $325 million. The Company excluded this gain from the Company's GAAP net income for fiscal 2010 because it is not indicative of ongoing operating performance.

Equity income (loss) and dilution gain in investee, net: The equity income (loss) and dilution gain in investee, net, primarily consists of the Company's proportionate share of GF's losses for the period based on the Company's ownership percentage of GF's Class A Preferred Shares and, to the extent applicable, the gain or loss on dilution of the Company's ownership interest in GF as a result of capital infusions into GF by ATIC. The Company excluded this item from the Company's GAAP net income for fiscal 2011, the fourth fiscal quarter of 2010, and fiscal 2010, because the Company believes it is important for investors to have visibility into the Company's financial results excluding the financial results of GF and GF related items that are not indicative of the Company's ongoing operating performance.

Payment to GF: In the first fiscal quarter of 2011, the Company incurred a charge of $24 million in cost of sales related to a payment to GF in the form of cash and GF Class A Preferred Shares that the Company owned. This payment primarily related to certain manufacturing assets of GF, which did not benefit the Company. The Company excluded this item from the Company's GAAP net income, GAAP operating income, and GAAP gross margin for fiscal 2011 because it is not indicative of ongoing operating performance and because the Company believes exclusion of this item enables investors to better evaluate the Company's current operating performance with prior periods.

Impairment of investment in GF: During the fourth fiscal quarter of 2011, the Company recorded a non-cash impairment charge of approximately $209 million. The impairment charge was recorded based on the difference between the carrying value and the fair value of the investment as of December 31, 2011. The fair value of the Company's GF investment was determined by a valuation analysis of GF's Class A Preferred Shares, which the Company performed in the fourth fiscal quarter of 2011. The valuation was performed in the fourth quarter as the Company reviewed indications of impairment, including revised financial projections which the Company received from GF. As these are long range projections, the Company concluded the decline in fair value is other than temporary. The Company excluded this charge from the Company's GAAP net income (loss) for the fourth fiscal quarter of 2011 and fiscal 2011 because the Company believes it is important for investors to have visibility into the Company's financial results excluding the impact of GF related items that are not indicative of the Company's ongoing operating performance.

Amortization of acquired intangible assets: The Company incurred significant expenses in connection with the ATI acquisition, which it would not have otherwise incurred and which the Company believes are not indicative of ongoing performance. These expenses included the amortization expense of acquired intangible assets. The Company excluded this item from the Company's GAAP net income (loss) and GAAP operating income for all periods presented in order to enable investors to better evaluate its current operating performance compared with prior periods and because these expenses are not indicative of ongoing operating performance.

Legal settlement: In the first fiscal quarter of 2011, the Company recorded a charge of approximately $5 million to cost of sales related to a legal settlement. In addition, in the fourth fiscal quarter of 2010, the Company entered into a Patent License and Settlement Agreement with Samsung Electronics Co.. Pursuant to the settlement agreement, the Company received an aggregate of $283 million, less applicable withholding taxes. The Company recorded a gain of $283 million in connection with this agreement for the fourth fiscal quarter of 2010. The Company excluded the $5 million charge from its GAAP net income, GAAP operating income and GAAP gross margin for fiscal 2011, and the $283 million gain from its GAAP net income and GAAP operating income for the fourth fiscal quarter of 2010 and fiscal 2010 because they are not indicative of ongoing operating performance.

Income tax related to legal settlement: In the fourth fiscal quarter of 2010, the Company entered into a Patent License and Settlement Agreement with Samsung Electronics Co.. Pursuant to the settlement agreement, the Company received an aggregate of $283 million, less applicable withholding taxes. The Company recorded a $47 million tax provision in connection with this agreement in the fourth fiscal quarter of 2010. The Company excluded this item from the Company's GAAP net income for the fourth fiscal quarter of 2010 and for fiscal 2010 because it is not indicative of ongoing operating performance.

Gain on investment sale: During fiscal 2010, the Company sold a portion of its marketable securities and recognized gains on these sales. The Company excluded the effect of these gains from its GAAP net income for the fourth fiscal quarter of 2010 and fiscal 2010 because they are not indicative of ongoing operating performance.

Loss on debt repurchase: Loss on debt repurchase represents the net loss that the Company recognized during the applicable period from its partial repurchase of certain outstanding indebtedness. During the fourth fiscal quarter of 2011, the Company repurchased an aggregate of $50 million principal amount of its 6.00% Convertible Senior Notes due 2015 ("6.00% Notes") resulting in a loss of $1 million. During the third fiscal quarter of 2011, the Company repurchased an aggregate of $150 million principal amount of its 6.00% Notes resulting in a loss of $5 million. During fiscal 2010, the Company repurchased an aggregate of $1,016 million principal amount of its 6.00% Notes resulting in a loss of $24 million. The Company excluded these losses from the Company's GAAP net income (loss) for the third and fourth fiscal quarters of 2011, fiscal 2011 and fiscal 2010 because they are is not indicative of ongoing operating performance.

Restructuring (charges) and reversals, net: During the fourth fiscal quarter of 2011, the Company implemented a restructuring plan to strengthen the Company's competitive positioning, implement a more competitive cost structure and conduct a workforce rebalancing to better address faster growing market segments. As a result of this restructuring plan, the Company incurred a restructuring charge during the fourth fiscal quarter of 2011 primarily related to severance and costs related to the continuation of certain employee benefits, contract or program termination cost and, asset impairments. The Company excluded these restructuring charges and reversals from the Company's GAAP net income (loss) and GAAP operating income for the fourth fiscal quarter of 2011 and for fiscal 2011 and 2010 because they are not indicative of ongoing performance.

Loss from discontinued operations: In the fourth fiscal quarter of 2008, the Company sold its Digital Television business unit to Broadcom Corporation. The Company had classified its Digital Television unit as discontinued operations at the time it decided to divest the business unit. Pursuant to the asset sale agreement, Broadcom had three years after the closing date to obtain reimbursement from the Company for a portion of any severance costs that Broadcom incurred during this time period to the extent the severance costs related to any of the Company's former employees. The loss from discontinued operations represents payments to Broadcom in the fourth fiscal quarter of 2011. The Company excluded this loss from the Company's GAAP net income (loss) for the fourth fiscal quarter of 2011 and fiscal 2011 because it is not indicative of ongoing operating performance.

In addition, the Company presented "Adjusted EBITDA" in the earnings release as a supplemental measure of its performance. Adjusted EBITDA for the Company is determined by adjusting operating income for depreciation and amortization, employee stock-based compensation expense and amortization of acquired intangible assets. In addition, for the fourth quarter of 2011 and fiscal 2011, the Company included an adjustment for restructuring charges and reversals, net; for the fourth quarter of 2010 and fiscal 2010, the Company also included an adjustment related to its legal settlement with Samsung; and for fiscal 2011, the Company also included an adjustment related to a payment to GF.

The Company calculates and communicates Adjusted EBITDA in the financial schedules 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.

Starting in the first quarter of 2010, the Company also presents non-GAAP adjusted free cash flow in the earnings release as a supplemental measure of its performance. In 2008 and 2009, the Company and certain of its subsidiaries (collectively, the "AMD Parties") entered into supplier agreements with IBM Credit LLC and certain of its subsidiaries (collectively, the "IBM Parties"). Pursuant to these supplier agreements, the AMD Parties sold to the IBM Parties invoices of selected distributor customers. Because the Company does not recognize revenue until its distributors sell its products to their customers, under GAAP, the Company classified funds received from the IBM Parties as debt on the balance sheet. Moreover, for cash flow purposes, these funds were classified as cash flows from financing activities. When a distributor paid the applicable IBM Party, the Company reduced the distributor's accounts receivable and the corresponding debt resulting in a non-cash accounting entry. Because the Company did not receive the cash from the distributor to reduce the accounts receivable, the distributor's payment was never reflected in the Company's cash flows from operating activities.

Non-GAAP adjusted free cash flow for the Company was determined by adding the distributors' payments to the IBM Parties to GAAP net cash provided by (used in) operating activities. This amount was then further adjusted by subtracting capital expenditures. Generally, under GAAP, the reduction in accounts receivable is assumed to be a source of operating cash flows. Therefore, the Company believes that treating the payments from its distributor customers to the IBM Parties as if the Company actually received the cash from the distributor and then used that cash to pay down the debt is more reflective of the economic substance of the transaction. On February 11, 2011, the Company terminated its supplier agreements with IBM Parties. As a result, during the third quarter of 2011, there were no outstanding invoices related to the financing arrangement with the IBM Parties, and starting from the fiscal third quarter of 2011, the Company no longer makes any adjustments for distributor payments to the IBM Parties to its GAAP net cash provided by (used in) operating activities when calculating non-GAAP adjusted free cash flow.

The Company calculates and communicates non-GAAP adjusted free cash flow in the financial schedules 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 adjusted 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 adjusted free cash flow as an alternative to GAAP liquidity measures of cash flows from operating or financing activities. The Company has provided reconciliations within the press release and financial schedules of these non-GAAP financial measures to the most directly comparable GAAP financial measures.

Management does not intend the presentation of these non-GAAP measures to be considered in isolation or as a substitute for results prepared in accordance with GAAP. These non-GAAP measures should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press release dated January 24, 2012.
99.2	Financial Information and Commentary on Fourth Quarter of Fiscal Year 2011and Fiscal 2011 Results

SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 24, 2012

ADVANCED MICRO DEVICES, INC.

By:	/S/ FAINA ROEDER
Name:	**Faina Roeder**
Title:	**Assistant Secretary**

INDEX TO EXHIBITS

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Exhibit 99.1

NEWS RELEASE

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AMD Reports Fourth Quarter and Annual Results

Q4 2011 Results

- AMD revenue $1.69 billion, flat sequentially and increased two percent year-over-year
- Net loss $177 million, loss per share $0.24, operating income $71 million
- Non-GAAP[1] net income $138 million, earnings per share $0.19, operating income $172 million
- Gross margin 46 percent

2011 Annual Results

- AMD revenue $6.57 billion, flat year-over-year
- Net income $491 million, earnings per share $0.66, operating income $368 million
- Non-GAAP[1] net income $374 million, earnings per share $0.50, operating income $524 million
- Gross margin 45 percent
- More than 30 million Accelerated Processor Unit (APU) shipments in 2011 drives record annual notebook revenue

SUNNYVALE, Calif. – Jan. 24, 2012 – AMD (NYSE:AMD) today announced revenue for the fourth quarter of 2011 of $1.69 billion, net loss of $177 million, or $0.24 per share, and operating income of $71 million. The company reported non-GAAP net income of $138 million, or $0.19 per share, and non-GAAP operating income of $172 million. Fourth quarter non-GAAP net income excludes an impairment of AMD's investment in GLOBALFOUNDRIES of $209 million, restructuring charges of $98 million, the loss from discontinued operations of $4 million, the amortization of acquired intangible assets of $3 million and a loss on debt repurchase of $1 million.

For the year ended December 31, 2011, AMD reported revenue of $6.57 billion, net income of $491 million, or $0.66 per share, and operating income of $368 million. Full year non-GAAP net income was $374 million, or $0.50 per share, and non-GAAP operating income was $524 million.

"AMD shipped more than 30 million APU's in 2011, resulting in record annual notebook revenue," said Rory Read, AMD president and CEO. "The unmatched combination of computing and graphics capabilities in our low-power 'Brazos' platform has made it our fastest ramping platform ever, paving the way for continued growth in key segments and geographies. Our server business has re-gained momentum, delivering two consecutive quarters of strong sequential growth.

"We continued optimizing our financial model in 2011, consistently delivering operating income and creating the foundation for sustained success. We begin 2012 clear on our priorities and opportunities. We are building an AMD that consistently delivers on its commitments."

GAAP Financial Results[2]

	Q4-11	Q3-11	Q4-10	2011	2010
Revenue	$ 1.69B	$ 1.69B	$ 1.65B	$ 6.57B	$ 6.49B
Operating income	$ 71M	$ 138M	$ 413M	$ 368M	$ 848M
Net income (loss) / Earnings (loss) per share	$(177)M/$(0.24)	$97M/$0.13	$375M/$0.50	$491M/$0.66	$471M/$0.64

Non-GAAP Financial Results[1]

	Q4-11	Q3-11	Q4-10	2011	2010
Revenue	$ 1.69B	$ 1.69B	$ 1.65B	$ 6.57B	$ 6.49B
Operating income	$ 172M	$ 146M	$ 141M	$ 524M	$ 553M
Net income / Earnings per share	$138M/$0.19	$110M/$0.15	$106M/$0.14	$374M/$0.50	$360M/$0.49

Quarterly Summary

- Gross margin was 46 percent, a sequential increase of one percent.
- Cash, cash equivalents and marketable securities balance, including long-term marketable securities, was $1.91 billion at the end of the quarter.
- Computing Solutions segment revenue increased two percent sequentially and seven percent year-over-year. The sequential increase was driven by double digit growth in Server and Chipset revenue. The year-over-year increase was driven by higher mobile processor and Chipset revenue.
  - Operating income was $165 million, compared with $149 million in Q3 11 and $91 million in Q4 10.
  - Microprocessor ASP increased sequentially and was flat year-over-year.
  - AMD launched its “Bulldozer”-based AMD Opteron™ 6200 Series and AMD Opteron 4200 Series processors, delivering industry-leading performance(3) for business, increased scalability for virtualization and more efficient economics for the cloud.
    - HP introduced five new ProLiant systems, including the industry’s fastest dual-socket database server.
    - Dell introduced four new PowerEdge systems, including the world’s most power-efficient blade server. The AMD-powered PowerEdge R715 was awarded Technology of the Year from InfoWorld magazine based on its outstanding virtualization performance.
    - The AMD Opteron 6200 Series Processors were honored with the Analysts’ Choice Award for Best Server Processor by the Linley Group and “Technology of the Year” from InfoWorld.
    - AMD Opteron processor adoption in the HPC market continued, as the National Science Foundation announced a new supercomputer at the University of Illinois’ National Center for Supercomputing Applications (NCSA) will be powered by approximately 50,000 AMD Opteron 6200 series processors.
  - Worldwide demand for AMD APUs continued to increase throughout the fourth quarter. AMD shipped more than 30 million APUs in 2011, including a record number of mobile processors found in notebooks from Acer, Asus, Dell, HP, Lenovo, MSI Samsung, Sony and Toshiba.

- AMD introduced new A-Series notebook and desktop APUs that offer improved performance and enhanced features. We expect that systems based on the refreshed A-Series APU will be offered from the world's largest PC companies in early 2012.

- Graphics segment revenue decreased five percent sequentially and 10 percent year-over-year. The sequential decrease was driven primarily by a decline in mobile graphics processor unit (GPU) shipments, partially offset by a seasonal increase in game console revenue. The year-over-year decrease was primarily driven by decreased desktop and Add-in Board (AIB) graphics revenue.
  - Operating income was $27 million, compared with $12 million in Q3 11 and $68 million in Q4 10.
  - GPU ASP increased sequentially and year-over-year.
  - In December, AMD launched the world's fastest single-GPU graphics card(4) and the first member of its AMD Radeon™ HD 7000 Series graphics family, the AMD Radeon HD 7970. The HD 7970 delivers up to 150% performance improvement per square millimeter compared to our previous generation GPU, and is the industry's first 28nm GPU(5).
  - AMD launched the AMD Radeon HD 7000M series mobile graphics processors for smaller form factor notebooks. Both HP and Lenovo announced new notebooks powered by the new GPU.
  - AMD is the industry leader in leading-edge graphics technology, having shipped more than 100 million DirectX® 11graphics engines across its GPUs and APUs that enable superior visual experiences.

- Corporate
  - The Company announced a restructuring plan and implementation of operational efficiency initiatives designed to strengthen the Company's competitive positioning. The Company plans to reinvest a significant portion of the anticipated savings to fund initiatives designed to accelerate AMD's strategies for lower power, emerging markets, and the cloud.
  - AMD strengthened its leadership team with the additions of Mark Papermaster as senior vice president and chief technology officer, Rajan Naik as senior vice president and chief strategy officer, and Dr. Lisa Su as senior vice president and general manager, global business units.

Current Outlook

AMD's outlook statements are based on current expectations. The following statements are forward-looking, and actual results could differ materially depending on market conditions and the factors set forth under "Cautionary Statement" below.

AMD expects revenue to decrease eight percent, plus or minus three percent, sequentially for the first quarter of 2012.

For additional detail regarding AMD's results and outlook please see the CFO commentary posted at quarterlyearnings.amd.com.

AMD Teleconference

AMD will hold a conference call for the financial community at 2:00 p.m. PT (5:00 p.m. ET) today to discuss its fourth quarter financial results. AMD will provide a real-time audio broadcast of the teleconference on the Investor Relations page of its Web site at AMD. The webcast will be available for 10 days after the conference call.

Reconciliation of GAAP Net Income (Loss) to Non-GAAP Net Income[1]

(Millions except per share amounts)	Q4-11		Q3-11		Q4-10		2011		2010	
GAAP net income (loss) / Earnings (loss) per share	**$(177)**	**$(0.24)**	**$ 97**	**$ 0.13**	**$375**	**$ 0.50**	**$ 491**	**$ 0.66**	**$ 471**	**$ 0.64**
Gross margin benefit due to deconsolidation of GLOBALFOUNDRIES	—	—	—	—	—	—	—	—	69	0.09
Deconsolidation gain on the fair value assessment of investment in GLOBALFOUNDRIES	—	—	—	—	—	—	—	—	325	0.44
Equity income (loss) and dilution gain in investee, net	—	—	—	—	27	0.05	492	0.66	(462)	(0.63)
Payment to GLOBALFOUNDRIES	—	—	—	—	—	—	(24)	(0.03)	—	—
Impairment of investment in GLOBALFOUNDRIES	(209)	(0.28)	—	—	—	—	(209)	(0.28)	—	—
Non-GAAP net income excluding GLOBALFOUNDRIES related items	**32**	**0.04**	**97**	**0.13**	**348**	**0.47**	**232**	**0.31**	**539**	**0.73**
Amortization of acquired intangible assets	(3)	—	(8)	(0.01)	(11)	(0.01)	(29)	(0.04)	(61)	(0.08)
Legal settlement	—	—	—	—	283	0.39	(5)	(0.01)	283	0.39
Income tax related to legal settlement	—	—	—	—	(47)	(0.06)	—	—	(47)	(0.06)
Gain on investment sale	—	—	—	—	17	0.02	—	—	24	0.03
Loss on debt repurchase	(1)	—	(5)	(0.01)	—	—	(6)	(0.01)	(24)	(0.03)
Restructuring (charges) reversals, net	(98)	(0.13)	—	—	—	—	(98)	(0.13)	4	0.01
Loss from discontinued operations*	(4)	(0.01)	—	—	—	—	(4)	(0.01)	—	—
Non-GAAP net income / Earnings per share	**$ 138**	**$ 0.19**	**$110**	**$ 0.15**	**$106**	**$ 0.14**	**$ 374**	**$ 0.50**	**$ 360**	**$ 0.49**

* Loss on discontinued operations consists of charges related to the sale of our DTV division to Broadcom which occurred in 2008.

Reconciliation of GAAP to Non-GAAP Operating Income[1]

(Millions)	Q4-11	Q3-11	Q4-10	2011	2010
GAAP operating income	**$ 71**	**$138**	**$413**	**$ 368**	**$ 848**
Gross margin benefit due to the deconsolidation of GLOBALFOUNDRIES	—	—	—	—	69
Payment to GLOBALFOUNDRIES	—	—	—	(24)	—
Amortization of acquired intangible assets	(3)	(8)	(11)	(29)	(61)
Legal settlement	—	—	283	(5)	283
Restructuring (charges) reversals, net	(98)	—	—	(98)	4
Non-GAAP operating income	**$172**	**$146**	**$141**	**$ 524**	**$ 553**

Reconciliation of GAAP to Non-GAAP Gross Margin [1]

(Millions except percentages)	Q4-11	Q3-11	Q4-10	2011	2010
GAAP Gross Margin	**$773**	**$756**	**$743**	**$2,940**	**$2,961**
GAAP Gross Margin %	**46%**	**45%**	**45%**	**45%**	**46%**
Gross margin benefit due to the deconsolidation of GLOBALFOUNDRIES	—	—	—	—	69
Payment to GLOBALFOUNDRIES	—	—	—	(24)	—
Legal settlement	—	—	—	(5)	—
Non-GAAP Gross Margin	**$773**	**$756**	**$743**	**$2,969**	**$2,892**
Non-GAAP Gross Margin %	**46%**	**45%**	**45%**	**45%**	**45%**

About AMD

AMD (NYSE: AMD) is a semiconductor design innovator leading the next era of vivid digital experiences with its groundbreaking AMD Fusion Accelerated Processing Units (APUs) that power a wide range of computing devices. AMD's server computing products are focused on driving industry-leading cloud computing and virtualization environments. AMD's superior graphics technologies are found in a variety of solutions ranging from game consoles, PCs to supercomputers. For more information, visit http://www.amd.com.

Cautionary Statement

This release contains forward-looking statements concerning AMD, its first quarter 2012 revenue, its future growth in key segments and geographies, the momentum of its server business, its ability to deliver sustained success, the timing of future products that incorporate the company's products, and the company's restructuring plan implemented in the fourth quarter of 2011, the anticipated operational savings resulting from the restructuring and the company's plans for reinvesting these savings, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are commonly identified by words such as "would," "may," "expects," "believes," "plans," "intends," "projects," and other terms with similar meaning. Investors are cautioned that the forward-looking statements in this release are based on current beliefs, assumptions and expectations, speak only as of the date of this release and involve risks and uncertainties that could cause actual results to differ materially from current expectations. Risks include the possibility that Intel Corporation's pricing, marketing and rebating programs, product bundling, standard setting, new product introductions or other activities targeting the company's business will prevent attainment of the company's current plans; the company will be unable to develop, launch and ramp new products and technologies in the volumes and mix required by the market and at mature yields on a timely basis; GLOBALFOUNDRIES will be unable to manufacture the company's products on a timely basis in sufficient quantities and using competitive technologies; the company will be unable to obtain sufficient manufacturing capacity or components to meet demand for its products or will under-utilize its commitment with respect to GLOBALFOUNDRIES' microprocessor manufacturing facilities; the company will be unable to transition its products to advanced manufacturing process technologies in a timely and effective way; global business and economic conditions will not continue to improve or will worsen resulting in lower than currently expected demand; demand for computers and consumer electronics products and, in turn, demand for the company's products will be lower than currently expected; customers stop buying the company's products or materially reduce their demand for its products; the company will require additional funding and may not be able to raise funds on favorable terms or at all; there will be unexpected variations in market growth and demand for the company's products and technologies in light of the product mix that it may have available at any particular time or a decline in demand; and the company will be unable to maintain the level of investment in research and development that is required to remain competitive. Investors are urged to review in detail the risks and uncertainties in the company's Securities and Exchange Commission filings, including but not limited to the Quarterly Report on Form 10-Q for the quarter ended October 1, 2011.

AMD, the AMD Arrow logo, AMD Opteron, AMD Radeon, and combinations thereof, and are trademarks of Advanced Micro Devices, Inc. Other names are for informational purposes only and used to identify companies and products and may be trademarks of their respective owner.

[1] In this press release, in addition to GAAP financial results, the Company has provided non-GAAP financial measures, including for non-GAAP net income excluding GLOBALFOUNDRIES related items, non-GAAP net income, non-GAAP operating income, non-GAAP earnings per share and non-GAAP gross margin. These non-GAAP financial measures reflect certain adjustments as presented in the tables in this press release. The Company also provided Adjusted EBITDA and non-GAAP Adjusted free cash flow as supplemental measures of its performance. These items are defined in the footnotes to the selected corporate data tables provided at the end of this press release. The Company is providing these financial measures because it believes this non-GAAP presentation makes it easier for investors to compare its operating results for current and historical periods and also because the Company believes it assists investors in comparing the Company's performance across reporting periods on a consistent basis by excluding items that it does not believe are indicative of its core operating performance and for the other reasons described in the footnotes to the selected data tables. Refer to corresponding tables at the end of this press release for additional AMD data.

[2] For the year 2010, the Company accounted for its investment in GLOBALFOUNDRIES under the equity method of accounting. Starting in the first quarter of 2011, the Company started accounting for its investment in GLOBALFOUNDRIES under the cost method of accounting.

[3] The highest 2P TPC-C performance score ever was achieved by an AMD OpteronTM processor-powered server. Based on results published by the Transaction Processing Performance Council as of November 15, 2011, an AMD Opteron™ processor-based server achieved the highest TPC-C performance score of any 2P server. 1,207,982 tpmC using 2 x AMD Opteron™ processors Model 6282 SE in HP ProLiant DL385 G7 server, 512GB memory, Microsoft® Windows Server® 2008 R2 Enterprise x64 Edition, Microsoft® SQL Server® 2005 Enterprise x64 Edition SP3. http://www.tpc.org/results/individual_results/HP/HP_ProLiant_DL385G7_TPCC_111114_01_es.pdf. For the latest TPC-C results, visit www.tpc.org. TPC Benchmark and TPC-C are trademarks of the Transaction Processing Performance Council. SVR-105

[4] As of December 22, 2011, the AMD Radeon™ HD 7970 scores in excess of X2700 in 3DMark® 11, the highest single-GPU graphics card score achieved on a stock platform to date.

[5] The AMD Radeon™ HD 7970 Series GPU offers more than 1.54X times the compute power/mm2 when compared to the AMD Radeon™ HD 6970 Series GPU: the AMD Radeon™ HD 6970 Series GPU has been calculated at 2.703 TFLOPs of compute power with a measured die size of 389mm2, while the AMD Radeon™ HD 7970 Series GPU has been calculated at 3.789 TFLOPs of compute power with a die size of 352mm2.

#2112006

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

	Quarter Ended			Year Ended	
	Dec. 31, 2011	Oct. 1, 2011	Dec. 25, 2010	Dec. 31, 2011	Dec. 25, 2010
Net revenue	$1,691	$1,690	$1,649	$6,568	$6,494
Cost of sales	918	934	906	3,628	3,533
Gross margin	773	756	743	2,940	2,961
Gross margin %	46%	45%	45%	45%	46%
Research and development	358	361	352	1,453	1,405
Marketing, general and administrative	243	249	250	992	934
Legal settlement	—	—	(283)	—	(283)
Amortization of acquired intangible assets	3	8	11	29	61
Restructuring charges (reversals), net	98	—	—	98	(4)
Operating income	71	138	413	368	848
Interest income	2	3	2	10	11
Interest expense	(43)	(42)	(39)	(180)	(199)
Other income (expense), net	(207)	(7)	14	(199)	311
Income before equity income (loss) and dilution gain in investee and income taxes	(177)	92	390	(1)	971
Provision (benefit) for income taxes	(4)	(5)	42	(4)	38
Equity income (loss) and dilution gain in investee, net	—	—	27	492	(462)
Income (loss) from continuing operations	$ (173)	$ 97	$ 375	$ 495	$ 471
Loss from discontinued operations, net of tax	(4)	—	—	(4)	—
Net income (loss)	$ (177)	$ 97	$ 375	$ 491	$ 471
Net income (loss) per share					
Basic					
Continuing operations	$ (0.24)	$ 0.13	$ 0.52	$ 0.68	$ 0.66
Discontinued operations	(0.01)	—	—	(0.01)	—
Basic net income (loss) per share	$ (0.24)	$ 0.13	$ 0.52	$ 0.68	$ 0.66
Diluted					
Continuing operations	$ (0.24)	$ 0.13	$ 0.50	$ 0.67	$ 0.64
Discontinued operations	(0.01)	—	—	(0.01)	—
Diluted net income (loss) per share	$ (0.24)	$ 0.13	$ 0.50	$ 0.66	$ 0.64
Shares used in per share calculation					
Basic	732	729	717	727	711
Diluted	732	741	758	742	733

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

	Dec. 31, 2011	Oct. 1, 2011	Dec. 25, 2010
Assets			
Current assets:			
Cash, cash equivalents and marketable securities	$ 1,765	$ 1,807	$ 1,789
Accounts receivable, net	919	908	968
Inventories, net	476	540	632
Prepaid expenses and other current assets	69	157	205
Total current assets	3,229	3,412	3,594
Long-term marketable securities	149	50	—
Property, plant and equipment, net	726	697	700
Investment in GLOBALFOUNDRIES	278	486	—
Goodwill	323	323	323
Other assets	249	268	347
Total Assets	$ 4,954	$ 5,236	$ 4,964
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	$ 363	$ 467	$ 376
Accounts payable to GLOBALFOUNDRIES	177	151	205
Accrued liabilities	550	590	698
Deferred income on shipments to distributors	123	131	143
Other short-term obligations	—	—	229
Current portion of long-term debt and capital lease obligations	489	489	4
Other current liabilities	72	27	19
Total current liabilities	1,774	1,855	1,674
Long-term debt and capital lease obligations, less current portion	1,527	1,571	2,188
Other long-term liabilities	63	66	89
Stockholders' equity:			
Capital stock:			
Common stock, par value	7	7	7
Additional paid-in capital	6,672	6,652	6,575
Treasury stock, at cost	(107)	(107)	(102)
Accumulated deficit	(4,977)	(4,800)	(5,468)
Accumulated other comprehensive income (loss)	(5)	(8)	1
Total stockholders' equity	1,590	1,744	1,013
Total Liabilities and Stockholders' Equity	$ 4,954	$ 5,236	$ 4,964

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

	Quarter Ended Dec. 31, 2011	Year Ended Dec. 31, 2011
Cash flows from operating activities:		
Net income (loss)	$ (177)	$ 491
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity in net (gain) loss of investee	—	(492)
Impairment charge of GF investment	209	209
Depreciation and amortization	70	317
Compensation recognized under employee stock plans	21	90
Non-cash interest expense	5	21
Net gain on sale of marketable securities	(1)	(4)
Other	(5)	2
Changes in operating assets and liabilities:		
Accounts receivable	(10)	(347)
Inventories	65	157
Prepaid expenses and other current assets	73	115
Other assets	2	(1)
Accounts payable to GLOBALFOUNDRIES	26	(28)
Accounts payable, accrued liabilities and other	(91)	(148)
Net cash provided by operating activities	**$ 187**	**$ 382**
Cash flows from investing activities:		
Purchases of property, plant and equipment	(87)	(250)
Proceeds from sale of property, plant, and equipment	—	16
Purchases of available-for-sale securities	(125)	(1,586)
Proceeds from sale and maturity of available-for-sale securities	311	1,726
Other	(2)	(19)
Net cash provided by (used in) investing activities	**$ 97**	**$ (113)**
Cash flows from financing activities:		
Proceeds from borrowings, net of issuance cost	—	170
Net proceeds from foreign grants	10	20
Proceeds from issuance of AMD common stock	1	18
Repayments of debt and capital lease obligations	(51)	(209)
Other	—	(5)
Net cash used in financing activities	**$ (40)**	**$ (6)**
Net increase in cash and cash equivalents	244	263
Cash and cash equivalents at beginning of period	**$ 625**	**$ 606**
Cash and cash equivalents at end of period	**$ 869**	**$ 869**

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

	Quarter Ended			Year Ended	
Segment and Category Information	**Dec. 31, 2011**	**Oct. 2, 2011**	**Dec. 25, 2010**	**Dec. 31, 2011**	**Dec. 25, 2010**
Computing Solutions (1)					
Net revenue	$ 1,309	$ 1,286	$ 1,219	$ 5,002	$ 4,817
Operating income	$ 165	$ 149	$ 91	$ 556	$ 529
Graphics (2)					
Net revenue	382	403	424	1,565	1,663
Operating income	27	12	68	51	149
All Other (3)					
Net revenue	—	1	6	1	14
Operating income (loss)	(121)	(23)	254	(239)	170
Total					
Net revenue	**$ 1,691**	**$ 1,690**	**$ 1,649**	**$ 6,568**	**$ 6,494**
Operating income	**$ 71**	**$ 138**	**$ 413**	**$ 368**	**$ 848**
Other Data					
Depreciation and amortization (excluding amortization of acquired intangible assets)	$ 67	$ 71	$ 78	$ 288	$ 322
Capital additions	$ 87	$ 58	$ 38	$ 250	$ 148
Adjusted EBITDA (4)	$ 260	$ 239	$ 241	$ 902	$ 1,031
Cash, cash equivalents and marketable securities (5)	$ 1,914	$ 1,857	$ 1,789	$ 1,914	$ 1,789
Adjusted free cash flow (6)	$ 100	$ 131	$ 11	$ 528	$ 355
Total assets	$ 4,954	$ 5,236	$ 4,964	$ 4,954	$ 4,964
Long-term debt and capital lease obligations, including current portion	$ 2,016	$ 2,060	$ 2,192	$ 2,016	$ 2,192
Headcount	11,093	12,019	11,068	11,093	11,068

See footnotes on the next page

(1) Computing Solutions segment includes microprocessors, chipsets and embedded processors.

(2) Graphics segment includes graphics, video and multimedia products developed for use in desktop and notebook computers, including home media PCs, professional workstations and servers and also includes revenue received in connection with the development and sale of game console systems that incorporate the Company's graphics technology.

(3) All Other category includes certain operating expenses and credits that are not allocated to the operating segments. Also included in this category are amortization of acquired intangible assets and restructuring charges. It also includes the results of the Handheld business unit because the operating results of this business unit were not material.

(4) AMD reconciliation of GAAP operating income to Adjusted EBITDA*

	Quarter Ended			Year Ended	
	Dec. 31, 2011	Oct. 1, 2011	Dec. 25, 2010	Dec. 31, 2011	Dec. 25, 2010
GAAP operating income	$ 71	$ 138	$ 413	$ 368	$ 848
Payments to GLOBALFOUNDRIES	—	—	—	24	—
Legal settlement	—	—	(283)	5	(283)
Depreciation and amortization	67	71	78	288	322
Employee stock-based compensation expense	21	22	22	90	87
Amortization of acquired intangible assets	3	8	11	29	61
Restructuring charges (reversals), net	98	—	—	98	(4)
Adjusted EBITDA	$ 260	$ 239	$ 241	$ 902	$1,031

(5) Cash, cash equivalents and marketable securities also include the long-term portion of marketable securities.

(6) Non-GAAP adjusted free cash flow reconciliation**

	Quarter Ended			Year Ended	
	Dec. 31, 2011	Oct. 1, 2011	Dec. 25, 2010	Dec. 31, 2011	Dec. 25, 2010
GAAP net cash provided by (used in) operating activities	$ 187	$ 189	$ (213)	$ 382	$ (412)
Non-GAAP adjustment	—	—	262	396	915
Non-GAAP net cash provided by operating activities	187	189	49	778	503
Purchases of property, plant and equipment	(87)	(58)	(38)	(250)	(148)
Non-GAAP adjusted free cash flow	$ 100	$ 131	$ 11	$ 528	$ 355

* The Company presents "Adjusted EBITDA" as a supplemental measure of its performance. Adjusted EBITDA for the Company is determined by adjusting operating income for depreciation and amortization, employee stock-based compensation expense and amortization of acquired intangible assets. In addition, for the fourth quarter of 2011 and fiscal 2011, the Company included an adjustment for restructuring charges and reversals, net; for the fourth quarter of 2010 and fiscal 2010, the Company also included an adjustment related to its legal settlement with Samsung; and for fiscal 2011, the Company included an adjustment related to a payment to GF. The Company calculates and communicates Adjusted EBITDA in the financial schedules 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.

** Starting in the first quarter of 2010, the Company also presents non-GAAP adjusted free cash flow in the earnings release as a supplemental measure of its performance. In 2008 and 2009, the Company and certain of its subsidiaries (collectively, the "AMD Parties") entered into supplier agreements with IBM Credit LLC and certain of its subsidiaries (collectively, the "IBM Parties"). Pursuant to these supplier agreements, the AMD Parties sold to the IBM Parties invoices of selected distributor customers. Because the Company does not recognize revenue until its distributors sell its products to their customers, under GAAP, the Company classified funds received from the IBM Parties as debt on the balance sheet. Moreover, for cash flow purposes, these funds were classified as cash flows from financing activities. When a distributor paid the applicable IBM Party, the Company reduced the distributor's accounts receivable and the corresponding debt resulting in a noncash accounting entry. Because the Company did not receive the cash from the distributor to reduce the accounts receivable, the distributor's payment was never reflected in the Company's cash flows from operating activities. Non-GAAP adjusted free cash flow for the Company was determined by adding the distributors' payments to the IBM Parties to GAAP net cash provided by (used in) operating activities. This amount was then further adjusted by subtracting capital expenditures. Generally, under GAAP, the reduction in accounts receivable is assumed to be a source of operating cash flows. Therefore, the Company believes that treating the payments from its distributor customers to the IBM Parties as if the Company actually received the cash from the distributor and then used that cash to pay down the debt is more reflective of the economic substance of the transaction. On February 11, 2011, the Company terminated its supplier agreements with IBM Parties. As a result, during the third quarter of 2011, there were no outstanding invoices related to the financing arrangement with the IBM Parties, and the Company did not make any adjustments for distributor payments to the IBM Parties to its GAAP net cash provided by (used in) operating activities when calculating non-GAAP adjusted free cash flow. The Company calculates and communicates non-GAAP adjusted free cash flow in the financial schedules 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 adjusted 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 adjusted free cash flow as an alternative to GAAP liquidity measures of cash flows from operating or financing activities. The Company has provided reconciliations within the press release and financial schedules of these non-GAAP financial measures to the most directly comparable GAAP financial measures.

Exhibit 99.2

AMD Reports Annual and Fourth Quarter 2011 Results – CFO Commentary

January 24, 2012

A reconciliation for all non-GAAP financial measures discussed in this commentary to the most directly comparable GAAP financial measures is included below and in our financial tables that accompany our earnings press release available on quarterlyearnings.amd.com.

2011 Annual Results

- AMD revenue $6.57 billion, flat year-over-year
- Net income of $491 million, EPS $0.66, operating income $368 million
- Non-GAAP net income $374 million, EPS $0.50, operating income $524 million
- Gross margin 45%

2011 Commentary

AMD executed well to our 2011 financial model, while strengthening our balance sheet and implementing efficiencies across the company's operations.

2011 highlights:

- Strengthened balance sheet by reducing debt to $2.02 billion, down by $200 million in principal value from a year ago.
- Achieved 2011 financial goals:
  - Gross Margin of 45%, within guided range of 44-48%
  - R&D was 22% of revenue, within guided range of 19-22%
  - SG&A was 15% of revenue, within guided range of 13-16%
- Achieved positive non-GAAP operating income.
- Improved non-GAAP adjusted free cash flow to $528 million, as compared to $355 million in 2010.

In addition, AMD achieved several notable records and accomplishments:

- AMD shipped more than 100 million DirectX 11 graphics cores (GPUs and APUs).
- AMD shipped more than 30 million APUs to date, and Brazos is the most successful platform in AMD's history.
- All-time record for client microprocessor annual revenue and 9% growth year-over-year.

- All-time record for mobile microprocessor annual revenue and 15% year-over-year.
- All-time record for chipset annual revenue and 20% growth year-over-year.
- All-time record for mobile GPU annual revenue and 13% growth year-over-year.
- All-time record for professional graphics annual revenue and 36% growth year-over-year.

Fourth Quarter 2011 Results

- AMD revenue $1.69 billion, flat sequentially and up 2% year-over-year
- Net loss of $177 million, loss per share of $0.24, operating income $71 million
- Non-GAAP net income $138 million, EPS $0.19, operating income $172 million
- Gross margin 46%

Q4 2011 Commentary

Revenue was $1.69 billion, flat sequentially. Sequential revenue growth in the Computing Solutions segment of 2% was offset by a 5% revenue decline in the Graphics segment.

Gross margin was 46%, up one percentage point quarter-over-quarter primarily due to a seasonal increase in game console revenue and improved GPU product mix.

Operating expenses were $601 million, less than guided primarily due to higher than expected operational savings associated with the restructuring plan and operational improvements implemented in the fourth quarter. We saw an immediate effect from these actions, reducing costs by $14 million and improving earnings per share by 2 cents in the quarter. We expect 2012 savings associated with the restructuring plan and additional operational efficiencies to be more than $200 million, which we expect to use primarily to fund future strategic growth initiatives.

- **R&D** was $358 million, 21% of net revenue
- **SG&A** was $243 million, 14% of net revenue

Non-GAAP net income was $138 million and **non-GAAP operating income** was $172 million.

To derive non-GAAP net income, we excluded the impact of:

- A non-cash impairment[1] charge of approximately $209 million on AMD’s investment in GLOBALFOUNDRIES (GF). The impairment charge was recorded based on the difference between the carrying value and the fair value of the investment as of December 31, 2011;

- A restructuring charge of $98 million primarily associated with the restructuring plan announced on November 3, 2011;
- A $4 million loss from discontinued operations, which represents a payment to Broadcom Corporation related to the sale of AMD's Digital Television business unit which occurred in 2008;
- Amortization of acquired intangible assets of $3 million, and;
- A loss of $1 million in connection with the repurchase of $50 million principal value of our 6.00% Convertible Senior Notes due 2015 (6.00% Notes).

To derive non-GAAP operating income, we excluded the impact of:

- A restructuring charge of $98 million, and
- Amortization of acquired intangible assets of $3 million.

Interest expense increased by $1 million compared to the prior quarter.

In total, we repurchased $200 million of the 6.00% Notes in 2011, which will result in approximately $3 million in quarterly interest savings moving forward.

Non-GAAP EPS was $0.19, calculated using 740 million fully diluted shares.

Adjusted EBITDA was $260 million, up $21 million from the prior quarter due to higher non-GAAP operating income driven by improved gross margin and lower operating expenses.

<u>Q4 2011 Segment Results – Computing Solutions</u>

Computing Solutions segment revenue was $1.3 billion, up 2% sequentially driven by double digit growth in Server and Chipset revenue.

- Server revenue experienced growth for the second quarter in a row, driven by a sequential increase in unit shipments, primarily due to the ramp of AMD Opteron 6200 Series. The strong sequential unit growth was partially offset by single-digit server ASP decline. AMD Opteron 6200 Series now account for more than one third of total AMD server processor shipments and server processor revenue.
- Chipset revenue increased due to unit growth, resulting in quarterly record revenue.
- We achieved quarterly record client revenue driven by an increase in supply of Llano APUs.
- In Q4 2011, APUs accounted for nearly 100% of mobile microprocessors shipped, and more than 60% of total client microprocessors shipped.
- Microprocessor ASP increased sequentially due to an increase in mobile microprocessor ASP and an increase in server units shipped.

Computing Solutions operating income was $165 million, up $16 million from the previous quarter, primarily due to lower operating expenses and an increase in server units shipped.

Q4 2011 Segment Results – Graphics

Graphics segment revenue was $382 million, down 5% compared to the prior quarter mainly due to a decline in mobile GPU units shipments, partially offset by a seasonal increase in game console revenue.

- Mobile and desktop GPU revenues declined due to seasonality;
- GPU ASP increased due to product mix.

Graphics segment operating income was $27 million, up $15 million from the prior quarter primarily due to higher game console revenue and higher GPU ASP.

Balance Sheet

Our cash, cash equivalents and marketable securities, including long term marketable securities, at the end of the quarter was $1.91 billion, up $57 million compared to the end of the third quarter of 2011.

Accounts Receivable at the end of the quarter was $919 million, up $11 million compared to the end of the third quarter of 2011.

Inventory was $476 million exiting the quarter, down $64 million from the prior quarter due to a decline in GPU inventory driven by a transition to the newly launched 28nm products late in the quarter.

Debt as of the end of the quarter was $2.02 billion.

Non-GAAP free cash flow was $100 million.

AMD's ownership in GLOBALFOUNDRIES (GF)

AMD's ownership interest in GF on a fully diluted basis decreased to approximately 8.8% as of the conclusion of the fourth quarter.

AMD's investment balance in GF in Q4 2011 was reduced to $278 million from $486 million in Q3 2011. In Q4 2011, AMD recorded a non-cash impairment[1] charge of approximately $209 million on our investment in GF. The impairment charge was recorded based on the difference between the carrying value and the fair value of the investment as of December 31, 2011.

Outlook

The following statements concerning AMD are forward-looking and actual results could differ materially from current expectations. Investors are urged to review in detail the risks and uncertainties in the company's Securities and Exchange Commission filings, including but not limited to the Quarterly Report on Form 10-Q for the quarter ended October 1, 2011.

Q1 2012:

- AMD expects revenue to decrease eight percent, plus or minus three percent, sequentially for the first quarter of 2012.
- Operating expenses are expected to be approximately $590 million.
- Gross margin is expected to be approximately 45 percent as we approach concluding our GLOBALFOUNDRIES Wafer Supply Agreement renegotiations.

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Notes

1. During the fourth fiscal quarter of 2011, we recorded a non-cash impairment charge of approximately $209 million on our investment in GF. The impairment charge was recorded based on the difference between the carrying value and the fair value of the investment as of December 31, 2011. The fair value of our GF investment was determined by a valuation analysis of GF's Class A Preferred Shares, which we performed in the fourth fiscal quarter of 2011. The valuation was performed in the fourth quarter as we reviewed indications of impairment, including revised financial projections which we received from GF. As these are long range projections, we concluded the decline in fair value is other than temporary.

Non-GAAP Measures:

To supplement the Company's financial results calculated in accordance with United States generally accepted accounting principles (GAAP), this commentary contains non-GAAP financial measures, including for non-GAAP net income excluding GLOBALFOUDNRIES (GF) related items, non-GAAP net income, non-GAAP operating income, non-GAAP earnings per share, Adjusted EBITDA, and non-GAAP free cash flow. These non-GAAP financial measures reflect certain adjustments, and the Company has presented a reconciliation of GAAP to non-GAAP financial measures in the tables below.

The Company provided Adjusted EBITDA and non-GAAP adjusted free cash flow as supplemental measures of its performance. Adjusted EBITDA for the Company is determined by adjusting operating income for depreciation and amortization, employee stock-based compensation expense and amortization of acquired intangible assets. In addition, for the fourth quarter of 2011 and fiscal 2011 the Company included an adjustment for restructuring charges and reversals, net; for the fourth quarter of 2010 and fiscal 2010, the Company also included an adjustment related to its legal settlement with Samsung; and for fiscal 2011, the Company also included an adjustment related to a payment to GF. The Company calculates and communicates Adjusted EBITDA in the financial schedules 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.

Starting in the first quarter of 2010, the Company also presents non-GAAP adjusted free cash flow in the earnings release as a supplemental measure of its performance. In 2008 and 2009, the Company and certain of its subsidiaries (collectively, the "AMD Parties") entered into supplier agreements with IBM Credit LLC and certain of its subsidiaries (collectively, the "IBM Parties"). Pursuant to these supplier agreements, the AMD Parties sold to the IBM Parties invoices of selected distributor customers. Because the Company does not recognize revenue until its distributors sell its products to their customers, under GAAP, the Company classified funds received from the IBM Parties as debt on the balance sheet. Moreover, for cash flow purposes, these funds were classified as cash flows from financing activities. When a distributor paid the applicable IBM Party, the Company reduced the distributor's accounts receivable and the corresponding debt resulting in a non-cash accounting entry. Because the Company did not receive the cash from the distributor to reduce the accounts receivable, the distributor's payment was never reflected in the Company's cash flows from operating activities. Non-GAAP adjusted free cash flow for the Company was determined by adding the distributors' payments to the IBM Parties to GAAP net cash provided by (used in) operating activities. This amount was then further adjusted by subtracting capital expenditures. Generally, under GAAP, the reduction in accounts receivable is assumed to be a source of operating cash flows. Therefore, the Company believes that treating the payments from its distributor customers to the IBM Parties as if the Company actually received the cash from the distributor and then used that cash to pay down the debt is more reflective of the economic substance of the transaction. On February 11, 2011, the Company terminated its supplier agreements with IBM Parties. As a result, during the third quarter of 2011, there were no outstanding invoices related to the financing arrangement with the IBM Parties, and starting from the fiscal third quarter of 2011, the Company no longer makes any adjustments for distributor payments to the IBM Parties to its GAAP net cash provided by (used in) operating activities when calculating non-GAAP adjusted free cash flow. The Company calculates and communicates non-GAAP adjusted free cash flow in the financial schedules 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 adjusted 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 adjusted free cash flow as an alternative to GAAP liquidity measures of cash flows from operating or financing activities. The Company has provided reconciliations within the press release and financial schedules of these non-GAAP financial measures to the most directly comparable GAAP financial measures.

The Company is providing these financial measures because it believes this non-GAAP presentation makes it easier for investors to compare its operating results for current and historical periods and also because the Company believes it assists investors in comparing the Company's performance across reporting periods on a consistent basis by excluding items that it does not believe are indicative of its core operating performance and for the other reasons described in the footnotes to the selected data tables.

Non-GAAP Reconciliation:

Reconciliation of GAAP Net Income (Loss) to Non-GAAP Net Income

(Millions except per share amounts)	Q4-11		Q3-11		Q4-10		2011		2010	
GAAP net income (loss) / Earnings (loss) per share	**$(177)**	**$(0.24)**	**$ 97**	**$ 0.13**	**$375**	**$ 0.50**	**$ 491**	**$ 0.66**	**$ 471**	**$ 0.64**
Gross margin benefit due to deconsolidation of GLOBALFOUNDRIES	—	—	—	—	—	—	—	—	69	0.09
Deconsolidation gain on the fair value assessment of investment in GLOBALFOUNDRIES	—	—	—	—	—	—	—	—	325	0.44
Equity income (loss) and dilution gain in investee, net	—	—	—	—	27	0.05	492	0.66	(462)	(0.63)
Payment to GLOBALFOUNDRIES	—	—	—	—	—	—	(24)	(0.03)	—	—
Impairment of investment in GLOBALFOUNDRIES	(209)	(0.28)	—	—	—	—	(209)	(0.28)	—	—
Non-GAAP net income excluding GLOBALFOUNDRIES related items	**32**	**0.04**	**97**	**0.13**	**348**	**0.47**	**232**	**0.31**	**539**	**0.73**
Amortization of acquired intangible assets	(3)	—	(8)	(0.01)	(11)	(0.01)	(29)	(0.04)	(61)	(0.08)
Legal settlement	—	—	—	—	283	0.39	(5)	(0.01)	283	0.39
Income tax related to legal settlement	—	—	—	—	(47)	(0.06)	—	—	(47)	(0.06)
Gain on investment sale	—	—	—	—	17	0.02	—	—	24	0.03
Loss on debt repurchase	(1)	—	(5)	(0.01)	—	—	(6)	(0.01)	(24)	(0.03)
Restructuring (charges) reversals, net	(98)	(0.13)	—	—	—	—	(98)	(0.13)	4	0.01
Loss from discontinued operations*	(4)	(0.01)	—	—	—	—	(4)	(0.01)	—	—
Non-GAAP net income / Earnings per share	**$ 138**	**$ 0.19**	**$110**	**$ 0.15**	**$106**	**$ 0.14**	**$ 374**	**$ 0.50**	**$ 360**	**$ 0.49**

* Loss on discontinued operations consists of charges from Broadcom related to the sale of the DTV division which occurred in 2008.

Reconciliation of GAAP to Non-GAAP Operating Income

(Millions)	Q4-11	Q3-11	Q4-10	2011	2010
GAAP operating income	**$ 71**	**$138**	**$413**	**$368**	**$848**
Gross margin benefit due to the deconsolidation of GLOBALFOUNDRIES	—	—	—	—	69
Payment to GLOBALFOUNDRIES	—	—	—	(24)	—
Amortization of acquired intangible assets	(3)	(8)	(11)	(29)	(61)
Legal settlement	—	—	283	(5)	283
Restructuring (charges) reversals, net	(98)	—	—	(98)	4
Non-GAAP operating income	**$172**	**$146**	**$141**	**$524**	**$553**

Reconciliation of GAAP to Non-GAAP Gross Margin

(Millions except percentages)	Q4-11	Q3-11	Q4-10	2011	2010
GAAP Gross Margin	**$773**	**$756**	**$743**	**$2,940**	**$2,961**
GAAP Gross Margin %	**46%**	**45%**	**45%**	**45%**	**46%**
Gross margin benefit due to the deconsolidation of GLOBALFOUNDRIES	—	—	—	—	69
Payment to GLOBALFOUNDRIES	—	—	—	(24)	—
Legal settlement	—	—	—	(5)	—
Non-GAAP Gross Margin	**$773**	**$756**	**$743**	**$2,969**	**$2,892**
Non-GAAP Gross Margin %	**46%**	**45%**	**45%**	**45%**	**45%**

AMD reconciliation of GAAP operating income to Adjusted EBITDA

(Millions)	Q4-11	Q3-11	Q4-10	2011	2010
GAAP operating income	$ 71	$138	$ 413	$368	$ 848
Payments to GLOBALFOUNDRIES	—	—	—	24	—
Legal settlement	—	—	(283)	5	(283)
Depreciation and amortization	67	71	78	288	322
Employee stock-based compensation expense	21	22	22	90	87
Amortization of acquired intangible assets	3	8	11	29	61
Restructuring charges (reversals), net	98	—	—	98	(4)
Adjusted EBITDA	$260	$239	$ 241	$902	$1,031

Non-GAAP adjusted free cash flow reconciliation

(Millions)	Q4-11	Q3-11	Q4-10	2011	2010
GAAP net cash provided by (used in) operating activities	$187	$189	$(213)	$ 382	$(412)
Non-GAAP adjustment	—	—	262	396	915
Non-GAAP net cash provided by operating activities	187	189	49	778	503
Purchases of property, plant and equipment	(87)	(58)	(38)	(250)	(148)
Non-GAAP adjusted free cash flow	$100	$131	$ 11	$ 528	$ 355

Cautionary Statement

This document contains forward-looking statements concerning AMD, our financial outlook for the first quarter of 2012, including our first quarter 2012 revenue, operating expenses and gross margin; our restructuring plan implemented in the fourth quarter of 2011, the anticipated operational savings resulting from the restructuring, implementation of efficiencies, and our plans for reinvesting these savings, future quarterly interest savings, and our ability to successfully conclude our negotiations with GLOBALFOUNDRIES with respect to an amendment to the wafer supply agreement, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are commonly identified by words such as “would,” “may,” “expects,” “believes,” “plans,” “intends,” “projects,” and other terms with similar meaning. Investors are cautioned that the forward-looking statements in this release are based on current beliefs, assumptions and expectations, speak only as of the date of this release and involve risks and uncertainties that could cause actual results to differ materially from current expectations. Risks include the possibility that Intel Corporation’s pricing, marketing and rebating programs, product bundling, standard setting, new product introductions or other activities targeting the company’s business will prevent attainment of the company’s current plans; the company will be unable to develop, launch and ramp new products and technologies in the volumes and mix required by the market and at mature yields on a timely basis; GLOBALFOUNDRIES will be unable to manufacture the company’s products on a timely basis in sufficient quantities and using competitive technologies; the company will be unable to obtain sufficient manufacturing capacity or components to meet demand for its products or will under-utilize its commitment with respect to GLOBALFOUNDRIES’ microprocessor manufacturing facilities; the company will be unable to transition its products to advanced manufacturing process technologies in a timely and effective way; global business and economic conditions will not continue to improve or will worsen resulting in lower than currently expected demand; demand for computers and consumer electronics products and, in turn, demand for the company’s products will be lower than currently expected; customers stop buying the company’s products or materially reduce their demand for its products; the company will require additional funding and may not be able to raise funds on favorable terms or at all; there will be unexpected variations in market growth and demand for the company’s products and technologies in light of the product mix that it may have available at any particular time or a decline in demand; and the company will be unable to maintain the level of investment in research and development that is required to remain competitive. Investors are urged to review in detail the risks and uncertainties in the company’s Securities and Exchange Commission filings, including but not limited to the Quarterly Report on Form 10-Q for the quarter ended October 1, 2011.