

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

	Quarter Ended			Six Months Ended	
	Jun. 27, 2004 (Unaudited)	Mar. 28, 2004 (Unaudited)	Jun. 29, 2003 (Unaudited)	Jun. 27, 2004 (Unaudited)	Jun. 29, 2003 (Unaudited)
Net sales	\$ 1,261,837	\$ 1,236,433	\$ 645,261	\$ 2,498,270	\$ 1,359,816
Cost of sales	783,069	768,840	425,085	1,551,909	921,677
Research and development	224,821	226,090	208,513	450,911	411,575
Marketing, general and administrative	178,993	180,217	135,161	359,210	273,389
Restructuring and other special charges, net	2,514	-	-	2,514	2,146
	1,189,397	1,175,147	768,759	2,364,544	1,608,787
Operating income (loss)	72,440	61,286	(123,498)	133,726	(248,971)
Interest income and other, net	(2,203)	10,981	4,971	8,778	11,711
Interest expense	(27,956)	(30,154)	(26,364)	(58,110)	(52,169)
Income (loss) before minority interest, income taxes, and equity in net income of joint venture	42,281	42,113	(144,891)	84,394	(289,429)
Minority interest in (income) loss of subsidiary	(6,527)	5,351	-	(1,176)	-
Provision for income taxes	3,574	2,373	-	5,947	2,936
Equity in net income of joint venture	-	-	4,795	-	5,913
Net income (loss)	32,180	45,091	(140,096)	77,271	(286,452)
Net income (loss) per common share					
Basic	\$ 0.09	\$ 0.13	\$ (0.40)	\$ 0.22	\$ (0.83)
Diluted	\$ 0.09	\$ 0.12	\$ (0.40)	\$ 0.21	\$ (0.83)
Shares used in per share calculation					
- Basic	353,655	351,328	346,320	352,491	345,666
- Diluted	420,053	417,963	346,320	419,008	345,666

Advanced Micro Devices, Inc.

RECONCILIATION OF NET INCOME (LOSS) TO EBITDA

(Thousands)

	Quarter Ended			Six Months Ended	
	Jun. 27, 2004 (Unaudited)	Mar. 28, 2004 (Unaudited)	Jun. 29, 2003 (Unaudited)	Jun. 27, 2004 (Unaudited)	Jun. 29, 2003 (Unaudited)
Net income (loss)	\$ 32,180	\$ 45,091	\$ (140,096)	\$ 77,271	\$ (286,452)
Depreciation and amortization	292,393	297,980	213,568	590,373	423,322
Interest income	(3,529)	(2,178)	(3,291)	(5,707)	(13,371)
Interest expense	27,956	30,154	26,364	58,110	52,169
Provision for income taxes	3,574	2,373	-	5,947	2,936
EBITDA	\$ 352,574	\$ 373,420	\$ 96,545	\$ 725,994	\$ 178,604

CONSOLIDATED BALANCE SHEETS
(Thousands)

	Jun. 27, 2004 (unaudited)	Mar. 28, 2004 (unaudited)	Dec. 28 2003*
Assets			
Current assets:			
Cash, cash equivalents and short-term investments	\$ 1,142,274	\$ 1,308,356	\$ 1,313,367
Accounts receivable, net	744,548	669,357	609,457
Inventories	726,179	692,588	697,658
Deferred income taxes			-
Prepaid expenses and other current assets	148,909	153,829	177,145
Deferred income taxes	115,537	119,546	102,651
Total current assets	2,877,447	2,943,676	2,900,278
Property, plant and equipment, net	3,792,494	3,730,837	3,848,492
Other assets	339,521	328,442	345,575
	\$ 7,009,462	\$ 7,002,955	\$ 7,094,345
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	\$ 540,404	\$ 498,927	\$ 492,616
Accrued compensation and benefits	165,788	186,091	160,644
Accrued liabilities	289,581	286,776	327,122
Restructuring accruals	20,160	24,175	29,770
Income taxes payable	14,560	28,867	41,370
Deferred income on shipments to distributors	131,538	114,292	116,949
Current portion of long-term debt and capital lease obl	246,642	253,235	193,266
Other current liabilities	102,637	86,673	90,533
Total current liabilities	1,511,310	1,479,036	1,452,270
Deferred income taxes	162,752	172,866	157,690
Long-term debt and capital lease obligations	1,748,049	1,801,002	1,899,674
Other long-term liabilities	349,289	383,048	428,761
Minority interest in subsidiary	718,216	716,481	717,640
Stockholders' equity:			
Capital stock:			
Common stock, par value	3,543	3,522	3,502
Capital in excess of par value	2,004,362	1,979,027	1,958,833
Retained earnings	294,888	262,723	217,891
Accumulated other comprehensive income	217,053	205,250	258,084
Total stockholders' equity	2,519,846	2,450,522	2,438,310
	\$ 7,009,462	\$ 7,002,955	\$ 7,094,345

*Derived from the December 28, 2003 audited financial statements of Advanced Micro Devices, Inc.

AMD
Selected Corporate Data
(Unaudited)

<u>Segment Inform</u>	Quarter Ended			Six Months Ended	
	Jun. 27, 2004	Mar. 28, 2004	Jun. 29, 2003*	Jun. 27, 2004	Jun. 29, 2003*
Computation Products (1)					
Revenue	\$ 554 M	\$ 571 M	\$ 406 M	\$ 1,125 M	\$ 876 M
Operating Income (Loss)	58 M	67 M	(52) M	125 M	(105) M
Memory Products (2)					
Revenue	673 M	628 M	211 M	1,301 M	429 M
Operating Income (Loss)	45 M	14 M	(74) M	59 M	(137) M
Voice Communications segment					
All Other (3)					
Revenue	34 M	38 M	28 M	72 M	55 M
Operating Income (Loss)	(30) M	(20) M	2 M	(50) M	(6) M
Total AMD					
Revenue	1,262 M	1,236 M	645 M	2,498 M	1,360 M
Operating Income (Loss)	72 M	61 M	(123) M	134 M	(249) M
<u>Other Data</u>	Jun. 27, 2004	Mar. 28, 2004	Jun. 29, 2003*	Jun. 27, 2004	Jun. 29, 2003*
Depreciation & Amortization	\$ 292 M	\$ 298 M	\$ 214 M	\$ 590 M	\$ 423 M
Capital Additions	\$ 361 M	\$ 202 M	\$ 103 M	\$ 563 M	\$ 283 M
Headcount	14,690	14,370	11,723	14,690	11,723
International Sales (4)	80%	82%	74%	81%	75%
Research and Development	\$ 225 M	\$ 226 M	\$ 209 M	\$ 451 M	\$ 412 M
EBITDA	\$ 353 M	\$ 373 M	\$ 97 M	\$ 726 M	\$ 179 M

* Q1 2003 and Q2 2003 results do not include data for FASL LLC as the information is not available.

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

(2) Memory Products segment includes Flash memory products of AMD and Spansion LLC (formerly FASL LLC)

(3) The All Other category includes Embedded Processors, Network Products, Geode products, and Foundry Services.

Also included in the All Other category

are certain operating expenses and credits that are not allocated to the operating segments.

(4) For quarter and six months ended June 29, 2003, percentages were adjusted for sales to Latin America,

which were previously reflected as U.S. sales.

Note: Figures may not foot due to rounding