

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

	Quarter Ended			Six Months Ended	
	Jul. 2, 2006 (Unaudited)	Mar. 26, 2006 (Unaudited)	Jun. 26, 2005 (Unaudited)	Jul. 2, 2006 (Unaudited)	Jun. 26, 2005 (Unaudited)
<b>Net sales</b>	\$ 1,216,367	\$ 1,332,158	\$ 1,259,918	\$ 2,548,525	\$ 2,486,546
Cost of sales (includes stock-based compensation expense of \$2,200 for Q2 FY'06; \$1,789 for Q1 FY'06 and \$0 for Q2 FY'05; \$3,989 for six months ended Jul. 2,06 and \$0 for six months ended Jun. 26,05)	526,059	553,340	765,954	1,079,399	1,573,403
Gross margin	690,308	778,818	493,964	1,469,126	913,143
Gross margin %	56.8%	58.5%	39.2%	57.6%	36.7%
Research and development (includes stock-based compensation expense of \$6,834 for Q2 FY'06; \$4,094 for Q1 FY'06 and \$0 for Q2 FY'05; \$10,928 for six months ended Jul. 2,06 and \$0 for six months ended Jun. 26,05)	278,674	264,176	272,584	542,850	525,706
Marketing, general and administrative (includes stock-based compensation expense of \$9,020 for Q2 FY'06; \$9,162 for Q1 FY'06; \$313 for Q2 FY'05; \$18,182 for six months ended Jul. 2,06 and \$456 for six months ended Jun. 26,05)	309,525	256,042	228,511	565,567	440,225
<b>Operating income (loss)</b>	102,109	258,600	(7,131)	360,709	(52,788)
Interest income	35,308	28,162	7,194	63,470	14,079
Interest expense	(17,859)	(23,247)	(25,653)	(41,106)	(49,898)
Other income (expense), net	7,240	(19,128)	(4,096)	(11,888)	(7,007)
Income (loss) before minority interest, equity in net loss of Spansion Inc. and income taxes	126,798	244,387	(29,686)	371,185	(95,614)
Minority interest of consolidated subsidiaries	(7,183)	(6,347)	37,905	(13,530)	84,758
Equity in net loss of Spansion Inc.	(12,467)	(18,243)	-	(30,710)	-
Provision (benefit) for income taxes	18,301	35,273	(3,100)	53,574	(4,752)
<b>Net income (loss)</b>	\$ 88,847	\$ 184,524	\$ 11,319	\$ 273,371	\$ (6,104)
<b>Net income (loss) per common share</b>					
Basic	\$ 0.18	\$ 0.40	\$ 0.03	\$ 0.58	\$ (0.02)
Diluted	\$ 0.18	\$ 0.38	\$ 0.03	\$ 0.55	\$ (0.02)
Shares used in per share calculation					
Basic	484,541	464,080	395,414	474,311	394,245
Diluted	500,176	495,326	405,739	497,542	394,245

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

	Jul. 2, 2006 (Unaudited)	Mar. 26, 2006 (Unaudited)	Dec. 25, 2005*
<b>Assets</b>			
Current assets:			
Cash, cash equivalents and short-term investments	\$ 2,530,062	\$ 2,632,663	\$ 1,794,766
Accounts receivable, net	571,539	819,963	805,531
Inventories	405,285	337,216	388,631
Prepaid expenses and other current assets	308,323	322,031	477,302
Deferred income taxes	90,323	104,980	92,606
<b>Total current assets</b>	<b>3,905,532</b>	<b>4,216,853</b>	<b>3,558,836</b>
Property, plant and equipment, net	3,163,181	2,874,887	2,701,000
Net investment in Spansion Inc.	686,984	700,329	721,342
Other assets	306,198	259,976	306,601
<b>Total Assets</b>	<b>\$ 8,061,895</b>	<b>\$ 8,052,045</b>	<b>\$ 7,287,779</b>
<b>Liabilities and Stockholders' Equity</b>			
Current liabilities:			
Accounts payable	706,454	847,178	855,834
Accrued compensation and benefits	161,547	258,791	226,874
Accrued liabilities	429,843	403,116	388,998
Income taxes payable	45,567	33,871	3,326
Deferred income on shipments to distributors	189,992	194,940	141,898
Current portion of long-term debt and capital lease obligations	45,139	42,408	43,224
Other current liabilities	175,947	168,220	161,807
<b>Total current liabilities</b>	<b>1,754,489</b>	<b>1,948,524</b>	<b>1,821,961</b>
Deferred income taxes	90,323	104,980	92,606
Long-term debt and capital lease obligations	647,109	615,874	1,327,065
Other long-term liabilities	450,289	428,074	459,322
Minority interest in consolidated subsidiaries	267,095	244,672	234,988
Stockholders' equity:			
Capital stock:			
Common stock, par value	4,854	4,832	4,355
Capital in excess of par value	3,921,786	3,869,620	2,710,168
Retained earnings	747,160	658,262	473,678
Accumulated other comprehensive income	178,790	177,207	163,636
<b>Total stockholders' equity</b>	<b>4,852,590</b>	<b>4,709,921</b>	<b>3,351,837</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 8,061,895</b>	<b>\$ 8,052,045</b>	<b>\$ 7,287,779</b>

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

Advanced Micro Devices, Inc.  
 SELECTED CORPORATE DATA  
 (Unaudited)  
 (Millions except headcount and percentages)

Segment Information (6)	Quarter Ended			Six Months Ended	
	Jul. 2, 2006	Mar. 26, 2006	Jun. 26, 2005	Jul. 2, 2006	Jun. 26, 2005
Computation Products (2)					
Net sales	\$ 1,172	\$ 1,299	\$ 767	\$ 2,471	\$ 1,517
Operating income	113	284	99	398	181
Embedded Products (3)					
Net sales	44	38	30	82	60
Operating loss	(6)	(11)	(12)	(17)	(26)
All Other (4)					
Net sales	-	(5)	-	(5)	-
Operating loss	(5)	(14)	(4)	(20)	(8)
<b>Subtotal (excluding Memory Products segment)</b>					
Net sales	1,216	1,332	797	2,548	1,577
Operating income	102	259	83	361	147
Memory Products (5)					
Net sales	-	-	462	-	910
Operating loss	-	-	(90)	-	(199)
<b>Total AMD</b>					
Net sales	1,216	1,332	1,260	2,548	2,487
Operating income (loss)	102	259	(7)	361	(53)
<b>Other Data (AMD excluding Memory Products segment)</b>					
Gross margin %	56.8%	58.5%	58.0%	57.6%	55.4%
Research and development expenses	\$ 279	\$ 264	\$ 199	\$ 543	\$ 382
Marketing, general and administrative expenses	\$ 310	\$ 256	\$ 181	\$ 566	\$ 345
Depreciation & amortization	\$ 193	\$ 174	\$ 174	\$ 367	\$ 361
Capital additions	\$ 455	\$ 310	\$ 232	\$ 765	\$ 682
Headcount	10,967	10,246	8,843	10,967	8,843
International sales %	70.2%	69.5%	68.6%	69.8%	69.5%
<b>EBITDA (1)</b>	\$ 318	\$ 417	\$ 352	\$ 735	\$ 690

(1) RECONCILIATION OF NET INCOME (LOSS) TO EBITDA\*

Net income (loss)	\$ 89	\$ 185	\$ 11	\$ 273	\$ (6)
Depreciation and amortization	193	174	318	367	651
Interest expense	18	23	26	41	50
Provision (benefit) for income taxes	18	35	(3)	54	(5)
<b>EBITDA</b>	\$ 318	\$ 417	\$ 352	\$ 735	\$ 690

\* Starting Q106, the Company defines EBITDA as net income (loss) adjusted for interest expense, tax, depreciation and amortization. Prior period information has been restated to conform to current period presentation.

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

(3) Embedded Products segment, formerly known as Personal Connectivity Solution Products, includes Embedded Processors and Products for global commercial and consumer markets.

(4) The All Other category includes certain operating expenses and credits that are not allocated to the operating segments and, starting Q305, includes Personal Internet Communicator (PIC) products.

(5) 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).

(6) Starting Q405, the Company has allocated bonus and profit sharing expenses to the segments. Prior period information has been restated to conform to current period presentation.

Note: Figures may not foot due to rounding