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**

**April 19, 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 April 19, 2012, Advanced Micro Devices, Inc. (the “Company”) announced its financial position and results of operations as of and for its fiscal quarter ended March 31, 2012 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 Chief Financial Officer of the Company regarding the Company’s fiscal quarter ended March 31, 2012.

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, non-GAAP operating 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 Company for the first fiscal quarter of 2012, the Company excluded the limited waiver of exclusivity from GLOBALFOUNDRIES (“GF”), the amortization of acquired intangible assets, net restructuring charges, costs related to acquisition of SeaMicro, Inc. (“SeaMicro”), and the tax benefit related to acquisition of SeaMicro.

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 Company for the first fiscal quarter of 2011, the Company excluded dilution gain in investee, net, a payment to GF, the amortization of acquired intangible assets and a charge related to a legal settlement.

To derive non-GAAP operating income for the Company for the first fiscal quarter of 2012, the Company excluded the limited waiver of exclusivity from GF, the amortization of acquired intangible assets, net restructuring charges and costs related to the SeaMicro acquisition.

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

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

To derive non-GAAP gross margin for the Company for the first fiscal quarter of 2012, the Company excluded the limited waiver of exclusivity from GF.

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

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

Limited waiver of exclusivity from GF: Pursuant to the second amendment to the Wafer Supply Agreement, dated as of March 4, 2012, between the Company and GF, the Company was granted certain rights to contract with another wafer foundry supplier with respect to specified products for a specified period. In consideration for these rights, the Company agreed to pay GF $425 million in cash and transferred to GF all of the capital stock of GF that the Company owned, which had a carrying and fair value of $278 million. As a result, the Company recorded a one-time charge of $703 million in the first fiscal quarter of 2012. The Company excluded this item from the Company's GAAP net loss, GAAP operating loss, and GAAP gross margin for the first fiscal quarter of 2012 because the Company believes 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 compared 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 was other than temporary. The Company excluded this charge from the Company's GAAP net loss for the fourth fiscal quarter of 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.

Dilution gain in investee, net: The dilution gain in investee, net, for the first fiscal quarter of 2011 consists of a non-cash gain on dilution of the Company's ownership interest in GF as a result of capital infusions into GF by Advanced Technology Investment Company LLC. The Company excluded this item from the Company's GAAP net income for the first fiscal quarter of 2011 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 do not benefit the Company. The Company excluded this item from the Company's GAAP net income, GAAP operating income, and GAAP gross margin for the first fiscal quarter of 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 compared with prior periods.

Amortization of acquired intangible assets: Amortization of acquired intangible assets represents amortization expenses of acquired identifiable intangible assets in connection with the ATI Technologies Inc. and SeaMicro acquisitions. The Company excluded this item from the Company's GAAP net income (loss) and GAAP operating income (loss) 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. The Company excluded this charge from its GAAP net loss, GAAP operating loss and GAAP gross margin for the first fiscal quarter of 2011 because it is 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 resulting in a loss of $1 million. The Company excluded this loss from the Company's GAAP net loss for the fourth fiscal quarters of 2011 because it is not indicative of ongoing operating performance.

Restructuring charges, 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 charges during the fourth fiscal quarter of 2011 and during the first fiscal quarter of 2012 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 from the Company's GAAP net loss and GAAP operating income (loss) for the fourth fiscal quarter of 2011 and the first fiscal quarter of 2012 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 loss for the fourth fiscal quarter of 2011 because it is not indicative of ongoing operating performance.

SeaMicro acquisition costs: In March 2012, the Company acquired SeaMicro, a privately held company that develops and sells energy-efficient, high-bandwidth microservers. The Company incurred certain costs related to this acquisition, which primarily consisted of advisory and other professional service fees. The Company excluded this item from the Company's GAAP net loss and GAAP operating loss for the first fiscal quarter of 2012 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 compared with prior periods.

Tax Benefit related to SeaMicro acquisition: Since the acquisition of SeaMicro is treated as a stock purchase for income tax purposes, tax amortization of the acquired identifiable intangible assets is not allowed. As a result, the Company is required to establish a deferred tax liability of approximately $36 million for the book/tax difference. This reduced the Company's existing valuation allowance against its deferred tax asset by providing an additional source of future taxable income. The reduction in valuation allowance resulted in a discrete income tax provision benefit of approximately $36 million in the first fiscal quarter of 2012. The Company excluded this item from the Company's GAAP net loss for the first fiscal quarter of 2012 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 compared with prior periods.

In addition to the above non-GAAP financial measures, 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 (loss) for depreciation and amortization, employee stock-based compensation expense and amortization of acquired intangible assets. In addition, for the first fiscal quarter of 2012, the Company included an adjustment for the limited waiver of exclusivity from GF and net restructuring charges; for the fourth fiscal quarter of 2011, the Company also included an adjustment for net restructuring charges; and for the first fiscal quarter of 2011, the Company also included an adjustment related a payment to GF and a legal settlement with a third party. 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.

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 resulted 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 not 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 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, as of the end of the second fiscal quarter of 2011, there were no outstanding invoices relating to the financing arrangement with the IBM Parties, and starting from the third fiscal quarter of 2011, the Company no longer makes quarterly adjustments for distributors' payments to the IBM Parties to its GAAP net cash provided by 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.

Pursuant to the requirements of Regulation G, 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 April 19, 2012.
99.2	Financial Information and Commentary on First Quarter of 2012 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: April 19, 2012

ADVANCED MICRO DEVICES, INC.

By:	/S/ HARRY A. WOLIN
Name:	**Harry A. Wolin**
Title:	**Senior Vice President, General Counsel and Secretary**

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Press release dated April 19, 2012.
99.2	Financial Information and Commentary on First Quarter of Fiscal Year 2012 Results

Exhibit 99.1

NEWS RELEASE

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AMD Reports First Quarter Results

Q1 2012 Results

- AMD revenue $1.59 billion, 6 percent sequential decrease and a 2 percent decrease year-over-year
- Net loss $590 million, loss per share $0.80, operating loss $580 million
- Non-GAAP(1) net income $92 million, earnings per share $0.12, operating income $138 million
- Gross margin 2 percent, non-GAAP gross margin 46 percent

SUNNYVALE, Calif. – April. 19, 2012 – AMD (NYSE:AMD) today announced revenue for the first quarter of 2012 of $1.59 billion, net loss of $590 million, or $0.80 per share, and operating loss of $580 million. The company reported non-GAAP net income of $92 million, or $0.12 per share, and non-GAAP operating income of $138 million. First quarter non-GAAP net income excludes: the previously disclosed charge of $703 million for a limited waiver of exclusivity of certain 28 nanometer (nm) APU products from GLOBALFOUNDRIES Inc.(GF) related to the 2012 Amendment to the Wafer Supply Agreement; amortization of acquired intangible assets of $1 million; a restructuring charge of $8 million; SeaMicro, Inc. (SeaMicro) acquisition costs of $6 million, and a tax benefit related to the SeaMicro acquisition of $36 million.

"AMD delivered solid results in the first quarter as we remain focused on improving our execution, delivering innovative products, and building a company around a strategy to deliver strong cash flow and earnings growth," said Rory Read, AMD president and CEO. "A complete top-to-bottom introduction of new APU offerings, combined with ample product supply resulting from continued progress with our manufacturing partners, positions us to win and grow."

GAAP Financial Results

	Q1-12	Q4-11	Q1-11
Revenue	$1.59B	$1.69B	$1.61B
Operating income (loss)	$(580)M	$71M	$54M
Net income (loss) / Earnings (loss) per share	$(590)M/$(0.80)	$(177)M/$(0.24)	$510M/$0.68

Non-GAAP Financial Results[1]

	Q1-12	Q4-11	Q1-11
Revenue	$1.59B	$1.69B	$1.61B
Operating income	$138M	$172M	$92M
Net income / Earnings per share	$92M/$0.12	$138M/$0.19	$56M/$0.08

#2112006

Quarterly Summary

- Gross margin was 2 percent due to the previously disclosed charge of $703 million for a limited waiver of exclusivity for certain 28nm APU products from GF.
    - Non-GAAP gross margin was 46 percent, flat sequentially.
- Cash, cash equivalents and marketable securities balance, including long-term marketable securities, was $1.71 billion at the end of the quarter.
    - Cash payments in the quarter included $281 million related to the SeaMicro acquisition and $150 million related to the limited waiver of exclusivity of certain 28nm APU products from GF.
- AMD's first quarter of 2011 had 14 weeks of business compared to 13 weeks for the first quarter of 2012.
- Computing Solutions segment revenue decreased eight percent sequentially and was flat year-over-year. The sequential decrease was driven by seasonally lower sales in the Client business.
    - Operating income was $124 million, compared with $165 million in Q411 and $100 million in Q111.
    - Micprocessor ASP decreased sequentially and was flat year-over-year.
    - AMD announced and began shipping the follow-on to its essential notebook platform "Brazos," its bestselling platform ever. The new essential notebook platform, codenamed "Brazos 2.0," delivers improved performance, extended battery life and many new features. Systems based on "Brazos 2.0" are expected to be available in the second quarter.
    - AMD ramped volume production of its second generation A-Series APU, codenamed "Trinity," in anticipation of global notebook availability from leading OEMs in the second quarter. "Trinity" delivers twice the performance-per-watt compared with AMD's current generation A-Series APU. Systems powered by "Trinity" will enable outstanding entertainment and gaming performance with superior battery life.
    - Dell, Tyan, MSI and Fujitsu are among the partners that introduced systems based on AMD Opteron™ 3200 processors targeting hosting customers who require enterprise-class reliability at desktop-class price points. The new server platform delivers price-performance and power-per-core advantages compared to competitive offerings.
    - Telus, a leading Canadian Telecommunications provider, selected the AMD Opteron 6200 Series processors to power its latest offering, the TELUS AgilIT Virtual Private Cloud.
    - AMD announced two new heterogeneous computing milestones, both with the objective of enhancing the user experience and nurturing future software development. AMD announced an investment through AMD Ventures in Nuvixa, Inc., a developer of gesture-based video communication and presentation solutions, and the first AMD Fusion Center of Innovation was established at the University of Illinois at Urbana-Champaign.
- Graphics segment revenue was flat sequentially and decreased 7 percent year-over-year. GPU revenue was up in a seasonally down quarter, due to higher improved desktop GPU

ASP in the channel, offset by seasonally lower game console royalty revenue. The year-over-year decrease was primarily driven by lower demand for desktop and mobile graphics.

- Operating income was $34 million, compared with $27 million in Q411 and $19 million in Q111.
- GPU ASP was flat sequentially and increased year-over-year.
- AMD reached a major milestone with worldwide availability of its full line of next generation 28nm AMD Radeon™ HD 7000 Series desktop GPUs in less than three months. In addition to the AMD Radeon HD 7950 Series GPU, AMD introduced the first graphics card to break the 1 GHz barrier, the AMD Radeon HD 7770 GPU. AMD also launched the AMD Radeon HD 7800 Series GPU featuring 2GB of GDDR5 memory for serious gamers.

- Corporate
  - AMD announced an amended Wafer Supply Agreement with GF that established a negotiated wafer pricing based on a take or pay arrangement in 2012 and established a framework for wafer pricing in 2013. AMD transferred its remaining ownership interest in GF to GF and GF waived the exclusivity arrangement for AMD to manufacture certain 28nm APU products at GF for a specified period.
  - AMD acquired SeaMicro, Inc., a pioneer in energy-efficient, high-bandwidth microservers. The acquisition accelerates the company's strategy to deliver disruptive server technology and positions AMD to expand its current server offerings to provide customers and partners with low-power, low-cost, high-bandwidth server solutions.

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 increase 3 percent, plus or minus 3 percent, sequentially for the second 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 first 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)	Q1-12		Q4-11		Q1-11	
GAAP net income (loss) / Earnings (loss) per share	**$ (590)**	**$ (0.80)**	**$ (177)**	**$ (0.24)**	**$ 510**	**$ 0.68**
Limited waiver of exclusivity from GLOBALFOUNDRIES	(703)	(0.94)	—	—	—	—
Impairment of investment in GLOBALFOUNDRIES	—	—	(209)	(0.28)	—	—
Dilution gain in investee, net	—	—	—	—	492	0.66
Payment to GLOBALFOUNDRIES	—	—	—	—	(24)	(0.03)
Amortization of acquired intangible assets	(1)	—	(3)	—	(9)	(0.01)
Legal settlement	—	—	—	—	(5)	(0.01)
Loss on debt repurchase	—	—	(1)	—	—	—
Restructuring charges, net	(8)	(0.01)	(98)	(0.13)	—	—
Loss from discontinued operations*	—	—	(4)	(0.01)	—	—
SeaMicro acquisition costs	(6)	(0.01)	—	—	—	—
Tax benefit related to SeaMicro acquisition	36	0.05	—	—	—	—
Non-GAAP net income / Earnings per share	**$ 92**	**$ 0.12**	**$ 138**	**$ 0.19**	**$ 56**	**$ 0.08**

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

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

(Millions)	Q1-12	Q4-11	Q1-11
GAAP operating income (loss)	**$ (580)**	**$ 71**	**$ 54**
Limited waiver of exclusivity from GLOBALFOUNDRIES	(703)	—	—
Payment to GLOBALFOUNDRIES	—	—	(24)
Amortization of acquired intangible assets	(1)	(3)	(9)
Legal settlement	—	—	(5)
Restructuring charges, net	(8)	(98)	—
SeaMicro acquisition costs	(6)	—	—
Non-GAAP operating income	**$ 138**	**$ 172**	**$ 92**

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

(Millions except percentages)	Q1-12	Q4-11	Q1-11
GAAP Gross Margin	**$ 27**	**$ 773**	**$ 691**
GAAP Gross Margin %	**2%**	**46%**	**43%**
Limited waiver of exclusivity from GLOBALFOUNDRIES	(703)	—	—
Payment to GLOBALFOUNDRIES	—	—	(24)
Legal settlements	—	—	(5)
Non-GAAP Gross Margin	**$ 730**	**$ 773**	**$ 720**
Non-GAAP Gross Margin %	**46%**	**46%**	**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 document contains forward-looking statements concerning AMD, its second quarter of 2012 revenue, demand for the company's products, that the company will have sufficient supply of company's products, its future growth, its ability to deliver sustained success, its strategy to deliver cash flow and earnings growth, its server strategy and growth opportunities, the anticipated benefits of from AMD's acquisition of SeaMicro, the timing of future products that incorporate the company's products, and the features of these new products 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 "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "estimates," "anticipates," "projects," "would," and other terms with similar meaning. Investors are cautioned that the forward-looking statements in this document are based on current beliefs, assumptions and expectations, speak only as of the date of this document 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 may negatively impact the company's current plans; the company may be unable to develop, launch and ramp new products and technologies in the volumes that are required by the market and at mature yields on a timely basis; that its third party wafer foundry suppliers will be unable to transition the company's products to advanced manufacturing process technologies in a timely and effective way or 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 not fully utilize its projected manufacturing capacity needs at GF's microprocessor manufacturing facilities for 2012; that customers stop buying the company's products or materially reduce their operations or demand for the company's products; that the company may be unable to maintain the level of investment in research and development that is required to remain competitive; that there may 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; the company will require additional funding and may be unable to raise sufficient capital on favorable terms, or at all; that global business and economic conditions will not continue to improve or will worsen; that demand for computers will be lower than currently expected; and the effect of political or economic instability, domestically or internationally, on our sales or supply chain. 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 Annual Report on Form 10-K for the year ended December 31, 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 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.

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

	Quarter Ended		
	Mar. 31, 2012	Dec. 31, 2011	Apr. 2, 2011
Net revenue	$1,585	$1,691	$1,613
Cost of sales	1,558	918	922
Gross margin	27	773	691
Gross margin %	2%	46%	43%
Research and development	368	358	367
Marketing, general and administrative	230	243	261
Amortization of acquired intangible assets	1	3	9
Restructuring charges, net	8	98	—
Operating income (loss)	(580)	71	54
Interest income	2	2	3
Interest expense	(43)	(43)	(48)
Other income (expense), net	(1)	(207)	11
Income before dilution gain in investee and income taxes	(622)	(177)	20
Provision (benefit) for income taxes	(32)	(4)	2
Dilution gain in investee, net	—	—	492
Income (loss) from continuing operations	(590)	(173)	510
Loss from discontinued operations, net of tax	—	(4)	—
Net income (loss)	$ (590)	$ (177)	$ 510
Net income (loss) per share			
Basic			
Continuing operations	$ (0.80)	$ (0.24)	$ 0.71
Discontinued operations	—	(0.01)	—
Basic net income (loss) per share	$ (0.80)	$ (0.24)	$ 0.71
Diluted			
Continuing operations	$ (0.80)	$ (0.24)	$ 0.68
Discontinued operations	—	(0.01)	—
Diluted net income (loss) per share	$ (0.80)	$ (0.24)	$ 0.68
Shares used in per share calculation			
Basic	734	732	720
Diluted	734	732	764

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

	Quarter Ended		
	Mar. 31, 2012	Dec. 31, 2011	Apr. 2, 2011
Total comprehensive income (loss)	$ (593)	$ (173)	$ 511

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

	Mar. 31, 2012	Dec. 31, 2011
Assets		
Current assets:		
Cash, cash equivalents and marketable securities	$ 1,544	$ 1,765
Accounts receivable, net	962	919
Inventories, net	585	476
Prepaid expenses and other current assets	104	69
Total current assets	3,195	3,229
Long-term marketable securities	169	149
Property, plant and equipment, net	715	726
Investment in GLOBALFOUNDRIES	—	278
Acquisition related intangible assets, net	109	8
Goodwill	553	323
Other assets	247	241
Total Assets	$ 4,988	$ 4,954
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 527	$ 363
Payable to GLOBALFOUNDRIES	560	177
Accrued liabilities	556	550
Deferred income on shipments to distributors	137	123
Current portion of long-term debt and capital lease obligations	490	489
Other current liabilities	77	72
Total current liabilities	2,347	1,774
Long-term debt and capital lease obligations, less current portion	1,529	1,527
Other long-term liabilities	60	63
Stockholders' equity:		
Capital stock:		
Common stock, par value	7	7
Additional paid-in capital	6,722	6,672
Treasury stock, at cost	(107)	(107)
Accumulated deficit	(5,567)	(4,977)
Accumulated other comprehensive loss	(3)	(5)
Total stockholders' equity	1,052	1,590
Total Liabilities and Stockholders' Equity	$ 4,988	$ 4,954

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

	Quarter Ended Mar. 31, 2012
Cash flows from operating activities:	
Net loss	$ (590)
Adjustments to reconcile net income to net cash provided by operating activities:	
Non-cash portion of the limited waiver of exclusivity from GLOBALFOUNDRIES	278
Depreciation and amortization	63
Benefit for deferred income taxes	(36)
Compensation recognized under employee stock plans	21
Non-cash interest expense	6
Other	(3)
Changes in operating assets and liabilities:	
Accounts receivable	(40)
Inventories	(106)
Prepaid expenses and other current assets	(41)
Other assets	(16)
Payable to GLOBALFOUNDRIES	384
Accounts payable, accrued liabilities and other	187
Net cash provided by operating activities	**$ 107**
Cash flows from investing activities:	
Acquisition of SeaMicro, Inc., net of cash acquired	(281)
Purchases of property, plant and equipment	(40)
Proceeds from sale of property, plant, and equipment	1
Purchases of available-for-sale securities	(95)
Proceeds from sale and maturity of available-for-sale securities	620
Other	(5)
Net cash provided by investing activities	**$ 200**
Cash flows from financing activities:	
Net proceeds from foreign grants	9
Proceeds from issuance of AMD common stock	9
Repayments of debt and capital lease obligations	(1)
Net cash provided by financing activities	**$ 17**
Net increase in cash and cash equivalents	324
Cash and cash equivalents at beginning of period	**$ 869**
Cash and cash equivalents at end of period	**$ 1,193**

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

	Quarter Ended		
	Mar. 31, 2012	**Dec. 31, 2011**	**Apr. 2, 2011**
Segment and Category Information			
Computing Solutions (1)			
Net revenue	$ 1,203	$ 1,309	$ 1,200
Operating income	$ 124	$ 165	$ 100
Graphics (2)			
Net revenue	382	382	413
Operating income	34	27	19
All Other (3)			
Net revenue	—	—	—
Operating income (loss)	(738)	(121)	(65)
Total			
Net revenue	**$ 1,585**	**$ 1,691**	**$ 1,613**
Operating income	**$ (580)**	**$ 71**	**$ 54**
Other Data			
Depreciation and amortization (excluding amortization of acquired intangible assets)	$ 62	$ 67	$ 79
Capital additions	$ 40	$ 87	$ 38
Adjusted EBITDA (4)	$ 215	$ 260	$ 198
Cash, cash equivalents and marketable securities (5)	$ 1,713	$ 1,914	$ 1,745
Adjusted free cash flow (6)	$ 67	$ 100	$ 154
Total assets	$ 4,988	$ 4,954	$ 5,209
Long-term debt and capital lease obligations, including current portion	$ 2,019	$ 2,016	$ 2,196
Headcount	11,265	11,093	11,256

See footnotes on the next page

(1) Computing Solutions segment includes microprocessors, as standalone devices or as incorporated as an Accelerated Processing Unit, chipsets, embedded processors, embedded GPUs and data center server solutions.

(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, restructuring charges and limited waiver of exclusivity from GLOBALFOUNDRIES.

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

	Quarter Ended		
	Mar. 31, 2012	Dec.31, 2011	Apr. 2, 2011
GAAP operating income (loss)	$ (580)	$ 71	$ 54
Limited waiver of exclusivity from GLOBALFOUNDRIES	703	—	—
Payments to GLOBALFOUNDRIES	—	—	24
Legal settlement	—	—	5
Depreciation and amortization	62	67	79
Employee stock-based compensation expense	21	21	27
Amortization of acquired intangible assets	1	3	9
Restructuring charges, net	8	98	—
Adjusted EBITDA	$ 215	$ 260	$ 198

(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		
	Mar. 31, 2012	Dec. 31, 2011	Apr. 2, 2011
GAAP net cash provided by (used in) operating activities	$ 107	$ 187	$(168)
Non-GAAP adjustment	—	—	360
Non-GAAP net cash provided by operating activities	107	187	192
Purchases of property, plant and equipment	(40)	(87)	(38)
Non-GAAP adjusted free cash flow	$ 67	$ 100	$ 154

* 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 first quarter of 2012 the Company included an adjustment for the limited waiver of exclusivity from GLOBALFOUNDRIES and net restructuring charges; for the fourth quarter of 2011, the Company also included an adjustment for net restructuring charges; and for the first quarter of 2011, the Company also included an adjustment related to a payment to GF and a legal settlement with a third party. 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.

** 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 resulted 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 not 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, as of the end of the second quarter of 2011, there were no outstanding invoices relating to the financing arrangement with the IBM Parties, and starting from the third quarter of 2011, the Company no longer makes quarterly adjustments for distributors' 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.

AMD Reports First Quarter 2012 Results – CFO Commentary

April 19, 2012

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.

Q1 2012 Major Events

Two events took place during Q1 2012 that contributed to the results discussed below:

1) 2012 Amendment to the Wafer Supply Agreement (WSA) with GLOBALFOUNDRIES (GF), executed on March 4, 2012, and
2) SeaMicro, Inc. (SeaMicro) acquisition, closed on March 23, 2012.

2012 Amendment to the WSA – Financial impact:

- $703 million one-time charge[1] related to the 28 nanometer (nm) product limited waiver of exclusivity from GF recorded in Q1 2012 in Cost of Sales, consisting of:
  - $425M cash payment to GF over a period of two fiscal years:
    - $150 million paid on March 5, 2012
    - $50 million will be paid by July 2, 2012
    - $50 million will be paid by October 2, 2012
    - $175 million will be paid in the first quarter of 2013
    - AMD issued a $225 million non-interest bearing promissory note to GF for the payments due by October 2, 2012 and in the first quarter of 2013.
  - $278 million non-cash expense for AMD's GF equity ownership transfer to GF recorded in Q1 2012.
- AMD expects to pay GF approximately $1.5 billion for wafers in 2012.

Acquisition of SeaMicro – Financial impact:

- This transaction is included in AMD's first quarter of 2012 results;
- Purchase price of approximately $334 million, including issuance of unvested options and net of cash assumed, including a cash payment of $293 million;
- Net cash impact of $281 million; and
- Intangible assets of $102 million and goodwill of $230 million recorded on the Balance Sheet.

First Quarter 2012 Results

- AMD revenue $1.59 billion, down 6% quarter-over-quarter and down 2% year-over-year
- Net loss of $590 million, loss per share of $0.80, operating loss $580 million
- Non-GAAP net income $92 million, EPS $0.12, operating income $138 million
- Gross margin 2%
- Non-GAAP gross margin 46%

Q1 2012 Commentary

Revenue was $1.59 billion, down 6% sequentially. Sequential revenue decline in the Computing Solutions segment of 8% was driven by seasonality in the Client business. Graphics segment revenue was sequentially flat in a seasonally down quarter.

Non-GAAP gross margin was 46%, flat sequentially.

- Non-GAAP gross margin for the quarter was calculated net of the $703 million one-time charge related to the 28 nm product limited waiver of exclusivity from GF, associated with the 2012 Amendment to the WSA.
- The $703 million one-time charge was recorded in Cost of Sales.

Operating expenses were $598 million, which includes $6 million in one-time expenses related to the SeaMicro acquisition.

- **R&D** was $368 million, 23% of net revenue
- **SG&A** was $230 million, 15% of net revenue

Non-GAAP net income was $92 million and **non-GAAP operating income** was $138 million.

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

- Charge for 28 nm product limited waiver of exclusivity from GF of $703 million;
- Amortization of acquired intangible assets of $1 million (primarily related to the ATI Technologies Inc. acquisition in 2006);
- Restructuring charges of $8 million related to restructuring actions taken during Q1 2012 and related to a restructuring plan initiated in November of 2011;
- SeaMicro acquisition costs of $6 million; and
- Tax benefit related to the SeaMicro acquisition of $36 million[2].

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

- Charge for 28 nm product limited waiver of exclusivity from GF of $703 million;

- Amortization of acquired intangible assets of $1 million (primarily related to the ATI Technologies Inc. acquisition in 2006);
- Restructuring charges of $8 million related to restructuring actions taken in Q1 2012 related to a restructuring plan initiated in November of 2011; and
- SeaMicro acquisition costs of $6 million.

Interest expense was $43 million, flat compared to the prior quarter.

Tax provision was a net credit of $32 million in the quarter, compared to $4 million in the prior quarter. The difference is primarily a one-time tax benefit of $36 million[2], related to the SeaMicro acquisition. Net of this one-time tax benefit, 2012 tax guidance is approximately $12 million.

Non-GAAP EPS was $0.12, calculated using 748 million fully diluted shares.

Adjusted EBITDA was $215 million, down $45 million from the prior quarter due to lower non-GAAP operating income due to lower revenue in the quarter.

<u>Q1 2012 Segment Results – Computing Solutions</u>

Computing Solutions segment revenue was $1.2 billion, down 8% sequentially driven by seasonally lower sales in the Client business.

- Client product revenue declined sequentially due to lower units and ASP, primarily driven by lower 45 nm desktop processor unit shipments.
  - APUs continue to increase as a percentage of our Client products
  - Llano is driving APU adoption in top-selling notebook SKUs in North America priced above $400
- Server processor revenue declined mainly due to ASP decline while unit shipments increased quarter-over-quarter.
- Chipset revenue declined due to seasonally lower unit shipments in the quarter.

Computing Solutions operating income was $124 million, down $41 million from the previous quarter, primarily due to lower revenue in the quarter.

<u>Q1 2012 Segment Results – Graphics</u>

Graphics segment revenue was $382 million, flat compared to the prior quarter.

- GPU revenue was up in a seasonally down quarter, due to improved desktop GPU ASP in the channel, offset by seasonally lower game console royalty revenue.

- GPU ASP was flat compared to the prior quarter.

Graphics segment operating income was $34 million, up $7 million from the prior quarter primarily due to higher gross margin.

Balance Sheet

Cash, cash equivalents and marketable securities, including long term marketable securities were $1.71 billion as of the end of Q1 2012. Cash declined by $201 million as compared to the end of Q4 2011. This was primarily the result of cash payments of $281 million related to the SeaMicro acquisition and $150 million related to the 2012 Amendment to the WSA.

Accounts Receivable at the end of the quarter was $962 million, up $43 million compared to the end of Q4 2011 due to the timing of sales in the quarter.

Inventory was $585 million exiting the quarter, up $109 million from the prior quarter primarily in preparation for new product launches.

Payable to GLOBALFOUNDRIES (GF) line item on the Balance Sheet is new in Q1 2012, and includes all amounts due to GF by AMD. The amount payable to GF increased $383 million from the prior quarter, primarily due to the remaining cash payments of $275 million to GF related to the 2012 Amendment to the WSA, scheduled through the remainder of 2012 and Q1 2013.

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

Non-GAAP free cash flow was $67 million. Net cash provided by operations was $107 million.

AMD's ownership in GLOBALFOUNDRIES (GF)

As a result of the 2012 Amendment to the WSA, and the 28 nm product limited waiver of exclusivity arrangement for AMD, AMD transferred all of its remaining ownership interest in GF to GF, and no longer has a GF board seat.

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 AMD's Securities and Exchange Commission filings, including but not limited to the Annual Report on Form 10-K for the year ended December 31, 2011.

Q2 2012:

- AMD expects revenue to increase 3% sequentially, +/- 3%.

- Operating expenses are expected to be approximately $605 million.

Additional Notes: AMD’s Q1 2012 had 13 weeks of business compared to 14 weeks for the first quarter of 2011.

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Notes:

1. Limited waiver of exclusivity from GF: Pursuant to the second amendment to the Wafer Supply Agreement, dated as of March 4, 2012, between the Company and GF, the Company was granted certain rights to contract with another wafer foundry supplier with respect to specified products for a specified period. In consideration for these rights, the Company agreed to pay GF $425 million in cash and transferred to GF all of the capital stock of GF that the Company owned, which had a carrying and fair value of $278 million. As a result, the Company recorded a one-time charge of $703 million in the first fiscal quarter of 2012. The Company excluded this item from the Company’s GAAP net loss, GAAP operating loss, and GAAP gross margin for the first fiscal quarter of 2012 because the Company believes 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 compared with prior periods.

2. Tax Benefit related to SeaMicro acquisition: Since the acquisition of SeaMicro is treated as a stock purchase for income tax purposes, tax amortization of the acquired identifiable intangible assets is not allowed. As a result, the Company is required to establish a deferred tax liability of approximately $36 million for the book/tax difference. This reduced the Company’s existing valuation allowance against its deferred tax asset by providing an additional source of future taxable income. The reduction in valuation allowance resulted in a discrete income tax provision benefit of approximately $36 million in the first fiscal quarter of 2012. The Company excluded this

item from the Company's GAAP net loss for the first fiscal quarter of 2012 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 compared with prior periods.

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 non-GAAP net income, non-GAAP operating income, non-GAAP earnings per share, Adjusted EBITDA, and non-GAAP adjusted 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 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 first quarter of 2012 the Company included an adjustment for the limited waiver of exclusivity from GLOBALFOUNDRIES and net restructuring charges; for the fourth quarter of 2011, the Company also included an adjustment for net restructuring charges; and for the first quarter of 2011, the Company also included an adjustment related to a payment to GLOBALFOUNDRIES and a legal settlement with a third party. 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.

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 resulted 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 not 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, as of the end of the second quarter of 2011, there were no outstanding invoices relating to the financing arrangement with the IBM Parties, and starting from the third quarter of 2011, the Company no longer makes quarterly adjustments for distributors' 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)	Q1-12		Q4-11		Q1-11	
GAAP net income (loss) / Earnings (loss) per share	**$(590)**	**$(0.80)**	**$(177)**	**$(0.24)**	**$510**	**$ 0.68**
Limited waiver of exclusivity from GLOBALFOUNDRIES	(703)	(0.94)	—	—	—	—
Impairment of investment in GLOBALFOUNDRIES	—	—	(209)	(0.28)	—	—
Dilution gain in investee, net	—	—	—	—	492	0.66
Payment to GLOBALFOUNDRIES	—	—	—	—	(24)	(0.03)
Amortization of acquired intangible assets	(1)	—	(3)	—	(9)	(0.01)
Legal settlement	—	—	—	—	(5)	(0.01)
Loss on debt repurchase	—	—	(1)	—	—	—
Restructuring charges, net	(8)	(0.01)	(98)	(0.13)	—	—
Loss from discontinued operations*	—	—	(4)	(0.01)	—	—
SeaMicro acquisition costs	(6)	(0.01)	—	—	—	—
Tax benefit related to SeaMicro acquisition	36	0.05	—	—	—	—
Non-GAAP net income / Earnings per share	**$ 92**	**$ 0.12**	**$ 138**	**$ 0.19**	**$ 56**	**$ 0.08**

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

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

(Millions)	Q1-12	Q4-11	Q1-11
GAAP operating income (loss)	**$(580)**	**$ 71**	**$ 54**
Limited waiver of exclusivity from GLOBALFOUNDRIES	(703)	—	—
Payment to GLOBALFOUNDRIES	—	—	(24)
Amortization of acquired intangible assets	(1)	(3)	(9)
Legal settlement	—	—	(5)
Restructuring charges, net	(8)	(98)	—
SeaMicro acquisition costs	(6)	—	—
Non-GAAP operating income	**$ 138**	**$172**	**$ 92**

Reconciliation of GAAP to Non-GAAP Gross Margin

(Millions except percentages)	Q1-12	Q4-11	Q1-11
GAAP Gross Margin	**$ 27**	**$773**	**$691**
GAAP Gross Margin %	**2%**	**46%**	**43%**
Limited waiver of exclusivity from GLOBALFOUNDRIES	(703)	—	—
Payment to GLOBALFOUNDRIES	—	—	(24)
Legal settlements	—	—	(5)
Non-GAAP Gross Margin	**$ 730**	**$773**	**$720**
Non-GAAP Gross Margin %	**46%**	**46%**	**45%**

AMD reconciliation of GAAP Operating Income (Loss) to Adjusted EBITDA

(Millions)	Q1-12	Q4-11	Q1-11
GAAP operating income (loss)	**$(580)**	**$ 71**	**$ 54**
Limited waiver of exclusivity from GLOBALFOUNDRIES	703	—	—
Payments to GLOBALFOUNDRIES	—	—	24
Legal settlement	—	—	5
Depreciation and amortization	62	67	79
Employee stock-based compensation expense	21	21	27
Amortization of acquired intangible assets	1	3	9
Restructuring charges, net	8	98	—
Adjusted EBITDA	**$ 215**	**$260**	**$198**

Non-GAAP Adjusted Free Cash Flow reconciliation

(Millions)	Q1-12	Q4-11	Q1-11
GAAP net cash provided by (used in) operating activities	**$107**	**$187**	**$(168)**
Non-GAAP Adjustment	—	—	360
Non-GAAP net cash provided by operating activities	107	187	192
Purchases of property, plant and equipment	(40)	(87)	(38)
Non-GAAP adjusted free cash flow	**$ 67**	**$100**	**$ 154**

Cautionary Statement

This document contains forward-looking statements concerning AMD, our financial outlook for the second quarter of 2012, including our second quarter 2012 revenue and operating expenses, its 2012 tax guidance, and its estimated payment to GLOBALFOUNDRIES (GF) in 2012 for wafer purchases under the 2012 Amendment to the WSA, 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 "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "estimates," "anticipates," "projects," "would," and other terms with similar meaning. Investors are cautioned that the forward-looking statements in this document are based on current beliefs, assumptions and expectations, speak only as of the date of this document 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 may negatively impact the company's current plans; the company may be unable to develop, launch and ramp new products and technologies in the volumes that are required by the market and at mature yields on a timely basis; that its third party wafer foundry suppliers will be unable to transition the company's products to advanced manufacturing process technologies in a timely and effective way or 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 not fully utilize its projected manufacturing capacity needs at GF's microprocessor manufacturing facilities for 2012; that customers stop buying the company's products or materially reduce their operations or demand for the company's products; that the company may be unable to maintain the level of investment in research and development that is required to remain competitive; that there may 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; the company will require additional funding and may be unable to raise sufficient capital on favorable terms, or at all; that global business and economic conditions will not continue to improve or will worsen; that demand for computers will be lower than currently expected; and the effect of political or economic instability, domestically or internationally, on our sales or supply chain. 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 Annual Report on Form 10-K for the year ended December 31, 2011.