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 22, 2013
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 22, 2013, Advanced Micro Devices, Inc. (the "Company") announced its financial position and results of operations as of and for its fiscal quarter and year ended December 29, 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 Devinder Kumar, Senior Vice President and Chief Financial Officer of the Company, regarding the Company's fiscal quarter and year ended December 29, 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 gross margin, non-GAAP operating expenses, non-GAAP operating income (loss), non-GAAP net income (loss), non-GAAP earning (loss) per share, 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 gross margin for the Company for the fourth fiscal quarter of 2012, the Company excluded a lower of cost or market charge related to GLOBAL FOUNDRIES' (GF) waiver of the Company's take-or-pay obligations for the fourth fiscal quarter of 2012 (the "LCM Charge").

To derive non-GAAP gross margin for the Company for fiscal 2012, the Company excluded the LCM Charge, a charge related to the limited waiver of exclusivity from GF and a charge related to a legal settlement with a third party.

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 operating expenses for the Company for the third and fourth fiscal quarters of 2012, the fourth fiscal quarter of 2011 and fiscal 2011, the Company excluded the amortization of acquired intangible assets and net restructuring charges.

To derive non-GAAP operating expenses for the Company for fiscal 2012, the Company excluded the amortization of acquired intangible assets, net restructuring charges and costs related to the acquisition of SeaMicro, Inc. ("SeaMicro").

To derive non-GAAP operating loss for the Company for the fourth fiscal quarter of 2012, the Company excluded the LCM Charge, the amortization of acquired intangible assets and net restructuring charges.

To derive non-GAAP operating income (loss) for the Company for the third fiscal quarter of 2012 and 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 fiscal 2012, the Company excluded the LCM Charge, a charge related to the limited waiver of exclusivity from GF, a charge related to a legal settlement, the amortization of acquired intangible assets, net restructuring charges and costs related to the acquisition of SeaMicro.

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

To derive non-GAAP net loss and non-GAAP loss per share for the Company for the fourth fiscal quarter of 2012, the Company excluded LCM Charge, the amortization of acquired intangible assets, net restructuring charges and the impairment charge for certain marketable securities.

To derive non-GAAP net loss and non-GAAP loss per share for the Company for the third fiscal quarter of 2012, the Company excluded the amortization of acquired intangible assets and net restructuring charges.

To derive non-GAAP net income and non-GAAP earnings per share for the Company 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, net restructuring charges, a loss related to its repurchase of certain outstanding indebtedness and a loss from discontinued operations.

To derive non-GAAP net loss and non-GAAP loss per share for the Company for fiscal 2012, the Company excluded the LCM Charge, a charge related to the limited waiver of exclusivity from GF, a charge related to a legal settlement with a third party, the amortization of acquired intangible assets, net restructuring charges, costs related to the acquisition of SeaMicro, Inc. the tax benefit related to the SeaMicro acquisition and an impairment charge for certain marketable securities.

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

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

Lower of cost or market charge related to GF take-or-pay obligation: Pursuant to the third amendment to the Wafer Supply Agreement (the "WSA"), dated December 6, 2012, between the Company and GF, GF agreed to waive a portion of the Company's existing take-or-pay production wafer purchase commitments for the fourth fiscal quarter of 2012. In consideration of this waiver, the Company agreed to pay GF a termination fee of $320 million. As a result, the Company recorded a "lower of cost or market," or LCM charge, of $273 million for the write-down of inventory to its market value. The Company excluded this item from the Company's GAAP net loss, GAAP loss per share, GAAP operating loss and GAAP gross margin for the fourth fiscal quarter of 2012 and fiscal 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.

Limited waiver of exclusivity from GF: Pursuant to the second amendment to the WSA, 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 loss per share, GAAP operating loss and GAAP gross margin for fiscal 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.

Dilution gain in investee, net: The dilution gain in investee, net, recorded in 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 and GAAP earnings per share for the fiscal 2011 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 fiscal quarter of 2011 as the Company reviewed indications of impairment, including revised financial projections which the Company received from GF. As these were 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 income (loss) and GAAP earnings (loss) per share for the fourth fiscal quarter of 2011 and fiscal 2011 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.

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 earnings per share, GAAP operating income and GAAP gross margin for the 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 compared with prior periods.

Legal settlement: In the second fiscal quarter of 2012, management determined that it was probable a settlement would be reached with a third party and that the amount of the settlement was estimable. As a result, the Company recorded the estimated settlement amount of $5 million in the second fiscal quarter of 2012 as a legal settlement. In addition, 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 these charges from its GAAP net income (loss), GAAP earnings (loss) per share, GAAP operating income (loss) and GAAP gross margin for fiscal 2012 and 2011 because they are not indicative of ongoing operating performance.

Amortization of acquired intangible assets: Amortization of acquired intangible assets represents amortization expenses of acquired identifiable intangible assets in connection with the Company's acquisitions of ATI Technologies and SeaMicro. The Company excluded this item from the Company's GAAP net income (loss), GAAP earnings (loss) per share, GAAP operating income (loss) and GAAP operating expenses for all periods presented because these expenses are not indicative of ongoing operating performance.

Restructuring charges, net: Restructuring charges, net, represent costs that the Company incurred during the applicable period from its restructuring plans implemented to reduce operating expenses and better position the Company competitively. The plans involved primarily a reduction of the Company's global workforce. The Company excluded these restructuring charges from the Company's GAAP net income (loss), GAAP earnings (loss) per share, GAAP operating income (loss) and GAAP operating expenses for all periods presented because they are not indicative of ongoing 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, GAAP loss per share, GAAP operating loss and GAAP operating expenses for fiscal 2012 because they are 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: The acquisition of SeaMicro was treated as a stock purchase for income tax purposes, and, therefore, 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 and GAAP loss per share for fiscal 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.

Impairment charge related to certain marketable securities: During the fourth fiscal quarter of 2012, the Company wrote down certain marketable securities to their fair value. The Company excluded this item from the Company's GAAP net loss and GAAP loss per share for the fourth fiscal quarter of 2012 and fiscal 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.

Loss on debt repurchase: Loss on debt repurchase represents the net loss that the Company recognized 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. The Company excluded these losses from the Company's GAAP net income (loss) and GAAP earnings (loss) per share for the fourth fiscal quarter of 2011 and fiscal 2011 because they are not indicative of ongoing operating 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) and GAAP earnings (loss) per share for the fourth fiscal quarter of 2011 and fiscal 2011 because it is not indicative of ongoing operating performance.

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. The Company determines its adjusted EBITDA by adjusting operating income (loss) for depreciation and amortization, employee stock-based compensation expense and amortization of acquired intangible assets. In addition, the Company also included the following adjustments for the applicable period:

- for the fourth fiscal quarter of 2012, the Company also included adjustments for the LCM Charge and net restructuring charges;
- for the third fiscal quarter of 2012 and the fourth fiscal quarter of 2011, the Company also included an adjustment for net restructuring charges;
- for fiscal 2012, the Company also included adjustments for the LCM Charge, a charge related to the limited waiver of exclusivity from GF, a legal settlement with a third party, net restructuring charges and costs related to the acquisition of SeaMicro; and
- for fiscal 2011, the Company also included adjustments related to a payment to GF, a legal settlement with a third party and net restructuring charges.

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 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 (used in) operating activities when calculating non-GAAP adjusted free cash flow.

The Company calculates and communicated 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.

Item 2.05 Costs Associated with Exit or Disposal Activities.

On October 18, 2012, the Company announced a restructuring plan (the "Plan") designed to improve the Company's cost structure and to enhance it's competitiveness in core growth areas. The Company disclosed the Plan in a Current Report on Form 8-K filed with the Securities and Exchange Commission on October 18, 2012. The Plan primarily involves a workforce reduction in the fourth fiscal quarter of 2012 and the first fiscal quarter of 2013 of approximately 14%.

The Company recorded restructuring expense in the fourth fiscal quarter of 2012 of approximately $90 million, which included costs associated with restructuring actions taken in the fourth fiscal quarter of 2012 as well as an estimate of the costs related to the workforce reduction that the Company plans to take in the first fiscal quarter of 2013. Substantially all of the restructuring expense is related to severance. Of the total restructuring expense, approximately $46 million related to cash expenditures in the fourth fiscal quarter of 2012, and $31 million relates to anticipated cash expenditures in the first fiscal quarter of 2013.

The Company believes that the restructuring actions taken in the fourth fiscal quarter of 2012 and planned for the first fiscal quarter of 2013 will result in operational savings, primarily in operating expenses, of approximately $190 million in fiscal 2013.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements concerning AMD's restructuring plan, the timing of actions in connection with the plan, and anticipated restructuring charges, cash expenditures and operational savings as a result of the implementation of the restructuring plan**,** 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 Current Report are based on current beliefs, assumptions and expectations, speak only as of the date of this Current Report 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 plans; the company may be unable to develop, launch and ramp new products and technologies in the volumes that are required by the market at mature yields on a timely basis; that the company's third party foundry suppliers will be unable to transition its 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; GF encounters problems that significantly reduce the number of functional die the company receives from each wafer; 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 the market growth and demand for its products and technologies in light of the product mix that the company may have available at any particular time or a decline in demand; that 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 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 the company's 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 Quarterly Report on Form 10-Q for the quarter ended September 29, 2012.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press release dated January 22, 2013.
99.2	Financial Information and Commentary on Fourth Fiscal Quarter of 2012 and Fiscal 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: January 22, 2013	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 2012 Fourth Quarter and Annual Results

Q4 2012 Results

- AMD revenue $1.16 billion, decreased 9 percent sequentially and 32 percent year-over-year
- Gross margin 15 percent, non-GAAP[(1)] gross margin 39 percent
- Operating loss of $422 million, net loss of $473 million, loss per share of $0.63
- Non-GAAP[(1)] operating loss of $55 million, net loss of $102 million, loss per share of $0.14

2012 Annual Results

- AMD revenue $5.42 billion, down 17 percent year-over-year
- Gross margin 23 percent, non-GAAP[(1)] gross margin 41 percent
- Operating loss of $1.06 billion, net loss of $1.18 billion, loss per share $1.60
- Non-GAAP[(1)] operating income of $45 million, net loss of $114 million, loss per share $0.16

SUNNYVALE, Calif. – Jan. 22, 2013 – AMD (NYSE:AMD) today announced revenue for the fourth quarter of 2012 of $1.16 billion, an operating loss of $422 million, and a net loss of $473 million, or $0.63 per share. The company reported a non-GAAP operating loss of $55 million and a non-GAAP net loss of $102 million, or $0.14 per share.

For the year ended December 29, 2012, AMD reported revenue of $5.42 billion, an operating loss of $1.06 billion and a net loss of $1.18 billion, or $1.60 per share. The full year non-GAAP operating income was $45 million and non-GAAP net loss was $114 million, or $0.16 per share.

"AMD continues to evolve our operating model and diversify our product portfolio with the changing PC environment," said Rory Read, AMD president and CEO. "Innovation is the core of our long-term growth. The investments we are making in technology today are focused on leveraging our distinctive IP to drive growth in ultra low power client devices, semi-custom SoCs and dense servers. We expect to deliver differentiated and groundbreaking APUs to our customers in 2013 and remain focused on transforming our operating model to the business realities of today."

GAAP Financial Results

	Q4-12	Q3-12	Q4-11	2012	2011
Revenue	$1.16B	$1.27B	$1.69B	$5.42B	$6.57B
Operating income (loss)	$(422)M	$(131)M	$71M	$(1.06)B	$368M
Net income (loss) / Earnings (loss) per share	$(473)M/$(0.63)	$(157)M/$(0.21)	$(177)M/$(0.24)	$(1.18)B/$(1.60)	$491M/$0.66

Non-GAAP Financial Results(1)

	Q4-12	Q3-12	Q4-11	2012	2011
Revenue	$1.16B	$1.27B	$1.69B	$5.42B	$6.57B
Operating income (loss)	$(55)M	$(124)M	$172M	$45M	$524M
Net income (loss) / Earnings (loss) per share	$(102)M/$(0.14)	$(150)M/$(0.20)	$138M/$0.19	$(114)M/$(0.16)	$374M/$0.50

Quarterly Financial Summary

- Gross margin was 15 percent. Non-GAAP gross margin was 39 percent, a sequential increase of 8 percent. Q3 2012 gross margin of 31 percent was adversely impacted by an inventory write-down of approximately $100 million. Fourth quarter gross margin was positively impacted by the sales of higher priced desktop microprocessors.
- Cash, cash equivalents and marketable securities balance, including long-term marketable securities, was $1.2 billion at the end of the quarter.
- AMD announced restructuring actions and operational efficiencies in Q4 2012, resulting in a net restructuring charge of $90 million in the quarter, which includes costs related to actions taken in Q4 2012 as well as an estimate of the expected costs related to Q1 2013 workforce reductions.
- Computing Solutions segment revenue decreased 11 percent sequentially and 37 percent year-over-year. The sequential and year-over-year decreases were primarily driven by lower microprocessor unit volume shipments.
    - Operating loss was $323 million, compared with an operating loss of $114 million in Q3 2012 and operating income of $165 million in Q4 2011. Q4 2012 operating loss increased $209 million sequentially primarily due to the impact of a Lower of Cost or Market (LCM) charge related to the GLOBLFOUNDRIES Inc. (GF) take-or-pay obligation of $273 million. The charge was previously expected to be $165 million.
    - Microprocessor ASP increased sequentially and decreased year-over-year.
- Graphics segment revenue decreased 5 percent sequentially and 15 percent year-over-year. Graphics processor unit (GPU) revenue decreased sequentially and year-over-year due to lower unit volume shipments.
    - Operating income was $22 million, compared with $18 million in Q3 2012 and $27 million in Q4 2011.
    - GPU ASP was flat sequentially and increased year-over-year.

Recent Highlights

- AMD executive Devinder Kumar was named Chief Financial Officer. Kumar has been with AMD more than 28 years, serving as corporate controller of the company since 2001 and as senior vice president since 2006.
- AMD successfully amended its Wafer Supply Agreement (WSA) with GF, solidifying the company's new operating model and better aligning with PC market dynamics.
- AMD announced a collaboration with ARM that builds on the company's rich IP portfolio, including deep 64-bit processor knowledge and industry-leading AMD SeaMicro Freedom™ Supercomputing Fabric, to offer the most flexible and complete processing

solutions for the modern data center. AMD will design 64-bit ARM® technology-based processors in addition to its x86 processors for multiple markets, starting with cloud and data center servers.

- At the International Consumer Electronics Show (CES), AMD highlighted its 2013 client product offerings and customer adoption momentum including:
  - Demonstrated working silicon of the company's first true system-on-chip (SoC) APUs, codenamed "Temash" and "Kabini," which will be the industry's first quad-core x86 SoCs and target the tablet and entry-level mobile markets respectively;
  - Introduced the new A-series APU codenamed "Richland," which delivers visual performance increases ranging from 20 to 40 percent compared with the previous generation of AMD A-Series APUs[1];
  - VIZIO joined AMD's customer portfolio and introduced a new portfolio of AMD-based platforms, including an 11.6" APU-powered tablet with a 1080p touch screen along with two high-performance ultrathin notebooks and an impressive 24" All-in-One (AiO) system.
- AMD launched several new AMD Opteron™ processors based on the "Piledriver" core architecture during the quarter. The new AMD Opteron™ 6300 Series processors strike a balance between performance, scalability and cost effectiveness to help lower total cost of ownership (TCO). The new AMD Opteron™ 4300 Series and 3300 Series also launched.
- AMD announced the AMD Open 3.0 platform, a radical rethinking of the server motherboard designed to create simplified, energy efficient servers that better meet the demands of the modern data center. AMD's new platform is compliant with the standards developed by the Open Compute Project and is designed to reduce data center power consumption and cost while increase performance and flexibility.
- AMD introduced new members of the Guinness World Record-setting[2] AMD FX family of central processing units (CPUs) based on the "Piledriver" core, expanding its offerings that deliver fully unlocked and customizable experiences for performance desktop PC users. The AMD FX 8350 delivers performance increases of 15 percent at mainstream price points[3] and has been overclocked at to 8.67 GHz to-date.
- AMD introduced the AMD Radeon™ HD 8000M Series of low-power mobile GPUs, the first mainstream notebook GPUs to be offered with the award-winning AMD Graphics Core Next (GCN) Architecture. Notebooks are already available featuring the new graphics solution, including several ultrathin notebooks.
- Nintendo launched the next-generation Wii U console, powered by custom AMD Radeon™ HD graphics technology.
- AMD introduced the "Never Settle" Bundle which packaged the holiday season's biggest PC gaming titles, including "Far Cry 3" along with "Hitman: Absolution" and "Sleeping Dogs", with the purchase of select AMD Radeon™ HD 7000 Series graphics cards. AMD also released the "Never Settle" version of its AMD Catalyst™ Driver, providing owners of AMD Radeon graphics cards with massive performance improvements in many of their favorite games.
- AMD launched the AMD FirePro™ S10000, the industry's most powerful server graphics card, designed for high-performance computing (HPC) workloads and graphics intensive applications. The AMD FirePro S10000 is the first professional-grade card to exceed one teraFLOPS (TFLOPS) of double-precision floating-point performance, helping to ensure optimal efficiency for HPC calculations[4].

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 9 percent, plus or minus three percent, sequentially for the first quarter of 2013.

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 website at www.amd.com. The webcast will be available for 10 days after the conference call.

#2013007

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

(Millions except percentages)	Q4-12	Q3-12	Q4-11	2012	2011
GAAP Gross Margin	**$ 178**	**$ 392**	**$773**	**$ 1,235**	**$2,940**
GAAP Gross Margin %	**15%**	**31%**	**46%**	**23%**	**45%**
Lower of cost or market charge related to GF take-or-pay obligation	(273)	—	—	(273)	—
Limited waiver of exclusivity from GF	—	—	—	(703)	—
Payment to GF	—	—	—	—	(24)
Legal settlement	—	—	—	(5)	(5)
Non-GAAP Gross Margin	**$ 451**	**$ 392**	**$773**	**$ 2,216**	**$2,969**
Non-GAAP Gross Margin %	**39%**	**31%**	**46%**	**41%**	**45%**

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

(Millions)	Q4-12	Q3-12	Q4-11	2012	2011
GAAP operating income (loss)	**$(422)**	**$(131)**	**$ 71**	**$(1,056)**	**$ 368**
Lower of cost or market charge related to GF take-or-pay obligation	(273)	—	—	(273)	—
Limited waiver of exclusivity from GF	—	—	—	(703)	—
Payment to GF	—	—	—	—	(24)
Legal settlement	—	—	—	(5)	(5)
Amortization of acquired intangible assets	(4)	(4)	(3)	(14)	(29)
Restructuring charges, net	(90)	(3)	(98)	(100)	(98)
SeaMicro acquistion costs	—	—	—	(6)	—
Non-GAAP operating income (loss)	**$ (55)**	**$(124)**	**$172**	**$ 45**	**$ 524**

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

(Millions except per share amounts)	Q4-12		Q3-12		Q4-11		2012		2011	
GAAP net income (loss) / Earnings (loss) per share	**$(473)**	**$(0.63)**	**$(157)**	**$(0.21)**	**$(177)**	**$(0.24)**	**$(1,183)**	**$(1.60)**	**$ 491**	**$ 0.66**
Lower of cost or market charge related to GF take-or-pay obligation	(273)	(0.37)	—	—	—	—	(273)	(0.37)	—	—
Limited waiver of exclusivity from GF	—	—	—	—	—	—	(703)	(0.95)	—	—
Dilution gain in investee, net	—	—	—	—	—	—	—	—	492	0.66
Impairment of investment in GF	—	—	—	—	(209)	(0.28)	—	—	(209)	(0.28)
Payment to GF	—	—	—	—	—	—	—	—	(24)	(0.03)
Legal settlement	—	—	—	—	—	—	(5)	(0.01)	(5)	(0.01)
Amortization of acquired intangible assets	(4)	(0.01)	(4)	(0.01)	(3)	—	(14)	(0.02)	(29)	(0.04)
Restructuring charges, net	(90)	(0.12)	(3)	—	(98)	(0.13)	(100)	(0.14)	(98)	(0.13)
SeaMicro acquistion costs	—	—	—	—	—	—	(6)	(0.01)	—	—
Tax benefit related to SeaMicro acquisition	—	—	—	—	—	—	36	0.05	—	—
Impairment charge on certain marketable securities	(4)	—	—	—	—	—	(4)	(0.01)	—	—
Loss on debt repurchase	—	—	—	—	(1)	—	—	—	(6)	(0.01)
Loss from discontinued operations	—	—	—	—	(4)	(0.01)	—	—	(4)	(0.01)
Non-GAAP net income (loss) / Earnings (loss) per share	**$(102)**	**$(0.14)**	**$(150)**	**$(0.20)**	**$ 138**	**$ 0.19**	**$ (114)**	**$(0.16)**	**$ 374**	**$ 0.50**

About AMD

AMD (NYSE: AMD) is a semiconductor design innovator leading the next era of vivid digital experiences with its groundbreaking AMD 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 www.amd.com.

Cautionary Statement

This release contains forward-looking statements concerning AMD, its first quarter 2013 revenue, its future growth in key segments and the timing and functionality of planned future products and technologies 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 September 29, 2012.

[1] In this press release, in addition to GAAP financial results, the Company has provided non-GAAP financial measures including non-GAAP gross margin, non-GAAP operating income (loss), non-GAAP net income (loss) and non-GAAP earnings (loss) per share. 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.

[1] Testing and projections develop by AMD Performance Labs. The score for the 2012 AMD A10-4600M on 3DMark 11 was 1150 and the 2012 AMD A8-4555M was 780 while the "Richland" 2013 AMD A10-5750M was 1400 and the AMD A8-5545M was 1100. PC configuration based on the "Pumori" reference design with the 2012 AMD A10-4600M with Radeon™ HD 7660G graphics, the 2012 AMD A8-4555M with AMD Radeon™ HD 7600G graphics, the 2013 AMD A10-5750M with AMD Radeon™ HD 8650G graphics and the 2013 AMD A8-5545M with AMD Radeon™ 8510G Graphics. All configurations use 4G DDR3-1600 (Dual Channel) Memory and Windows 7 Home Premium 64-bit. RIN-1

2 The AMD FX CPU achieved a top speed of 8.429 GHz, surpassing the previous record of 8.308 GHz. The record was set on Aug. 31, 2011, in Austin, Texas, by "Team AMD FX," a group comprised of elite overclocking specialists working alongside top AMD technologists.

3 Testing by AMD Performance labs using an AMD FX-8350 processor with an AMD Radeon™ HD 7970 graphics card, 2x4GB DDR3-1600, Windows 7 64bit, Catalyst 12.3 scored 5575 pixels per second in POV-Ray 3.7, and 7.0 in Cinebench 11.5 versus an AMD FX-8150 processor with an AMD Radeon™ HD 7970 graphics card, 2x4GB DDR3-1600, Windows 7 64bit, Catalyst 12.3 which scored 4829 pixels per second in POV-Ray and 6.0 in Cinebench 11.5.

4 AMD FirePro™ S10000 delivers 1.48 TFLOPS peak dual-precision floating-point performance – no other AMD or Nvidia server graphics card has exceeded one TFLOPS before. Prior to launch of AMD FirePro S10000, AMD's highest performing graphics card for double precision was the AMD FirePro™ W9000 with 1.0 TFLOPS, and Nvidia's highest performing card in the market as of Oct. 31, 2012 is the Tesla M2090 with 665 GFLOPS double precision. Visit http://www.nvidia.com/object/tesla-servers.html for Nvidia product specs. FP-71

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

	Quarter Ended			Year Ended	
	Dec. 29, 2012	Sep. 29, 2012	Dec. 31, 2011	Dec. 29, 2012	Dec. 31, 2011
Net revenue	$1,155	$1,269	$1,691	$ 5,422	$6,568
Cost of sales	977	877	918	4,187	3,628
Gross margin	178	392	773	1,235	2,940
Gross margin %	15%	31%	46%	23%	45%
Research and development	313	328	358	1,354	1,453
Marketing, general and administrative	193	188	243	823	992
Amortization of acquired intangible assets	4	4	3	14	29
Restructuring charges, net	90	3	98	100	98
Operating income (loss)	(422)	(131)	71	(1,056)	368
Interest income	2	2	2	8	10
Interest expense	(45)	(44)	(43)	(175)	(180)
Other income (expense), net	(4)	16	(207)	6	(199)
Loss before dilution gain in investee and income taxes	(469)	(157)	(177)	(1,217)	(1)
Provision (benefit) for income taxes	4	—	(4)	(34)	(4)
Dilution gain in investee, net	—	—	—	—	492
Income (loss) from continuing operations	(473)	(157)	(173)	(1,183)	495
Loss from discontinued operations, net of tax	—	—	(4)	—	(4)
Net income (loss)	$ (473)	$ (157)	$ (177)	$(1,183)	$ 491
Net income (loss) per share					
Basic					
Continuing operations	$ (0.63)	$ (0.21)	$ (0.24)	$ (1.60)	$ 0.68
Discontinued operations	—	—	(0.01)	—	(0.01)
Basic net income (loss) per share	$ (0.63)	$ (0.21)	$ (0.24)	$ (1.60)	$ 0.68
Diluted					
Continuing operations	$ (0.63)	$ (0.21)	$ (0.24)	$ (1.60)	$ 0.67
Discontinued operations	—	—	(0.01)	—	$ (0.01)
Diluted net income (loss) per share	$ (0.63)	$ (0.21)	$ (0.24)	$ (1.60)	$ 0.66
Shares used in per share calculation					
Basic	747	745	732	741	727
Diluted	747	745	732	741	742

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

	Quarter Ended			Year Ended	
	Dec. 29, 2012	Sep. 29, 2012	Dec. 31, 2011	Dec. 29, 2012	Dec. 31, 2011
Total comprehensive income (loss)	$ (475)	$ (154)	$ (172)	$(1,181)	$ 486

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

	Dec. 29, 2012	Sep. 29, 2012	Dec. 31, 2011
Assets			
Current assets:			
Cash, cash equivalents and marketable securities	$ 1,002	$ 1,300	$ 1,765
Accounts receivable, net	630	683	919
Inventories, net	562	744	476
Prepaid expenses and other current assets	71	88	69
Total current assets	2,265	2,815	3,229
Long-term marketable securities	181	180	149
Property, plant and equipment, net	658	685	726
Investment in GLOBALFOUNDRIES	—	—	278
Acquisition related intangible assets, net	96	100	8
Goodwill	553	553	323
Other assets	247	279	241
Total Assets	$ 4,000	$ 4,612	$ 4,954
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	$ 278	$ 412	$ 363
Payable to GLOBALFOUNDRIES	454	448	177
Accrued liabilities	489	534	550
Deferred income on shipments to distributors	108	110	123
Current portion of long-term debt and capital lease obligations	5	5	489
Other current liabilities	63	46	72
Total current liabilities	1,397	1,555	1,774
Long-term debt and capital lease obligations, less current portion	2,037	2,035	1,527
Other long-term liabilities	28	33	63
Stockholders' equity:			
Capital stock:			
Common stock, par value	7	7	7
Additional paid-in capital	6,803	6,780	6,672
Treasury stock, at cost	(109)	(109)	(107)
Accumulated deficit	(6,160)	(5,687)	(4,977)
Accumulated other comprehensive loss	(3)	(2)	(5)
Total stockholders' equity	538	989	1,590
Total Liabilities and Stockholders' Equity	$ 4,000	$ 4,612	$ 4,954

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

	Quarter Ended Dec. 29, 2012	Year Ended Dec. 29, 2012
Cash flows from operating activities:		
Net loss	$ (473)	$ (1,183)
Adjustments to reconcile net loss to net cash used in operating activities:		
Non-cash portion of the limited waiver of exclusivity from GLOBALFOUNDRIES	—	278
Depreciation and amortization	66	260
Benefit for deferred income taxes	1	(40)
Compensation recognized under employee stock plans	23	97
Non-cash interest expense	6	23
Impairment charge on certain marketable securities	4	4
Other	4	3
Changes in operating assets and liabilities:		
Accounts receivable	53	290
Inventories	183	(83)
Prepaid expenses and other current assets	10	(20)
Other assets	1	(12)
Payable to GLOBALFOUNDRIES	6	277
Accounts payable, accrued liabilities and other	(170)	(232)
Net cash used in operating activities	**$ (286)**	**$ (338)**
Cash flows from investing activities:		
Acquisition of SeaMicro, Inc., net of cash acquired	—	(281)
Purchases of property, plant and equipment	(22)	(133)
Purchases of available-for-sale securities	(195)	(944)
Proceeds from sale and maturity of available-for-sale securities	257	1,348
Other	14	(9)
Net cash provided by (used in) investing activities	**$ 54**	**$ (19)**
Cash flows from financing activities:		
Net proceeds from debt issuance	—	491
Net proceeds from foreign grants	5	23
Proceeds from issuance of AMD common stock	2	14
Repayments of debt and capital lease obligations	(1)	(489)
Other	(1)	(2)
Net cash provided by financing activities	**$ 5**	**$ 37**
Net decrease in cash and cash equivalents	(227)	(320)
Cash and cash equivalents at beginning of period	**$ 776**	**$ 869**
Cash and cash equivalents at end of period	**$ 549**	**$ 549**

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

	Quarter Ended			Year Ended	
	Dec. 29, 2012	**Sep. 29, 2012**	**Dec. 31, 2011**	**Dec. 29, 2012**	**Dec. 31, 2011**
Segment and Category Information					
Computing Solutions (1)					
Net revenue	$ 829	$ 927	$ 1,309	$ 4,005	$ 5,002
Operating income (loss)	$ (323)	$ (114)	$ 165	$ (231)	$ 556
Graphics (2)					
Net revenue	326	342	382	1,417	1,565
Operating income	22	18	27	105	51
All Other (3)					
Net revenue	—	—	—	—	1
Operating loss	(121)	(35)	(121)	(930)	(239)
Total					
Net revenue	**$ 1,155**	**$ 1,269**	**$ 1,691**	**$ 5,422**	**$ 6,568**
Operating income (loss)	**$ (422)**	**$ (131)**	**$ 71**	**$ (1,056)**	**$ 368**
Other Data					
Depreciation and amortization (excluding amortization of acquired intangible assets)	$ 62	$ 62	$ 67	$ 247	$ 288
Capital additions	$ 22	$ 32	$ 87	$ 133	$ 250
Adjusted EBITDA (4)	$ 30	$ (35)	$ 260	$ 389	$ 902
Cash, cash equivalents and marketable securities (5)	$ 1,183	$ 1,480	$ 1,914	$ 1,183	$ 1,914
Adjusted free cash flow (6)	$ (308)	$ (272)	$ 100	$ (471)	$ 528
Total assets	$ 4,000	$ 4,612	$ 4,954	$ 4,000	$ 4,954
Long-term debt and capital lease obligations, including current portion	$ 2,042	$ 2,040	$ 2,016	$ 2,042	$ 2,016
Headcount	10,340	11,813	11,093	10,340	11,093

See footnotes on the next page

(1) Computing Solutions segment includes microprocessors, as standalone devices or as incorporated as an Accelerated Processing Unit, 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 as well as 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 expenses and credits that are not allocated to any of the operating segments. Also included in this category are amortization of acquired intangible assets, stock-based compensation expense, restructuring charges and a charge related to the limited waiver of exclusivity from GLOBALFOUNDRIES ("GF").

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

	Quarter Ended			Year Ended	
	Dec. 29, 2012	Sep. 29, 2012	Dec. 31, 2011	Dec. 29, 2012	Dec. 31, 2011
GAAP operating income (loss)	$ (422)	$ (131)	$ 71	$(1,056)	$ 368
Lower of cost or market charge related to GF take-or-pay obligation	273	—	—	273	—
Limited waiver of exclusivity from GF	—	—	—	703	—
Payments to GF	—	—	—	—	24
Legal settlement	—	—	—	5	5
Depreciation and amortization	62	62	67	247	288
Employee stock-based compensation expense	23	27	21	97	90
Amortization of acquired intangible assets	4	4	3	14	29
Restructuring charges, net	90	3	98	100	98
SeaMicro acquisition costs	—	—	—	6	—
Adjusted EBITDA	$ 30	$ (35)	$ 260	$ 389	$ 902

(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. 29, 2012	Sep. 29, 2012	Dec. 31, 2011	Dec. 29, 2012	Dec. 31, 2011
GAAP net cash provided by (used in) operating activities	$ (286)	$ (240)	$ 187	$ (338)	$ 382
Non-GAAP adjustment	—	—	—	—	396
Non-GAAP net cash provided by (used in) operating activities	(286)	(240)	187	(338)	778
Purchases of property, plant and equipment	(22)	(32)	(87)	(133)	(250)
Non-GAAP adjusted free cash flow	$ (308)	$ (272)	$ 100	$ (471)	$ 528

* The Company presents "Adjusted EBITDA" as a supplemental measure of its performance. Adjusted EBITDA for the Company is determined by adjusting operating income (loss) for depreciation and amortization, employee stock-based compensation expense and amortization of acquired intangible assets.In addition, the Company also included the following adjustments for the applicable period: for the fourth quarter of 2012, the Company also included adjustments for the lower of cost or market charge (LCM Charge) related to GF take-or-pay obligation and net restructuring charges; for the third quarter of 2012 and the fourth quarter of 2011, the Company also included an adjustment for net restructuring charges; for 2012, the Company also included adjustments for the LCM Charge, a charge related to the limited waiver of exclusivity from GF, a legal settlement with a third party, net restructuring charges and costs related to the acquisition of SeaMicro; and for 2011, the Company also included adjustments related to a payment to GF, a legal settlement with a third party and net restructuring charges. 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 Annual and Fourth Quarter 2012 Results – CFO Commentary

January 22, 2013

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.

2012 Annual Results Summary

- AMD revenue $5.4 billion, down 17% year-over-year
- Gross margin 23%; Non-GAAP gross margin 41%
- Operating loss of $1.06 billion, net loss of $1.18 billion, loss per share of $1.60
- Non-GAAP operating income of $45 million, net loss of $114 million, loss per share $0.16

2012 Commentary

2012 was a year in which AMD made some key strategic investments designed to position the company for success in a changing computing landscape by investing in innovative technology and our ambidextrous strategy.

- We acquired SeaMicro, Inc., (SeaMicro) to accelerate our strategy to deliver differentiated micro-server solutions to cloud data centers, one of the fastest-growing segments of the server market[1].
- We joined forces with industry-leaders such as ARM, Imagination Technologies, MediaTek, Qualcomm, Samsung and Texas Instruments to advance our ambidextrous strategy by forming the Heterogeneous System Architecture (HSA) Foundation. HSA is a non-profit consortium established to define and promote an open standards-based approach to heterogeneous computing.
- We announced plans to design 64-bit ARM® technology-based processors for multiple markets, starting with cloud data center servers.

In addition to our low-power APUs, graphics IP, and reusable design blocks, we believe AMD is well positioned to pursue fast-growing markets including embedded/semi-custom, low-power form factors and cloud computing.

In the second half of 2012, broader macroeconomic issues impacted consumer PC spend. The challenges we faced in Q2 2012 continued through the end of the year. OEMs took a cautious approach to managing inventory in advance of the Windows 8 launch, and tablets continued to grow as a consumer device of choice. As a result, we faced a difficult selling environment in the second half of 2012, which negatively impacted our 2012 financial performance.

1 IDC, March 1, 2012

To capitalize on new growth opportunities and in response to PC market dynamics we implemented a corporate and financial transformation. To help return AMD to profitability and free cash flow generation in a difficult macroeconomic environment, we announced restructuring actions and operational efficiencies in Q4 2012 designed to reduce our expense structure.

- The restructuring plan includes primarily a workforce reduction in Q4 2012 and Q1 2013, of approximately 14%. The workforce reduction will be substantially completed in Q1 2013.
    - We expect that the restructuring plan will result in operational savings, primarily in operating expenses of approximately $190 million in 2013.
    - By Q3 2013 AMD expects to reduce operating expenses to $450 million per quarter, down 25% from the Q1 2012 timeframe
- In December, AMD amended its Wafer Supply Agreement (WSA) with GLOBALFOUNDRIES Inc. (GF) to better align our wafer purchase commitments with current PC market dynamics, strengthen our balance sheet and help us achieve our operating goals.

Performance relative to 2012 financial guidance included:

- Non-GAAP gross margin of 41%, below guided range of 44-48%
- Non-GAAP operating expenses of $2.2 billion, below the guided $610 million quarterly run rate, due to restructuring actions and alignment of expenditures with business expectations
- Achieved positive non-GAAP operating income of $45 million
- Capital additions of $133 million, below guidance of approximately $200 million
- Tax benefit of $34 million, better than the guided tax provision of $12 million due to a one-time benefit of $36 million related to the SeaMicro acquisition
- Our cash, cash equivalents and marketable securities balance, including long term marketable securities, at the end of the quarter was $1.2 billion, above the optimal zone of approximately $1.1 billion and well above the target minimum balance of $700 million.

Q4 2012 Results

- AMD revenue $1.16 billion, down 9% sequentially and down 32% year-over-year
- Gross margin of 15%; non-GAAP gross margin of 39%
- Operating loss of $422 million, net loss of $473 million, loss per share of $0.63
- Non-GAAP operating loss of $55 million, net loss of $102 million, loss per share of $0.14

Q4 2012 Commentary

Revenue was $1.16 billion, down 9% sequentially, primarily driven by a revenue decline in the Computing Solutions segment of 11%. Graphics segment revenue declined 5% sequentially.

Revenue declined due to lower unit volume shipments across both segments.

Non-GAAP gross margin was 39%, up 8 percentage points quarter-over-quarter. Gross margin in Q3 2012 of 31% was adversely impacted by an inventory write-down of approximately $100 million, or 8 percentage points. Q4 2012 gross margin was positively impacted by sales of higher priced desktop microprocessors.

To derive non-GAAP gross margin, we excluded the impact of a “Lower of Cost or Market” (LCM) charge of $273 million related to the GF take-or-pay obligation.

- In December 2012, we announced the 3rd amendment to the WSA which resulted in a termination fee of $320 million related to our take-or-pay obligation for Q4 2012 wafer purchases from GF.
    - At the time, we anticipated recording a net one-time charge related to the take-or-pay obligation of $165 million for the write-down of inventory to its market value, which included a $45 million credit in Q4 2012 resulting from the terms of the 3rd Amendment. An approximate $110 million portion of the termination fee was expected to be capitalized into inventory and expensed in Q4 2012 and Q1 2013.
    - Upon completion of our inventory valuation analysis at the end of Q4 2012 and based on actual results for the quarter, we recorded a net one-time charge of $273 million in Q4 2012, with $2 million remaining and being capitalized into inventory and expected to be expensed in Q1 2013.
    - The charge of $273 million was expensed to cost of goods sold. The GAAP gross margin impact in Q4 2012 was therefore $273 million, instead of $165 million as originally anticipated thereby reducing Q4 2012 GAAP gross margin to 15%.

Non-GAAP operating expenses were $506 million, lower than guided primarily due to tight spending controls in the quarter.

- **R&D expenses** were $313 million, 27% of net revenue
- **SG&A expenses** were $193 million, 17% of net revenue

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

- Amortization of acquired intangible assets of $4 million, and
- A restructuring charge of $90 million, related to restructuring actions announced in Q4 2012.
    - The charge includes costs related to restructuring actions taken in Q4 2012 as well as an estimate of the costs related to workforce reductions that we plan to take in Q1 2013. As a result, this combined charge amounted to $90 million, versus the $71 million we previously estimated for restructuring actions in Q4 2012.
        i. We expect a global workforce reduction of approximately 14% resulting from the above mentioned restructuring actions. The workforce reduction will be substantially completed in Q1 2013.
        ii. Of the total restructuring expense, approximately $46 million relates to cash

expenditures in Q4 2012, and $31 million relates to anticipated cash expenditures in Q1 2013.

Non-GAAP operating loss was $55 million and **non-GAAP net loss** was $102 million.

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

- LCM charge of $273 million
- Amortization of acquired intangible assets of $4 million, and
- Restructuring charge of $90 million.

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

- LCM charge of $273 million
- Amortization of acquired intangible assets of $4 million
- Restructuring charge of $90 million, and
- Impairment charge for certain marketable securities of $4 million.

Interest expense was $45 million, flat compared to the prior quarter.

Tax provision was $4 million in the quarter, compared to $0 in the prior quarter.

Non-GAAP loss per share was $0.14, calculated using 747 million basic shares. Basic shares are used in the net loss calculation.

Adjusted EBITDA was $30 million, better by $65 million from the prior quarter's negative $35 million, excluding the LCM charge of $273 million.

Q4 2012 Segment Results – Computing Solutions

Computing Solutions segment revenue was $829 million, down 11% sequentially.

- Client revenue declined 13% sequentially, primarily driven by lower microprocessor unit volume shipments.
  - Client microprocessor ASP was flat as richer desktop microprocessor offerings offset lower mobile microprocessor ASP.
    - Desktop APU shipments increased as a percentage of desktop microprocessor shipments as sales of AMD's 2nd-Generation A-Series APU, codenamed "Trinity" more than doubled in the quarter, compared to Q3 2012.
  - Chipset revenue declined in line with the client microprocessor business.
- Server revenue increased sequentially, driven by a higher mix of fabric AMD SeaMicro

compute systems focused on dense servers.

- Microprocessor ASP increased sequentially.

Computing Solutions operating loss was $323 million, an increase of $209 million from the previous quarter, primarily due to the LCM charge.

Q4 2012 Segment Results – Graphics

Graphics segment revenue was $326 million, down 5% sequentially, mainly due to a decline in GPU unit volume shipments, partially offset by a seasonal increase in game console revenue and record revenue in workstation graphics.

Graphics segment operating income was $22 million, up $4 million from the prior quarter primarily due to higher game console revenue.

Balance Sheet

Our cash, cash equivalents and marketable securities, including long term marketable securities, at the end of the quarter was $1.2 billion, down $297 million compared to Q3 2012.

We exited the quarter above our target optimal cash of $1.1 billion and well above the minimum cash level of approximately $700 million required for operations.

Certain GF and restructuring payments in Q4 2012 were as follows:

Certain GF and Restructuring Payments ($M)	Q4'12
Limited exclusivity payment to GF	$ 50
Termination payment related to the take-or-pay agreement	$ 80
Q4 2012 payment related to restructuring plan announced in Q4 2012	$ 46
Total Special Cash Expenditures (for GF and Restructuring)	**$ 176**

Accounts Receivable at the end of the quarter was $630 million, down $53 million compared to the end of Q3 2012, primarily due to lower sales in the quarter.

Inventory was $562 million exiting the quarter, down $182 million from the prior quarter primarily due to a decrease in microprocessor inventory.

Payable to GLOBALFOUNDRIES line item on the Balance Sheet includes all amounts due to GF by AMD.

- $175 million cash payment to GF, related to the 28 nanometer (nm) product limited waiver of exclusivity, as provided in the 2nd amendment to WSA, paid in Q1 2013.

- $40 million and $200 million cash payments related to GF take-or-pay obligation which will be paid by April 1, 2013 and December 31, 2013, respectively.
- The remaining balance payable for wafer purchases.

Debt as of the end of the quarter was $2.04 billion.

Non-GAAP free cash flow was negative $308 million.

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 September 29, 2012.

Q1 2013:

- AMD expects revenue to decrease 9 percent, plus or minus 3 percent, sequentially in Q1 2013.
- Operating expenses are expected to be approximately $495 million in Q1 2013.
- We expect inventory to increase sequentially ahead of new product introductions and technology transitions.

For 2013 we expect:

- Operating expenses to be at $450 million by the third quarter of 2013.
- Capital expenditures of approximately $150 million for the year.
- Taxes of approximately $4 million per quarter.
- To be Free Cash Flow positive by the second half of 2013.
- We expect to maintain cash balances in the optimal zone of $1.1 billion for the year and well above the target minimum of $700 million.

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Non-GAAP Measures:

To supplement the Company's financial results presented on a U.S. GAAP ("GAAP") basis, this commentary contains non-GAAP financial measures, including non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income (loss), non-GAAP net income (loss), non-GAAP earnings (loss) 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 presented "Adjusted EBITDA" in the commentary 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, the Company also included the following adjustments for the applicable period: for the fourth fiscal quarter of 2012, the Company also included adjustments for the LCM charge and net restructuring charges; for the third fiscal quarter of 2012 and the fourth fiscal quarter of 2011, the Company also included an adjustment for net restructuring charges; for fiscal 2012, the Company also included adjustments for the LCM charge, a charge related to the limited waiver of exclusivity from GF, a legal settlement with a third party, net restructuring charges and costs related to the acquisition of SeaMicro; and for fiscal 2011, the Company also included adjustments related to a payment to GF, a legal settlement with a third party and net restructuring charges. The Company calculates and communicates Adjusted EBITDA because the Company's management believes it is of importance to investors and lenders in relation to its overall capital structure and its ability to borrow additional funds. In addition, the Company presents Adjusted EBITDA because it believes this measure assists investors in comparing its performance across reporting periods on a consistent basis by excluding items that the Company does not believe are indicative of its core operating performance. The Company's calculation of Adjusted EBITDA may or may not be consistent with the calculation of this measure by other companies in the same industry. Investors should not view Adjusted EBITDA as an alternative to the GAAP operating measure of operating income (loss) or GAAP liquidity measures of cash flows from operating, investing and financing activities. In addition, Adjusted EBITDA does not take into account changes in certain assets and liabilities as well as interest and income taxes that can affect cash flows.

The Company also presented non-GAAP adjusted free cash flow in this commentary as a supplemental measure of its performance. Non-GAAP adjusted free cash flow for the Company was determined by subtracting capital expenditures from GAAP net cash provided by (used in) operating activities. The Company calculates and communicates non-GAAP adjusted free cash flow because the Company's management believes it is of importance to investors to understand the nature of this cash flow. 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 activities. The Company has provided reconciliations 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.

Reconciliation of GAAP to Non-GAAP Gross Margin

(Millions except percentages)	Q4-12	Q3-12	Q4-11	2012	2011
GAAP Gross Margin	**$ 178**	**$ 392**	**$773**	**$ 1,235**	**$2,940**
GAAP Gross Margin %	**15%**	**31%**	**46%**	**23%**	**45%**
Lower of cost or market charge related to GF take-or-pay obligation	(273)	—	—	(273)	—
Limited waiver of exclusivity from GF	—	—	—	(703)	—
Payment to GF	—	—	—	—	(24)
Legal settlement	—	—	—	(5)	(5)
Non-GAAP Gross Margin	**$ 451**	**$ 392**	**$773**	**$ 2,216**	**$2,969**
Non-GAAP Gross Margin %	**39%**	**31%**	**46%**	**41%**	**45%**

Reconciliation of GAAP to Non-GAAP Operating Expenses

(Millions)	Q4-12	Q3-12	Q4-11	2012	2011
GAAP operating expenses	**$ 600**	**$ 523**	**$702**	**$ 2,291**	**$2,572**
Amortization of acquired intangible assets	4	4	3	14	29
Restructuring charges, net	90	3	98	100	98
SeaMicro acquistion costs	—	—	—	6	—
Non-GAAP operating expenses	**$ 506**	**$ 516**	**$601**	**$ 2,171**	**$2,445**

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

(Millions)	Q4-12	Q3-12	Q4-11	2012	2011
GAAP operating income (loss)	**$(422)**	**$(131)**	**$ 71**	**$(1,056)**	**$ 368**
Lower of cost or market charge related to GF take-or-pay obligation	(273)	—	—	(273)	—
Limited waiver of exclusivity from GF	—	—	—	(703)	—
Payment to GF	—	—	—	—	(24)
Legal settlement	—	—	—	(5)	(5)
Amortization of acquired intangible assets	(4)	(4)	(3)	(14)	(29)
Restructuring charges, net	(90)	(3)	(98)	(100)	(98)
SeaMicro acquistion costs	—	—	—	(6)	—
Non-GAAP operating income (loss)	**$ (55)**	**$(124)**	**$172**	**$ 45**	**$ 524**

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

(Millions except per share amounts)	Q4-12		Q3-12		Q4-11		2012		2011	
GAAP net income (loss) / Earnings (loss) per share	**$(473)**	**$(0.63)**	**$(157)**	**$(0.21)**	**$(177)**	**$(0.24)**	**$(1,183)**	**$(1.60)**	**$ 491**	**$ 0.66**
Lower of cost or market charge related to GF take-or-pay obligation	(273)	(0.37)	—	—	—	—	(273)	(0.37)	—	—
Limited waiver of exclusivity from GF	—	—	—	—	—	—	(703)	(0.95)	—	—
Dilution gain in investee, net	—	—	—	—	—	—	—	—	492	0.66
Impairment of investment in GF	—	—	—	—	(209)	(0.28)	—	—	(209)	(0.28)
Payment to GF	—	—	—	—	—	—	—	—	(24)	(0.03)
Legal settlement	—	—	—	—	—	—	(5)	(0.01)	(5)	(0.01)
Amortization of acquired intangible assets	(4)	(0.01)	(4)	(0.01)	(3)	—	(14)	(0.02)	(29)	(0.04)
Restructuring charges, net	(90)	(0.12)	(3)	—	(98)	(0.13)	(100)	(0.14)	(98)	(0.13)
SeaMicro acquistion costs	—	—	—	—	—	—	(6)	(0.01)	—	—
Tax benefit related to SeaMicro acquisition	—	—	—	—	—	—	36	0.05	—	—
Impairment charge on certain marketable securities	(4)	—	—	—	—	—	(4)	(0.01)	—	—
Loss on debt repurchase	—	—	—	—	(1)	—	—	—	(6)	(0.01)
Loss from discontinued operations	—	—	—	—	(4)	(0.01)	—	—	(4)	(0.01)
Non-GAAP net income (loss) / Earnings (loss) per share	**$(102)**	**$(0.14)**	**$(150)**	**$(0.20)**	**$ 138**	**$ 0.19**	**$ (114)**	**$(0.16)**	**$ 374**	**$ 0.50**

Reconciliation of GAAP operating income (loss) to Adjusted EBITDA

(Millions)	Q4-12	Q3-12	Q4-11	2012	2011
GAAP operating income (loss)	**$(422)**	**$(131)**	**$ 71**	**$(1,056)**	**$368**
Lower of cost or market charge related to GF take-or-pay obligation	273	—	—	273	—
Limited waiver of exclusivity from GF	—	—	—	703	—
Payments to GF	—	—	—	—	24
Legal settlement	—	—	—	5	5
Depreciation and amortization	62	62	67	247	288
Employee stock-based compensation expense	23	27	21	97	90
Amortization of acquired intangible assets	4	4	3	14	29
Restructuring charges, net	90	3	98	100	98
SeaMicro acquisition costs	—	—	—	6	—
Adjusted EBITDA	**$ 30**	**$ (35)**	**$260**	**$ 389**	**$902**

Non-GAAP adjusted free cash flow reconciliation

(Millions)	Q4-12	Q3-12	Q4-11	2012	2011
GAAP net cash provided by (used in) operating activities	**$(286)**	**$(240)**	**$187**	**$(338)**	**$ 382**
Non-GAAP adjustment	—	—	—	—	396
Non-GAAP net cash provided by (used in) operating activities	(286)	(240)	187	(338)	778
Purchases of property, plant and equipment	(22)	(32)	(87)	(133)	(250)
Non-GAAP adjusted free cash flow	**$(308)**	**$(272)**	**$100**	**$(471)**	**$ 528**

Cautionary Statement

This document contains forward-looking statements concerning AMD, our strategy, financial outlook for the first quarter of 2013 and fiscal 2013, including revenue, operating expenses, inventory, capital expenditures, taxes, free cash flow, cash balances and profitability; and our restructuring plan implemented in the fourth quarter of 2012, the anticipated operational savings resulting from the restructuring and anticipated cash expenditures in the first quarter of 2013 related to the restructuring, 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 September 29, 2012.