



*Enabling today.
Inspiring tomorrow.*

AMD FOURTH QUARTER AND ANNUAL 2015 FINANCIAL RESULTS

January 19, 2016



CAUTIONARY STATEMENT



This presentation contains forward-looking statements concerning AMD, including its financial outlook for the first quarter of 2016 and fiscal 2016, including revenue, non-GAAP gross margin, non-GAAP operating expenses, the total of interest expense, taxes and other expenses, inventory, taxes and capital expenditures; its optimal cash, cash equivalents and marketable securities balances; the expected closing date for the proposed joint ventures between AMD and Nantong Fujitsu Microelectronics, Co., Ltd. and the expected cash AMD will receive at closing; the ability of AMD to gain profitable share in GPU, PC and embedded markets in 2016; AMD's ability to generate additional revenue from new semi-custom business; AMD's ability to deliver next generation high-performance GPUs based on FinFET technology in 2016; the timing and availability of AMD's future new products; AMD's ability to gain market share server and infrastructure markets in the 2017-2018 timeframe; AMD's ability to ramp additional semi-custom design wins in 2017 and 2018; AMD's ability to deploy multi-generation roadmap across x86 and ARM in the 2017-2018 timeframe; AMD's ability to build on 2016 product advancements using "Zen" in the 2017-2018 timeframe; and AMD's ability to achieve the goals in each of its three key growth pillars, 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 including "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "pro forma," "estimates," "anticipates," or the negative of these words and phrases, other variations of these words and phrases or comparable terminology. Investors are cautioned that the forward-looking statements in this presentation 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. Material factors that could cause actual results to differ materially from current expectations include, without limitation, the following: Intel Corporation's dominance of the microprocessor market and its aggressive business practices may limit AMD's ability to compete effectively; AMD relies on GLOBALFOUNDRIES Inc. (GF) to manufacture most of its microprocessor and APU products and certain of its GPU and semi-custom products. If GF is not able to satisfy AMD's manufacturing requirements, its business could be adversely impacted; AMD relies on third parties to manufacture its products, and if they are unable to do so on a timely basis in sufficient quantities and using competitive technologies, AMD's business could be materially adversely affected; failure to achieve expected manufacturing yields for AMD's products could negatively impact its financial results; the success of AMD's business is dependent upon its ability to introduce products on a timely basis with features and performance levels that provide value to its customers while supporting and coinciding with significant industry transitions; if AMD cannot generate sufficient revenue and operating cash flow or obtain external financing, it may face a cash shortfall and be unable to make all of its planned investments in research and development or other strategic investments; the loss of a significant customer may have a material adverse effect on AMD; global economic uncertainty may adversely impact AMD's business and operating results; AMD may not be able to generate sufficient cash to service its debt obligations or meet its working capital requirements; AMD has a substantial amount of indebtedness which could adversely affect its financial position and prevent it from implementing its strategy or fulfilling its contractual obligations; the agreements governing AMD's notes and its secured revolving line of credit (Secured Revolving Line of Credit) impose restrictions on AMD that may adversely affect its ability to operate its business; the completion and impact of its restructuring plan announced in October 2015, its transformation initiatives and any future restructuring actions could adversely affect it; the markets in which AMD's products are sold are highly competitive; uncertainties involving the ordering and shipment of AMD's products could materially adversely affect it; AMD's receipt of revenue from its semi-custom SoC products is dependent upon its technology being designed into third-party products and the success of those products; the demand for AMD's products depends in part on the market conditions in the industries into which they are sold. Fluctuations in demand for AMD's products or a market decline in any of these industries could have a material adverse effect on its results of operations; AMD's ability to design and introduce new products in a timely manner is dependent upon third-party intellectual property; AMD depends on third-party companies for the design, manufacture and supply of motherboards and other computer platform components to support its business; if AMD loses Microsoft Corporation's support for its products or other software vendors do not design and develop software to run on AMD's products, its ability to sell its products could be materially adversely affected; AMD may incur future impairments of goodwill; AMD's reliance on third-party distributors and AIB partners subjects it to certain risks; AMD's inability to continue to attract and retain qualified personnel may hinder its product development programs; in the event of a change of control, AMD may not be able to repurchase its outstanding debt as required by the applicable indentures and its Secured Revolving Line of Credit, which would result in a default under the indentures and its Secured Revolving Line of Credit; the semiconductor industry is highly cyclical and has experienced severe downturns that have materially adversely affected, and may continue to materially adversely affect, its business in the future; AMD's business is dependent upon the proper functioning of its internal business processes and information systems and modification or interruption of such systems may disrupt its business, processes and internal controls; data breaches and cyber-attacks could compromise AMD's intellectual property or other confidential, sensitive information be costly to remediate and cause significant damage to its business and reputation; AMD's operating results are subject to quarterly and seasonal sales patterns; if essential equipment or materials are not available to manufacture its products, AMD could be materially adversely affected; if AMD's products are not compatible with some or all industry-standard software and hardware, it could be materially adversely affected; costs related to defective products could have a material adverse effect on AMD; if AMD fails to maintain the efficiency of its supply chain as it responds to changes in customer demand for its products, its business could be materially adversely affected; AMD outsources to third parties certain supply-chain logistics functions, including portions of its product distribution, transportation management and information technology support services; acquisitions, divestitures and/or joint ventures could disrupt its business, harm its financial condition and operating results or dilute, or adversely affect the price of its common stock; AMD's worldwide operations are subject to political, legal and economic risks and natural disasters, which could have a material adverse effect on it; worldwide political conditions may adversely affect demand for AMD's products; unfavorable currency exchange rate fluctuations could adversely affect AMD; AMD's inability to effectively control the sales of its products on the gray market could have a material adverse effect on it; if AMD cannot adequately protect its technology or other intellectual property in the United States and abroad, through patents, copyrights, trade secrets, trademarks and other measures, it may lose a competitive advantage and incur significant expenses; AMD is a party to litigation and may become a party to other claims or litigation that could cause it to incur substantial costs or pay substantial damages or prohibit it from selling its products; AMD's business is subject to potential tax liabilities; a variety of environmental laws that AMD is subject to could result in additional costs and liabilities; and higher health care costs and labor costs could adversely affect AMD's business. Investors are urged to review in detail the risks and uncertainties in AMD's Securities and Exchange Commission filings, including but not limited to AMD's Quarterly Report on Form 10-Q for the quarter ended September 26, 2015.

2015 ANNUAL SUMMARY



	2014	2015	Y-to-Y Fav / (Unfav)
Revenue	\$5,506 M	\$3,991 M	(28)%
Gross Margin	33 %	27 %	(6 pp)
Non-GAAP Gross Margin ⁽¹⁾	35 %	28 %	(7 pp)
Non-GAAP Operating Expenses ⁽¹⁾	\$1,584 M	\$1,369 M	\$215 M
Non-GAAP Operating Income (Loss) ⁽¹⁾	\$316 M	\$(253) M	\$(569) M
Non-GAAP Net Income (Loss) ⁽¹⁾	\$132 M	\$(419) M	\$(551) M
Cash, Cash Equivalents and Marketable Securities	\$1,040 M	\$785 M	\$(255) M
Inventories, Net	\$685 M	\$678 M	\$7 M
Total Debt ⁽²⁾	\$2,212 M	\$2,262 M	\$(50) M

1. See Appendices for GAAP to Non-GAAP gross margin, operating expenses, operating income (loss) and net income (loss) reconciliations.

2. See Appendices for Total Debt reconciliation.

Q4 2015: IMPROVED GROSS MARGIN AND OPERATING EXPENSES



	Q4 2014	Q3 2015	Q4 2015	Q-to-Q Fav / (Unfav)
Revenue	\$1,239 M	\$1,061 M	\$958 M	(10) %
Gross Margin	29 %	23 %	30 %	7 pp
Non-GAAP Gross Margin ⁽¹⁾	34 %	23 %	30 %	7 pp
Non-GAAP Operating Expenses ⁽¹⁾	\$366 M	\$336 M	\$323 M	\$13 M
Non-GAAP Operating Income (Loss) ⁽¹⁾	\$52 M	\$(97) M	\$(39) M	\$58 M
Non-GAAP Net Income (Loss) ⁽¹⁾	\$18 M	\$(136) M	\$(79) M	\$57 M
Cash, Cash Equivalents and Marketable Securities	\$1,040 M	\$755 M	\$785 M	\$30 M
Inventories, Net	\$685 M	\$761 M	\$678 M	\$83 M
Total Debt ⁽²⁾	\$2,212 M	\$2,260 M	\$2,262 M	\$(2) M

1. See Appendices for GAAP to Non-GAAP gross margin, operating expenses, operating income (loss) and net income (loss) reconciliations.

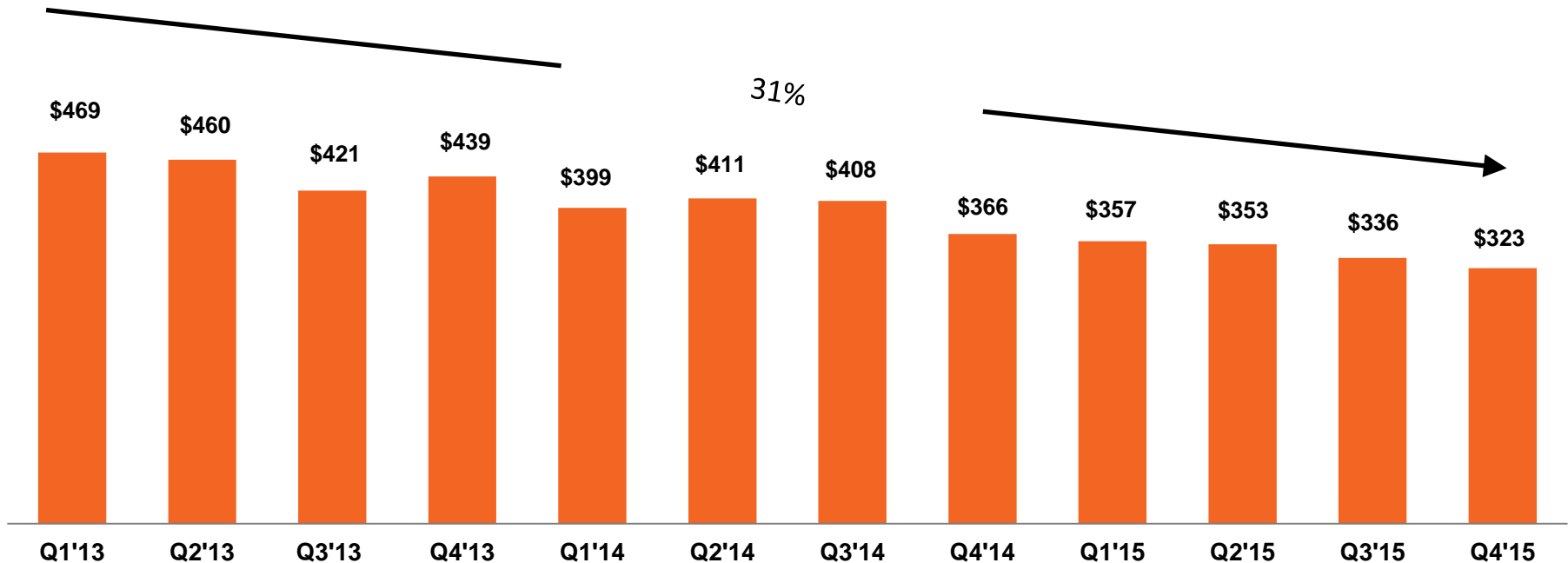
2. See Appendices for Total Debt reconciliation.

OPERATING EXPENSE TREND



REDUCED OPEX FROM 43% OF REVENUE IN Q1 2013 TO 34% IN Q4 2015

NON-GAAP OPEX^(1,2)(IN MILLIONS)



1. All amounts exclude stock-based compensation.

2. See Appendices for GAAP to Non-GAAP operating expense reconciliation.

Q4 2015 AND FY 2015 SEGMENT FINANCIAL RESULTS

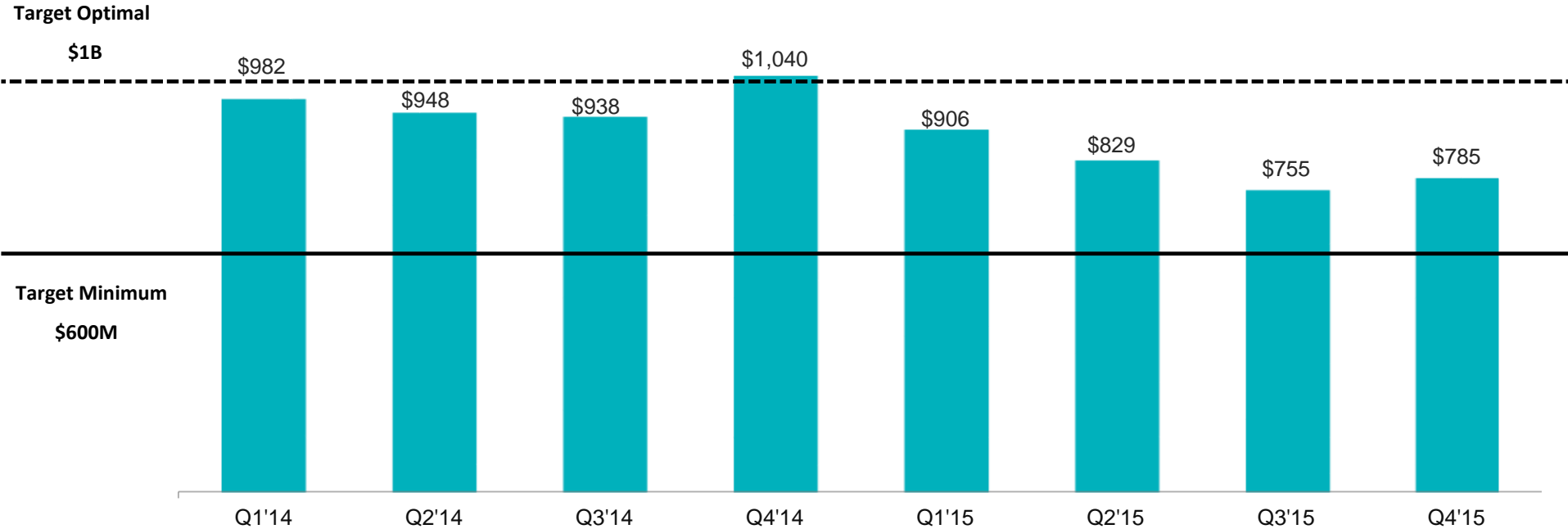


	Q4 2014	Q3 2015	Q4 2015	2014	2015	Q-to-Q Fav / (Unfav)	Y-toY Fav/ (Unfav)
Computing and Graphics							
Net Revenue	\$662 M	\$424 M	\$470 M	\$3,132 M	\$1,805 M	11 %	(42) %
Operating Loss	\$(56) M	\$(181) M	\$(99) M	\$(76) M	\$(502) M		
Enterprise, Embedded and Semi-Custom							
Net Revenue	\$577 M	\$637 M	\$488 M	\$2,374 M	\$2,186 M	(23) %	(8) %
Operating Income	\$109 M	\$84 M	\$59 M	\$399 M	\$215 M		
All Other Category							
Operating Loss	\$(383) M	\$(61) M	\$(9) M	\$(478) M	\$(194) M	-	-
TOTAL							
Net Revenue	\$1,239 M	\$1,061 M	\$958 M	\$5,506 M	\$3,991 M	(10) %	(28) %
Operating Loss	\$(330) M	\$(158) M	\$(49) M	\$(155) M	\$(481) M	-	-

TARGET OPTIMAL AND MINIMUM CASH



CASH BALANCE⁽¹⁾ (\$ IN MILLIONS)



- ▲ ~90% of cash held domestically and the remaining balance can be repatriated
- ▲ Managed cash⁽¹⁾ above target minimum in Q4 2015

1. Cash balance includes: cash, cash equivalents and marketable securities

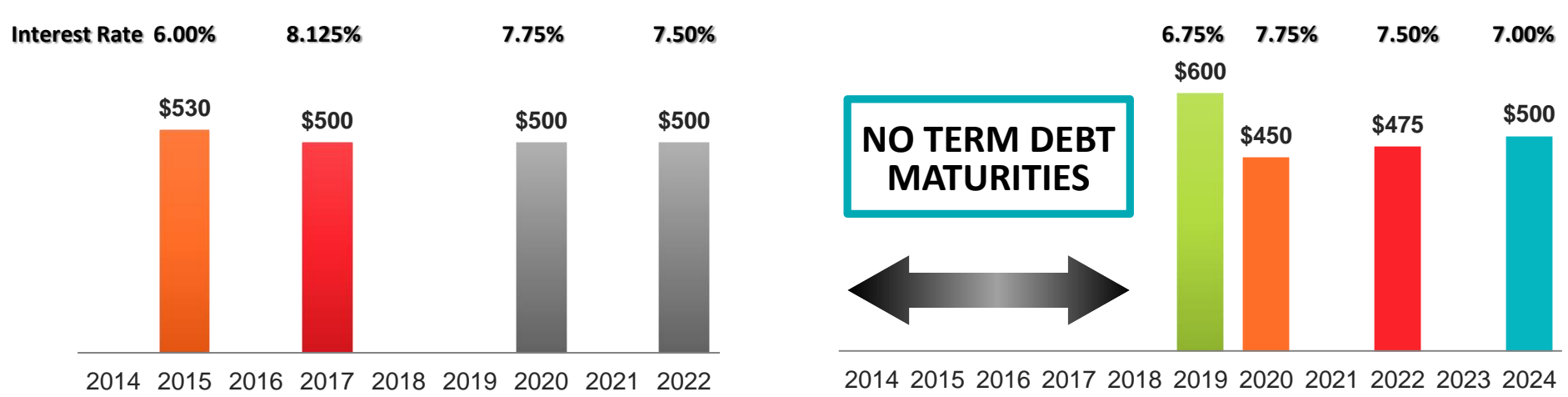
DEBT MATURITY PROFILE



December 28, 2013

December 26, 2015

TERM DEBT PROFILE/STRUCTURE (\$M)



NO TERM DEBT MATURITIES



- ▲ No term debt due until March 2019
- ▲ Weighted average interest rate of term debt is 7.2% as of December 26, 2015
- ▲ Total ABL borrowing of \$230 M at the end of Q4 2015, flat sequentially

Q1 2016 AND FY 2016 FINANCIAL GUIDANCE



	Q4 2015 Actual	Q1 2016 Guidance	2015 Actual	2016 Guidance
Revenue	\$958 M	Down 14 % +/- 3 %	\$3,991 M	Growth Y/Y
Non-GAAP Gross Margin ⁽¹⁾	30 %	~32 %	28 %	-
Non-GAAP Operating Expenses ⁽¹⁾	\$323 M	~\$320 M	\$1,369 M	~\$320 M – ~\$340 M per quarter
Interest Expense, Taxes and Other	\$53 M	~\$42 M	\$179 M	~\$45 M per quarter
Taxes	\$10 M	~\$3 M	\$14 M	~\$3 M per quarter
Cash and Cash Equivalents	\$785 M	Down ~\$100 M	\$785 M	~\$600 M to ~\$1 B
Capital Expenditures	\$32 M	-	\$96 M	~\$70 M
Inventories, Net	\$678 M	~ Flat Q/Q	\$761 M	Down Y/Y
Free Cash Flow ⁽¹⁾	\$21 M	-	\$(333) M	Positive

KEY 2015 FINANCIAL ACCOMPLISHMENTS



ASSET MONETIZATION

Signed definitive agreement to form a joint venture combining AMD's ATMP facilities with NFME's OSAT experience to form industry-leading ATMP company. Expect to receive \$371 M in cash with net proceeds of ~\$320 M after taxes and expenses at closing in 1H 2016 subject to regulatory and other approvals.

OPEX DISCIPLINE

Reduced annual non-GAAP operating expenses by 14% through lower head count and ongoing expense control.

INVENTORY

Made significant progress rebalancing channel inventory.

CASH BALANCE

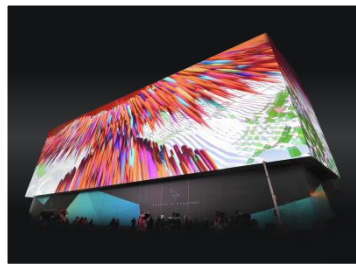
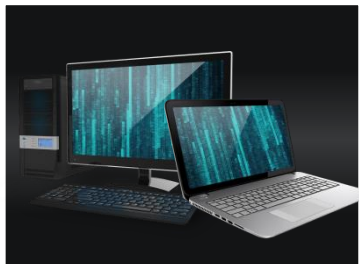
Maintained cash within the optimal zone of \$600 M to \$1 B

INTEREST EXPENSE

Reduced interest expense by 10% from 2014

1. See Appendices for GAAP to Non-GAAP operating expense reconciliation.

KEY 2015 BUSINESS ACCOMPLISHMENTS



Computing

Graphics

Semi-Custom

Embedded

Technology

- ▲ Returned CG business to regular seasonality in 2H 2015
- ▲ Achieved double digit percentage revenue growth in CG in Q3 and Q4 2015

- ▲ Launched Radeon™ R9 Fury, Fury X and Nano series graphics cards with revolutionary HBM Technology
- ▲ Gained market share in 3Q 2015 and expect to share gain in Q4 2015

- ▲ Shipped record number of Semi-custom SoCs in 2015
- ▲ Have shipped >50 M units in total

- ▲ Launched Embedded R-Series SOC processors that establish performance leadership
- ▲ Maintained number one market share position for thin client.

- ▲ Pioneered VR technology by bringing better content, comfort, and compatibility to VR applications via Liquid VR SDK
- ▲ Launched “Boltzmann Initiative” to reduce barriers to GPU Computing

KEY GROWTH PILLARS



HIGH PERFORMANCE PCS

- ▲ Driven by gaming, VR, commercial and the most competitive product roadmap in more than a decade.
- ▲ Regain GPU share based on performance-per-watt of our new GPUs and software leadership
 - Deliver next generation “Polaris” architecture
- ▲ Regain client and computing share:
 - Design win momentum
 - Continue expanding into the commercial market
 - Re-enter the high-performance desktop market late in the year with “Zen”-based “Summit Ridge” CPU

DATACENTER

- ▲ Driven by FirePro GPUs and next-generation server CPUs
- ▲ “Zen”-based CPU development is on track to achieve greater than 40% IPC uplift from our previous generation
 - On schedule to sample in 2016.
- ▲ Secured several key design wins with global OEMs for “Zen”-based server CPU
 - Plan to rapidly re-establish presence in the datacenter with new products to market in 2017
- ▲ Leverage “Polaris” architecture and suite of new software tools in the HPC and datacenter markets.

SEMI-CUSTOM AND EMBEDDED TAM EXPANSION

- ▲ Ramp our previously communicated semi-custom wins
- ▲ Convert additional semi-custom pipeline opportunities
- ▲ Gain share in targeted embedded markets.



AMD'S MISSION



BUILD
GREAT PRODUCTS

The background of the slide features a grid of AMD chips. Each chip has a central square area that is illuminated with a vibrant, multi-colored light pattern, resembling a data visualization or a complex circuit board. The overall aesthetic is high-tech and futuristic.

DRIVE
DEEP CUSTOMER
RELATIONSHIPS

SIMPLIFY
THE BUSINESS

Non-GAAP Measures:

To supplement the financial results of Advanced Micro Devices, Inc. (“AMD” or the “Company”) presented on a U.S. GAAP (“GAAP”) basis, this slide deck contains non-GAAP financial measures, including non-GAAP gross margin, non-GAAP operating expenses, non-GAAP research and development and marketing, general and administrative expenses, non-GAAP operating income (loss), and non-GAAP net income (loss). 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.

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Reconciliation of GAAP to Non-GAAP Gross Margin

(Millions except percentages)

	Q4-15	Q3-15	Q4-14	2015	2014
GAAP Gross Margin	\$ 283	\$ 239	\$ 360	\$ 1,080	\$ 1,839
GAAP Gross Margin %	30%	23%	29%	27%	33%
Technology node transition charge	-	-	-	33	-
Stock-based compensation*	1	-	-	3	3
Lower of cost or market inventory adjustment	-	-	58	-	58
Non-GAAP Gross Margin	\$ 284	\$ 239	\$ 418	\$ 1,116	\$ 1,900
Non-GAAP Gross Margin %	30%	23%	34%	28%	35%

Reconciliation of GAAP to Non-GAAP Operating Expenses

(Millions)

	Q4-15	Q3-15	Q2-15	Q1-15	Q4-14	2015	2014
GAAP operating expenses	\$ 332	\$ 397	\$ 369	\$ 463	\$ 690	\$ 1,561	\$ 1,994
Goodwill impairment	-	-	-	-	233	-	233
Restructuring and other special charges, net	(6)	48	-	87	71	129	71
Workforce rebalancing severance charges	-	-	-	-	-	-	14
Amortization of acquired intangible assets	-	-	-	3	4	3	14
Stock-based compensation*	15	13	16	16	16	60	78
Non-GAAP operating expenses	\$ 323	\$ 336	\$ 353	\$ 357	\$ 366	\$ 1,369	\$ 1,584

APPENDICES



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

(Millions)	Q4-15	Q3-15	Q4-14	2015	2014
GAAP operating loss	\$ (49)	\$ (158)	\$ (330)	\$ (481)	\$ (155)
Goodwill impairment	-	-	233	-	233
Technology node transition charge	-	-	-	33	-
Lower of cost or market inventory adjustment	-	-	58	-	58
Restructuring and other special charges, net	(6)	48	71	129	71
Workforce rebalancing severance charges	-	-	-	-	14
Amortization of acquired intangible assets	-	-	4	3	14
Stock-based compensation*	16	13	16	63	81
Non-GAAP operating income (loss)	\$ (39)	\$ (97)	\$ 52	\$ (253)	\$ 316

Reconciliation of GAAP Net Loss/Loss per share to Non-GAAP Net Income (Loss)/Earnings (Loss) per Share

(Millions except per share amounts)	Q4-15		Q3-15		Q4-14		2015		2014	
GAAP net loss /loss per share	\$ (102)	\$ (0.13)	\$ (197)	\$ (0.25)	\$ (364)	\$ (0.47)	\$ (660)	\$ (0.84)	\$ (403)	\$ (0.53)
Goodwill impairment	-	-	-	-	233	0.30	-	-	233	0.30
Technology node transition charge	-	-	-	-	-	-	33	0.04	-	-
Lower of cost or market inventory adjustment	-	-	-	-	58	0.07	-	-	58	0.07
Restructuring and other special charges, net	(6)	(0.01)	48	0.06	71	0.09	129	0.16	71	0.09
Workforce rebalancing severance charges	-	-	-	-	-	-	-	-	14	0.02
Loss on debt redemption	-	-	-	-	-	-	-	-	64	0.08
Tax settlement in foreign jurisdiction	13	0.02	-	-	-	-	13	0.02	-	-
Amortization of acquired intangible assets	-	-	-	-	4	-	3	-	14	0.02
Stock-based compensation*	16	0.02	13	0.02	16	0.02	63	0.08	81	0.11
Non-GAAP net income (loss) / earnings (loss) per share	\$ (79)	\$ (0.10)	\$ (136)	\$ (0.17)	\$ 18	\$ 0.02	\$ (419)	\$ (0.54)	\$ 132	\$ 0.16

*Beginning Q1 2015, AMD started excluding the impact of stock-based compensation from non-GAAP results. Prior periods have been adjusted accordingly.

APPENDICES



Total Debt

(Millions)	Q4-15	Q3-15
6.75% Senior Notes due 2019	\$ 600	\$ 600
6.75% Senior Notes due 2019 - Interest Rate Swap	7	5
7.75% Senior Notes due 2020	450	450
7.50% Senior Notes due 2022	475	475
7.00% Senior Notes due 2024	500	500
Borrowings from secured revolving line of credit, net	230	230
Total Debt	\$ 2,262	\$ 2,260

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