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AMD Announces Multi-Year Amendment to the Wafer Supply Agreement With GLOBALFOUNDRIES

SUNNYVALE, CA -- (Marketwired) -- 08/31/16 -- AMD (NASDAQ: AMD)

- Comprehensive 5-year amendment strengthens strategic partnership and provides AMD with flexibility in sourcing foundry services in 14nm and 7nm technology nodes
- Establishes a framework for technology collaboration between AMD and GF at the 7nm technology node
- AMD issues a warrant for common stock to Mubadala-owned company

AMD (NASDAQ: AMD) announced that it has entered into a long-term amendment to its Wafer Supply Agreement (WSA) with GLOBALFOUNDRIES Inc. (GF) for the period from Jan. 1, 2016 to Dec. 31, 2020.

"The five-year amendment further strengthens our strategic manufacturing relationship with GLOBALFOUNDRIES while providing AMD with increased flexibility to build our high-performance product roadmap with additional foundries in the 14nm and 7nm technology nodes," said Dr. Lisa Su, AMD president and CEO. "Our goal is for AMD to have continued access to leading-edge foundry process technologies enabling us to build multiple generations of great products for years to come."

GLOBALFOUNDRIES' Fab 8 in Malta, N.Y. is playing a significant role in providing leading-edge capacity for AMD's graphics and processor products, including the recently launched AMD Radeon™ Polaris GPUs and upcoming "Zen"-based processors.

In addition to modifying certain terms of the WSA applicable to AMD's microprocessor, graphics processor, and semi-custom products, the amendment:

- Covers a 5-year period, spanning from calendar year 2016 through 2020;
- Establishes a comprehensive framework for technology collaboration between AMD and GF for the 7nm technology node, building on the success of the 14nm node;
- Provides AMD with the flexibility to manufacture certain products with another wafer foundry;
- Sets annual wafer purchase targets from 2016 through the end of 2020, fixed wafer prices for 2016, and a framework for yearly wafer pricing.

In partial consideration for these rights, AMD will:

- Make a $100 million cash payment to GF, paid in installments beginning in Q4 2016 through Q3 2017.

- Make quarterly payments to GF beginning in 2017 based on the volume of certain wafers purchased from another wafer foundry.
- Grant to West Coast Hitech L.P., a wholly-owned subsidiary of the Mubadala Development Company PJSC, a warrant to purchase 75 million shares of AMD common stock at a purchase price of $5.98 per share. The warrant may be exercised in whole or in part prior to February 29, 2020. The warrant is only exercisable to the extent that Mubadala or its subsidiaries do not beneficially own, either directly or indirectly, an aggregate of more than 19.99 percent of AMD's outstanding capital stock after the exercise.

AMD expects to record a one-time accounting charge in the third quarter of 2016 of approximately $335 million comprised of the $100 million payment and the $235 million value of the warrant.

AMD Teleconference

AMD will hold a conference call for the financial community at 2:30 p.m. PDT (5:30 p.m. EDT) today to discuss the sixth amendment to the WSA. 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 12 months after the conference call.

About AMD

For more than 45 years, AMD has driven innovation in high-performance computing, graphics, and visualization technologies -- the building blocks for gaming, immersive platforms, and the datacenter. Hundreds of millions of consumers, leading Fortune 500 businesses, and cutting-edge scientific research facilities around the world rely on AMD technology daily to improve how they live, work, and play. AMD employees around the world are focused on building great products that push the boundaries of what is possible. For more information about how AMD is enabling today and inspiring tomorrow, visit the AMD (NASDAQ: AMD) website, blog, Facebook and Twitter pages.

Cautionary Statement

This press release contains forward-looking statements concerning Advanced Micro Devices, Inc. ("AMD," "our" or the "Company") that relate to, among other things: AMD's expected benefits from the Wafer Supply Agreement amendment (the "Amendment"); that the Amendment will provide AMD with increased flexibility to build its product roadmap with additional foundries in the 14nm and 7nm technology nodes; AMD's goal to have continued access to leading-edge foundry processes enabling it to build future products; the expected impact that the Amendment will have on AMD's long-term strategy; AMD's expected $100 million payment to GLOBALFOUNDRIES Inc. ("GF"); AMD's quarterly payments to GF beginning in 2017 based on volume of certain wafers purchased from another wafer foundry; and that AMD expects to record a one-time charge in the third quarter of 2016 related to the $100 million payment and the value of the warrant, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are commonly identified by words such as "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "estimates," "anticipates," "projects," "would" and other terms with similar meaning. Investors are cautioned that the forward looking statements in this presentation are based on current beliefs, assumptions and expectations, speak only as of the date of this document and involve risks and uncertainties that could cause actual results to differ materially from current expectations. Risks include that Intel Corporation's dominance of the microprocessor market and its aggressive business practices may limit

AMD's ability to compete effectively; AMD relies on GF to manufacture its microprocessor and accelerated processing unit products and a certain portion of its discrete graphics processing unit products, with limited exceptions. 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; 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; 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 the 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 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; 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; the completion and impact of the 2015 restructuring plan, its transformation initiatives and any future restructuring actions could adversely affect it; 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, software 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's reliance on third-party distributors and Add-in-Board 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; 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 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 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, materials or manufacturing processes 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; AMD may incur future impairments of goodwill; 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; and AMD is subject to environmental laws, conflict minerals-related provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act as well as a variety of other laws or regulations that could result in additional costs and liabilities. 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 June 25, 2016.

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