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AMD to Acquire SeaMicro: Accelerates Disruptive Server Strategy

SeaMicro's Low-Power, High-Bandwidth Microserver Solutions Set the Stage for AMD's Disruptive Approach to Lead Fast-Growing Cloud Data Center Market

SUNNYVALE, CA -- (MARKET WIRE) -- 02/29/12 -- AMD (NYSE: AMD) today announced it has signed a definitive agreement to acquire SeaMicro, a pioneer in energy-efficient, high-bandwidth microservers, for approximately $334 million, of which approximately $281 million will be paid in cash. Through the acquisition of SeaMicro, AMD will be accelerating its strategy to deliver disruptive server technology to its OEM customers serving Cloud-centric data centers. With SeaMicro's fabric technology and system-level design capabilities, AMD will be uniquely positioned to offer industry-leading server building blocks tuned for the fastest-growing workloads such as dynamic web content, social networking, search and video.

AMD's server technology combined with SeaMicro technology provides customers with a range of processor choices and platforms that can help significantly reduce data center complexity, cost and energy consumption while improving performance. AMD plans to offer the first AMD Opteron™ processor-based solutions that combine AMD and SeaMicro technology in the second half of 2012. The company remains firmly committed to its traditional server business, and will continue to focus and invest in this area.

"By acquiring SeaMicro, we are accelerating AMD's transformation into an agile, disruptive innovator capable of staking a data center leadership position," said Rory Read, president and CEO, AMD. "SeaMicro is a pioneer in low-power server technology. The unmatched combination of AMD's processing capabilities, SeaMicro's system and fabric technology, and our ambidextrous technology approach uniquely positions AMD with a compelling, differentiated position to attack the fastest growing segment of the server market."

SeaMicro technologies offer substantial advantages in large data center and Cloud environments. Cloud data centers are projected to be the fastest growing segment of the server market through 2015, according to IDC(1). Current systems featuring SeaMicro technology typically use one quarter the power and take one sixth the space of traditional servers with the same compute performance, yet deliver up to 12 times the bandwidth per core(2).

Foremost among SeaMicro's innovations is their supercompute fabric, which connects thousands of processor cores, memory, storage and input/output traffic. SeaMicro's fabric supports multiple processor instruction sets. SeaMicro solutions are currently deployed in multiple sites across the world. AMD will continue to support all current SeaMicro customers while accelerating plans to deliver new platforms that combine AMD and SeaMicro technology and enable AMD's OEM partners to bring differentiated solutions to market.

"Cloud computing has brought a sea change to the data center -- dramatically altering the economics of compute by changing the workload and optimal characteristics of a server," said Andrew Feldman, SeaMicro CEO, who will become general manager of AMD's newly created Data Center Server Solutions business. "SeaMicro was founded to dramatically reduce the power consumed by servers, while increasing compute density and bandwidth. By becoming a part of AMD, we will have access to new markets, resources, technology, and scale that will provide us with the opportunity to work tightly with our OEM partners as we fundamentally change the server market."

The acquisition does not change AMD's 2012 financial guidance and the transaction is expected to be accretive to earnings after 2012. AMD will fund the cash portion of the acquisition with existing cash reserves.

AMD Conference Call
AMD will hold a conference call for the financial community at 4:45 p.m. EST today to discuss today's announcement. AMD will provide a real-time audio broadcast of the teleconference on the Investor Relations page of its Web site at www.AMD.com. The webcast will be available for 10 days after the conference call.

Resources

- Learn more about AMD's definitive agreement to acquire SeaMicro

SeaMicro -- a Pioneer in Low Power Server Technology
Based in Sunnyvale, Calif., SeaMicro was founded in 2007 and has approximately 80 employees. By delivering breakthrough innovations borne of multiple technology domains -- CPU design, virtualization, supercomputing and networking -- SeaMicro has created a new server architecture purpose-built for scale-out infrastructures such as those found in the web tier, online gaming, search and index computation. In 2009, the company received the largest U.S. Department of Energy grant given to a server company, $9.3 million, as part of the American Recovery and Reinvestment Act.

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 http://www.amd.com.

CAUTIONARY STATEMENT
This release contains forward-looking statements, concerning among other things, AMD's strategic initiatives and growth opportunities; the anticipated benefits from AMD's acquisition of SeaMicro; AMD's server strategy; planned products; industry trends; and AMD's financial guidance including earnings for fiscal year 2012, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act. 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. Material factors and assumptions that were applied in making these forward looking statements include,

without limitation, AMD's current expectations regarding GLOBALFOUNDRIES manufacturing yields and wafer volumes and demand for its products. 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 may negatively impact the company's plans; the company will be unable to develop, launch and ramp new products and technologies in the volumes required by the market and at mature yields on a timely basis; that the company's third party wafer foundry suppliers will be unable to transition the company's products to advanced manufacturing process technologies in a timely and effective way or to manufacture the company's products on a timely basis in sufficient quantities and using competitive technologies; the company will be unable to obtain sufficient manufacturing capacity or components to meet demand for its products or will not fully utilize the company's projected manufacturing capacity needs at GLOBALFOUNDRIES' microprocessor manufacturing facilities in 2012 and beyond; that customers stop buying the company's products or materially reduce their operations or demand for the company's products; that the company may be unable to maintain the level of investment in research and development that is required to remain competitive; that there may be unexpected variations in market growth and demand for the company's products and technologies in light of the product mix that it may have available at any particular time or a decline in demand; 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; 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 Annual Report on Form 10-K for the year ended December 31, 2011.

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(1) According to IDC Q4 2011 Server Forecast
(2) 1/4 the power based on a comparison of same throughput achieved by 51 traditional 2P 1U rack servers @ 13,581 total watts at 100% utilization and 512 1P SeaMicro servers in a single 10U chassis at 2,499 total watts at 100% utilization, running a standard web server workload. 1/6 the floor space is based on a comparison of 60 1U traditional servers versus one SeaMicro chassis at 10U. 12X throughput is based on a traditional Dual socket platform with 12 cores (2 socket x six cores) and 2x1GB NICs (2 Gig/12 cores = 167 Mbps bandwidth per core) compared to a SeaMicro single socket server 4 cores and aggregated bandwidth of up to 8 1 Gig NICs for each socket (8 Gig/4 cores = 2Gbps bandwidth per core) 2/.167 = 12

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