March 4, 2012

AMD Amends Wafer Supply Agreement With GLOBALFOUNDRIES

SUNNYVALE, CA -- (MARKET WIRE) -- 03/04/12 -- AMD (NYSE: AMD) today announced that it entered into an amendment to its Wafer Supply Agreement (WSA) with GLOBALFOUNDRIES Inc. In this amendment, AMD and GLOBALFOUNDRIES agreed to a negotiated wafer price mechanism for 2012. AMD also agreed to transfer its remaining ownership interest in GLOBALFOUNDRIES to GLOBALFOUNDRIES and, as a result, AMD will no longer hold an equity stake in GLOBALFOUNDRIES.

"The amended wafer supply agreement demonstrates that AMD and GLOBALFOUNDRIES remain committed as long-term strategic business partners," said Rory Read, chief executive officer, AMD. "We made significant progress last year to strengthen our relationship, and we're pleased with GLOBALFOUNDRIES' recent performance in meeting our delivery requirements across our product line."

Under the amended agreement:

- AMD and GLOBALFOUNDRIES established a wafer price mechanism with negotiated prices based on a take or pay arrangement in 2012, established a framework for wafer pricing in 2013, and agreed that AMD's additional 2012 quarterly payment obligations specified in the 2011 amendment will be waived.
- AMD also agreed to transfer its remaining ownership interest in GLOBALFOUNDRIES to GLOBALFOUNDRIES and, as a result, AMD will no longer hold an equity stake in GLOBALFOUNDRIES.
- GLOBALFOUNDRIES waived the exclusivity arrangement for AMD to manufacture certain 28nm APU products at GLOBALFOUNDRIES for a specified period. As a result, AMD agreed to pay GLOBALFOUNDRIES a cash payment of $425 million, of which $150 million is being paid on March 5, 2012, $50 million will be paid by July 2, 2012, $50 million by October 2, 2012 and $175 million in the first quarter of 2013. In addition, AMD issued a promissory note to GLOBALFOUNDRIES for the payments due by October 2, 2012 and first quarter 2013.

AMD expects to record a one-time charge of $703 million in Q1 2012 consisting of the above-mentioned $425 million cash payment and the remainder will be a non-cash charge.

AMD's Q1 2012 non-GAAP gross margin guidance of approximately 45% and the 2012 non-GAAP gross margin guidance of 44% - 48% remain unchanged.

AMD Teleconference
AMD will hold a conference call at 5:30 a.m. PT (8:30 a.m. ET) on Monday, March 5, 2012 to discuss the amendment to its Wafer Supply Agreement with GLOBALFOUNDRIES. AMD will provide a real time audio broadcast of the teleconference on the Investor Relations page of its Web site at AMD. The webcast will be available for 30 days after the conference call.

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 AMD, its estimated payment to GLOBALFOUNDRIES in 2012 for wafer purchases under the Wafer Supply Agreement, a charge in the first quarter of 2012 and its Non-GAAP gross margin guidance for the first quarter of 2012 and fiscal 2012, 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. 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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