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AMD Updates Fourth Quarter Outlook

SUNNYVALE, Calif.--(BUSINESS WIRE)--

AMD (NYSE:AMD) today announced revenue, excluding ATI-related segments, for the fourth quarter ended December 31, 2006 is expected to increase approximately three percent from the $1.33 billion reported in the third quarter of 2006. Fourth quarter operating income, excluding ATI-related segments and acquisition-related charges, is expected to be positive but substantially lower than in the third quarter. The fourth quarter gross margin and operating income were impacted by significantly lower microprocessor average selling prices, which largely offset a significant increase in unit sales.

AMD will report fourth quarter 2006 consolidated results after market close on January 23, 2007. AMD will hold a conference call on this day for the financial community at 2:00 p.m. PT to discuss fourth quarter results. A real-time audio broadcast of the teleconference will be provided at www.amd.com and www.streetevents.com. The webcast will be available for ten days after the conference call.

CAUTIONARY STATEMENT

This release contains forward-looking statements concerning revenue, operating income and average selling prices for the fourth quarter of 2006, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements in this release involve risks and uncertainty that could cause actual results to differ materially from current expectations. Risks include the fact that global business and economic conditions may worsen; that Intel Corporation's pricing, marketing programs, product bundling, new product introductions or other activities targeting the company's business will prevent attainment of the company's sales plans; that demand for computers and, in turn, demand for the company's products will be lower than currently expected; that the company will not achieve its current product and technology introduction schedules; the company will require additional capital and will not be able to raise sufficient capital, on favorable terms or at all; that the company will not be able to obtain sufficient manufacturing capacity or components to meet demand for its products; that solutions providers will not provide the infrastructure to support the company's AMD64 technology in a timely fashion; and that unfavorable results of operations of Spansion will adversely impact the company's results of operations. We urge investors 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 25, 2005, and the Quarterly Report on Form 10-Q for the quarter ended October 1, 2006.

ABOUT AMD

Advanced Micro Devices (NYSE:AMD) is a leading global provider of innovative processing solutions in the computing, graphics and consumer electronics markets. AMD is dedicated to driving open innovation, choice and industry growth by delivering superior customer-centric solutions that empower consumers and businesses worldwide. For more information, visit www.amd.com.

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