May 5, 2008

AMD Senior Vice President of Manufacturing, Doug Grose, Highlights Operations' Efficiency in Keynote Address

Initiatives Reduce AMD Cycle Time by 23 percent, Gets Products to Customers Faster

CAMBRIDGE, Mass.--(BUSINESS WIRE)--

In a keynote speech at the Advanced Semiconductor Manufacturing Conference, Doug Grose, AMD (NYSE:AMD) senior vice president for Manufacturing, Technology Development & Supply Chain Management, outlined a number of steps the company has taken to improve its manufacturing efficiency and customer-responsiveness.

As part of a company-wide initiative, AMD has applied Lean techniques, used successfully by Toyota, Porsche and others, to reduce waste and drive efficiencies across its operations. Combining these practices with proprietary tools like its Automated Precision Manufacturing (APM) factory floor control system, AMD has significantly increased the speed, accuracy and agility of its chip fabrication, assembly and test.

"Our industry is simultaneously facing new demands and constraints. Consumers want new products faster with a greater variety of functions, while chip manufacturers bear the cost to develop and produce the underlying technology," Dr. Grose explained. "Efficiency has become more important than ever in meeting customer demands and staying competitive."

The traditional industry approach to improve manufacturing efficiency has been to introduce new technologies, such as smaller circuit sizes or larger wafers, to increase throughput. In addition to pursuing these improvements, AMD has increased its focus on improving the process of manufacturing itself. For example, preliminary studies at the company's Dresden facility show that significant reductions in manufacturing cycle time can be realized by reducing the size of the wafer lots that move through the line.

Lower cycle time means that ideas move from design to product to market faster, allowing companies to realize revenue more quickly and react to market demand more effectively. It also allows chip producers to be more flexible between high and low volume orders, which has become critical as different chip products have proliferated.

"AMD has put a number of the long-held assumptions about how to gain efficiency to question, and we've found some very interesting ways to approach the problem," said Dr. Grose. "AMD is looking for ways to cut waste and drive value to our customers--it's an approach based on Lean fundamentals."

The application of Lean principles has improved AMD manufacturing operations across the board. In its Singapore assembly & test operations, this has resulted in chip output

increasing by 75,000 units per line annually, lowering cycle time by 25 percent and cutting production time nearly in half across all product segments. Further, reductions of 94 percent in material transport and 95 percent in lead time have also been realized by linking together previously unassociated processes. Similarly, a 20 percent increase in productivity was obtained in AMD's Penang plant, along with a 60 percent reduction in lead time with a 17 percent increase in productivity at the company's Suzhou plant.

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.

About Dr. Doug Grose

Senior Vice President, Manufacturing, Technology Development & Supply Chain Management

Doug came to AMD after an extensive career with IBM, where most recently, he served as general manager of Technology Development and Manufacturing in IBM's Systems and Technology Group. After originally joining IBM in 1979, he held a variety of management and executive positions related to IBM's development and manufacture of semiconductor technologies and products. He has also served as executive vice president and COO of Nanotech Resources, and COO of Hitachi Global Storage Technologies.

Doug also has extensive educational credentials, with a doctorate degree in materials engineering, a master's degree in business administration, and master's and bachelor's degrees in materials science, all from Rensselaer Polytechnic Institute.

Source: Advanced Micro Devices