April 3, 2011

AMD Amends Wafer Supply Agreement With GLOBALFOUNDRIES and Discloses GLOBALFOUNDRIES Investment-Related Noncash Gain of $492 Million

The Amendment Delivers a Pricing Model That Better Aligns to AMD's Business and Incentivizes GLOBALFOUNDRIES to Continue Improving 32nm Yields

SUNNYVALE, CA -- (MARKET WIRE) -- 04/03/11 -- AMD (NYSE: AMD) today announced that it amended its Wafer Supply Agreement (WSA) with GLOBALFOUNDRIES Inc. The primary purpose of the amendment was to revise the pricing methodology applicable to wafers delivered in 2011 for AMD's microprocessor and accelerated processing unit (APU) products. The amendment also modified AMD's existing commitments regarding future increases in production of certain graphics processing unit (GPU) and chipset products at GLOBALFOUNDRIES.

Under the amended agreement, GLOBALFOUNDRIES has committed to provide AMD with, and AMD has committed to purchase, a fixed number of 45nm and 32nm wafers per quarter in 2011. AMD will pay GLOBALFOUNDRIES fixed prices for 45nm wafers delivered in 2011. AMD's price for 32nm products will be based on good die.

In addition, AMD also agreed to pay an additional quarterly amount to GLOBALFOUNDRIES during 2012 if GLOBALFOUNDRIES meets specified conditions related to continued availability of 32nm capacity as of the beginning of 2012.

For 2012, AMD will resume compensating GLOBALFOUNDRIES on a cost-plus basis to manufacture wafers for its microprocessor and APU products. AMD currently estimates that it will pay GLOBALFOUNDRIES approximately $1.1 to $1.5 billion in 2011 and $1.5 to $1.9 billion in 2012(1) for wafer purchases under the amended WSA. In 2010, AMD paid GLOBALFOUNDRIES approximately $1.2 billion for wafer purchases. In addition, and unrelated to the WSA amendment, AMD began accounting for its investment in GLOBALFOUNDRIES under the cost method as of the first fiscal quarter of 2011. This transition was triggered by the contribution of Chartered Semiconductor to GLOBALFOUNDRIES and amendments to certain agreements. As a result of this contribution AMD will recognize a noncash gain in its first fiscal quarter 2011 financial results, net of certain costs, of approximately $492 million. The noncash gain is related to the dilution of its equity interest in GLOBALFOUNDRIES and will be reflected in the Equity in net income (loss) of investee line of its Consolidated Statement of Operations.

AMD Teleconference
AMD will hold a conference call for the financial community at 5:30 a.m. PT (8:30 a.m. ET) on Monday, April 4, 2011 to discuss the Wafer Supply Agreement amendment. 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 ground-breaking AMD Fusion Accelerated Processing Units (APUs). AMD's graphics and computing technologies power a variety of solutions including PCs, game consoles and the servers that drive the Internet and businesses. For more information, visit http://www.amd.com.

Cautionary Statement
This release contains forward-looking statements concerning AMD, its estimated payments to GLOBALFOUNDRIES in 2011 and 2012 for wafer purchases under the Wafer Supply Agreement and a noncash gain in the first fiscal quarter of 2011, 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 will prevent attainment of the company's current plans; the company will be unable to develop, launch and ramp new products and technologies in the volumes and mix required by the market and at mature yields on a timely basis; GLOBALFOUNDRIES will be unable 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 under-utilize its commitment with respect to GLOBALFOUNDRIES' microprocessor manufacturing facilities; the company will be unable to transition its products to advanced manufacturing process technologies in a timely and effective way; global business and economic conditions will not continue to improve or will worsen resulting in lower than currently expected demand; demand for computers and consumer electronics products and, in turn, demand for the company's products will be lower than currently expected; customers stop buying the company's products or materially reduce their demand for its products; the company will require additional funding and may not be able to raise funds on favorable terms or at all; there will 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; and the company will be unable to maintain the level of investment in research and development that is required to remain competitive. 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 25, 2010.

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(1) AMD based its 2011 and 2012 estimated costs in part on AMD's current expectations regarding GLOBALFOUNDRIES manufacturing yields and wafer volumes. These costs could increase or decrease as a result of variations in those yields and several other factors including AMD's current expectations regarding demand for products. AMD is not able to meaningfully quantify or estimate purchase obligations from GLOBALFOUNDRIES beyond 2012, but it expects that future purchases from GLOBALFOUNDRIES under the Wafer Supply Agreement will continue to be material.

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EDITORIAL CONTACT:
Drew Prairie
(512) 602-4425
Email Contact

INVESTOR CONTACT:
Ruth Cotter
(408) 749-3887
Email Contact

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