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AMD to License Graphics Technology Optimized for Handheld Devices

-- New Initiative Aims to Enable the Ultimate Visual Experience for Hundreds of Millions of Handheld Devices --

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

AMD (NYSE:AMD) today announced a new business focused on developing and licensing leading-edge graphics core technologies to semiconductor manufacturers throughout the handheld industry. This move is a part of the AMD commitment to enable The Ultimate Visual Experience(TM) across all devices from handhelds to PCs. As a result, new handheld devices developed with AMD graphics technology inside will reach a large audience of customers who want to enjoy stunning user interfaces, immersive 3D games, and dynamic multimedia content.

With more than a billion handheld devices expected to be sold worldwide in 2007, and a growing demand for visually compelling content for these devices, there is a need for rich graphics and 3D hardware acceleration technology. The new AMD IP licensing initiative combines engineering expertise, industry-leading AMD graphics technology, and application developer and publisher support to deliver innovative solutions for the development of low-power 2D and 3D graphics on mobile phones.

"AMD has been developing graphics technology for PCs and video game consoles for more than 20 years, and has shipped more than 200 million AMD processors for mobile phones," said Paul Dal Santo, vice president and general manager of AMD's Handheld Division. "This uniquely qualifies AMD to work with OEMs and other semiconductor suppliers to bring to market handheld devices capable of delivering The Ultimate Visual Experience."

STMicroelectronics has licensed AMD graphics technology, including 2D, 3D and vector graphics core engines, as well as related software compliant with OpenGL ES 2.0 and OpenVG 1.0 standards. STMicroelectronics intends to combine AMD's handheld unified shader architecture graphics technology with its Nomadik(TM) platform.

"Our extensive benchmarking research found that AMD delivers the highest quality graphics technology for handheld user interfaces and sophisticated applications such as GPS," said Jyrki Hannikainen, general manager of ST's Application Processor Division. "Combining AMD's leading graphics core with the proven strengths of our Nomadik leading-edge multimedia platform will not only drive interest with application developers, but will help feed the consumer appetite for visually rich 3D applications and multimedia."

AMD is driving new graphics standards, such as OpenGL ES 2.0 and OpenVG 1.0, to accelerate the transformation of graphics for handheld devices. Working in close collaboration with leading semiconductor suppliers such as STMicroelectronics, OEMs and application developers, AMD's aim is to develop leading-edge handheld platforms,

encourage the creation of graphics-rich content and unleash a new world of mobile entertainment experiences.

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.

Certain statements in this news release, including but not limited to any projections regarding proliferation of AMD graphics technology and worldwide handset sales may be considered "forward-looking". Such forward-looking statements are based on current expectations, and, accordingly, entail various risks and uncertainties. Risks that could cause actual results to differ materially from such forward-looking statements include potential software or hardware-related issues or conflicts, the development of new products or technologies, overall system performance and other unforeseen risks. We therefore cannot provide any assurance that such forward-looking statements will materialize. We assume no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason. Additional information concerning risks and uncertainties affecting our business and other factors that could cause actual results to differ materially from any forward-looking statement is contained in our filings with Canadian and U.S. securities regulatory authorities, that are available at www.sedar.com and www.sec.gov.

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