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AMD FIRST QUARTER 2016 FINANCIAL RESULTS April 21, 2016

CAUTIONARY STATEMENT

This presentation contains forward-looking statements concerning Advanced Micro Devices, Inc. ("AMD" or the "Company") including its financial outlook for the second quarter of 2016, including revenue, gross margin, non-GAAP operating expenses, the total of interest expense, taxes and other expenses, inventory and its cash, cash equivalents and marketable securities balances; the features, functionality, timing and availability of AMD's future products; the expected cash and gains to be received by AMD under the IP licensing agreement and AMD's expected royalty payments from future product sales; the expected benefits from AMD's joint venture with THATIC; the expected closing date for the proposed joint ventures between AMD and Nantong Fujitsu Microelectronics Co., Ltd. and the expected cash proceeds AMD will receive at closing; and AMD's ability to achieve the goals in each of its three key growth pillars, 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 document are based on current beliefs, assumptions and expectations, speak only as of the date of this document and involve risks and uncertainties that could cause actual results to differ materially from current expectations. Such statements are subject to certain known and unknown risks and uncertainties, many of which are difficult to predict and generally beyond AMD's control, that could cause actual results and other future events to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Material factors that could cause actual results to differ materially from current expectations include, without limitation, the following: Intel Corporation's dominance of the microprocessor market and its aggressive business practices may limit AMD's ability to compete effectively; AMD relies on GLOBALFOUNDRIES Inc. (GF) to manufacture all of its microprocessor and APU products and a certain portion of its GPU products, with limited exceptions. If GF is not able to satisfy AMD's manufacturing requirements, its business could be adversely impacted; AMD relies on third parties to manufacture its products, and if they are unable to do so on a timely basis in sufficient quantities and using competitive technologies, AMD's business could be materially adversely affected: failure to achieve expected manufacturing yields for AMD's products could negatively impact its financial results; the success of AMD's business is dependent upon its ability to introduce products on a timely basis with features and performance levels that provide value to its customers while supporting and coinciding with significant industry transitions; if AMD cannot generate sufficient revenue and operating cash flow or obtain external financing, it may face a cash shortfall and be unable to make all of its planned investments in research and development or other strategic investments; the loss of a significant customer may have a material adverse effect on AMD; global economic uncertainty may adversely impact AMD's business and operating results; AMD may not be able to generate sufficient cash to service its debt obligations or meet its working capital requirements; AMD has a substantial amount of indebtedness which could adversely affect its financial position and prevent it from implementing its strategy or fulfilling its contractual obligations: the agreements governing AMD's notes and the secured revolving line of credit for a principal amount up to \$500 million (Secured Revolving Line of Credit) impose restrictions on AMD that may adversely affect its ability to operate its business; the completion and impact of its 2015 restructuring plan, its transformation initiatives and any future restructuring actions could adversely affect it; the markets in which AMD's products are sold are highly competitive; uncertainties involving the ordering and shipment of AMD's products could materially adversely affect it; AMD's receipt of revenue from its semi-custom SoC products is dependent upon its technology being designed into third-party products and the success of those products; the demand for AMD's products depends in part on the market conditions in the industries into which they are sold. Fluctuations in demand for AMD's products or a market decline in any of these industries could have a material adverse effect on its results of operations; AMD's ability to design and introduce new products in a timely manner is dependent upon third-party intellectual property; AMD depends on third-party companies for the design, manufacture and supply of motherboards, software and other computer platform components to support its business; if AMD loses Microsoft Corporation's support for its products or other software vendors do not design and develop software to run on AMD's products, its ability to sell its products could be materially adversely affected; AMD's reliance on third-party distributors and AIB partners subjects it to certain risks; AMD's inability to continue to attract and retain gualified personnel may hinder its product development programs; in the event of a change of control, AMD may not be able to repurchase its outstanding debt as required by the applicable indentures and its Secured Revolving Line of Credit, which would result in a default under the indentures and its Secured Revolving Line of Credit; the semiconductor industry is highly cyclical and has experienced severe downturns that have materially adversely affected, and may continue to materially adversely affect its business in the future; acquisitions, divestitures and/or joint ventures could disrupt its business, harm its financial condition and operating results or dilute, or adversely affect the price of its common stock; AMD's business is dependent upon the proper functioning of its internal business processes and information systems and modification or interruption of such systems may disrupt its business, processes and internal controls; data breaches and cyber-attacks could compromise AMD's intellectual property or other sensitive information, be costly to remediate and cause significant damage to its business and reputation; AMD's operating results are subject to quarterly and seasonal sales patterns; if essential equipment, materials or manufacturing processes are not available to manufacture its products, AMD could be materially adversely affected: if AMD's products are not compatible with some or all industry-standard software and hardware, it could be materially adversely affected: costs related to defective products could have a material adverse effect on AMD; if AMD fails to maintain the efficiency of its supply chain as it responds to changes in customer demand for its products, its business could be materially adversely affected; AMD outsources to third parties certain supply-chain logistics functions, including portions of its product distribution, transportation management and information technology support services; AMD may incur future impairments of goodwill; AMD's worldwide operations are subject to political, legal and economic risks and natural disasters, which could have a material adverse effect on it; worldwide political conditions may adversely affect demand for AMD's products; unfavorable currency exchange rate fluctuations could adversely affect AMD: AMD's inability to effectively control the sales of its products on the gray market could have a material adverse effect on it; if AMD cannot adequately protect its technology or other intellectual property in the United States and abroad, through patents, copyrights, trade secrets, trademarks and other measures, it may lose a competitive advantage and incur significant expenses; AMD is a party to litigation and may become a party to other claims or litigation that could cause it to incur substantial costs or pay substantial damages or prohibit it from selling its products; AMD's business is subject to potential tax liabilities; a variety of environmental laws that AMD is subject to could result in additional costs and liabilities; and higher health care costs and labor costs could adversely affect AMD's business. Investors are urged to review in detail the risks and uncertainties in AMD's Securities and Exchange Commission filings, including but not limited to AMD's Annual Report on Form 10-K for the year ended December 26, 2015.

AMD'S MISSION



HIGHLIGHTS

- Computing and Graphics segment revenue was better than seasonal
 - Improved CG segment's operating margin driven by lower operating expenses
- Gross margin sequential improvement primarily due to a more favorable product mix and mix of revenue between the business segments

IP monetization strategy execution

- Licensed high-performance processor and SoC technology to a newly-created joint venture (JV) formed with THATIC (Tianjin Haiguang Advanced Technology Investment Co., Ltd.) to develop SoCs tailored to the Chinese server market
- \$293M licensing agreement payments are contingent upon JV achieving certain milestones
- Demonstrated next-generation GPUs
 - Polaris architecture-based GPUs are expected to deliver a 2x performance-per-watt improvement over current generation products and we unveiled upcoming GPU architecture roadmap, including HBM2
- ATMP JV
 - Remains on track to close in Q2 2016. Expect net proceeds of ~\$320M (after taxes and expenses) subject to regulatory and other approvals
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Q1 2016 – REVENUE, GROSS MARGIN, CASH AND INVENTORIES IN LINE WITH GUIDANCE



	Q1 2016	Q4 2015	Q1 2015	Q-to-Q Fav / (Unfav)
Revenue	\$832 M	\$958 M	\$1,030 M	(13 %)
Gross Margin	32 %	30 %	32 %	2 %
Non-GAAP Gross Margin ⁽¹⁾	32 %	30 %	32 %	2 %
Non-GAAP Operating Expenses ⁽¹⁾	\$332 M	\$323 M	\$357 M	\$(9) M
Non-GAAP Operating Loss ⁽¹⁾	\$(55) M	\$(39) M	\$(30) M	\$(16) M
Non-GAAP Net Loss ⁽¹⁾	\$(96) M	\$(79) M	\$(73) M	\$(17) M
Cash, Cash Equivalents and Marketable Securities	\$716 M	\$785 M	\$906 M	\$(69) M
Inventories, Net	\$675 M	\$678 M	\$688 M	\$3 M
Total Debt ⁽²⁾	\$2,236 M	\$2,237 M	\$2,239 M	\$1 M

1. See Appendices for GAAP to Non-GAAP gross margin, operating expenses, operating income (loss) and net income (loss) reconciliations.

2. See Appendices for Total Debt reconciliation.

\$293M IP LICENSING AGREEMENT & JOINT VENTURE **AMD**

EXECUTED MEANINGFUL STEP IN IP MONETIZATION STRATEGY

- AMD licensed high-performance processor and SoC technology to a newly-created JV formed with THATIC to develop SoCs tailored to the Chinese server market
- ▲ The \$293 million licensing agreement is a meaningful step in AMD's IP monetization strategy intended to accelerate the Company's growth and better monetize its valuable assets. Future payments are contingent upon the JV achieving certain milestones.

	Q1 2016	Q2 2016	FY 2016	Over Time
Licensing Gain ⁽¹⁾	\$7 M	~\$25 M	~\$52 M	Not guided
Cash ⁽²⁾	\$52 M	-	\$52 M	Not guided

- AMD will account for this licensing agreement under the equity method of accounting, with no losses associated with the JV
- The JV is comprised of two separate legal entities
 - AMD has a majority stake in one of the legal entities and a minority stake in the other legal entity
 - AMD expects to receive royalty payments from future products
 - AMD's total exposure to JV losses is limited to its investment in the JV. As of March 26, 2016 this was zero

^{1.} Licensing Gain is pre-tax of 10% of the Licensing IP

^{2.} Cash is net of tax of 10%

^{3.} Estimated \$50M gross cash received before tax, based upon achievement of certain milestones

OPERATING EXPENSE TREND

Q1 2016: ACCELERATED INVESTMENT IN NEW PRODUCTS

NON-GAAP OPEX^(1,2) (IN MILLIONS)



1. All amounts exclude stock-based compensation.

2. See Appendices for GAAP to Non-GAAP operating expense reconciliation.

Q1 2016 SEGMENT FINANCIAL RESULTS

	Q1 2016	Q4 2015	Q1 2015	Q-to-Q Fav / (Unfav)
Computing and Graphics				
Net Revenue	\$460 M	\$470 M	\$532 M	(2 %)
Operating Loss	\$(70) M	\$(99) M	\$(75) M	
Enterprise, Embedded and Semi-Custom				
Net Revenue	\$372 M	\$488 M	\$498 M	(24 %)
Operating Income	\$16 M	\$59 M	\$45 M	
All Other Category				
Operating Loss	\$(14) M	\$(9) M	\$(107) M	-
TOTAL				
Net Revenue	\$832 M	\$958 M	\$1,030 M	(13 %)
Operating Loss	\$(68) M	\$(49) M	\$(137) M	

TARGET OPTIMAL AND MINIMUM CASH

CASH BALANCE⁽¹⁾ (\$ IN MILLIONS)



- ▲ ~90% of cash held domestically and the remaining balance can be repatriated
- Managed cash⁽¹⁾ above target minimum in Q1 2016
- Q1 2016 included \$69M in debt interest payments and \$52M of cash received from IP licensing agreement

1. Cash balance includes: cash, cash equivalents and marketable securities

DEBT MATURITY PROFILE, AS OF MARCH 26, 2016

TERM DEBT STRUCTURE¹ (\$M)



- ▲ No term debt due until March 2019
- ▲ Weighted average interest rate of term debt is 7.2% as of March 26, 2016
- ▲ Total ABL borrowing of \$230M at the end of Q1 2016, flat sequentially

1. Amounts represent principal balances outstanding. See appendix for reconciliation to the net book value of debt presented on financials as the result of adoption of ASU 2015-03.

Q2 2016 AND FY 2016 FINANCIAL GUIDANCE



	Q1 2016 Actual	Q2 2016 Guidance	2015 Actual	2016 Guidance
Revenue	\$832M	Up 15 % +/- 3 %	\$3,991 M	Growth Y/Y
Gross Margin	32 %	~31 %	28 %	-
IP monetization licensing gain	\$7 M	~\$25 M	-	~\$52 M
Non-GAAP Operating Expenses ⁽¹⁾	\$332 M	~ \$335 M	\$1,369 M	~\$330 M – ~\$350 M per quarter
Interest Expense, Taxes and Other	\$41 M	~\$45 M	\$179 M	~\$45 M per quarter
Cash and Cash Equivalents	\$716 M	~\$950 M	\$785 M	~\$600 M to~\$1 B
Capital Expenditures	\$26 M	-	\$96 M	~\$80 M
Inventories, Net	\$675 M	Up slightly	\$678 M	Down Y/Y
Free Cash Flow ⁽¹⁾	\$(68) M	-	\$(333) M	Positive

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1. See Appendices for GAAP to Non-GAAP gross margin, operating expense and free cash flow reconciliations.

AMD'S KEY GROWTH PILLARS

HIGH PERFORMANCE PCS

- ▲ Driven by gaming, VR and commercial
- ▲ The most competitive product roadmap in more than a decade
- Regain GPU share based on performance-per-watt of our new GPUs with "Polaris" architecture and software leadership
- Regain client and computing share

DATACENTER

- Driven by next-generation server CPUs and FirePro GPUs
- "Zen"-based CPU next Gen core development
- "Zen" is on track to achieve greater than 40% IPC uplift from our previous generation
- Secured several key design wins with global OEMs for "Zen"-based server CPUs
- Leverage "Polaris" architecture and suite of new software tools

SEMI-CUSTOM AND EMBEDDED TAM EXPANSION

- Driven by leadership semicustom SoC development and next-generation embedded offerings
- ▲ Several semi-custom wins ramping in 2H16 and 2017
- Convert additional semicustom pipeline opportunities
- ▲ Gain share in targeted embedded markets



FOOTNOTES

Non-GAAP Measures:

To supplement the Company's financial results presented on a U.S. Generally Accepted Accounting Principles ("GAAP") basis, this slide deck contains non-GAAP financial measures, including non-GAAP gross margin, non-GAAP operating expenses, non-GAAP research and development and marketing, general and administrative expenses, non-GAAP operating income (loss), non-GAAP net income (loss), non-GAAP earnings (loss) per share. These non-GAAP financial measures reflect certain adjustments, and the Company has presented a reconciliation of GAAP to non-GAAP financial measures in the tables below. The Company believes that the supplemental non-GAAP financial measures assist investors in comparing its core performance by excluding items that it believes are not indicative of the Company's underlying operating performance. The Company cautions investors to carefully evaluate the financial results calculated in accordance with GAAP and the supplemental non-GAAP financial measures and reconciliations. The Company's non-GAAP financial measures are not intended to be considered in isolation and are not a substitute for, or superior to, financial measures calculated in accordance with GAAP.

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Reconciliation of GAAP to Non-GAAP Gross Margin

(Millions except percentages)		Q1-16	Q4-15	Q1-15
GAAP Gross Margin	Ş	5 269	\$ 283	\$ 326
GAAP Gross Margin %		32%	30%	32%
Stock-based compensation		1	1	1
Non-GAAP Gross Margin	\$	5 270	\$ 284	\$ 327
Non-GAAP Gross Margin %		32%	30%	32%

Reconciliation of GAAP to Non-GAAP Operating Expenses

_(Millions)	Q	1-16	.6 Q4-15		Q4-15		Q4-15		Q4-15		Q3	8-15	Q2-15		Q	1-15
GAAP operating expenses	\$	344	\$	332	\$	397	\$	369	\$	463						
Restructuring and other special charges, net		(3)		(6)		48		-		87						
Amortization of acquired intangible assets		-		-		-		-		3						
Stock-based compensation		15		15		13		16		16						
Non-GAAP operating expenses	\$	332	\$	323	\$	336	\$	353	\$	357						

APPENDICES

Reconciliation of GAAP to Non-GAAP Operating Loss

(Millions)	Q1-16		Q4-15	Q1-15		
GAAP operating loss	\$	(68)	\$ (49)	\$	(137)	
Restructuring and other special charges, net		(3)	(6)		87	
Amortization of acquired intangible assets		-	-		3	
Stock-based compensation		16	16		17	
Non-GAAP operating loss	\$	(55)	\$ (39)	\$	(30)	

Reconciliation of GAAP to Non-GAAP Net Loss/Loss per Share

(Millions except per share amounts)	Q1-16			Q4-15				Q1-15				
GAAP net loss /loss per share	\$	(109)	.09) \$ (0.14)		\$	\$ (102) \$ (0.1		(0.13)	\$ (180) \$		(0.23)	
Restructuring and other special charges, net		(3)		-		(6)	((0.01)	8	7	0.11	
Tax settlement in foreign jurisdiction		-		-		13		0.02	-		-	
Amortization of acquired intangible assets		-		-		-		-		3	0.00	
Stock-based compensation		16		0.02		16		0.02	1	7	0.02	
Non-GAAP net loss / loss per share	\$	(96)	\$	(0.12)	\$	(79)	\$ ((0.10)	\$ (7	3) \$	(0.09)	

Reconciliation of GAAP to Non-GAAP Research and Development and Marketing, General and Administrative Expenses

(Millions)	Q1-16 Q4-15						Q1-15											
	R&D SG&A Total R		R&D	SG&A		Total		R&D		SG&A		Total						
GAAP research and development and marketing, general and administrative expenses	\$	242	\$	105	\$	347	\$	229	\$	109	\$	338	\$	242	\$	131	\$	373
Stock-based compensation		9		6		15		9		6		15		10		6		16
Non-GAAP research and development and marketing, general and administrative expenses	\$	233	\$	99	\$	332	\$	220	\$	103	\$	323	\$	232	\$	125	\$	357

APPENDICES

Reconciliation of GAAP to Non-GAAP Operating Loss

(Millions)	Q	1-16	Q4-15		Q1-15	
GAAP operating loss	\$	(68)	\$ (49)	\$ (137)	
Restructuring and other special charges, net		(3)	(6	5)	87	
Amortization of acquired intangible assets		-		-	3	
Stock-based compensation		16	16	5	17	
Non-GAAP operating loss	\$	(55)	\$ (39)	\$ (30)	

Total Debt

	Q	1 2016	Q	4 2015
(Millions)				
6.75% Senior Notes due 2019	\$	600	\$	600
6.75% Senior Notes due 2019 - Interest Rate Swap		4		7
7.75% Senior Notes due 2020		450		450
7.50% Senior Notes due 2022		475		475
7.00% Senior Notes due 2024		500		500
Borrowings from secured revolving line of credit, net		230		230
Total Debt (principal amount)		2,259		2,262
Unamortized Financing Costs*		(23)		(25)
Total Debt (net)	\$	2,236	\$	2,237

*AMD retrospectively adopted FASB ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs in Q116 and reclassified the financing costs from long term assets to long term debt.

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