

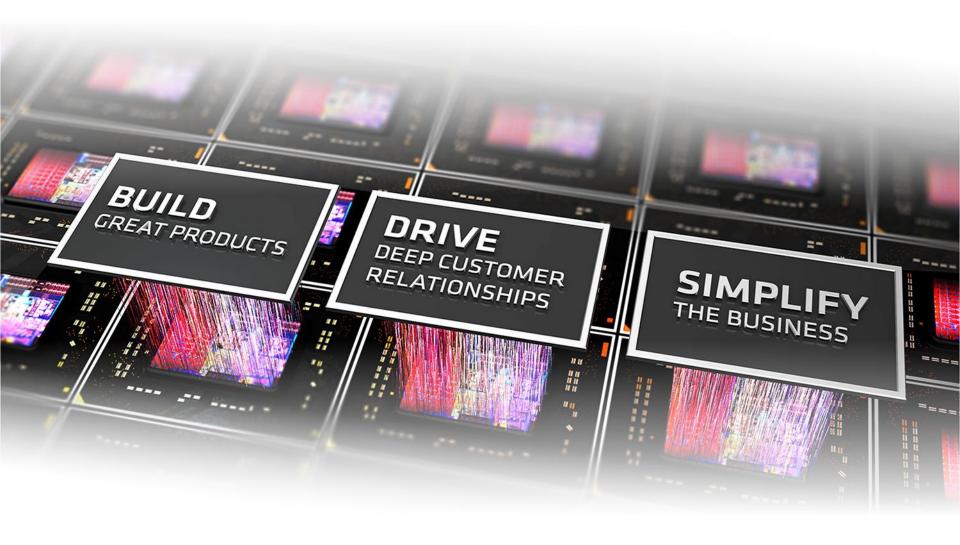
CAUTIONARY STATEMENT



This document contains forward-looking statements concerning Advanced Micro Devices, Inc. ("AMD or the "Company"), including AMD's future annual cash interest expense payments; AMD's expected benefits from the Wafer Supply Agreement amendment (the "Amendment"); that the Amendment will provide AMD with increased flexibility to build its product roadmap with additional foundries in the 14nm and 7nm technology nodes; AMD's expected \$100 million payment to GLOBALFOUNDRIES Inc. ("GF") and the expected timing of such payment; AMD's expected 2016 total wafer purchases from GF; AMD's quarterly payments to GF beginning in 2017 based on volume of certain wafers purchased from another wafer foundry: AMD's financial outlook for the fourth quarter of 2016 and for the full year 2016, including revenue, non-GAAP gross margin, IP monetization licensing gain, non-GAAP operating expenses, the total of non-GAAP interest expense, taxes and other expenses, cash and cash equivalents, inventory, and free cash flow; the features, functionality, timing and availability of AMD's future products; AMD's ability to achieve the goals of each of its three key growth pillars; and AMD's ability to achieve the goals of its long-term focus over the next three years, 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 forward-looking terminology including, "would," "believes," "expects," "may," "will," "should," "seeks," "intends," "projects," "projects," "pro forma," "estimates," "anticipates," or the negative of these words and phrases, other variations of these words or phrases or comparable terminology. Investors are cautioned that the forward looking statements in this commentary 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 GF to manufacture all of its microprocessor and accelerated processing unit (APU) products and a certain portion of its discrete graphics processing units (GPUs) 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; 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; 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 impose restrictions on AMD that may adversely affect its ability to operate its business; 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; 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; the completion and impact of the 2015 Restructuring Plan, its transformation initiatives and any future restructuring actions could adversely affect it; 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 qualified 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; and AMD is subject to environmental laws, conflict minerals-related provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act as well as a variety of other laws or regulations that could result in additional costs and liabilities. 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 Quarterly Report on Form 10-Q for the guarter ended June 25, 2016.

AMD'S MISSION





Q3 2016 RESULTS



HIGHLIGHTS

- ▲ Strong sequential revenue growth driven by higher sales of semi-custom SoCs and graphics processors, partially offset by lower sales of client desktop processors and chipsets
 - Enterprise, Embedded and Semi-Custom segment up 41% sequentially
 - Mobile APU sales increase for the fourth straight quarter
- ▲ Reported two consecutive quarters of non-GAAP operating income
- ▲ Executed two capital markets transactions in Q3 2016, raising ~\$1.4B via a \$690M. equity offering (including the exercise of a 15% equity underwriters' option) and a \$700M convertible senior notes due in 2026 offering. Early in Q4 2016, an underwriters' option was exercised bringing the total principal amount of the convertible senior notes due 2026 to \$805 million
 - Reduced AMD's overall debt
 - Lowering annual cash interest payments beginning Q4 2016 by ~\$55M
- ▲ AMD entered into a 6th Amendment to the Wafer Supply Agreement (WSA) with GLOBALFOUNDRIES (GF). The 5-year amendment strengthens strategic partnership and provides AMD with flexibility in sourcing foundry services in 14nm and 7nm technology nodes and establishes a framework for technology collaboration between AMD and GF at the 7nm technology node





\$(158) M

\$(197) M

\$(0.25)

\$755 M

\$761 M

\$2,234 M

\$(8) M

\$69 M

\$0.08

\$957 M

\$743 M

\$2,238 M

\$(285) M

\$(475) M

\$(0.58)

\$301 M

\$(29) M

\$606 M

	Q3 2016	Q2 2016	Q3 2015	Q-to-Q Fav / (Unfav)
Revenue	\$1,307 M	\$1,027 M	\$1,061 M	27%
Gross Margin	5 %	31 %	23 %	(26) pp
Operating Expenses	\$376 M	\$353 M	\$397 M	\$(23) M

\$(293) M

\$(406) M

\$(0.50)

\$1,258 M

\$772 M

\$1,632 M

Total Debt⁽²⁾

Earnings (Loss) Per Share (1)

Cash and Cash Equivalents

Operating Loss

Net Income (Loss)

Inventories, Net

⁸¹⁵ million basic shares were used to calculate GAAP EPS in Q3 2016. See Appendices for Total Debt reconciliation.

^{5 |} AMD FINANCIAL RESULTS | OCTOBER 20, 2016

NON-GAAP Q3 2016 – STRO	ONG REVE	NUE PERFO	RMANCE 4	AMDLI
	02 2016	02 2016	02 2015	Q-to-Q

Q3 2016

\$1,307 M

31 %

\$353 M

\$70 M

\$27 M

\$0.03

\$1,632 M

Q2 2016

\$1,027 M

31 %

\$342 M

\$3 M

\$(40) M

\$(0.05)

\$2,238 M

Q3 2015

\$1,061 M

23 %

\$336 M

\$(97) M

\$(136) M

\$(0.17)

\$2,234 M

Fav / (Unfav)

27 %

flat

\$(11) M

\$67 M

\$67 M

\$0.08

\$301 M

\$(29) M

\$606 M

Cash and Cash Equivalents	\$1,258 M	\$957 M	\$755 M
Inventories, Net	\$772 M	\$743 M	\$761 M

Total Debt(3)

Revenue

Non-GAAP Gross Margin⁽¹⁾

Non-GAAP Operating Expenses⁽¹⁾

Non-GAAP Net Income (Loss)(1)

Non-GAAP Operating Income (Loss)(1)

Non-GAAP Income (Loss) Per Share⁽¹⁾⁽²⁾

See Appendices for GAAP to Non-GAAP gross margin, operating expenses, operating income (loss), non-GAAP income (loss) per share and net income (loss) reconciliations. 865 million diluted shares were used to calculate non-GAAP EPS in Q3 2016.

See Appendices for Total Debt reconciliation.

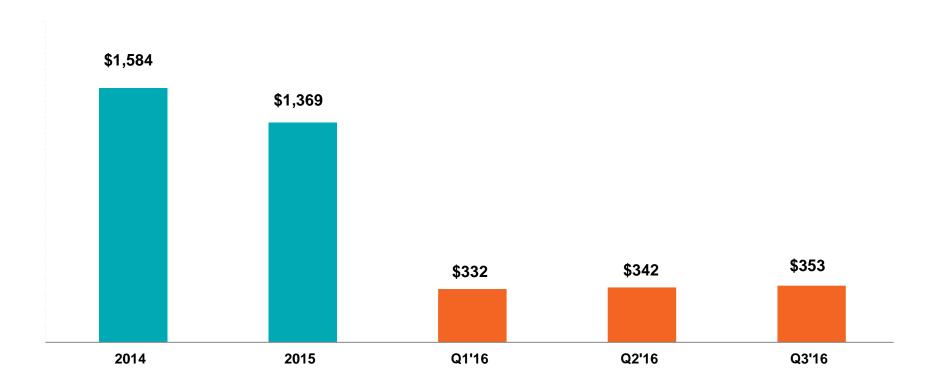
⁶ AMD FINANCIAL RESULTS | OCTOBER 20, 2016

OPERATING EXPENSE TRENDS



INCREASING R&D INVESTMENTS

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



^{1.} All amounts exclude stock-based compensation and restructuring and other special charges, net.

^{2.} See Appendices for GAAP to Non-GAAP operating expense reconciliation which includes all reconciling items.

Q3 2016 SEGMENT FINANCIAL RESULTS

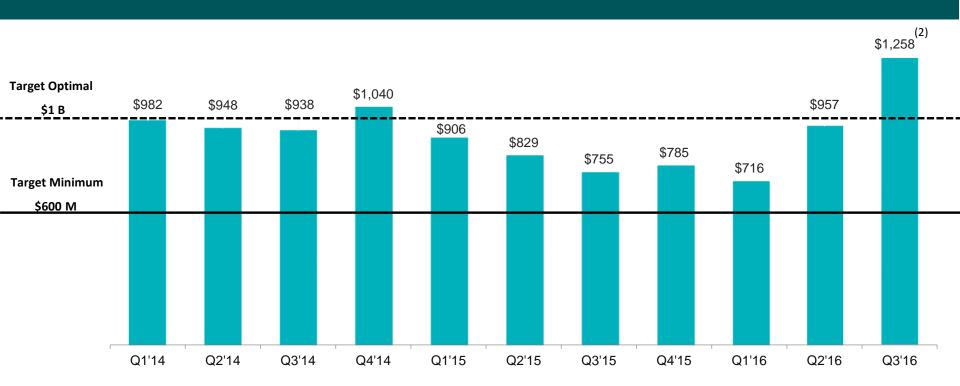


	Q3 2016	Q2 2016	Q3 2015	Q-to-Q Fav / (Unfav)
Computing and Graphics				
Net Revenue	\$472 M	\$435 M	\$424 M	9 %
Operating Loss	\$(66) M	\$(81) M	\$(181) M	
Enterprise, Embedded and Semi-Custom				
Net Revenue	\$835 M	\$592 M	\$637 M	41 %
Operating Income	\$136 M	\$84 M	\$84 M	
All Other Category				
Operating Loss	\$(363) M	\$(11) M	\$(61) M	-
TOTAL				
Net Revenue	\$1,307 M	\$1,027 M	\$1,061 M	27 %
Operating Loss	\$(293) M	\$(8) M	\$(158) M	

TARGET OPTIMAL AND MINIMUM CASH



CASH BALANCE⁽¹⁾ (\$ IN MILLIONS)



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

^{2.} Includes remaining \$274 M proceeds from capital markets activity

EQUITY AND DEBT TRANSACTIONS



EXECUTED TWO CAPITAL MARKETS TRANSACTIONS

10 YEAR CONVERTIBLE DEBT

- 2.125% interest rate for new notes maturing in 2026
- ✓ Includes underwriters option to purchase 15% or \$105 million of convertible notes

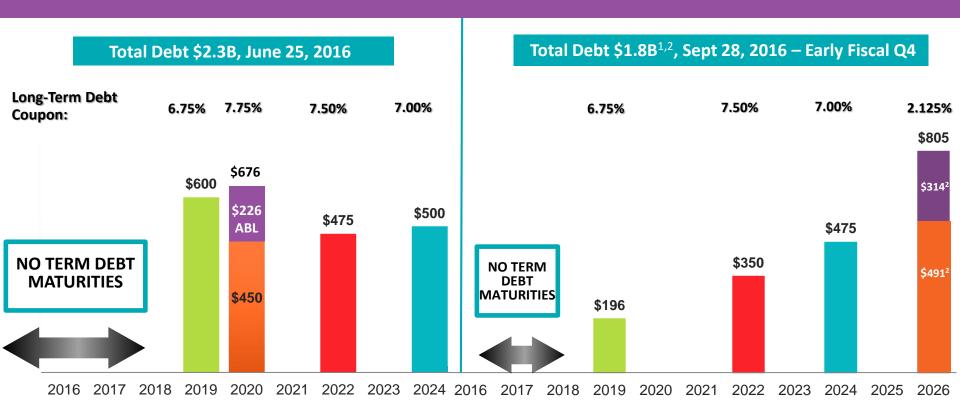
COMMON STOCK ISSUANCE

- ▲ 115M new shares
- ✓ Includes underwriters option to purchase 15% or 15 million shares
- ▲ Historical high-yield term debt interest rate ~7.2%
- Extended runway to repay a portion of our debt
- ▲ Enhanced EPS from combined transaction
- ▲ Reduced overall debt by ~\$600M
- ▲ Paid off Asset Back Loan balance of \$226M
- ▲ Recorded \$61M charge related to loss on debt redemption
- ▲ Lowering annual cash interest payments beginning Q4 2016 by ~\$55M

DEBT MATURITY PROFILE



TERM DEBT STRUCTURE¹ (\$M)



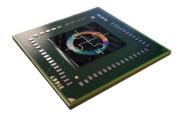
- ✓ Weighted average interest rate of term debt is 4.9% down by 2.3% from 7.2%
- ▲ Lowering annual cash interest payments by ~\$55M
- No ABL balance outstanding at the end of Q3 2016
- 1. Amounts represent principal balances outstanding. See appendix for reconciliation to the net book value of debt presented on financials as the result of adoption of ASU 2015-03.
- 2. \$805M convertible senior notes due 2026 represented by liability component of \$491M and equity component of \$314M according to ASC 470-20
- 11 | AMD FINANCIAL RESULTS | OCTOBER 20, 2016

6TH AMENDMENT TO WAFER SUPPLY AGREEMENT (WSA) WITH GLOBALFOUNDRIES (GF)



SOURCING FLEXIBILITY AND ACCESS TO LEADING EDGE PROCESS TECHNOLOGY

- - AMD will pay GF \$100M in cash. Cash payment will be made in \$25M quarterly installments from Q4'16 to O3-17
 - AMD issued a warrant to a Mubadala-owned company to purchase up to 75M shares by Feb 29, 2020
 - Warrant is only exercisable to the extent Mubadala's overall ownership of AMD stock does not exceed 19.9% after exercise
- ✓ Starting in 2017, AMD will make payments to GF based on the volume of certain wafers purchases from another foundry supplier
- Fixed wafer prices for 2016 and a clear framework for annual wafer pricing through 2020
- Framework to address annual demand changes
 - If annual target is not met, we expect to pay GF a portion of the difference between actual wafer purchases and the target for that year
- 2016 wafer purchases from GF are expected to be \$650M.
 - \$495M, under the sixth amendment
 - \$155M, under the fifth amendment taken in early 2016



Q4 2016 FINANCIAL GUIDANCE



Positive

	Q3 2016 Actual	Q4 2016 Guidance
Revenue	\$1,307 M	Down 18% +/- 3 %
Non-GAAP Gross Margin	31 %	~32 %
IP Monetization Licensing Gain	\$24 M	~\$25 M
Non-GAAP Operating Expenses ⁽¹⁾	\$353 M	~ \$350 M
Non-GAAP Interest Expense, Taxes and Other ⁽¹⁾	\$(43) M	~\$(32) M
Cash and Cash Equivalents	\$1,258 M	~ Up
Inventories, Net	\$772 M	~\$660 M

\$20 M

Free Cash Flow⁽¹⁾

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" 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



OUR FOCUS OVER THE NEXT 3 YEARS...



HIGH-PERFORMANCE COMPUTING LEADER



#1 IN VISUAL COMPUTING

STRONG #2 **IN COMPUTING**

BROADEN OUR TECHNOLOGY REACH

- Drive graphics unit market share gains with leadership in gaming
- ▲ Innovate in immersive computing with VR/AR
- ▲ Return to growth in PCs with "Zen" cores
- ▲ Re-Enter highly-profitable x86 server market with "Naples"
- design wins
- technology partnerships that leverage our IP and innovation







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 free cash flow, non-GAAP operating income (loss), non-GAAP net income (loss) and non-GAAP earnings (loss) per share, non-GAAP interest expense, taxes and other. 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.

INVESTOR RELATIONS CONTACTS



Ruth Cotter

Phone: 408-749-3887

Email: ruth.cotter@amd.com

Alina Ostrovsky

Phone: 408-749-6688

Email: alina.ostrovsky@amd.com

APPENDICES



Reconciliation of GAAP to Non-GAAP Gross Margin

(Millions except percentages)	Q3-16	Q2-16	Q3-15	
GAAP Gross Margin	\$ 59	\$ 319	\$ 239	
GAAP Gross Margin %	5%	31%	23%	
Charge related to the sixth amendment to the WSA with GF	340	I	-	
Non-GAAP Gross Margin	\$ 399	\$ 319	\$ 239	
Non-GAAP Gross Margin %	31%	31%	23%	

Reconciliation of GAAP to Non-GAAP Operating Expenses

(Millions)	Q	316	Q	216	Q	116	2	2015	2	2014
GAAP operating expenses	\$	376	\$	353	\$	344	\$	1,561	\$	1,994
Restructuring and other special charges, net		-		(7)		(3)		129		71
Stock-based compensation		23		18		15		60		78
Goodwill Impairment		-		-		-		-		233
Amortization of acquired intangible assets		-		-		-		3		14
Workforce rebalancing severance charges		-		-		-		-		14
Non-GAAP operating expenses	\$	353	\$	342	\$	332	\$	1,369	\$	1,584

Non-GAAP Free Cash Flow Reconciliation

(Millions)	Q3-1	6	Q2-16	Q3-15
GAAP net cash provided by (used in) operating activities	\$	29	\$ (85)	\$ (56)
Purchases of property, plant and equipment		(9)	(21)	(25)
Non-GAAP free cash flow	\$	20	\$ (106)	\$ (81)

APPENDICES



Reconciliation of GAAP Operating Loss to Non-GAAP Operating Income (Loss)

(Millions)	Q3-16	Q3-16 Q2-16	
GAAP operating loss	\$ (293)	\$ (8)	\$ (158)
Charge related to the sixth amendment to the WSA with GF	340	-	-
Restructuring and other special charges, net	-	(7)	48
Stock-based compensation	23	18	13
Non-GAAP operating income (loss)	\$ 70	\$ 3	\$ (97)

Reconciliation of GAAP Net Income (Loss)/Income (Loss) per Share to Non-GAAP Net Loss/Loss per Share

(Millions except per share amounts)	Q	3-16	Q2	2-16	Q3	-15
GAAP net income (loss) /income (loss) per share	\$ (406	\$ (0.50)	\$ 69	\$ 0.08	\$ (197)	\$ (0.25)
Charge related to the sixth amendment to the WSA with GF	340	0.39	-	-	-	-
Loss on debt redemption	61	0.07	-	-	-	-
Non-cash interest expense related to convertible debt	1	-	-	-	-	-
Restructuring and other special charges, net	-	-	(7)	(0.01)	48	0.06
Stock-based compensation	23	0.03	18	0.02	13	0.02
Gain on sale of 85% of ATMP JV	4	-	(150)	(0.19)	-	-
Equity in income (loss) of ATMP JV	5	0.01	3	-	-	-
Tax provision (benefit) related to sale of 85% of ATMP JV	(1	-	27	0.03	-	-
Non-GAAP net income (loss)/ income (loss) per share	\$ 27	\$ 0.03	\$ (40)	\$ (0.05)	\$ (136)	\$ (0.17)

Q3 2016 GAAP net loss per share is calculated based on 815 million basic and diluted weighted-average shares of common stock. Non-GAAP net income per share is calculated based on 865 million diluted weighted-average shares of common stock.

APPENDICES



Total Debt

(Millions)	Early	Q4-16	Q3-16	Q2-16
	9.2	8.16	9.24.16	6.25.16
6.75% Senior Notes due 2019	\$	196	\$ 196	\$ 600
6.75% Senior Notes due 2019 - Interest Rate Swap		2	2	10
7.75% Senior Notes due 2020		-	208	450
7.50% Senior Notes due 2022		350	350	475
7.00% Senior Notes due 2024		475	475	500
2.125% Convertible Senior Notes due 2026*		805	700	-
Borrowings from secured revolving line of credit, net		-	ı	226
Total Debt (principal amount)		1,828	1,931	2,261
Unamortized debt discount associated with 2.125%				
Convertible Senior Notes due 2026 *		(314)	(273)	-
Unamortized debt issurance costs		(26)	(26)	(23)
Total Debt (net)	\$	1,488	\$ 1,632	\$ 2,238

^{*} AMD separated the principal of the 2.125% convertible senior notes due 2026 into liability and equity components according to ASC 470-20.

Reconciliation of GAAP to Non-GAAP Interest Expense, Taxes and Other

(Millions)	Q3-16
Interest expense	\$ (41)
Other income (expense), net	(63)
Provision for income taxes	(4)
Total GAAP Interest Expense, Taxes and Other	\$ (108)
Loss on debt redemption	61
Non-cash interest expense related to convertible debt	1
Gain on sale of 85% of ATMP JV	4
Tax provision (benefit) related to sale of 85% of ATMP JV	(1)
Total Non-GAAP Interest Expense, Taxes and Other	\$ (43)

DISCLAIMER & ATTRIBUTION



The information presented in this document is for informational purposes only and may contain technical inaccuracies, omissions and typographical errors.

The information contained herein is subject to change and may be rendered inaccurate for many reasons, including but not limited to product and roadmap changes, component and motherboard version changes, new model and/or product releases, product differences between differing manufacturers, software changes, BIOS flashes, firmware upgrades, or the like. AMD assumes no obligation to update or otherwise correct or revise this information. However, AMD reserves the right to revise this information and to make changes from time to time to the content hereof without obligation of AMD to notify any person of such revisions or changes.

AMD MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE CONTENTS HEREOF AND ASSUMES NO RESPONSIBILITY FOR ANY INACCURACIES, ERRORS OR OMISSIONS THAT MAY APPEAR IN THIS INFORMATION.

AMD SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. IN NO EVENT WILL AMD BE LIABLE TO ANY PERSON FOR ANY DIRECT, INDIRECT, SPECIAL OR OTHER CONSEQUENTIAL DAMAGES ARISING FROM THE USE OF ANY INFORMATION CONTAINED HEREIN, EVEN IF AMD IS EXPRESSLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

ATTRIBUTION

© 2016 Advanced Micro Devices, Inc. All rights reserved. AMD, the AMD Arrow logo and combinations thereof are trademarks of Advanced Micro Devices, Inc. in the United States and/or other jurisdictions. SPEC is a registered trademark of the Standard Performance Evaluation Corporation (SPEC). Other names are for informational purposes only and may be trademarks of their respective owners.