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AMD Announces Preliminary Third Quarter Results

SUNNYVALE, CA -- (MARKET WIRE) -- 09/28/11 -- [AMD](#) (NYSE: AMD) today announced that revenue for the third quarter ending Oct. 1, 2011 is expected to increase four to six percent as compared to the second quarter of 2011. The company previously forecasted third quarter 2011 revenue to increase 10 percent, plus or minus two percent, from the second quarter of 2011.

In addition, AMD expects third quarter gross margin to be approximately 44 to 45 percent. The company previously forecasted third quarter 2011 gross margin to be approximately 47 percent.

The less-than-forecasted preliminary third quarter 2011 revenue results are primarily due to 32 nanometer (nm) yield, ramp and manufacturing issues at GLOBALFOUNDRIES in its Dresden, Germany factory that limited supply of "Llano". Additionally, 45nm supply was less than expected due to complexities related to the use of common tools across both technology nodes. AMD continues to work closely with its key partner GLOBALFOUNDRIES to improve 32nm yield performance in order to satisfy strong demand for AMD products.

The less-than-forecasted preliminary third quarter 2011 gross margin results are primarily due to less-than-expected supply of "Llano" and associated products with higher average selling price (ASP). Additionally, shipments of AMD's next-generation server processor, codenamed "Interlagos", occurred later in the third quarter than originally anticipated.

AMD will report third quarter 2011 results after market close on Thursday, Oct. 27, 2011. AMD will hold a conference call for the financial community at 2:00 p.m. PT (5:00 p.m. ET) that day to discuss third quarter financial results and to provide information regarding expected fourth quarter results. AMD will provide a real-time audio broadcast of the teleconference on the [Investor Relations](#) page at <http://www.amd.com>. The webcast will be available for 10 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 groundbreaking AMD Fusion Accelerated Processing Units (APUs) that power a wide range of computing devices. AMD's server computing products are focused on driving industry-leading cloud computing and virtualization environments. AMD's superior graphics technologies are found in a variety of solutions ranging from game consoles, PCs to supercomputers. For more information, visit <http://www.amd.com>.

Cautionary Statement

This release contains forward-looking statements concerning AMD, its third quarter 2011 revenue and gross margin, and demand for its products 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. 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 recent earthquake and tsunami in Japan may have significant impacts on the company's supply chain or its customers; 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 Quarterly Report on Form 10-Q for the quarter ended July 2, 2011.

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