

FIRST QUARTER 2017 FINANCIAL RESULTS

MAY 1, 2017



CAUTIONARY STATEMENT



This document contains forward-looking statements concerning Advanced Micro Devices, Inc. (AMD) including AMD's path of high-performance technologies, great products, ambitious goals and undaunted determination, AMD's strategy and focus; AMD's future growth opportunities; the features, functionality, expected benefits, timing and availability of new AMD products; its financial outlook for the second quarter of 2017 and fiscal 2017, including revenue, non-GAAP gross margin, non-GAAP operating expenses, licensing gain, non-GAAP interest expense, taxes and other, non-GAAP net income (loss), capital expenditures and inventory, net; and AMD's path forward including its ambitious vision, strong growth opportunities, multigenerational roadmap, and commitment to focus, speed and executions, 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 has a wafer supply agreement with GF with obligations to purchase all of its microprocessor and APU product requirements, and a certain portion of its GPU product requirements, from GLOBALFOUNDRIES Inc. (GF) 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; the markets in which AMD's products are sold are highly competitive; 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; 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; 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 business; AMD's issuance to West Coast Hitech L.P. (WCH) of warrants to purchase 75 million shares of its common stock, if and when exercised, will dilute the ownership interests of its existing stockholders, and the conversion of the 2.125% Convertible Senior Notes due 2026 may dilute the ownership interest of its existing stockholders, or may otherwise depress the price of its common stock; 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; the completion and impact of the 2015 Restructuring Plan, its transformation initiatives and any future restructuring actions could adversely affect AMD; AMD may incur future impairments of goodwill; AMD's stock price is subject to volatility; 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 Annual Report on Form 10-K for the year ended December 31, 2016.

High-Performance
Technologies

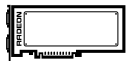
Great Products

Ambitious
Goals

Undaunted
Determination



Graphics



Gaming

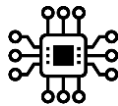


Artificial
Intelligence



Virtual &
Augmented
Reality

Compute

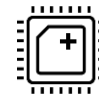


Client Systems,
Machine Learning



Datacenter,
Infrastructure
& Cloud

Solutions



Semi-
Custom



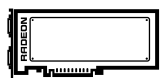
Vertical
Platforms



Joint Ventures
& Partnerships



Gaming



\$15B+ TAM⁽¹⁾

Datacenter



\$18B+ TAM⁽¹⁾

Immersive Platforms



\$20B+ TAM⁽¹⁾



“Naples”



RADEON
INSTINCT

Q1 2017 HIGHLIGHTS

- ▲ Revenue grew 18% year-over year
 - Strong Computing and Graphics segment revenue growth of 29% year-over-year, driven by higher desktop and graphics processor sales
 - Enterprise, Embedded and Semi-Custom up 5% year-over-year driven by higher Semi-Custom SoC sales
- ▲ Gross margin up 2 percentage points year-over-year and sequentially
- ▲ Significant reduction of net losses compared to a year ago
- ▲ Launched high-performance x86 Ryzen™ 7 desktop processors, based on our “Zen” core architecture
- ▲ Previewed “Naples,” our “Zen”-core based high-performance server processor with industry-leading configurations of up to 32 cores, exceeding today’s top competitive offering with 45% more cores, 60% more input / output capacity (I/O), and 122% more memory bandwidth.
- ▲ LiquidSky selected “Vega” GPUs to power their cloud gaming platform, enabling gamers to enjoy the power of “Vega” from virtually anywhere

Q1 2017 QUARTERLY SUMMARY - GAAP



	Q1 2017	Q4 2016	Q1 2016	Q/Q Fav / (Unfav)	Y/Y Fav / (Unfav)
Revenue	\$984 M	\$1,106 M	\$832 M	(11) %	18 %
Gross Margin	34 %	32 %	32 %	2 pp ⁽³⁾	2 pp ⁽²⁾
Operating Expenses	\$387 M	\$385 M	\$344 M	\$(2) M	\$(43) M
Operating Loss	\$(29) M	\$(3) M	\$(68) M	\$(26) M	\$39 M
Net Loss	\$(73) M	\$(51) M	\$(109) M	\$(22) M	\$36 M
Loss Per Share ⁽¹⁾	\$(0.08)	\$(0.06)	\$(0.14)	\$(0.02)	\$0.06
Cash, Cash Equivalents and Marketable Securities	\$943 M	\$1,264 M	\$716 M	\$(321) M	\$227 M
Inventories, Net	\$839 M	\$751 M	\$675 M	\$(88) M	\$(164) M
Total Debt ⁽²⁾	\$1,408 M	\$1,435 M	\$2,236 M	\$27 M	\$828 M

1. 939 million basic shares were used to calculate EPS in Q1 2017.

2. See Appendices for Total Debt reconciliation.

3. PP = percentage points

Q1 2017 QUARTERLY SUMMARY – NON GAAP



	Q1 2017	Q4 2016	Q1 2016	Q/Q Fav / (Unfav)	Y/Y Fav / (Unfav)
Revenue	\$984 M	\$1,106 M	\$832 M	(11) %	18 %
Non-GAAP Gross Margin	34 %	32 %	32 %	2 pp ⁽⁴⁾	2 pp ⁽⁴⁾
Non-GAAP Operating Expenses ⁽¹⁾	\$364 M	\$357 M	\$332 M	\$(7) M	\$(32) M
Non-GAAP Operating Income (Loss) ⁽¹⁾	\$(6) M	\$26 M	\$(55) M	\$(32) M	\$49 M
Non-GAAP Net Loss ⁽¹⁾	\$(38) M	\$(8) M	\$(96) M	\$(30) M	\$58 M
Non-GAAP Loss Per Share ⁽¹⁾⁽²⁾	\$(0.04)	\$(0.01)	\$(0.12)	\$(0.03)	\$0.08
Cash, Cash Equivalents and Marketable Securities	\$943 M	\$1,264 M	\$716 M	\$(321) M	\$227 M
Inventories, Net	\$839 M	\$751 M	\$675 M	\$(88) M	\$(164) M
Total Debt ⁽³⁾	\$1,408 M	\$1,435 M	\$2,236 M	\$27 M	\$828 M

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

2. 939 million basic shares were used to calculate non-GAAP EPS in Q1 2017.

3. See Appendices for Total Debt reconciliation

4. PP = percentage points

Q1 2017 SEGMENT FINANCIAL RESULTS

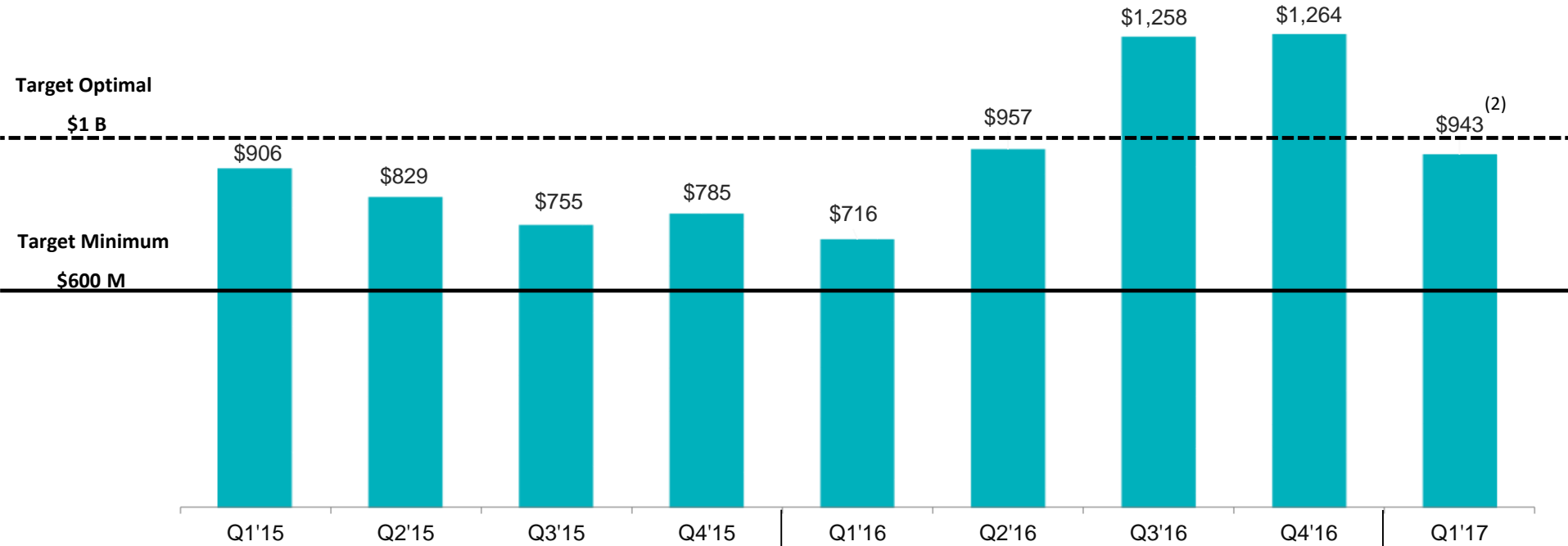


	Q1 2017	Q4 2016	Q1 2016	Q/Q Fav / (Unfav)	Y/Y Fav / (Unfav)
Computing and Graphics					
Net Revenue	\$593 M	\$600 M	\$460 M	(1) %	29 %
Operating Loss	\$(15) M	\$(21) M	\$(70) M	\$6 M	\$55 M
Enterprise, Embedded and Semi-Custom					
Net Revenue	\$391 M	\$506 M	\$372 M	(23) %	5 %
Operating Income	\$9 M	\$47 M	\$16 M	\$ (38) M	\$ (7) M
All Other Category					
Operating Loss	\$(23) M	\$(29) M	\$(14) M	\$6 M	\$(9) M
TOTAL					
Net Revenue	\$984 M	\$1,106 M	\$832 M	(11) %	18 %
Operating Loss	\$(29) M	\$(3) M	\$(68) M	\$(26) M	\$39 M

TARGET OPTIMAL AND MINIMUM CASH



CASH BALANCE⁽¹⁾ (\$ IN MILLIONS)



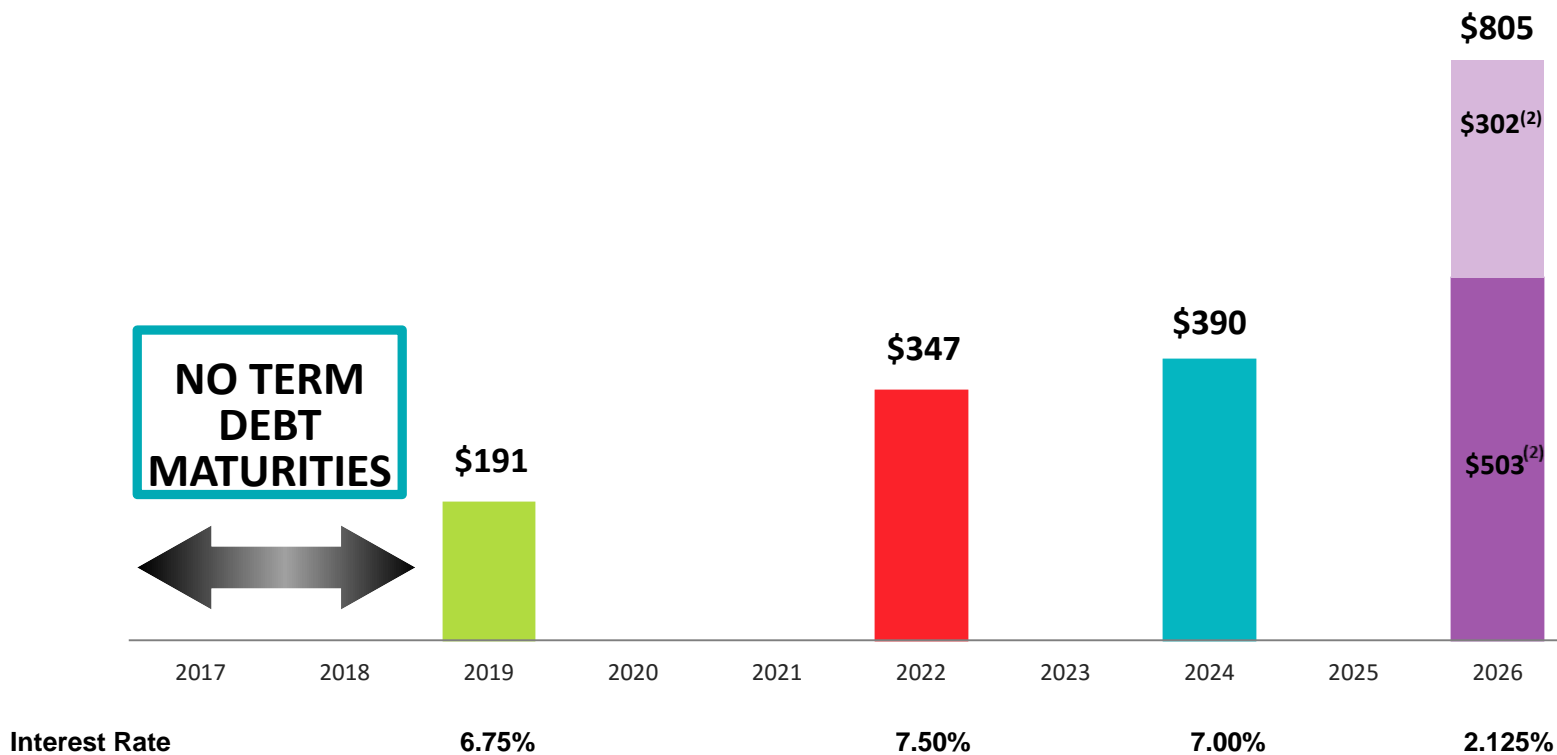
Approximately 93% of cash⁽¹⁾ held domestically exiting Q1 2017

1. Cash, cash equivalents and marketable securities
2. Cash down q/q impacted by the timing of sales and cash collections, semi-annual debt interest payments and increased inventory in Q1 2017

DEBT MATURITY PROFILE



DEBT⁽¹⁾ STRUCTURE (\$ IN MILLIONS)



- ▲ No debt due until March 2019
- ▲ Weighted average annual interest rate down by 2.4% from 7.2% a year ago to 4.8% today

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 2.125% convertible senior notes due 2026 represented by liability component of \$503M and unamortized discount of \$302M according to ASC 470-20

Q2 2017 AND FY 2017 FINANCIAL GUIDANCE



	Q1 2017 Actual	Q2 2017 Guidance	2016 ⁽¹⁾ Actual	2017 Guidance
Revenue	\$984 M	Up 17 % q/q +/- 3%	\$4,272 M	Increase low double digit %
Non-GAAP Gross Margin ⁽¹⁾	34 %	~33 %	31 %	Increase
Non-GAAP Operating Expenses ⁽¹⁾	\$364 M	~\$370 M	\$1,384 M	-
Licensing Gain	\$27 M	~\$20 M	\$88 M	~\$50 M
Non-GAAP Interest Expense, Taxes and Other ⁽¹⁾	\$32 M	~\$30 M	\$161 M	~\$30 M per quarter
Non-GAAP Net Income (Loss) ⁽¹⁾	\$ (38) M	-	\$(117) M	Positive
Capital Expenditures ⁽²⁾	\$23 M	-	\$77 M	~\$140 M
Inventories, Net	\$839 M	Down	\$751 M	Down

1. See Appendices for GAAP to Non-GAAP reconciliation of gross margin, operating expenses, interest expense, taxes and other and net income (loss).

2. Starting Q1 2017, the company classifies production mask sets as property, plant and equipment on its balance sheet. Guidance for capital expenditures has been updated to include this spend starting with Q1 2017.

Ambitious
Vision

Strong Growth
Opportunities

Multi-generation
product roadmap

Commitment to focus,
speed and execution

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 operating income (loss), non-GAAP net income (loss), non-GAAP interest expense, taxes and other and 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.

INVESTOR RELATIONS CONTACTS



Laura Graves, Corporate Vice President

Phone: 408-749-5467

Email: laura.graves@amd.com

Alina Ostrovsky, IR Manager

Phone: 408-749-6688

Email: alina.ostrovsky@amd.com

APPENDICES



Reconciliation of GAAP to Non-GAAP Gross Margin

(Millions except percentages)	Q1-17	Q4-16	Q1-16	2016
GAAP Gross Margin	\$ 331	\$ 351	\$ 269	\$ 998
GAAP Gross Margin %	34%	32%	32%	23%
Charge related to the sixth amendment to the WSA with GF	-	-	-	340
Stock-based compensation	-	1	1	2
Non-GAAP Gross Margin	\$ 331	\$ 352	\$ 270	\$ 1,340
Non-GAAP Gross Margin %	34%	32%	32%	31%

Reconciliation of GAAP to Non-GAAP Operating Expenses

(Millions)	Q1-17	Q4-16	Q1-16	2016
GAAP operating expenses	\$ 387	\$ 385	\$ 344	\$ 1,458
Restructuring and other special charges, net	-	-	(3)	(10)
Stock-based compensation	23	28	15	84
Non-GAAP operating expenses	\$ 364	\$ 357	\$ 332	\$ 1,384

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

(Millions)	Q1-17	Q4-16	Q1-16	2016
GAAP operating loss	\$ (29)	\$ (3)	\$ (68)	\$ (372)
Charge related to the sixth amendment to the WSA with GF	-	-	-	340
Restructuring and other special charges, net	-	-	(3)	(10)
Stock-based compensation	23	29	16	86
Non-GAAP operating income (loss)	\$ (6)	\$ 26	\$ (55)	\$ 44

APPENDICES



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

(Millions except per share amounts)

	Q1-17		Q4-16		Q1-16		2016	
GAAP net loss /loss per share	\$ (73)	\$ (0.08)	\$ (51)	\$ (0.06)	\$ (109)	\$ (0.14)	\$ (497)	\$ (0.60)
Charge related to the sixth amendment to the WSA with GF	-	-	-	-	-	-	340	0.41
Loss on debt redemption	4	-	7	0.01	-	-	68	0.08
Non-cash interest expense related to convertible debt	6	0.01	5	0.01	-	-	6	0.01
Gain on sale of 85% of ATMP JV	-	-	-	-	-	-	(146)	(0.17)
Tax provision (benefit) related to sale of 85% of ATMP JV	-	-	-	-	-	-	26	0.03
Restructuring and other special charges, net	-	-	-	-	(3)	-	(10)	(0.01)
Stock-based compensation	23	0.02	29	0.03	16	0.02	86	0.10
Equity in loss in investee	2	-	2	-	-	-	10	0.01
Non-GAAP net loss/ loss per share	\$ (38)	\$ (0.04)	\$ (8)	\$ (0.01)	\$ (96)	\$ (0.12)	\$ (117)	\$ (0.14)

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

(Millions)

	Q1-17	Q4-16	Q1-16	2016
Interest expense	\$ (32)	\$ (34)	\$ (40)	\$ (156)
Other expense, net	(5)	(7)	-	80
Provision for income taxes	(5)	(5)	(1)	(39)
Total GAAP Interest Expense, Taxes and Other	\$ (42)	\$ (46)	\$ (41)	\$ (115)
Loss on debt redemption	4	7	-	68
Non-cash interest expense related to convertible debt	6	5	-	6
Gain on sale of 85% of ATMP JV	-	-	-	(146)
Tax provision (benefit) related to sale of 85% of ATMP JV	-	-	-	26
Total Non-GAAP Interest Expense, Taxes and Other	\$ (32)	\$ (34)	\$ (41)	\$ (161)

APPENDICES



Total Debt

(Millions)	Q1-17	Q4-16	Q116
6.75% Senior Notes due 2019	\$ 191	\$ 196	\$ 600
6.75% Senior Notes due 2019 - Interest Rate Swap	-	-	4
7.75% Senior Notes - due 2020	-	-	450
7.50% Senior Notes due 2022	347	350	475
7.00% Senior Notes due 2024	390	416	500
2.125% Convertible Senior Notes due 2026	805	805	-
Other*	1	1	230
Total Debt (principal amount)	\$ 1,734	\$ 1,768	\$ 2,259
Unamortized debt discount associated with 2.125% Convertible Senior Notes due 2026	(302)	(308)	-
Unamortized debt issuance costs	(24)	(25)	(23)
Total Debt (net)	\$ 1,408	\$ 1,435	\$ 2,236

* Includes ABL and deferred gain on sale of swap

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