



Advanced Micro Devices, Inc.

Citigroup Smith Barney Semiconductor Conference

**Robert J. Rivet – EVP, Chief Financial Officer**

- Lead the industry to pervasive 64-bit computing



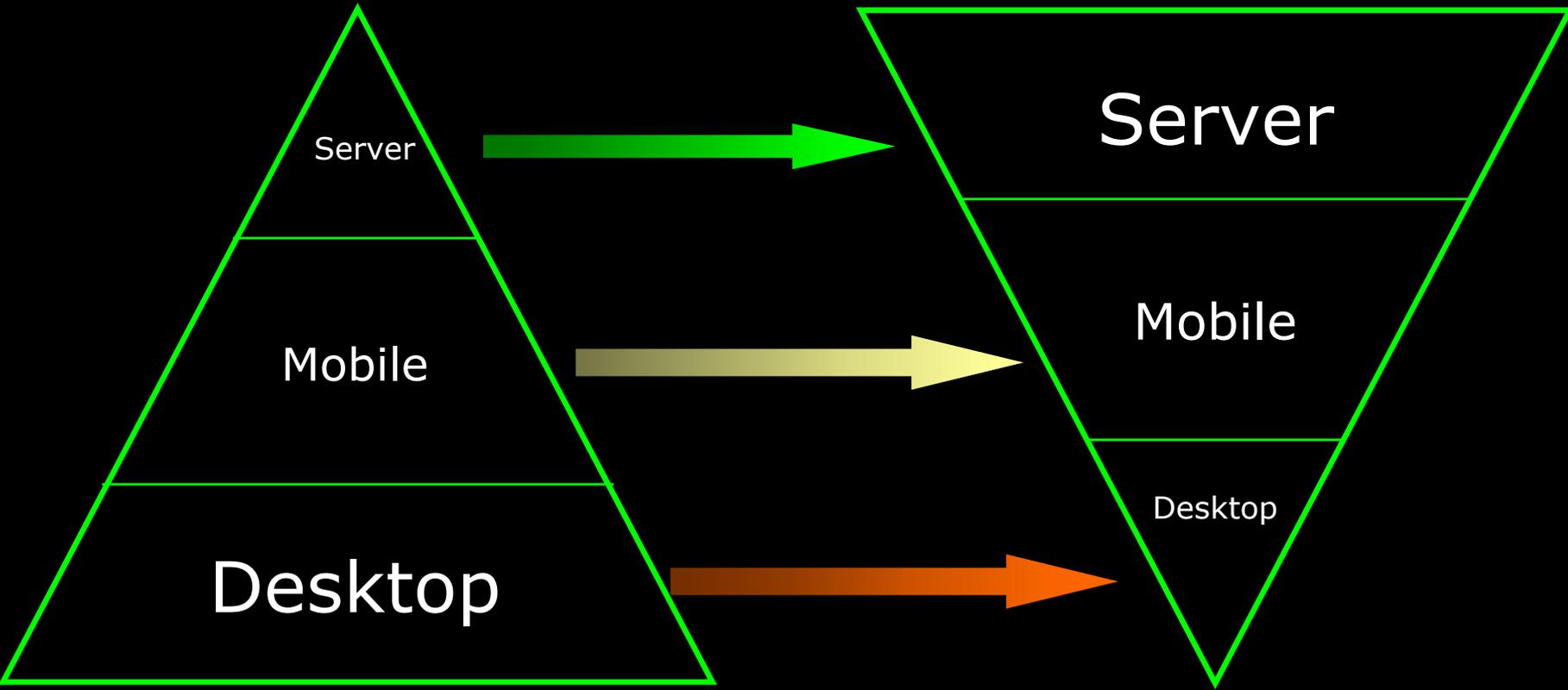
- Establish MirrorBit™ as the next industry standard in Flash memory



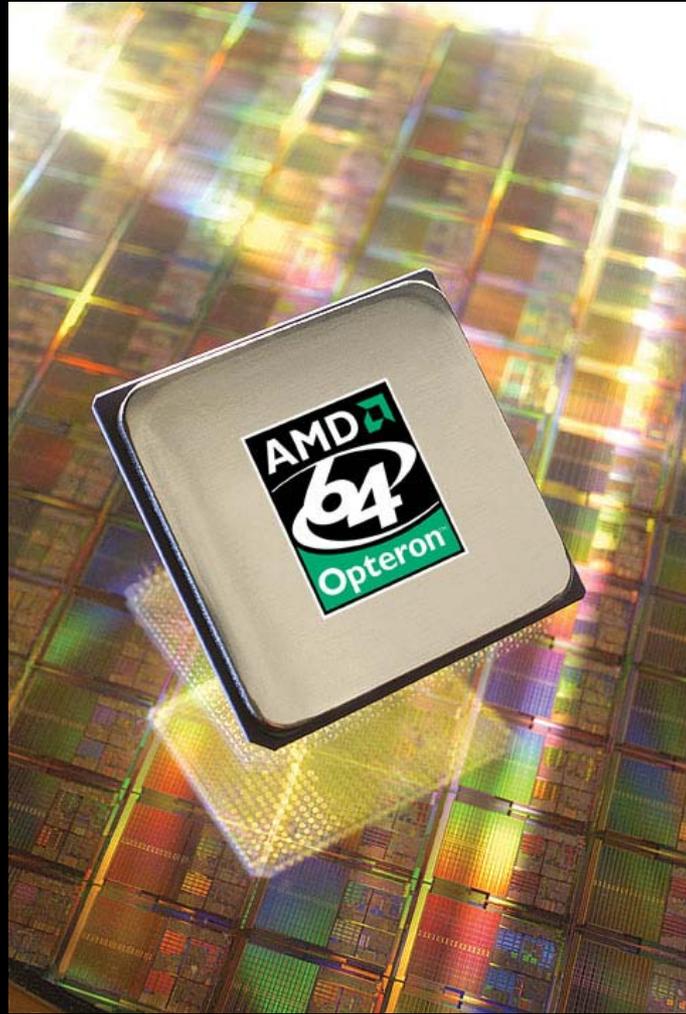
- Enable a new global population of tech-capable consumers



# We've Refocused Our Processor Operation on Our Customers' Most Relevant Opportunities



**Area represents priorities and focus**



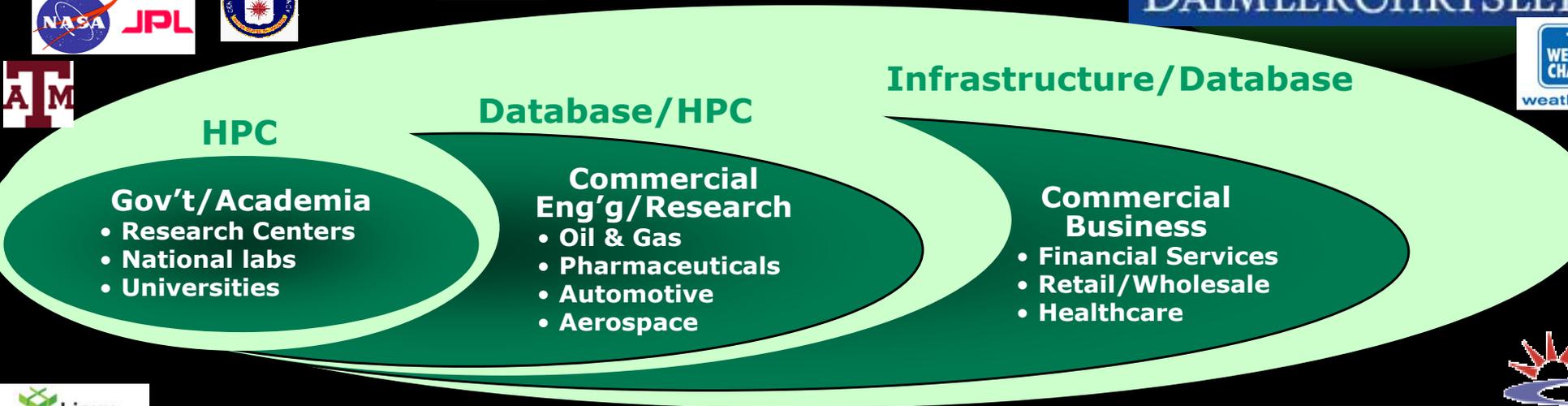
**AMD Opteron processor Model 850 provides industry leading performance in the x86 four-way server market.**

- The flexibility of AMD64 with Direct Connect Architecture uniquely addresses the complexity and costs of bringing four-way solutions to market

**AMD Opteron processor Model 250 is the world's highest performing x86 processor for 2P servers**

**AMD Opteron processor Model 150 is designed to provide powerful 32-bit performance with 64-bit capabilities. Ideal for demanding workstation applications such as CAD, CAE, DCC, VIS/VR, and software development**

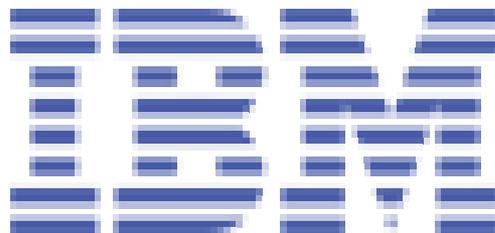
# AMD Server Penetration Strategy





**i n v e n t**

- ProLiant DL145
- ProLiant DL585



- eServer 325
- IntelliStation A Pro workstation



- Sun Fire™ V20z





SOTEC

invent



AVERATEC



And others ...

## Thin and Light Solutions

- Low-power mobile AMD Athlon™ XP-M processors
- Low-power mobile AMD Athlon 64 processors now available

## Transportable Solutions

- Mobile AMD Athlon 64 processors
- Mobile AMD Athlon XP-M processors

## Desktop Replacement Solutions

*A growing trend in the consumer mobile market*

- AMD Athlon 64 processors for desktop-replacement notebooks
- Mobile AMD Athlon XP-M processors



**Fujitsu Lifebook S2000**



**Averatec 3150**



**eMachines M5312**



**Ferrari 3000LMi from Ac**



**VooDoo Envy m:855**



**HP Compaq Presario R3000Z**



**Medion**

Three unique brands to address the needs of distinct segments:

## AMD Athlon™ 64 FX

- Create a superior PC enthusiast and gaming sub-brand
- Use AMD Athlon 64 FX product and marketing campaign to create “halo” effect for Athlon 64
- ***Simply the best processor you can get***



## AMD Athlon 64

- Target tech-savvy and mainstream consumers with P4 performance *and* 64-bit capability
- Use AMD Athlon 64 to penetrate the commercial market through TCO and migration story
- ***Industry-leading performance today, ready for tomorrow***



## AMD Athlon XP

- Target consumers and small/medium business, with affordable, world-class performance
- Positioned against P4 and Celeron®
- ***Outstanding performance and affordability***

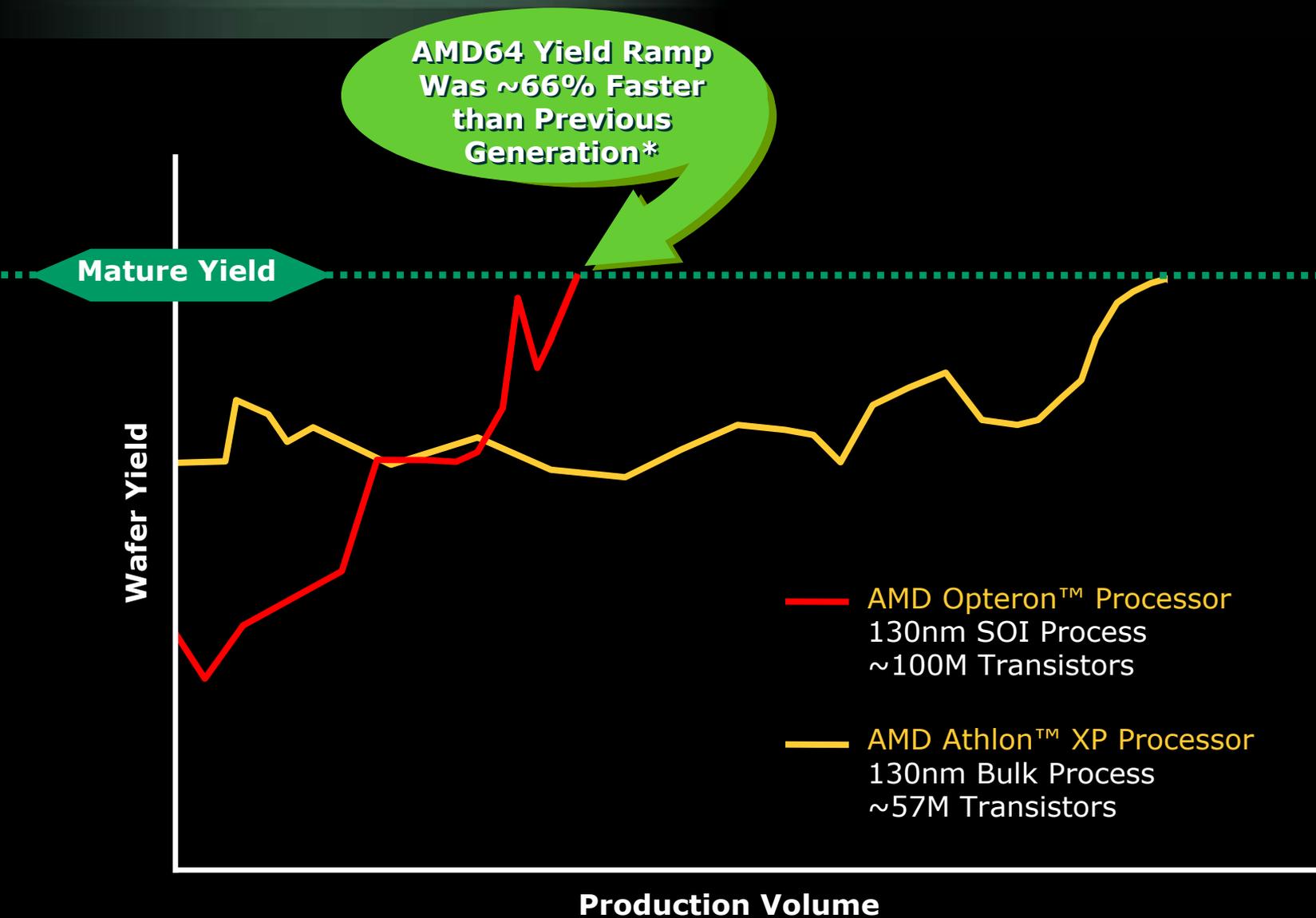


## Fab 30 Production

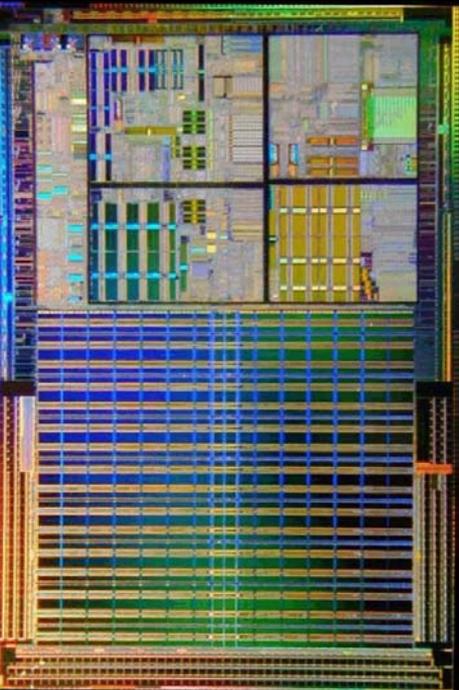


- AMD64 products running at mature yields
- 90nm AMD64 products revenue shipments in Q304
- **Technology Leadership:**
  - Transistor Performance
  - First to volume copper
  - First to volume SOI
  - First to volume low-k

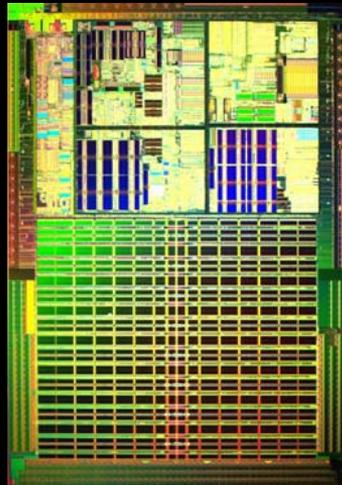
# APM Result: Faster AMD Opteron™ Processor Yield Ramp



## AMD Opteron™ Processor

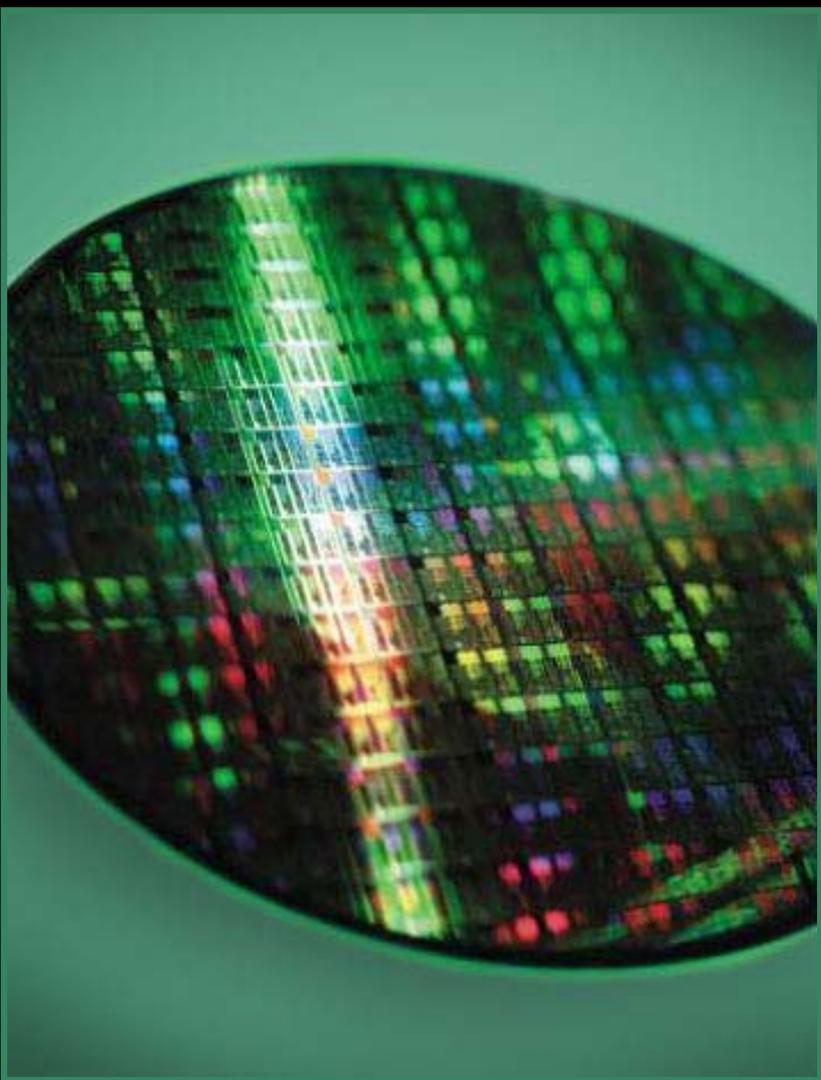


130nm SOI  
194mm<sup>2</sup>



90nm SOI  
114mm<sup>2</sup>  
(Prototype Shown)

- Volume production of 90nm AMD64 parts began Q2-03
- Revenue shipments of 90nm AMD64 parts planned to start in Q3-04
- 90nm SOI process provides significant power reduction
- Smaller die size on certain parts allows 92 more die candidates on each wafer
- Power “surplus” provides greater flexibility to boost performance, lower power or both in new chips
- Strengthens low-power AMD Opteron™ and AMD Athlon™ 64 processor offerings

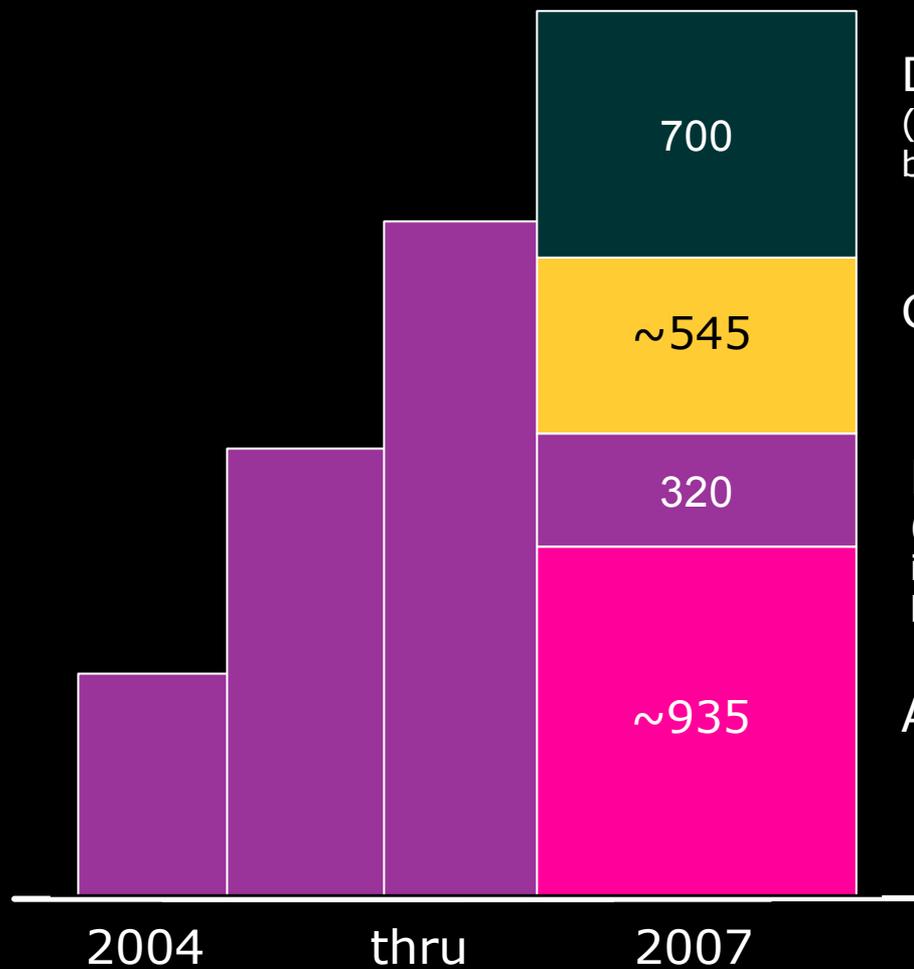


- Powered by Automated Precision Manufacturing v3.0
- High-end 300mm wafer Fab
- Will produce future generations of AMD microprocessors
- Initial planned production output of 13,000 wafers/month
- Groundbreaking in November 2003, building to be completed November 2004 and production output expected 1H06
- Planned total investments thru 2007: USD 2.5 billion\*
- Direct employees approx. 1,000
- Substantial additional indirect job creation expected
- Based on the superior manufacturing performance of AMD in Dresden

\* Capex including contact technology (Bump) and testing, excluding working capital, assuming a long-term exchange rate USD:EUR of 1:1

In USD million\*

~\$ 2.5 billion



Debt\*\*

(bank consortium lead by Dresdner Bank)

Grants & allowances

Partner equity

(Free State of Saxony, investor consortium lead by M+W Zander)

AMD

Partner financing and government support: \$ 1.5 billion

\* Assuming a long-term exchange rate USD:EUR of 1:1  
 \*\* 80% residual guarantee provided by Federal Rep. Ger. and State of Saxony  
 Source: AMD

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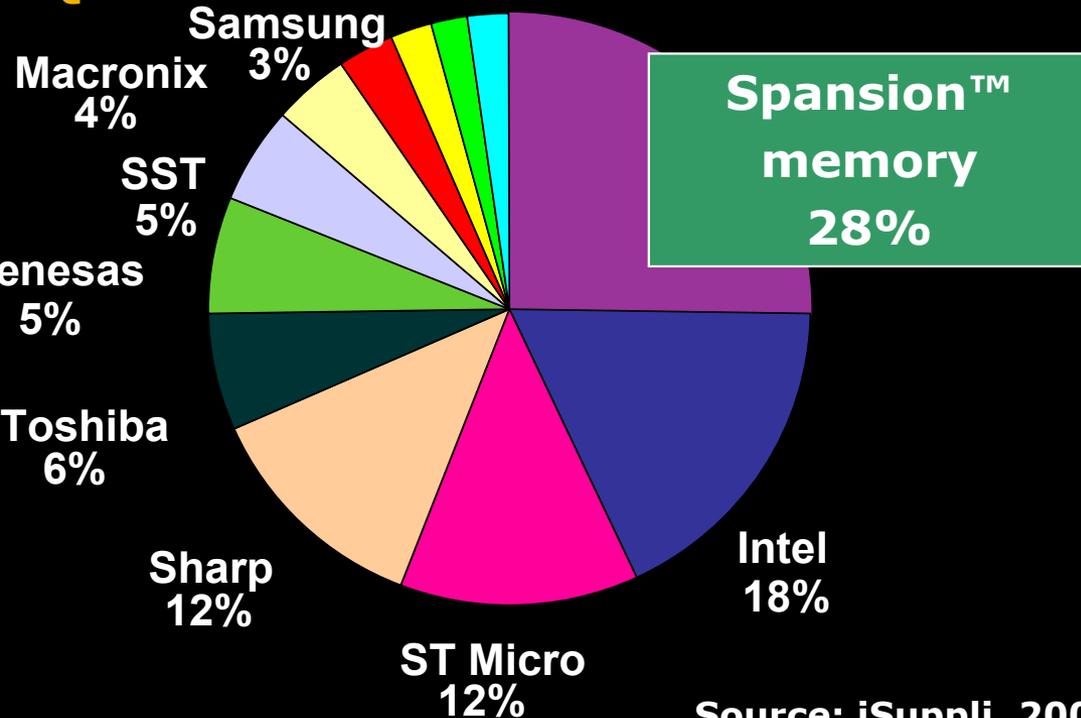




## Description (as of 7/1/03)

- Headquarters: Sunnyvale
- Net book value of assets: approx. \$3B
- Employees: 7,200

## Q1-04 NOR Revenue Market Share



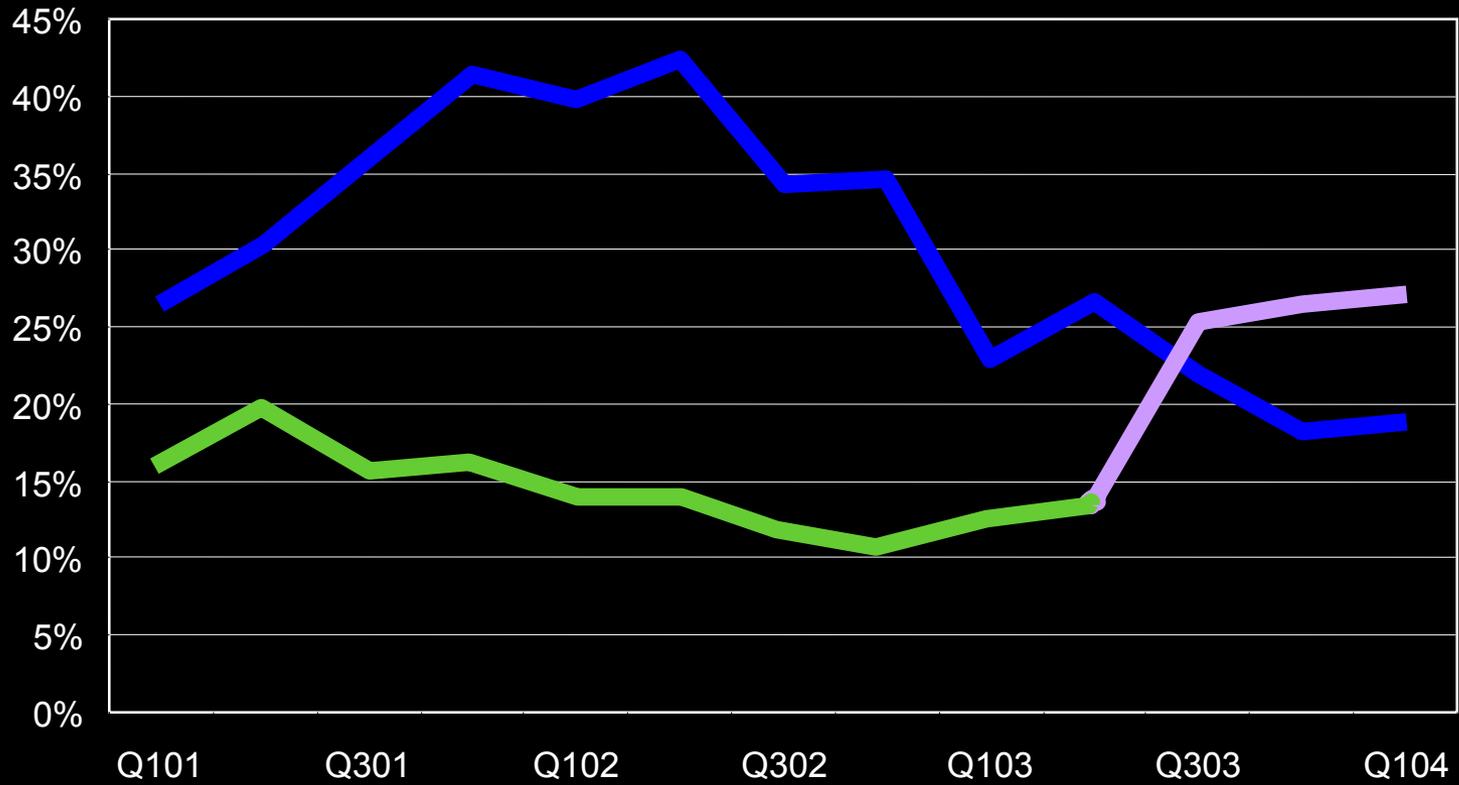
## Key Synergies

- Improved capacity utilization
- Consolidation of manufacturing facilities
- Other:
  - Increased purchasing power
  - Standardization of manufacturing flow
  - Consistent product portfolio management

# Spancion & INTC Historical NOR Flash Memory Market Share



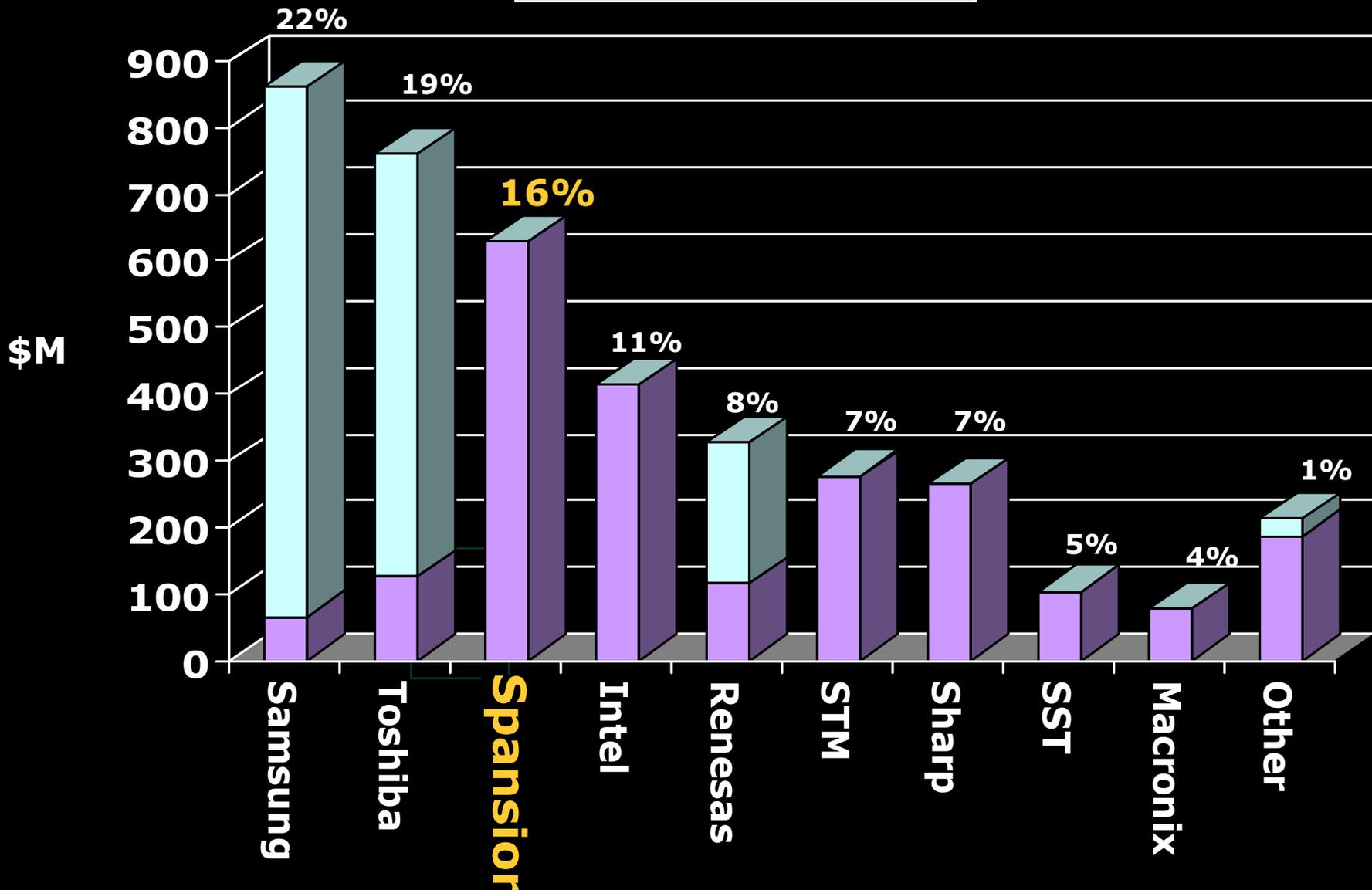
— AMD Flash Revenue    — Spansion Flash Revenue    — Intel Flash Revenue



# Total Q1-04 Flash Memory Market - by Vendor and Architecture



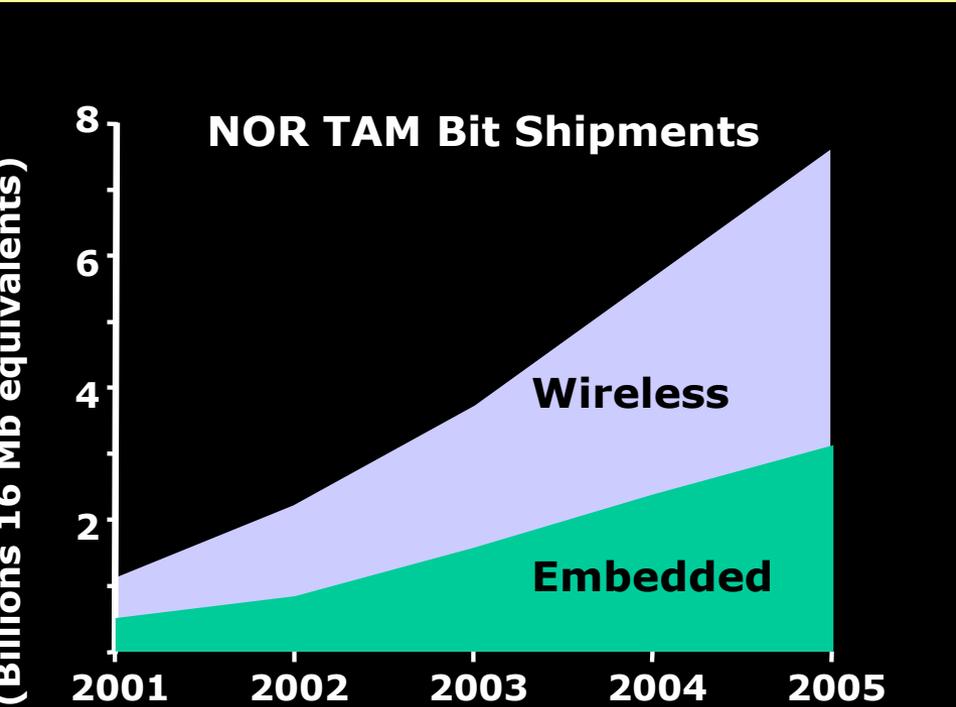
**NOR** **NAND**



# Continue Leadership in Wireless and Embedded Segments

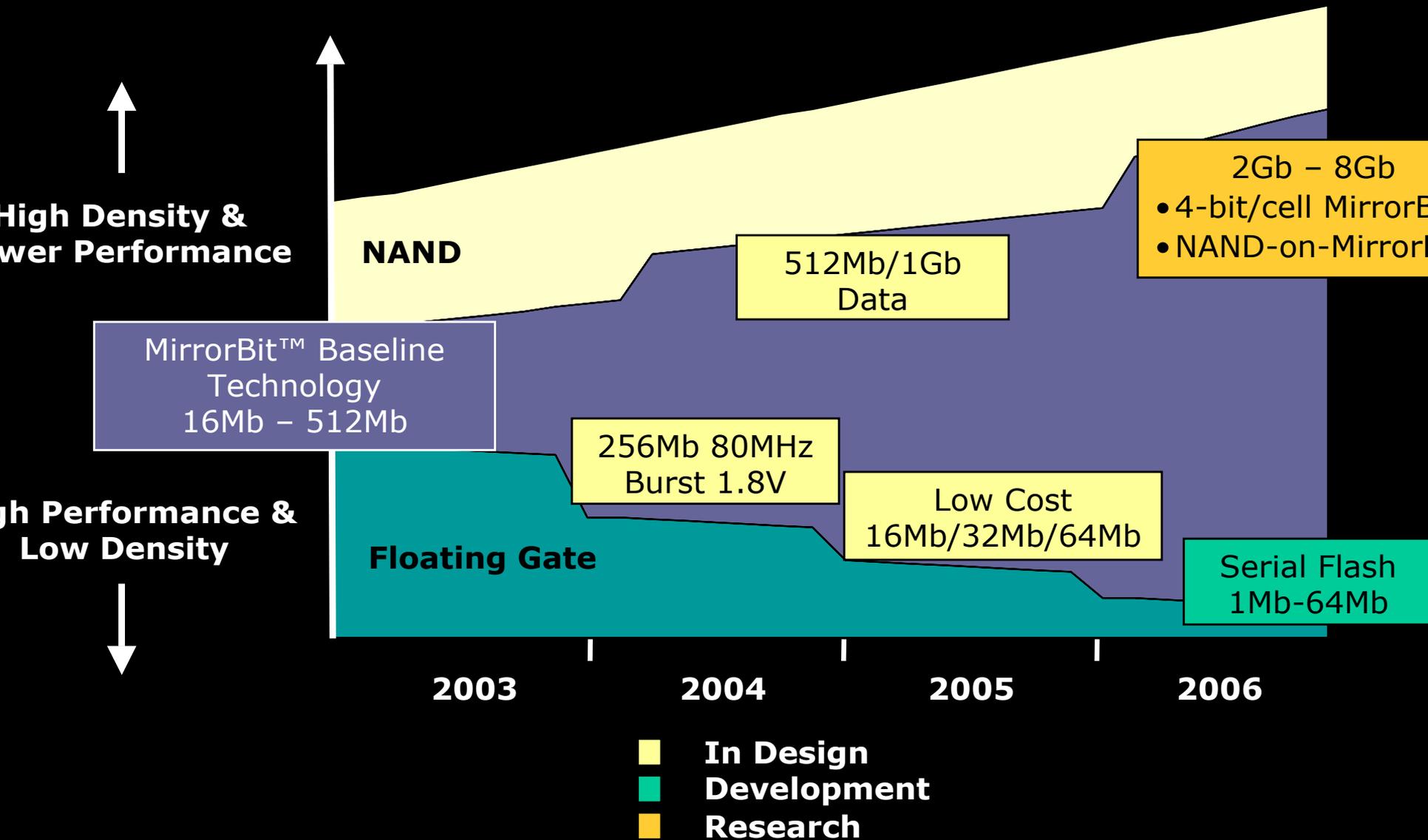


Segments	Spancion Position	Spancion Market Share
<b>Total NOR Wireless Market Share - 2003</b>	<b>#1</b>	<b>36%</b>
<b>Total NOR Embedded Market Share - 2003</b>	<b>#1</b>	<b>20%</b>

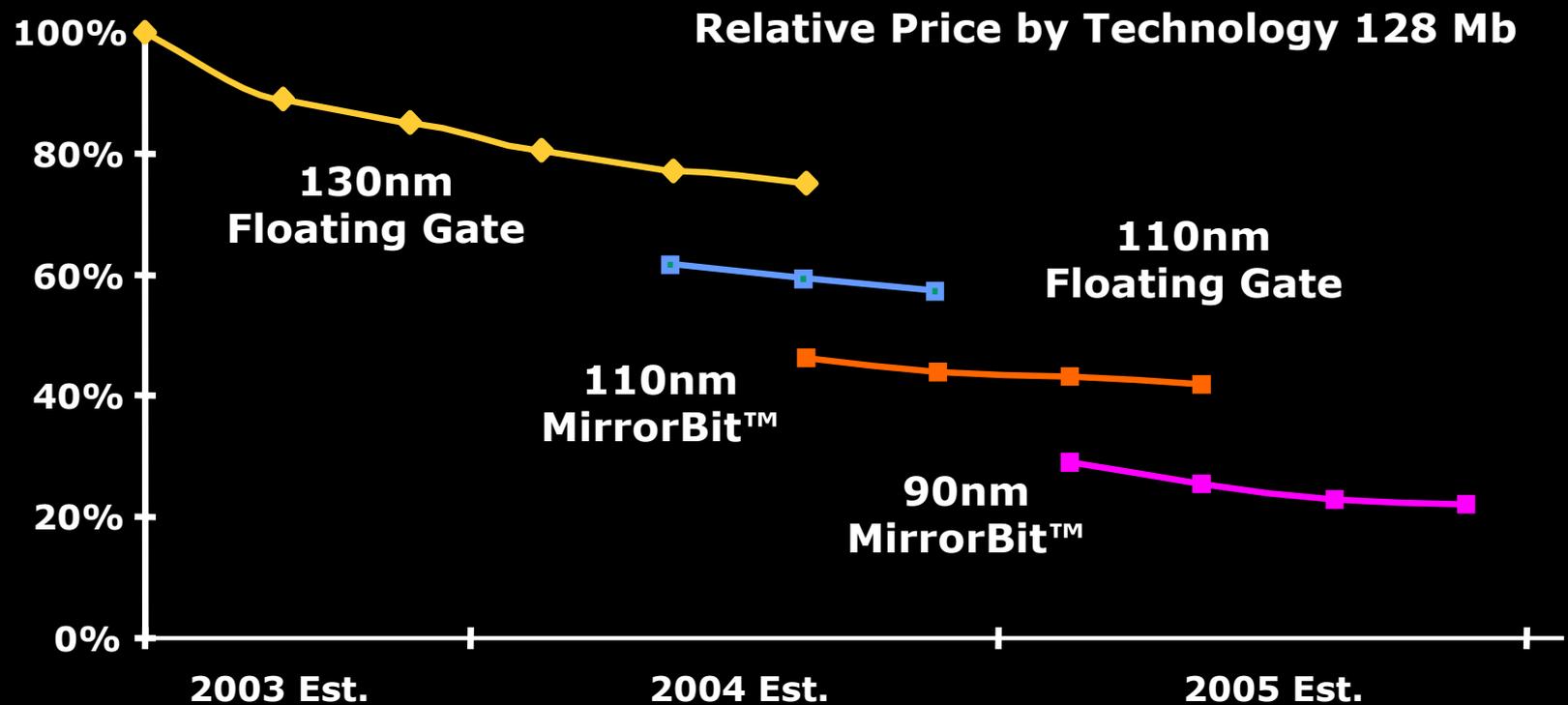


<b>DVD</b>	<b>#1</b>	<b>71%</b>
<b>Printers</b>	<b>#1</b>	<b>54%</b>
<b>Automotive</b>	<b>#1</b>	<b>52%</b>
<b>TelNet</b>	<b>#1</b>	<b>23%</b>
<b>Set Top Box</b>	<b>#3</b>	<b>16%</b>
<b>Industrial</b>	<b>#4</b>	<b>17%</b>
<b>PC/Peripheral</b>	<b>#10</b>	<b>4%</b>

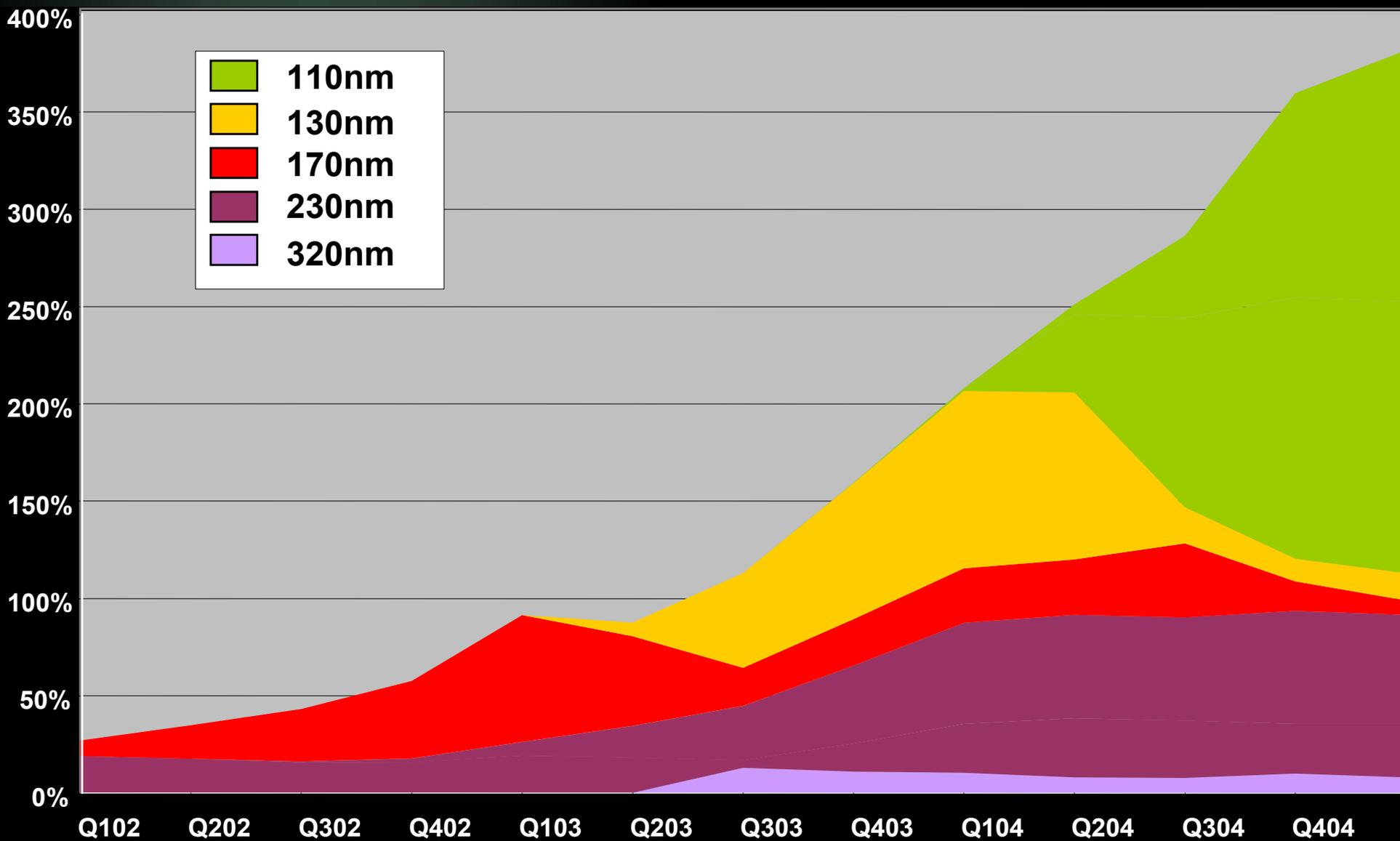




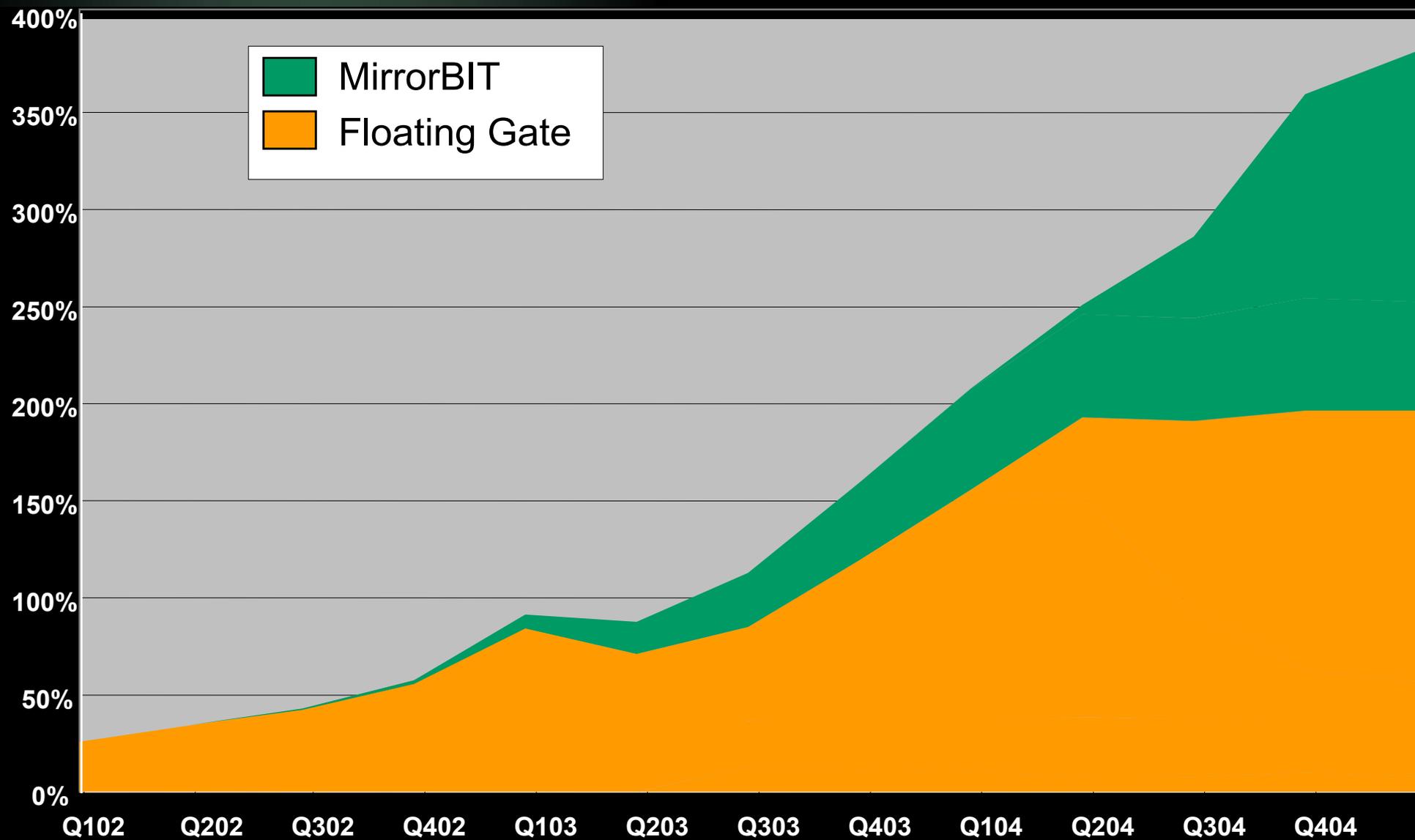
- Lower Wafer Cost + High Yield + Small Die



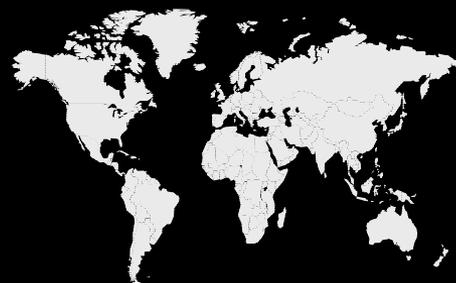
# Spanansion Capacity by Technology

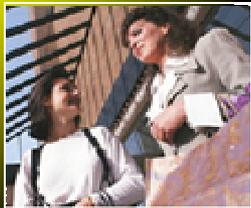


# Spanansion Capacity



- Lead the industry to pervasive 64-bit computing
- Establish MirrorBit™ as the next industry standard in Flash memory
- Enable a new global population of tech-capable consumers





- Business - not charity
- Accessible hardware platform
- “Geo-sensitive” approach
- Integrated, end-to-end ecosystem



Metric	Q1 2003 performance	Q1 2004 performance	Improvement
Sales	\$715M	<b>\$1,236M</b>	73%
Sales per employee - annualized	\$236,000	<b>\$344,000</b>	46%
Operating expenses	\$840M	<b>\$1,175M</b>	40%
Gross margin	31%	<b>38%</b>	7% pts
SG&A (\$)	\$138M	<b>\$180M</b>	30%
SG&A (% of revenues)	19%	<b>15%</b>	4% pts
Operating income (loss)	(\$125M)	<b>\$61M</b>	1488%
CPG operating income (loss)	(53M)	<b>\$67M</b>	226%
Spancion operating income (loss)	(64M)	<b>\$14M</b>	122%

- **Business model optimized for “operational flexibility”**
- **Healthy and growing core markets**
- **World-class design and manufacturing**
- **Pipeline of significant new growth opportunities**
- **Growing portfolio of world-class complementors and customers**

***This is the “New AMD”***

**AMD**



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