

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: February 10, 1994

ADVANCED MICRO DEVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware	1-7882	94-1692300
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(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

915 Deguigne Dr., P.O. Box 3453 Sunnyvale, California	94088-3453
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(Address of principal executive office)	(Zip Code)

Registrant's telephone number, including area code: (408) 732-2400

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Item 5. Other Events.

On February 7, 1994 Advanced Micro Devices, Inc. (AMD) issued a press release announcing that AMD and Digital Equipment Corporation have entered into an agreement under which Digital (trademark) will provide a foundry for AMD's Am486 (trademark) microprocessor family in South Queensferry, Scotland.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934,
the registrant has duly caused this report to be signed on its behalf
by the undersigned hereunto duly authorized.

ADVANCED MICRO DEVICES, INC.
(Registrant)

Date: February 10, 1994

By: /s/ Larry R. Carter

Larry R. Carter

Exhibit Index

Sequential
Page No.

28.1 Press release announcing foundry agreement

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NEWS RELEASE

(LOGO APPEARS HERE)
ADVANCED
MICRO
DEVICES

901 Thompson Place
P.O. Box 3453
Sunnyvale
CA 94088-3453
Tel (408) 732-2400

AMD AND DIGITAL ANNOUNCE FOUNDRY AGREEMENT

SUNNYVALE, CA ... February 7, 1994 ... Advanced Micro

Devices and Digital Equipment Corporation today announced an agreement under which Digital trademark will become a foundry for AMD's Am486 trademark microprocessor family. Digital will produce wafers for AMD at its South Queensferry, Scotland, manufacturing facility utilizing an adaptation of Digital's 0.68-micron process technology.

"The selection of Digital Equipment Corporation as a foundry partner assures that AMD will have more production capacity to meet growing customer demand for Am486 microprocessors," said W.J. Sanders III, chairman and chief executive officer of AMD. "The participation of Digital will further assure our customers that our products will meet the highest standards of quality, performance and reliability."

"As a merchant semiconductor vendor, this relationship enables us to further capitalize on our investments in leading-edge semiconductor process technology and microprocessor manufacturing," said Robert B. Palmer, president and chief executive officer of Digital. "This agreement will enable Digital to produce increased volumes in our South Queensferry fab, resulting in lower cost per wafer for all of Digital's semiconductor products. Building on our world-class semiconductor design and production capabilities is a key part of our ongoing plan to return Digital to sustained profitability."

(more)

The agreement is for two years with an option for extension at the end of that period. Initial production shipments of Am486 products from wafers manufactured by Digital are expected to begin in the fourth quarter of 1994. AMD expects that shipments of Am486 microprocessors manufactured from die produced at the Digital facility will

reach an annual run-rate of 2,000,000 units in the first half of 1995.

"From a long-term strategic perspective, this agreement also assures that AMD will have added production capacity for current and future generations of microprocessor products," Mr. Sanders said. "With this foundry agreement, we have the ability to allocate additional 0.5-micron manufacturing capacity at our facility in Sunnyvale, California, to production of both our high-performance Am486 devices and our fifth-generation K5 microprocessor products in 1995," Mr. Sanders continued. "In effect, the Digital foundry will provide a 'bridge' during the completion and initial production ramp of our new sub 0.5-micron facility, Fab 25 in Austin, Texas, thereby assuring that AMD will have in place additional capacity to meet expected demand for our most advanced microprocessor products," Mr. Sanders concluded.

"Manufacturing the Am486 microprocessor at our Scotland facility on the same line with our Alpha AXP trademark microprocessors complements our own production plan," said Ed Caldwell, Digital's vice president of Semiconductor Operations. "This takes advantage of our high-yielding 0.68-micron process. In addition, we will be migrating this facility to 0.5-micron technology over the next year to boost performance and output of both Alpha AXP and Am486 microprocessors."

(more)

Digital Equipment Corporation is the world's leader in open client/server solutions from personal computing to integrated worldwide information systems. Digital's scalable Alpha AXP platforms, storage, networking, software and services, together with industry-focused solutions from business partners, help organizations compete and win in today's global marketplace.

Advanced Micro Devices, Inc., the fifth-largest U.S. manufacturer of integrated circuits, produces microprocessors and related peripherals, memories, programmable logic devices and circuits for telecommunications, office automation and networking applications. AMD has sales offices worldwide, and has manufacturing facilities in Sunnyvale, California; Austin, Texas; Bangkok, Thailand; Penang, Malaysia; Singapore; and Basingstoke, England.

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AMD news release #94CORP3

AMD-90178

For more information contact:

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Am486 is a trademark of Advanced Micro Devices, Inc.
Digital and Alpha AXP are trademarks of Digital Equipment
Corporation.