

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended July 2, 1995

OR

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-7882

ADVANCED MICRO DEVICES, INC

(Exact name of registrant as specified in its charter)

Delaware 94-1692300

State or other jurisdiction of incorporation or organization (I.R.S. Employer Identification No.)

One AMD Place P. O. Box 3453 Sunnyvale, California 94088-3453 (Address of principal executive offices) (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

The number of shares of \$0.01 par value common stock outstanding as of July 20, 1995: 103,772,256

ADVANCED MICRO DEVICES, INC.

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I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ADVANCED MICRO DEVICES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)
(Thousands except per share amounts)

<TABLE>
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	Quarter Ended		Six Months Ended	
	July 2, 1995	June 26, 1994	July 2, 1995	June 26, 1994
Net sales	\$ 626,214	\$ 533,297	\$ 1,246,310	\$ 1,046,377
Expenses:				
Cost of sales	300,959	235,623	591,731	466,060
Research and development	101,032	67,889	193,532	136,110
Marketing, general, and administrative	97,364	91,731	194,310	184,625
	499,355	395,243	979,573	786,795
Operating income	126,859	138,054	266,737	259,582
Interest income and other, net	6,657	6,366	13,370	10,548
Interest expense	-	(899)	(1)	(1,638)
Income before income taxes and equity in joint venture	133,516	143,521	280,106	268,492
Provision for income taxes	44,060	47,362	92,435	87,352
Income before equity in joint venture	89,456	96,159	187,671	181,140
Equity in net income (loss) of joint venture	2,529	(2,925)	1,115	(3,319)
Net income	91,985	93,234	188,786	177,821
Preferred stock dividends	-	2,587	10	5,175
Net income applicable to common stockholders	\$ 91,985	\$ 90,647	\$ 188,776	\$ 172,646
Net income per common share:				
Primary	\$.86	\$.93	\$ 1.81	\$ 1.78
Fully diluted	\$.86	\$.89	\$ 1.76	\$ 1.71
Shares used in per share calculation:				
Primary	107,170	97,394	104,091	96,814

Fully diluted	107,306	104,249	107,011	103,959
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</TABLE>

See accompanying notes

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ADVANCED MICRO DEVICES, INC.

 CONDENSED CONSOLIDATED BALANCE SHEETS

 (Thousands)

<TABLE>
 <CAPTION>

	July 2, 1995 (Unaudited)	December 25, 1994 (Audited)
<S>	<C>	<C>
Assets		

Current assets:		
Cash and cash equivalents	\$ 261,074	\$ 121,343
Short-term investments	287,886	256,511
	-----	-----
Total cash, cash equivalents, and short-term investments	548,960	377,854
Accounts receivable, net	366,359	337,107
Inventories:		
Raw materials	24,570	21,604
Work-in-process	68,805	72,632
Finished goods	39,829	34,454
	-----	-----
Total inventories	133,204	128,690
Deferred income taxes	98,675	98,675
Prepaid expenses and other current assets	46,442	44,293
	-----	-----
Total current assets	1,193,640	986,619
Property, plant, and equipment, at cost	2,691,685	2,464,929
Accumulated depreciation and amortization	(1,206,603)	(1,200,718)
	-----	-----
Property, plant, and equipment, net	1,485,082	1,264,211
Investment in joint venture	144,114	124,588
Other assets	78,283	70,284
	-----	-----
	\$ 2,901,119	\$ 2,445,702
	=====	=====

Liabilities and Stockholders' Equity

Current liabilities:		
Notes payable to banks	\$ 29,599	\$ 32,459
Accounts payable	193,129	149,122
Accrued compensation and benefits	114,548	104,526
Accrued liabilities	92,750	82,570
Litigation settlement	20,000	58,000
Income tax payable	111,223	53,795
Deferred income on shipments to distributors	94,453	83,800
Current portion of long-term debt and capital lease obligations	30,903	27,895
	-----	-----
Total current liabilities	686,605	592,167
Deferred income taxes	42,518	42,518
Long-term debt and capital lease obligations, less current portion	223,223	75,752
Commitments and contingencies	-	-
Stockholders' equity:		
Capital stock:		
Serial preferred stock, par value	-	34
Common stock, par value	1,038	956
Capital in excess of par value	719,328	698,673
Retained earnings	1,228,407	1,035,602
	-----	-----
Total stockholders' equity	1,948,773	1,735,265
	-----	-----
	\$ 2,901,119	\$ 2,445,702
	=====	=====

</TABLE>

See accompanying notes

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ADVANCED MICRO DEVICES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)
(Thousands)

<TABLE>
<CAPTION>

	Six Months Ended	
	July 2, 1995	June 26, 1994
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	\$ 188,786	\$ 177,821
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	113,213	104,796
Net gain on sale of property, plant, and equipment	(9)	(431)
Write-down of property, plant, and equipment	380	1,044
Compensation recognized under employee stock plans	1,467	810
Undistributed (income) loss of joint venture	(1,115)	3,319
Net increase in deferred income taxes	-	(183)
Changes in operating assets and liabilities:		
Net increase in receivables, inventories, prepaid expenses, and other assets	(54,210)	(69,369)
Increase in income tax payable	68,078	31,261
Net increase in payables and accrued liabilities	74,862	10,834
Litigation settlement	(20,000)	-
Net cash provided by operating activities	371,452	259,902
Cash flows from investing activities:		
Purchase of property, plant, and equipment	(322,814)	(139,688)
Proceeds from sale of property, plant, and equipment	1,400	1,101
Purchase of held-to-maturity debt securities	(358,019)	(349,157)
Maturities of held-to-maturity debt securities	326,644	284,871
Investment in joint venture	(18,019)	(39,453)
Net cash used in investing activities	(370,808)	(242,326)
Cash flows from financing activities:		
Proceeds from borrowings	198,492	30,387
Payments on capital lease obligations and other debt	(67,381)	(40,618)
Net proceeds from issuance of stock	10,487	16,675
Redemption of preferred stock	(2,501)	-
Payments of preferred stock dividends	(10)	(5,175)
Net cash provided by financing activities	139,087	1,269
Net increase in cash and cash equivalents	139,731	18,845
Cash and cash equivalents at beginning of period	121,343	60,423
Cash and cash equivalents at end of period	\$ 261,074	\$ 79,268
Supplemental disclosures of cash flow information:		
Cash paid during the first quarter for:		
Interest (net of amounts capitalized)	\$ -	\$ 1,983
Income taxes	\$ 24,010	\$ 56,272
Non-cash financing activities:		
Equipment purchased under capital leases	\$ 16,508	\$ 27,859
Conversion of preferred stock to common stock	\$ 164,127	\$ -

</TABLE>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. The results of operations for the interim periods shown in this report are not necessarily indicative of results to be expected for the fiscal year. In the opinion of management, the information contained herein reflects all adjustments necessary to make the results of operations for the interim periods a fair statement of such operations. All such adjustments are of a normal recurring nature.

The company uses a 52 to 53 week fiscal year ending on the Sunday closest to December 31. The quarters ended July 2, 1995 and June 26, 1994 included 13 weeks. The six months ended July 2, 1995 and June 26, 1994 included 27 and 26 weeks, respectively.

Certain prior year amounts on the Condensed Consolidated Financial Statements have been reclassified to conform to the 1995 presentation.

2. AMD has three groundwater contamination sites that are on the Federal Superfund list. The company is in the process of an extensive clean-up and studies of its sites.
3. The effective tax rate used for the first quarters and first half of 1995 and 1994 was approximately 33 percent.
4. In 1993, the company and Fujitsu Limited established a joint venture, "Fujitsu AMD Semiconductor Limited (FASL)." AMD's share of FASL is 49.95 percent, and this investment is being accounted for under the equity method. For the second quarter of 1995, the company's share of FASL's income was \$3.9 million, which was reduced by an estimated income tax provision of approximately \$1.4 million.
5. The following is a summary of held-to-maturity securities as of July 2, 1995 (in thousands):

<TABLE>

<S>	<C>
Cash and cash equivalents	
Money market preferreds	\$ 117,400
Commercial paper	49,926
Security repurchase agreements	38,300
Other	10,215

Total cash equivalents	215,841
Cash	45,233

Total cash and cash equivalents	\$ 261,074
	=====
Short-term investments	
Commercial paper	\$ 119,629
Certificates of deposit	110,583
Corporate notes	40,114
Other	17,560

Total short-term investments	\$ 287,886
	=====

</TABLE>

Since held-to-maturity securities are short-term in nature, changes in market interest rates would not have a significant impact on the fair value of these securities. These securities are carried at amortized cost which approximates fair value.

As of July 2, 1995, the company held \$12.1 million of available-for-sale equity securities with a fair value of \$31.7 million which is included in other assets. The net unrealized holding gain on these equity securities is included in retained earnings.

6. The primary net income per common share computation is based on the weighted average number of common shares outstanding plus dilutive common share equivalents. The fully diluted computation also includes other dilutive convertible securities. In the first quarter of 1995, the company called for redemption all outstanding shares of its Convertible Preferred Stock. As a result, all of its outstanding Preferred Stock was either redeemed or converted to the company's common stock. Shares used in the per share computations are as follows:

<TABLE>

<CAPTION>

	Quarter Ended		Six Months Ended	
	July 2, 1995	June 26, 1994	July 2, 1995	June 26, 1994
	(Thousands)		(Thousands)	
<S>	<C>	<C>	<C>	<C>
Primary:				
Common shares outstanding	103,437	93,617	100,394	93,096
Employee stock plans	3,733	3,777	3,697	3,718
	-----	-----	-----	-----
	107,170	97,394	104,091	96,814
	=====	=====	=====	=====
Fully diluted:				
Common shares outstanding	103,437	93,617	100,394	93,096
Employee stock plans	3,869	3,778	3,931	4,008
Preferred stock	-	6,854	2,686	6,855
	-----	-----	-----	-----
	107,306	104,249	107,011	103,959
	=====	=====	=====	=====

</TABLE>

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Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND

FINANCIAL CONDITION

The following discussion should be read in conjunction with the attached condensed consolidated financial statements and notes thereto, and with the company's audited financial statements and notes thereto for the fiscal year ended December 25, 1994.

RESULTS OF OPERATIONS

Net sales for the second quarter and first half of 1995, rose by 17 percent and 19 percent, respectively from the corresponding periods of 1994. These increases were primarily attributable to growth in flash memory sales and secondarily due to an increase in Am486(R) sales. Net sales for the second quarter of 1995 grew slightly over the immediate prior quarter. This increase was primarily attributable to increased flash memory sales and secondarily due to increased sales of communication products, offset by a decline in Am486 sales.

The increase in Am486 microprocessor sales in the second quarter and first six months of 1995 compared to the same periods a year ago was attributable to unit shipment growth while average selling prices declined. The decrease in Am486 microprocessor sales from first quarter 1995 to second quarter 1995 was due to continued price declines while unit shipments remained relatively flat primarily because of production constraints early in the quarter. Further price declines of Am486 products are anticipated to continue.

A significant portion of the company's revenues, profits, and margins in 1995 have been and are expected to be attributable to Am486 products. The future outlook for AMD's microprocessor business is highly dependent upon microprocessor market conditions, which are subject to price declines and changes in demand. The company anticipates that any growth in existing and future generation microprocessor products will depend on market demand and the company's ability to meet this demand.

Sales of flash memory devices for the second quarter and first six months of 1995 increased significantly as compared to the same periods in the prior year primarily due to increased unit shipments. The company plans to meet projected long-term demand for flash memory devices primarily through a manufacturing joint venture, Fujitsu AMD Semiconductor Limited (FASL). The company began purchasing products from FASL in the first quarter of 1995.

Revenues from communication products for the second quarter and first six months of 1995 increased as compared to the same periods a year ago primarily due to growth in the Ethernet family of products. For the second quarter and first six months of 1995, EPROM sales decreased as compared to the same periods in 1994 primarily because of pricing pressures caused by increased competition. Sales of CMOS programmable logic devices (PLDs) in the second quarter and first half of 1995 increased from comparable periods in 1994 primarily due to increased unit shipments.

International sales for the second quarter and first half of 1995 were 58 percent of total sales as compared to 52 percent and 54 percent, respectively for the comparable periods in 1994.

Am486 is a registered trademark of Advanced Micro Devices, Inc.
K86 RISC SUPERSCALAR and AMD-K5 are trademarks of Advanced Micro Devices, Inc

Gross margins of 52 percent and 53 percent for the second quarter and first half of 1995 declined approximately 4 percent and 2 percent, respectively, from comparable periods in 1994. The decrease in gross margin was attributable primarily to Am486 pricing pressures and secondarily to purchase of FASL products, which are purchased at higher costs compared to similar products manufactured internally. The impact of gross margin declines caused by purchase of FASL products was partially offset by the company's share of FASL income in the second quarter of 1995. Pricing pressures on Am486 microprocessors are expected to continue. Gross margin is also anticipated to decline further through 1995 due to increasing purchases from FASL and the transition of Fab 25 costs from research and development to cost of sales when production for revenue begins in the third quarter of 1995.

Research and development expenses increased in the second quarter and first six months of 1995 from the corresponding periods in the prior year. These increases were primarily due to higher Fab 25 spending and secondarily due to increased microprocessor development cost. The company anticipates that research and development expenses may decline for the remainder of 1995 as compared to the first half of 1995, depending on the rate of transition of Fab 25 costs from research and development to cost of sales.

Marketing, general, and administrative expenses remained relatively flat in the second quarter and first six months of 1995 from the corresponding periods a year ago.

The income tax rates have remained constant at approximately 33 percent for the second quarter and the first six months of 1995 compared to the same periods in 1994. The company anticipates that the income tax rate will be approximately 33 percent for the remainder of 1995.

The company enters into foreign exchange forward contracts to buy and sell currencies as economic hedges of the company's foreign net monetary asset position. In the second quarter of 1995, these hedging transactions were denominated in lira, yen, French franc, deutsche mark, and pound sterling. The maturities of these contracts are generally short-term in nature. The company believes its foreign exchange contracts do not subject the company to material risk from exchange rate movements because gains and losses on these contracts are designed to offset losses and gains on the net monetary asset position being hedged. Net foreign currency gains and losses have not been material. As of July 2, 1995, the company had approximately \$42.9 million (notional amount) of foreign exchange forward contracts.

In the second quarter of 1995, approximately 19 percent of the company's net sales were denominated in foreign currencies. The company does not have sales denominated in local currencies in those countries which have highly inflationary economies. The impact on the company's operating results from changes in foreign currency rates individually and in the aggregate has not been material.

The company has engaged in interest rate swaps primarily to reduce its interest rate exposure by changing a portion of the company's interest rate obligation from a floating rate to a fixed rate basis. At the end of the second quarter of 1995, the net outstanding notional amount of interest rate swaps was \$40 million, which will mature in 1997. Gains and losses related to these interest rate swaps have been immaterial.

The company primarily addresses market risk by participating as an end-user in various derivative markets to manage its exposure to interest and foreign currency exchange rate fluctuations. The counterparties to the company's foreign exchange forward contracts, foreign currency options, and interest rate swaps consist of a number of major high credit quality international financial institutions. The company does not believe that there is significant risk of nonperformance by these counterparties because the company continually monitors the credit ratings of such counterparties, and limits the financial exposure and the amount of agreements entered into with any one financial institution.

FINANCIAL CONDITION

Cash, cash equivalents, and short-term cash investments increased by \$171.1 million from the end of 1994 to July 2, 1995. This increase was primarily attributable to a \$150 million term loan obtained in January of 1995. Cash generated from operating activities in the first half of 1995 was offset by investments in property, plant and equipment to expand manufacturing capacity primarily related to Fab 25. The company plans to continue to make significant capital investments throughout 1995, including an estimated \$150 million for Fab 25.

Working capital increased by \$112.5 million from \$394.5 million at the end of 1994 to \$507.0 million in the second quarter of 1995. This increase was primarily due to higher cash, cash equivalents, and short-term investments.

At the end of the second quarter of 1995, the company's total cash investment in FASL was \$160.4 million as compared to \$142.3 million at the end of 1994. No additional cash investment is currently planned for the remainder of 1995.

As of the end of the second quarter of 1995, the company had the following financing arrangements: unsecured committed bank lines of credit of \$250 million, unutilized; long-term secured equipment lease lines of \$125 million, of which \$123 million were utilized; short-term, unsecured uncommitted bank credit in the amount of \$131 million, of which \$33 million was utilized; and an outstanding \$150 million four-year term loan.

The company's current capital plan and requirements are based on various product-mix, selling-price and unit-demand assumptions and are, therefore, subject to revision due to future market conditions.

On May 25, 1994, the Securities and Exchange Commission declared effective the company's shelf registration statement covering up to \$400 million of its securities, which may be either debt securities, preferred stock, depository shares representing fractions of shares of preferred stock, common stock, warrants to purchase common stock, or any combination of the foregoing which the company may offer from time to time in the future. To date, the company has not offered or sold any securities registered under the \$400 million registration statement. The nature and terms of the securities will be established at the time of their sale. The company may offer the securities through underwriters to be named in the future, through agents or otherwise. It is presently expected that the net proceeds of any offering would be used for general corporate purposes including but not limited to the reduction of outstanding indebtedness, working capital increases and capital expenditures.

The company believes that cash flows from operations and current cash balances, together with current and anticipated available long-term financing, will be sufficient to fund operations, capital investments, and research and development projects currently planned for the remainder of 1995.

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FACTORS THAT MAY AFFECT FUTURE RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The semiconductor industry is generally characterized by a highly competitive and rapidly changing environment in which operating results are often subject to the effects of new product introductions, manufacturing technology innovations, rapid fluctuations in product demand, the availability of manufacturing capacity, and the ability to secure and maintain intellectual property rights. While the company attempts to identify and respond to rapidly changing events and conditions as soon as possible, the anticipation of and reaction to such events are an ongoing challenge.

The company believes that its future results of operations and financial condition could be impacted by any of the following factors: market acceptance and timing of new products; continued market acceptance of personal computer industry standards applicable to the company's products; trends in the personal computer marketplace; capacity constraints; intense price competition; interruption in procuring needed manufacturing materials; disruption of manufacturing facilities; and changes in domestic and international economic conditions.

The company's microprocessor products, and more specifically the company's current generation of 486 microprocessors, have significantly contributed, and are expected to significantly contribute in 1995 to the company's revenues, margins and profits. There can be no assurance that there will be continued market acceptance of Am486 microprocessors, or that the Am486 microprocessors will continue to generate profits and margins for the remainder of 1995 at the levels experienced to date. The company's 486 microprocessors are re-engineered versions of 486 microprocessors originally developed by Intel, and contain and use, under license with Intel, its 486 microcode. The company's next generation K86 RISC SUPERSCALAR(TM) products are being designed to be Microsoft(R) Windows(R)-compatible and compete with Intel's post-486 generations of X86 microprocessors, including the Pentium and the P6. The company's K86 products will not be re-engineered versions of microprocessors developed by Intel, and pursuant to the litigation settlement agreement with Intel the company does not have the right to use Intel microcodes in AMD product generations following the 486. Volume production of the initial K86 products, known as AMD-K5(TM), is anticipated to begin in the first half of 1996. There can be no assurance that the company will be able to introduce its K86 products in a timely manner to meet competition, that these microprocessors will not face severe price competition, or that superior competitive products will not be introduced. There can be no assurance that the K86 products will achieve market acceptance or desired operating results, including but not limited to profitability. Any such failure could adversely affect the company's future operations.

The company has entered into a number of licenses and cross-licenses relating to several of the company's products. As is common in the semiconductor industry, from time to time the company has been notified that it may be infringing other parties' patents or copyrights. While patent and copyright owners in such

instances often express a willingness to resolve the dispute or grant a license, no assurance can be given that all necessary licenses will be honored or obtained on satisfactory terms, nor that the ultimate resolution of any material dispute concerning the company's present or future products will not have an adverse impact on the company's future results of operations or financial condition.

Due to the factors noted above, the company's future operations, financial condition, and stock price may be subject to volatility. In addition, an actual or anticipated shortfall in revenue, gross margins, or earnings from securities analysts' expectations could have an immediate adverse effect on the trading price of the company's common stock in any given period.

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II. OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The company's annual meeting of stockholders, at which the proposals described below were submitted to stockholders, was held on May 9, 1995.

Proposal No. 1 - Election of Directors. The following individuals, who received the votes indicated, were elected as directors:

<TABLE>
<CAPTION>

NAME	FOR	WITHHELD
<S>	<C>	<C>
W. J. Sanders III	88,827,903	352,282
Friedrich Baur	88,804,773	375,412
Charles M. Blalack	88,849,214	330,971
R. Gene Brown	88,865,038	315,147
Anthony B. Holbrook	88,815,619	364,566
Richard Previte	88,849,649	330,536
Joe L. Roby	88,856,350	323,835
Leonard Silverman	88,801,257	378,928

</TABLE>

Proposal No. 2 - The proposal to ratify the appointment of Ernst & Young LLP, as the company's independent auditors for the current fiscal year was approved. The results of the voting were as follows:

For: 88,656,660 Against: 414,199 Abstain: 112,326

Proposal No. 3 - The stockholders disapproved a stockholder proposal requesting that the Board of Directors establish a nominating committee composed solely of independent directors (as defined in the stockholder proposal). The results of the voting were as follows:

For: 12,395,510 Against: 58,926,237 Abstain: 2,516,156
Broker Non-votes: 15,342,282

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ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

A. Exhibits

- 3.1 Certificate of Incorporation as amended
- 3.2 Certificate of Elimination of \$30.00 Convertible Exchangeable Preferred Shares
- 3.3 Certificate of Elimination of Series A Junior Participating Preferred Stock
- 27.1 Financial Data Schedule

B. Report on Form 8-K

The following report on Form 8-K was filed during the quarter for which this report is filed:

- 1. Current Report on Form 8-K, dated April 17, 1995, filed April 19, 1995, reporting under Item 5, that the Board of Directors, acting through its Stockholder Rights Committee, ordered the redemption of the company's preferred stock purchase rights to occur on May 3, 1995.

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undersigned thereunto duly authorized.

ADVANCED MICRO DEVICES, INC.

Date: July 24, 1995

By: /s/ Marvin Burkett

Marvin Burkett
Senior Vice President,
Chief Financial and
Administrative Officer.

Signing on behalf of the
registrant and as the principal
financial officer

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EXHIBIT INDEX

<TABLE>
<CAPTION>
Exhibits

<S>	<C>
3.1	Certificate of Incorporation as amended
3.2	Certificate of Elimination of \$30.00 Convertible Exchangeable Preferred Shares
3.3	Certificate of Elimination of Series A Junior Participating Preferred Stock
27.1	Financial Data Schedule

</TABLE>

CERTIFICATE OF INCORPORATION

of

ADVANCED MICRO DEVICES, INC.

---00000---

FIRST. The name of the corporation is ADVANCED MICRO DEVICES, INC.

SECOND. The address of its registered office in the State of Delaware is No. 100 West Tenth Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The nature of the business or purposes to be conducted or promoted is:

The development, manufacture and marketing of integrated circuits, electronic components, and related products.

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

To manufacture, purchase or otherwise acquire, invest in, own, mortgage, pledge, sell, assign and transfer or otherwise dispose of, trade, deal in and deal with goods, wares and merchandise and personal property of every class and description.

To acquire, and pay for in cash, stock or bonds of this corporation or otherwise, the good will, rights, assets and property, and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm, association or corporation.

To acquire, hold, use, sell, assign, lease, grant licenses in respect of, mortgage or otherwise dispose of letters patent of the United States or any foreign country, patent rights, licenses and privileges, inventions, improvements and processes, copyrights, trademarks and trade names, relating to or useful in connection with any business of this corporation.

To acquire by purchase, subscription or otherwise, and to receive, hold, own, guarantee, sell, assign, exchange, transfer, mortgage, pledge or otherwise dispose of or deal in and with any of the shares of the capital stock, or any voting trust certificates in respect of the shares of capital stock, scrip, warrants, rights, bonds,

debentures, notes, trust receipts, and other securities, obligations, choses in action and evidences of indebtedness or interest issued or created by any corporations, joint stock companies, syndicates, associations, firms, trusts or persons, public or private, or by the government of the United States of America, or by any foreign government, or by any state, territory, province, municipality or other political subdivision or by any governmental agency, and as owner thereof to possess and exercise all the rights, powers and privileges of ownership, including the right to execute consents and vote thereon, and to do any and all acts and things necessary or advisable for the preservation, protection, improvement and enhancement in value thereof.

To borrow or raise moneys for any of the purposes of the corporation and, from time to time without limit as to amount, to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the payment of any thereof and of the interest thereon by mortgage upon or pledge, conveyance or assignment in trust of the whole or any part of the property of the corporation, whether at the time owned or thereafter

acquired, and to sell, pledge or otherwise dispose of such bonds or other obligations of the corporation for its corporate purposes.

To purchase, receive, take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with real or personal property, or any interest therein, wherever situated, and to sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, all or any of the corporation's property and assets, or any interest therein, wherever situated.

In general, to possess and exercise all the powers and privileges granted by the General Corporation Law of Delaware or by any other law of Delaware or by this Certificate of Incorporation together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business or purposes of the corporation.

The business and purposes specified in the foregoing clauses shall, except where otherwise expressed, be in nowise limited or restricted by reference to, or inference from, the terms of any other clause in this certificate of incorporation, but the business and pur-

poses specified in each of the foregoing clauses of this article shall be regarded as independent business and purposes.

FOURTH. The total number of shares of stock which the corporation shall have authority to issue is five hundred thousand (500,000) and the par value of each of such shares is Ten Cents (\$.10) amounting in the aggregate to Fifty Thousand Dollars (\$50,000).

At all elections of directors of the corporation, each stockholder shall be entitled to as many votes as shall equal the number of votes which (except for such provision as to cumulative voting) he would be entitled to cast for the election of directors with respect to his shares of stock multiplied by the number of directors to be elected, and he may cast all of such votes for a single director or may distribute them among the number to be voted for, or for any two or more of them as he may see fit.

FIFTH. The name and mailing address of each incorporator is as follows:

NAME	MAILING ADDRESS
----	-----
B. J. Consono	100 West Tenth Street Wilmington, Delaware
F. J. Obara, Jr.	100 West Tenth Street Wilmington, Delaware
J. L. Rivera	100 West Tenth Street Wilmington, Delaware

SIXTH. The corporation is to have perpetual existence.

SEVENTH. In furtherance and not in limitation of the powers conferred by statute, the board of directors is expressly authorized:

To make, alter or repeal the by-laws of the corporation.

To authorize and cause to be executed mortgages and liens upon the real and personal property of the corporation.

To set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve in the manner in which it was created.

By a majority of the whole board, to designate one or more committees, each committee to consist of two or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such

committee, to the extent provided in the resolution or in the by-laws of the corporation, shall have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; provided, however, the by-laws may provide that in the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member.

When and as authorized by the affirmative vote of the holders of two-thirds of the stock issued and outstanding having voting power given at a stockholders' meeting duly called upon such notice as is required by statute, or when authorized by the written consent of the holders of two-thirds of the voting stock issued and outstanding, to sell, lease or exchange all or substantially all of the property and assets of the corporation, including its good will and its corporate franchises, upon such terms and conditions and for such consideration,

which may consist in whole or in part of money or property including shares of stock in, and/or other securities of, any other corporation or corporations, as its board of directors shall deem expedient and for the best interests of the corporation.

EIGHTH. Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary

way of this corporation or of any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for this corporation under the provisions of section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of credi-

tors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

NINTH. Any corporate action upon which a vote of stockholders is required or permitted may be taken with the written consent of stockholders having not less than fifty percent (50%) of all of the stock entitled to vote upon the action if a meeting were held; provided that in no case shall the written consent be by holders having less than the minimum percentage of the total vote required by statute for the proposed corporate action and provided that prompt notice be given to all stockholders of the taking of corporate action without a meeting and by less than unanimous written consent.

TENTH. Meetings of stockholders may be held within or without the State of Delaware, as the by-laws may provide. The books of the corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the by-laws of the corporation. Elections of directors need not be by written ballot unless the by-laws of the corporation shall so provide.

ELEVENTH. The corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

WE, THE UNDERSIGNED, being each of the incorporators hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this certificate, hereby declaring and certifying that this is our act and deed and the facts herein stated are true, and accordingly have hereunto set our hands this 1st day of May, 1969.

B. J. Consono
F. J. Obara, Jr.
J. L. Rivera

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION

* * * * *

Advanced Micro Devices, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY;

FIRST: That at a meeting of the Board of Directors of Advanced Micro Devices, Inc. resolutions were duly adopted setting forth a proposed amendment to the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and calling a meeting of the shareholders of said corporation for consideration thereof. The amended article is as follows:

"FOURTH. The total number of shares of stock which the corporation shall have authority to issue is Two Hundred Fifty One Million (251,000,000) of which Two Hundred Fifty Million (250,000,000) shares shall be Common Stock of the par value of the One Cent (\$0.01) per share and One Million (1,000,000) shares shall be Serial Preferred Stock of the par value of Ten Cents (\$0.10) per share."

"The designations and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof, of each class of stock of the corporation shall be as follows:

"(A) Serial Preferred Stock

(1) The Serial Preferred Stock may be issued from time to time in one or more series and shall have such voting powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as may be fixed by this Certificate of Incorporation or by resolution of the Board of Directors providing for the issue of each such series. The Board of Directors is vested with authority to fix variations in voting powers and in any of the designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as being between series of Serial Preferred Stock including, without limitation, variations in the following:

(a) The distinctive designation of each series and the number of shares which shall constitute each series, which number may be increased (except where otherwise provided by the Board of Directors in creating such series) or decreased (but not below the number of shares thereof then outstanding) from time to time by like action of the Board of Directors;

(b) The annual rate of dividends payable on shares of each series, the conditions upon which, and the dates when, such dividends shall be payable and the dates (if any) from which dividends shall be cumulative;

(c) The time or times when and the price or prices at which shares of each series shall be redeemable;

(d) The obligation, if any, of the corporation to acquire shares of each series for retirement as a sinking fund;

(e) The granting, denial or limitation of voting rights of shares of each series;

(f) The amount or amounts per share of each series payable in the event of any voluntary liquidation, dissolution or winding up of the corporation;

(g) The rights, if any, of the holders of shares of each series to convert such shares into or exchange such shares for Common Stock or shares of any other series of Serial Preferred Stock and the terms and conditions of such conversion or exchange, including any provisions for the subsequent adjustment of any such conversion or exchange rights.

"Subject to variations in the voting powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof as between series of Serial Preferred Stock fixed by resolution of the Board of Directors in accordance with this Paragraph A(1), each share of Serial Preferred Stock shall be equal to every other share of Serial Preferred Stock.

"The voting powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations of restrictions thereof, of the shares of each series of Serial Preferred Stock shall, before the issuance of each series of Serial Preferred Stock, be set forth in a certificate filed pursuant to the General Corporation Law of the State of Delaware.

"(B) Common Stock

(1) After the requirements with respect to preferential dividends upon all classes and series of stock entitled thereto shall have been paid or declared and set apart for payment and after the corporation shall have complied with all requirements, if any, with respect to the setting aside of sums as a sinking fund or for a redemption account on any class of stock, then and not otherwise, the holders of Common Stock shall be entitled to receive such dividends as may be declared from time to time by the Board of Directors.

(2) After distribution in full of the preferential amounts to be distributed to the holders of all classes and series of stock entitled thereto in the event of a voluntary or involuntary liquidation, dissolution or winding up of the corporation, the holders of the Common Stock shall be entitled to receive all the remaining assets of the corporation.

(3) Each holder of Common Stock shall have one vote in respect of each share of such stock held by him, subject, however, to such special voting rights by class as are or may be granted to holders of Serial Preferred Stock with respect to the election of a limited number of directors upon default by the corporation in the payment of dividends of such Serial Preferred Stock."

SECOND: That, thereafter, an annual meeting of the shareholders of said corporation was duly called and held, upon notice in accordance with Section 222 of the General Corporation

Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, Advanced Micro Devices, Inc. has caused this certificate to be signed by George M. Scalise, its Senior Vice President-Chief Administrative Officer, and attested by Thomas W. Armstrong, its Assistant Secretary this 1st day of October, 1985.

ADVANCED MICRO DEVICES, INC.

By: /s/ George M. Scalise

George M. Scalise
Senior Vice President
Chief Administrative Officer

ATTEST:

By: /s/ Thomas W. Armstrong

Thomas W. Armstrong
Assistant Secretary

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION

* * * * *

Advanced Micro Devices, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the state of Delaware, DOES HEREBY CERTIFY:

FIRST: That at a meeting of the Board of Directors of Advanced Micro Devices, Inc. resolutions were duly adopted setting forth proposed amendments to the Certificate of Incorporation of said corporation, declaring said amendments to be advisable and calling a meeting of the shareholders of said corporation for consideration thereof. The amended articles are as follows:

"THIRD. The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

"SIXTH. In furtherance and not in limitation of the powers conferred by statute, the board of directors is expressly authorized:

To make, alter or repeal the Bylaws of the corporation.

When and as authorized by the affirmative vote of the holders of two-thirds of the stock issued and outstanding having voting power given at a stockholders' meeting duly called upon such notice as is required by statute, or when authorized by the written consent of the holders of two-thirds of the voting stock issued and outstanding, to sell, lease or exchange all or substantially all of the property and assets of the corporation, including its good will and its corporate franchises, upon such terms and conditions and for such consideration, which may consist in whole or in part of money or property including shares of stock in, and/or other securities of, any other corporation or corporations, as its board of directors shall deem expedient and for the best interests of the corporation.

"SEVENTH. Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the corporation may be kept (subject to any provision contained in the statutes) outside the State of

Delaware at such place or places as may be designated from time to time by the board of directors or in the Bylaws of the corporation. Elections of directors need not be by written ballot unless the Bylaws of the corporation shall so provide.

EIGHTH. The corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

NINTH. A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

If the Delaware General Corporation Law hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the corporation, in addition to the limitation on personal liability provided herein, shall be limited to the fullest extent permitted by the amended Delaware General Corporation Law. Any repeal or modification of this Article by the stockholders of the corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the corporation for acts or omissions of such director occurring prior to such amendment.

SECOND: That Articles TENTH and ELEVENTH have been deleted from the Certificate.

THIRD: That, thereafter, an annual meeting of the shareholders of said corporation was duly called and held, upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of the amendments.

FOURTH: That said amendments were duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, Advanced Micro Devices, Inc. has caused this certificate to be signed by Anthony B. Holbrook, its President, and attested by Richard Previte, its Secretary this 11th day of September, 1987.

ADVANCED MICRO DEVICES, INC.

/s/ ANTHONY B. HOLBROOK
By: _____
Anthony B. Holbrook
President

ATTEST:

/s/ RICHARD PREVITE
By: _____
Richard Previte
Secretary

CERTIFICATE OF ELIMINATION
OF
\$30.00 CONVERTIBLE EXCHANGEABLE
PREFERRED SHARES
OF
ADVANCED MICRO DEVICES, INC.

ADVANCED MICRO DEVICES, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY THAT:

FIRST: At a meeting of the Board of Directors of ADVANCED MICRO DEVICES, INC., resolutions were duly adopted setting forth the proposed elimination of the series of Preferred Stock designated as \$30.00 Convertible Exchangeable Preferred Shares as set forth herein:

RESOLVED, that no shares of the series of Preferred Stock designated as \$30.00 Convertible Exchangeable Preferred Shares are outstanding and none will be issued; and be it

RESOLVED FURTHER, that a Certificate of Elimination be executed, which shall have the effect when filed in Delaware of eliminating from the Certificate of Incorporation the Certificate of Powers, Designations, Preferences and Rights of the \$30.00 Convertible Exchangeable Preferred Shares filed in the Office of the Secretary of State of Delaware on March 27, 1987.

SECOND: None of the authorized shares of the series of Preferred Stock designated as \$30.00 Convertible Exchangeable Preferred are outstanding and none will be issued.

THIRD: In accordance with the provisions of Section 151 of the General Corporation Law of the State of Delaware, the Certificate of Incorporation is hereby amended to eliminate the Certificate of Powers, Designations, Preferences and Rights of the \$30.00 Convertible Exchangeable Preferred Shares filed in the Office of the Secretary of State of Delaware on March 27, 1987.

IN WITNESS THEREOF, said Advanced Micro Devices, Inc. has caused this certificate to be signed by Marvin D. Burkett, its Senior Vice President, Chief Administrative Officer, Chief Financial Officer and Treasurer, this 9th day of May, 1995.

ADVANCED MICRO DEVICES, INC.

By /s/ Marvin D. Burkett

MARVIN D. BURKETT
Senior Vice President,
Chief Administrative Officer,
Chief Financial Officer and Treasurer

CERTIFICATE OF ELIMINATION
OF
SERIES A JUNIOR PARTICIPATING
PREFERRED STOCK
OF
ADVANCED MICRO DEVICES, INC.

ADVANCED MICRO DEVICES, INC., a corporation organized and existing under the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY THAT:

FIRST: At a meeting of the Board of Directors of ADVANCED MICRO DEVICES, INC., resolutions were duly adopted setting forth the proposed elimination of the series of Preferred Stock designated Series A Junior Participating Preferred Stock as set forth herein:

RESOLVED, that no shares of the series of Preferred Stock designated as Series A Junior Participating Preferred Stock are outstanding and none will be issued; and be it

RESOLVED FURTHER, that a Certificate of Elimination be executed, which shall have the effect when filed in Delaware of eliminating from the Certificate of Incorporation the Certificate of Designation, Preferences and Rights of the Series A Junior Participating Preferred Stock filed in the Office of the Secretary of State of Delaware on February 21, 1990.

SECOND: None of the authorized shares of the series of Preferred Stock designated as Series A Junior Participating Preferred Stock are outstanding and none will be issued.

THIRD: In accordance with the provisions of Section 151 of the General Corporation Law of the State of Delaware, the Certificate of Incorporation is hereby amended to eliminate the Certificate of Designation, Preferences and Rights of the Series A Junior Participating Preferred Stock.

IN WITNESS THEREOF, said Advanced Micro Devices, Inc. has caused this certificate to be signed by Marvin D. Burkett, its Senior Vice President, Chief Administrative Officer, Chief Financial Officer and Treasurer, this 9th day of May, 1995.

ADVANCED MICRO DEVICES, INC.

By /s/ Marvin D. Burkett

MARVIN D. BURKETT
Senior Vice President,
Chief Administrative Officer,
Chief Financial Officer and Treasurer

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