

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934

Date of Report (date of earliest event reported): April 7, 1998

ADVANCED MICRO DEVICES, INC.

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(Exact name of registrant as specified in its charter)

DELAWARE ----- (State or other jurisdiction of incorporation)	1-7882 ----- (Commission File Number)	94-1692300 ----- (I.R.S. Employer Identification No.)
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One AMD Place, P.O. Box 3453 Sunnyvale, California ----- (address of principal executive offices)	94088-3453 ----- (Zip Code)
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Registrant's telephone number, including area code:	(408) 732-2400 -----
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Item 5. Other Events.  
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On April 7, 1998, Advanced Micro Devices, Inc. (the "Company") announced its first quarter revenues. The Company reported a net loss of \$55,827,000 on sales of \$540,856,000 for its first quarter ended March 29, 1998. The loss amounted to \$0.39 per share. Revenues increased by 12 percent from the quarter ended December 28, 1997, and by 2 percent from the quarter ended March 30, 1997. The full text of the press release is set forth in Exhibit 99 attached hereto and is incorporated in this report as if fully set forth herein.

Item 7. Financial Statements and Exhibits.  
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(c) Exhibits:

99 Press release dated April 7, 1998

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SIGNATURES  
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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: April 13, 1998

By: /s/ Richard Previte

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Richard Previte  
Director, President, Chief Operating  
Officer, Chief Financial and Administrative  
Officer and Treasurer

Exhibit Index

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Exhibit Number    Exhibit  
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99                Press release dated April 7, 1998

[AMD Letterhead]

Contact:

Scott Allen  
Public Relations  
(408) 749-3881

## AMD REPORTS FIRST QUARTER RESULTS

SUNNYVALE, CA - April 7, 1998 - AMD today reported a net loss of \$55,827,000 on sales of \$540,856,000 for its first quarter, ended March 29, 1998. The loss amounted to \$0.39 per share. Revenues declined by 12 percent from the quarter ended December 28, 1997, and by 2 percent from the quarter ended March 30, 1997.

Sales for the first quarter of 1997 were \$551,999,000, which resulted in net income of \$12,951,000, or \$0.09 per share, diluted. In the fourth quarter of 1997, AMD reported sales of \$613,171,000, which resulted in a net loss of \$12,334,000, or \$0.09 per share.

"The first quarter of 1998 was an unusually difficult one for AMD," said W.J. Sanders III, chairman and chief executive officer. "We faced three major challenges: 1) remedying yield problems that limited production of AMD-K6(R) processors on our initial 0.35-micron technology; 2) achieving a successful transition to leading-edge 0.25-micron technology which is essential to producing higher-performance AMD-K6 processors; and 3) coping with the effects of a semiconductor industry slowdown.

"During the quarter, market conditions in the worldwide semiconductor industry were unsettled, characterized by excess capacity in memories with attendant severe price pressure, aggressive inventory reduction programs by customers, and weak demand in certain Asian economies--notably Korea and Japan. These conditions contributed to a 9 percent aggregate decline in revenues from our three non-microprocessor businesses - the Communications Group, the Memory Group, and our programmable logic company, Vantis\*. These conditions continue.

"The outlook is brighter for our Computation Products Group," Sanders continued. "We have resolved the yield problems on the 0.35-micron process. More importantly, we have made excellent progress toward our top-priority goal of achieving a successful transition to 0.25-micron technology for AMD-K6 processors in Fab 25 in Austin, Texas. During the just-completed transition quarter, AMD-K6 unit production increased nominally over the 1.5 million units shipped in the immediate-prior quarter. More than 10 percent of unit shipments were 0.25-micron devices, including our first volume shipments of 300-megahertz AMD-K6 processors.

"Conversion of production wafer starts to 0.25-micron technology is progressing well, and more than half of our Fab 25 wafer starts are now on 0.25-micron technology. We remain on target to convert all of our production to this technology by the end of the current quarter. Current production rates and yields have encouraged us to communicate to our present customers that we expect to produce substantially more AMD-K6 processors in a higher-performance mix this quarter. Also, we are currently engaged in expanding our customer base to absorb the significant increases in output we plan for the second half of the year," Sanders concluded.

## Cautionary Statement

Investors are cautioned that all forward-looking statements of management's expectations involve risks and uncertainties that could cause actual results to differ materially from current expectations. Any forward-looking statements about the AMD-K6 processor involve risks and uncertainties, including whether: the company will successfully convert all of its

production to 0.25-micron process technology as planned; the company will be able to significantly increase output of AMD-K6 processors, including higher-performance AMD-K6 processors; the company will maintain or increase the current production yields; the company will be successful in expanding its customer base; customer demand for the AMD-K6 processor will continue at current or greater levels; the company will have the financial and other resources necessary to continue to invest in the microprocessor business; and economic conditions will change and affect demand for microprocessors and other integrated circuits. Investors are urged to consult the risks and uncertainties detailed in the company's reports filed with the Securities and Exchange Commission.

About AMD

AMD is a global supplier of integrated circuits for the personal and networked computer and communications markets. AMD produces processors, flash memories, programmable logic devices, and products for communications and networking applications. Founded in 1969 and based in Sunnyvale, California, AMD had revenues of \$2.4 billion in 1997. (NYSE: AMD).

WORLD WIDE WEB: Press announcements and other information about AMD are available on the Internet via the World Wide Web. Type <http://www.amd.com> at the URL prompt.

Vantis is a trademark of Advanced Micro Devices, Inc.

AMD-K6, AMD, the AMD logo and combinations thereof are registered trademarks of Advanced Micro Devices, Inc.

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ADVANCED MICRO DEVICES, INC.  
CONSOLIDATED BALANCE SHEETS  
(THOUSANDS)

	March 29, 1998 (Unaudited)	December 1997 (Audited)
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ASSETS		
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<S>		
<C>		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 306,804	\$ 467,032
Accounts receivable, net	254,346	329,111
Inventories	157,859	168,517
Deferred income taxes	160,583	160,583
Prepaid expenses and other current assets	36,214	50,024
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Total current assets	915,806	1,175,267
Property, plant and equipment, net	2,054,295	1,990,689
Investment in joint venture	208,616	204,031
Other assets	153,589	145,284
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	\$3,332,306	\$3,515,271
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LIABILITIES AND STOCKHOLDERS' EQUITY		
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Current liabilities:		
Notes payable to banks	\$ 5,372	\$ 6,601
Accounts payable	279,176	359,536
Accrued compensation and benefits	74,047	63,429
Accrued liabilities	101,686	134,656
Income tax payable	13,500	12,676
Deferred income on shipments to distributors	78,427	83,508
Current portion of long-term debt and capital lease obligations	95,048	66,364
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Total current liabilities	647,256	726,770
Deferred income taxes	46,168	96,269
Long-term debt and capital lease obligations, less current portion	666,271	662,689
Stockholders' equity:		
Capital stock:		
Common stock, par value	1,435	1,428
Capital in excess of par value	1,026,313	1,018,884
Retained earnings	1,010,304	1,066,131

Unrealized gain on investments	779	2,007
Cumulative translation adjustments	(66,220)	(58,907)
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Total stockholders' equity	1,972,611	2,029,543
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	\$3,332,306	\$3,515,271
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Advanced Micro Devices, Inc.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Thousands except per share amounts)

	Quarters Ended (Unaudited)		
	Mar. 29 1998	Dec. 28 1997	Mar. 30 1997
<S>	<C>	<C>	<C>
NET SALES	\$ 540,856	\$613,171	\$551,999
Cost of sales	423,591	428,856	349,076
Research and development	128,120	127,031	104,908
Marketing, general and administrative	88,214	102,296	94,519
	639,925	658,183	548,503
Operating income (loss)	(99,069)	(45,012)	3,496
Interest income and other, net	5,581	6,525	13,322
Interest expense	(12,472)	(11,757)	(9,410)
Income (loss) before income taxes and equity in joint venture	(105,960)	(50,244)	7,408
Provision (benefit) for income taxes	(42,397)	(29,861)	2,148
Income (loss) before equity in joint venture	(63,563)	(20,383)	5,260
Equity in net income of joint venture	7,736	8,049	7,691
NET INCOME (LOSS) APPLICABLE TO COMMON STOCKHOLDERS	\$ (55,827)	\$ (12,334)	\$ 12,951
NET INCOME (LOSS) PER COMMON SHARE			
- Basic	\$ (0.39)	\$ (0.09)	\$ 0.09
- Diluted	\$ (0.39)	\$ (0.09)	\$ 0.09
Shares used in per share calculation			
- Basic	142,503	141,889	138,616
- Diluted	142,503	141,889	146,758

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Communications Group (CPD, LPD, NPD)	28	\$149M	28	\$174M	31	\$171M
Vantis (PLD)	10	56M	9	55M	13	69M
Memory Group (MG)	31	167M	30	181M	33	184M
Computation Products Group (CMD, PPD, TMD)	31	169M	33	203M	23	128M

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OTHER DATA	Q1 '98	Q4 '97	Q1 '97
Depreciation and Amortization	\$117M	\$108M	\$ 89M
Capital Additions	193M	250M*	151M
Headcount	12,936	12,759	12,025
International Sales	55%	56%	56%

\* Restated from Q4 '97.