

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): July 8, 1998

ADVANCED MICRO DEVICES, INC.
(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.) |
|---|---------------------------------------|---|

| | |
|--|---------------------|
| 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

Item 5. Other Events.

On July 8, 1998, Advanced Micro Devices, Inc. (the "Company") announced its second quarter revenues. The Company reported a net loss of \$64,560,000 on sales of \$526,538,000 for its second quarter ended June 28, 1998. The loss amounted to \$0.45 per share. Sales declined by 3 percent from the quarter ended March 29, 1998, and by 11 percent from the quarter ended June 29, 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.

(c) Exhibits:

- 10.24(g) Sixth Amendment to Credit Agreement, dated as of June 30, 1998, among Advanced Micro Devices, Inc., Bank of America NT&SA, as administrative agent and lender, ABN AMRO Bank, N.V., as syndicated agent and lender, and Canadian Imperial Bank of Commerce, as documentation agent and lender.
- 10.25(i) Eighth Amendment to Third Amended and Restated Guaranty, dated as of June 30, 1998 (amending the Third Amended and Restated Guaranty, dated as of August 25, 1995, as amended, made by the Company in favor of CIBC Inc.).
- 10.26(g) Sixth Amendment to Building Lease dated as of June 30, 1998 (amending the Building Lease dated as of September 22, 1992, by and between AMD International Sales & Service, Ltd. and CIBC Inc.).
- 10.27(g) Sixth Amendment to Land Lease dated as of June 30, 1998 (amending the Land Lease dated as of September 22, 1992, by and between AMD International Sales & Service Ltd. and CIBC Inc.).
- 99 Press release dated July 8, 1998

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: July 8, 1998

By: /s/ Richard Previte

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

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Exhibit Index

| Exhibit Number | Exhibit |
|----------------|--|
| ----- | ----- |
| 10.24(g) | Sixth Amendment to Credit Agreement, dated as of June 30, 1998, among Advanced Micro Devices, Inc., Bank of America NT&SA, as administrative agent and lender, ABN AMRO Bank, N.V., as syndicated agent and lender, and Canadian Imperial Bank of Commerce, as documentation agent and lender. |
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SIXTH AMENDMENT TO CREDIT AGREEMENT

THIS SIXTH AMENDMENT TO CREDIT AGREEMENT (this "Amendment"), is entered into as of June 30, 1998, among Advanced Micro Devices, Inc., a Delaware corporation (the "Company"), the "Banks" party to the Credit Agreement (collectively, the "Banks"), ABN AMRO Bank N.V., as Syndication Agent for the Banks (the "Syndication Agent"), Canadian Imperial Bank of Commerce, as Documentation Agent for the Banks (the "Documentation Agent"), and Bank of America National Trust and Savings Association, as Administrative Agent for the Banks (the "Agent").

WHEREAS, the Company, the Banks, the Syndication Agent, the Documentation Agent and the Agent are parties to a Credit Agreement dated as of July 19, 1996, as amended by a First Amendment to Credit Agreement dated as of August 7, 1996, a Second Amendment to Credit Agreement dated as of September 9, 1996, a Third Amendment to Credit Agreement dated as of October 1, 1997, a Fourth Amendment to Credit Agreement dated as of January 26, 1998 and a Fifth Amendment to Credit Agreement dated as of February 26, 1998 (as so amended, the "Credit Agreement");

WHEREAS, the Company has requested that the Majority Banks agree to certain amendments to the Credit Agreement;

WHEREAS, the Majority Banks have agreed to such request, subject to the terms and conditions hereof;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties hereto agree as follows:

1. Definitions; Interpretation.

(a) Terms Defined in Credit Agreement. All capitalized terms used

in this Amendment (including in the recitals hereof) and not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

(b) Interpretation. The rules of interpretation set forth in

Section 1.02 of the Credit Agreement shall be applicable to this Amendment and are incorporated herein by this reference.

2. Amendments to the Credit Agreement.

(a) Amendments. The Credit Agreement is hereby amended as follows:

(i) Section 7.15 of the Credit Agreement (captioned "Modified Quick Ratio") is hereby amended and restated in its entirety as follows:

1.

"7.15 Modified Quick Ratio. The Company shall not as of the end of any fiscal quarter suffer or permit its ratio (determined on a Consolidated basis) of (a) cash plus the value (valued in accordance with GAAP) of all Cash Equivalents, other than Cash Equivalents subject to a Lien securing Indebtedness, plus net Receivables, plus Fujitsu Receivables, to (b) Consolidated Current Liabilities, to be less than (i) 1.00 to 1.00 at the end of the second fiscal quarter of 1998, (ii) 0.80 to 1.00 at the end of the third fiscal quarter of 1998, at fiscal year-end 1998 and at the end of each of the first, second and third fiscal quarters of 1999, and (v) 0.90 to 1.00 at fiscal year-end 1999 and thereafter."

(ii) Section 7.16 of the Credit Agreement (captioned "Minimum Tangible Net Worth") is hereby amended and restated in its entirety as follows:

"7.16 Minimum Tangible Net Worth. The Company shall not suffer or

permit its Consolidated Tangible Net Worth (a) at the end of the Company's second fiscal quarter of 1998 to be less than \$1,920,000,000, and (b) at the end of the Company's third fiscal quarter of 1998 and thereafter to be less than \$1,920,000,000 plus (i)

(without duplication for amounts included under clause (iv) below) 75% of net income for the Company and its Restricted Subsidiaries computed from the first day of the Company's third fiscal quarter of 1998 through the end of such fiscal quarter for which the determination is being made, determined quarterly on a Consolidated basis and not reduced by any quarterly loss, plus (ii) 100% of the Net Issuance

Proceeds of any sale of capital stock of the Company by or for the account of the Company occurring on or after the first day of the Company's third fiscal quarter of 1998, plus (iii) any increase in

stockholders' equity of the Company resulting from the conversion of debt securities of the Company to equity securities of the Company on or after the first day of the Company's third fiscal quarter of 1998, plus (iv) 100% of the Net Issuance Proceeds (net of Taxes payable in

respect thereof) of any sale of capital stock of the Vantis Subsidiary by or for the account of the Company occurring on or after the first day of the Company's third fiscal quarter of 1998."

(iii) Section 7.17 of the Credit Agreement (captioned "Leverage Ratio") is hereby amended by deleting clauses (i), (ii) and (iii) therefrom and substituting therefor the following:

"(i) 1.00 to 1.00 at the end of the second fiscal quarter of 1998, (ii) 1.05 to 1.00 at the end of the third fiscal quarter of 1998, (iii) 1.00 to 1.00 at fiscal year-end 1998, (iv) 0.95 to 1.00 at the end of each of the first, second and third fiscal quarters of 1999, and (v) 0.90 to 1.00 at fiscal year-end 1999 and thereafter."

2.

(iv) Section 7.18 of the Credit Agreement (captioned "Fixed Charge Coverage Ratio") is hereby amended by deleting clauses (b), (c), (d) and (e) thereof and substituting therefor the following:

"(b) 0.90 to 1.00 at the end of the second fiscal quarter of 1998, (c) 0.95 to 1.00 at the end of the third fiscal quarter of 1998, (d) 1.20 to 1.00 at fiscal year-end 1998 and at the end of the first fiscal quarter of 1999, and (e) 1.50 to 1.00 at the end of the second fiscal quarter of 1999 and thereafter."

(v) Section 7.19 of the Credit Agreement (captioned "Profitability") is hereby amended and restated in its entirety as follows:

"7.19 Profitability. The Company shall not suffer

or permit (a) a net loss of greater than \$20,000,000 for the third fiscal quarter of 1998, and (b) net income to be less than \$1.00 for the fourth fiscal quarter of 1998, and for each fiscal quarter thereafter, in each case determined for the Company on a Consolidated basis."

(b) References Within Credit Agreement. Each reference in the

Credit Agreement to "this Agreement" and the words "hereof," "herein," "hereunder," or words of like import, shall mean and be a reference to the Credit Agreement as amended by this Amendment.

3. Representations and Warranties. The Company hereby represents and

warrants to the Agent, the Syndication Agent, the Documentation Agent and the Banks as follows:

a. No Default or Event of Default has occurred and is continuing.

b. The execution, delivery and performance by the Company of this Amendment have been duly authorized by all necessary corporate and other action and do not and will not require any registration with, consent or approval of, notice to or action by, any Person (including any Governmental Authority) in order to be effective and enforceable.

c. This Amendment and the Loan Documents, as amended by this Amendment, constitute the legal, valid and binding obligations of the Company, enforceable against it in accordance with their respective terms, without defense, counterclaim or offset.

4. Amendment Effective Date. This Amendment will become effective as of June

26, 1998, provided that the Agent has received (a) from each of the Company and

the Majority Banks an executed counterpart of this Amendment, and (b) from the Company a nonrefundable amendment fee of \$500,000 to be distributed to each Bank in accordance with its Pro Rata Share.

5. Miscellaneous.

3.

(a) Credit Agreement Otherwise Not Affected. Except as expressly amended

pursuant hereto, the Credit Agreement shall remain unchanged and in full force and effect and is hereby ratified and confirmed in all respects. The Banks', the Agent's, the Syndication Agent's and the Documentation Agent's execution and delivery of, or acceptance of, this Amendment shall not be deemed to create a course of dealing or otherwise create any express or implied duty by any of them to provide any other or further amendments, consents or waivers in the future.

(b) No Reliance. The Company hereby acknowledges and confirms to the

Agent, the Syndication Agent, the Documentation Agent and the Banks that the Company is executing this Amendment on the basis of its own investigations and for its own reasons without reliance upon any agreement, representation, understanding or communication by or on behalf of the Agent, the Syndication Agent, the Documentation Agent, any Bank or any other Person.

(c) Amendments and Waivers. The provisions of this Amendment may only be

amended or waived, and any consent with respect to any departure by the Company therefrom may only be granted, in accordance with the terms of Section 10.01 of the Credit Agreement.

(d) Costs and Expenses. The Company shall, whether or not the amendments

contemplated hereby shall become effective, pay or reimburse the Agent, within five Business Days after demand, for all costs and expenses incurred by the Agent in connection with the development, preparation, delivery, administration and execution of, and any amendment, supplement, waiver or modification to, this Amendment and the consummation of the transactions contemplated hereby and thereby, including the Attorney Costs incurred by the Agent with respect thereto.

(e) Successors and Assigns. The provisions of this Amendment shall be

binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(f) Counterparts. This Amendment may be executed by one or more of the

parties to this Amendment in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument. The parties hereto agree that the Agent and the Company may accept and rely on facsimile transmissions of executed signature pages of this Amendment.

(g) Severability. The illegality or unenforceability of any provision of

this Amendment or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Amendment or any instrument or agreement required hereunder.

(h) No Third Parties Benefited. This Amendment is made and entered into

for the sole protection and legal benefit of the Company, the Syndication Agent, the Documentation Agent, the Banks and the Agent, and their successors and assigns, and no other Person shall be a

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direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Amendment. Each of the Agent, the Syndication Agent, the Documentation Agent and the Banks shall not have any obligation to any Person not a party to this Amendment.

(i) Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN

ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK; PROVIDED THAT THE AGENT AND THE BANKS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

(j) Entire Agreement. This Amendment embodies the entire agreement and understanding among the Company, the Banks, the Syndication Agent, the Documentation Agent and the Agent, and supersedes all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof.

(k) Interpretation. This Amendment is the result of negotiations between and has been reviewed by counsel to the Agent, the Company and other parties, and is the product of all parties hereto. Accordingly, this Amendment shall not be construed against the Banks, the Syndication Agent, the Documentation Agent or the Agent merely because of the Agent's or such other Person's involvement in the preparation of such documents and agreements.

[SIGNATURE PAGES FOLLOW.]

5.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered in San Francisco, California, by their proper and duly authorized officers as of the day and year first above written.

THE COMPANY

ADVANCED MICRO DEVICES, INC.

By: _____

Title: _____

THE AGENT

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION, as Administrative Agent

By: _____

Title: _____

THE SYNDICATION AGENT

ABN AMRO BANK N.V., as Syndication Agent

By: ABN AMRO NORTH AMERICA, INC.,
its agent

By: _____

Title: _____

By: _____

Title: _____

6.

THE DOCUMENTATION AGENT

CANADIAN IMPERIAL BANK OF COMMERCE, as
Documentation Agent

By: -----

Title: -----

THE BANKS

BANK OF AMERICA NATIONAL TRUST AND SAVINGS
ASSOCIATION, as a Bank

By: -----

Title: -----

ABN AMRO BANK N.V., as a Bank

By: ABN AMRO NORTH AMERICA, INC.,
its agent

By: -----

Title: -----

By: -----

Title: -----

CANADIAN IMPERIAL BANK OF COMMERCE, as a Bank

By: -----

Title: -----

7.

BANKBOSTON, N.A.

By: -----

Title: -----

THE BANK OF NOVA SCOTIA

By: -----

Title: -----

BANQUE PARIBAS

By: _____

Title: _____

By: _____

Title: _____

THE DAI-ICHI KANGYO BANK, LTD.

By: _____

Title: _____

FLEET NATIONAL BANK

By: _____

Title: _____

8.

THE INDUSTRIAL BANK OF JAPAN, LIMITED

By: _____

Title: _____

KEYBANK NATIONAL ASSOCIATION

By: _____

Title: _____

THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED

By: _____

Title: _____

THE MITSUBISHI TRUST AND BANKING CORPORATION

By: _____

Title: _____

ROYAL BANK OF CANADA

By: _____

Title: _____

THE SAKURA BANK LIMITED, SAN FRANCISCO AGENCY

By: _____

Title: _____

9.

THE SUMITOMO TRUST AND BANKING COMPANY, LIMITED

By: _____

Title: _____

UNION BANK OF CALIFORNIA, N.A.

By: _____

Title: _____

10.

EIGHTH AMENDMENT TO THIRD AMENDED AND RESTATED GUARANTY

THIS EIGHTH AMENDMENT TO THIRD AMENDED AND RESTATED GUARANTY (this "Amendment"), dated as of June 30, 1998, is entered into by and among Advanced Micro Devices, Inc., a Delaware corporation ("Guarantor"), CIBC Inc., a Delaware corporation ("Lessor"), and, solely for the purpose of making certain representations and warranties in Section 5 below, AMD International Sales & Service, Ltd., a Delaware corporation ("Lessee").

RECITALS

A. Guarantor executed and delivered to Lessor a Third Amended and Restated Guaranty, dated as of August 21, 1995 and accepted by Lessor as of August 21, 1995, pursuant to which the Guarantor guaranteed to Lessor certain obligations of Lessee. Such Third Amended and Restated Guaranty was amended by a First Amendment to Third Amended and Restated Guaranty, dated as of October 20, 1995, by a Second Amendment to Third Amended and Restated Guaranty, dated as of January 12, 1996, by a Third Amendment to Third Amended and Restated Guaranty, dated as of May 10, 1996, by a Fourth Amendment to Third Amended and Restated Guaranty, dated as of June 20, 1996, by a Fifth Amendment to Third Amended and Restated Guaranty, dated as of August 1, 1996, by a Sixth Amendment to Third Amended and Restated Guaranty, dated as of February 6, 1998 and by a Seventh Amendment to Third Amended and Restated Guaranty, dated as of February 27, 1998(as so amended, the "Guaranty").

B. The Guarantor has requested that the Lessor agree to certain additional amendments of the Guaranty.

C. Lessor is willing to further amend the Guaranty, subject to the terms and conditions of this Amendment.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

- 1. Defined Terms. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Guaranty.
2. Amendment. Subject to satisfaction of the conditions set forth herein, the Guaranty shall be amended as follows:

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(a) The definition of "Existing Bank of America Credit Agreement" shall be deleted and replaced with the following definition:

"Existing Bank of America Credit Agreement" means that certain Credit Agreement dated as of July 19, 1996, among Guarantor, Bank of America National Trust and Savings Association, ABN Amro Bank N.V., Canadian Imperial Bank of Commerce, and the other financial institutions party thereto, as amended by the First Amendment to Credit Agreement dated as of August 7, 1996, by the Second Amendment to Credit Agreement dated as of September 9, 1996, by the Third Amendment to Credit Agreement dated as of October 1, 1997, by the Fourth Amendment to Credit Agreement dated as of January 26, 1998, by the Fifth Amendment to Credit Agreement dated as of February 26, 1998 and by the Sixth Amendment to Credit Agreement dated as of June 30, 1998 and effective as of the Sixth Amendment Effective Date (the "Sixth Amendment to Credit Agreement").

(b) The following definitions shall be added as follows:

"Sixth Amendment Effective Date" means the date on which the Sixth Amendment to Credit Agreement shall first have become effective in accordance with the terms set forth at Section 4 therein.

(c) Section 4.1.11 shall be amended and restated as follows:

SECTION 4.1.11 Existing Bank of America Credit Agreement. Guarantor

agrees that Guarantor will perform, comply with and be bound by all of its agreements, covenants and obligations contained in Sections 7.01 through 7.19 (other than Section 7.07) of the Existing Bank of America Credit Agreement as such Sections existed on the Sixth Amendment Effective Date, regardless of whether the Existing Bank of America Credit Agreement thereafter is amended, restated, terminated or ceases to be effective (such Sections and all other terms of the Existing Bank of America Credit Agreement to which reference is made herein, together with all related definitions and ancillary provisions, being hereby incorporated into this Guaranty by reference as though specifically set forth in this Guaranty, except as specifically set forth below), and each such section which is incorporated herein by reference and as amended by the Existing Bank of America Credit Agreement shall be deemed to have been incorporated herein as of the date each such section and amendment first became effective under the Existing Bank of America Credit Agreement; provided, however, that:

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(i) all references to "Company" shall be deemed to refer to Guarantor;

(ii) all references to "this Agreement" and "herein," "hereof" and words of similar purport shall, except where the context otherwise requires, be deemed to refer to this Guaranty;

(iii) all references to "Default" or "Event of Default" shall be deemed to refer to a "Default" or an "Event of Default" under either of the Leases or the other Operative Agreements, or a breach or default under this Guaranty;

(iv) all references to "Majority Banks" in Article VII of the Existing Bank of America Credit Agreement shall be deemed to refer to Lessor;

(v) the following sentence shall be added to the end of Section 7.01 of the Existing Bank of America Credit Agreement as incorporated herein by reference:

"provided, however, that no Liens otherwise permitted by (a)

through (n) above shall be permitted if such Liens are otherwise prohibited under either of the Leases or the Consent Agreement or the Second Consent Agreement."

(vi) Paragraph (b) of Section 7.03 of the Existing Bank of America Credit Agreement as incorporated by reference herein shall be deleted and replaced with the following:

"(b) any Restricted Subsidiary (other than Lessee) of Guarantor may sell all or substantially all of its assets (upon voluntary liquidation or otherwise), to Guarantor or another Wholly-Owned Subsidiary (other than Lessee or the German Subsidiary) of Guarantor."

All such Sections and other terms, definitions and provisions of the Existing Bank of America Credit Agreement incorporated herein shall, except as Lessor shall otherwise consent in writing for purposes of this Guaranty, continue in full force and effect for the benefit of Lessor, whether or not the Banks fund the Loans thereunder, the debt and obligations thereunder remain outstanding or such agreement remains in effect among the parties thereto.

Except as specifically provided above and except that the term "Material Adverse Effect" as defined in the Guaranty shall continue to be used in the Guaranty, to the extent that any definitions incorporated by reference from the Existing Bank of America Credit Agreement conflict with the existing definitions in the Guaranty, such incorporated definitions shall with respect to the Sections of

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the Existing Bank of America Credit Agreement which are incorporated by reference and listed in the first paragraph of this Section 4.1.11 hereof replace such existing definitions in their entirety.

3. Amendment Fees. In consideration of this Amendment and the approvals

given herein, Guarantor agrees to pay a one-time nonrefundable fee of Fifty Thousand Dollars (\$50,000.00) to Lessor and Fifty Thousand Dollars (\$50,000) to Lender (the "Amendment Fees"). The Amendment Fees shall be paid by Guarantor by

wire transfer to an account to be specified by each recipient.

4. Representations and Warranties. To induce Lessor to amend the Guaranty

as provided above: (a) Guarantor hereby represents that (i) after giving effect to the amendments set forth in Section 2 above, no Default, Event of Default or Deposit Event under the Guaranty, or Guarantor Default under the Amended Land Lease or the Amended Building Lease, has occurred and is continuing, (ii) all representations and warranties of Guarantor contained in the Guaranty are true and correct on and as of the date of this Amendment as though made on and as of such date, and (iii) the Existing Bank of America Credit Agreement and each other Loan Document (as defined therein) to which the Guarantor is a party constitute the legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with their respective terms, and the Sixth Amendment to Credit Agreement has become effective in accordance with Section 4 thereof, and (b) Lessee hereby represents that (i) after giving effect to the amendments and covenants set forth in Sections 2 and 3 above, no Default or Event of Default under the Amended Land Lease or the Amended Building Lease has occurred and is continuing, and (ii) all representations and warranties of Lessee contained in the Amended Land Lease and the Amended Building Lease are true and correct on and as of the date of this Amendment as though made on and as of such date.

5. Reaffirmation. Guarantor hereby acknowledges and reaffirms in their

entirety each of the waivers set forth in the Guaranty, including, without limitation, those set forth at Sections 2.5, 2.6 and 2.7.

6. Conditions to Effectiveness of Amendment. This Amendment shall be

deemed effective as of the Sixth Amendment Effective Date (as defined in Section 2(b) above) provided that all of the following conditions precedent have been satisfied:

(a) Lessor shall have received from Guarantor, Lessee and The Long-Term Credit Bank of Japan, Ltd., Los Angeles Agency (the "Lender"), a duly

executed original (or, if elected by Lessor, an executed facsimile copy) of this Amendment.

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(b) Lessor shall have received a duly executed original (or, if elected by Lessor, an executed facsimile copy) of the Sixth Amendment to Credit Agreement.

(c) Lessor shall have received a legal opinion from O'Melveny & Myers LLP in the form attached hereto as Exhibit A.

(d) Lessor and Lender shall have received the Amendment Fees.

(e) Each of the representations and warranties set forth in Section 4 above are true and correct as of such date.

(f) Lessor shall have received from Lessee an executed Sixth Amendment to Land Lease and Sixth Amendment to Building Lease in the forms attached hereto as Exhibits B and C, respectively.

7. Reservation of Rights. The Guarantor acknowledges and agrees that the

execution and delivery by Lessor of this Amendment shall not be deemed to create a course of dealing or otherwise obligate Lessor to forbear or execute similar amendments under the same or similar circumstances in the future.

8. Miscellaneous.

(a) Except as herein expressly amended, all terms, covenants and provisions of the Guaranty are and shall remain in full force and effect and all references therein to such Guaranty shall henceforth refer to the Guaranty as amended by this Amendment. This Amendment shall be deemed incorporated into, and a part of, the Guaranty. The Guaranty, as amended by this Amendment, is hereby absolutely and unconditionally affirmed in its entirety by the Guarantor.

(b) This Amendment shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns. No third party beneficiaries are intended in connection with this Amendment.

(c) This Amendment shall be governed by and construed in accordance with the law of the State of California.

(d) This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall

constitute but one and the same instrument. Each of the parties hereto understands and agrees that this document (and any other document required herein) may be delivered by facsimile transmission to be followed promptly by mailing of a hard copy original, and that receipt by Lessor of a facsimile transmitted document purportedly bearing the signature of Guarantor or Lessee shall bind Guarantor and Lessee with the same

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force and effect as the delivery of a hard copy original. Any failure by Lessor to receive the hard copy executed original of such document shall not diminish the binding effect of receipt of the facsimile transmitted executed original of such document of the party whose hard copy page was not received by Lessor.

(e) This Amendment, together with the Guaranty, including the exhibits hereto and thereto, contains the entire and exclusive agreement of the parties hereto with reference to the matters discussed herein and therein. This Amendment supersedes all prior drafts and communications with respect thereto. This Amendment may not be amended except in accordance with the provisions of Section 6.2 of the Guaranty.

(f) If any term or provision of this Amendment shall be deemed prohibited by or invalid under any applicable law, such provision shall be invalidated without affecting the remaining provisions of this Amendment.

(g) The Guarantor covenants to pay or to reimburse Lessor, upon demand, for all costs and expenses (including reasonable fees and costs of counsel) incurred in connection with the development, preparation, negotiation, execution and delivery of this Amendment.

(h) The Guarantor agrees that at any time and from time to time, upon the written request of Lessor, the Guarantor shall, and shall cause Lessee to, promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Lessor shall reasonably request in order to effectuate the transactions contemplated hereby.

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IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the date first written above.

CIBC INC.

By: _____

Title: _____

ADVANCED MICRO DEVICES, INC.

/s/ Richard Previte
By: _____

President, Chief Operating Officer, Chief
Title: _____
Financial and Administrative Officer and
Treasurer

AMD INTERNATIONAL SALES &
SERVICE, LTD.

/s/ Richard Previte
By: _____

President, Chief Financial Officer
Title: _____
and Treasurer

Reference is made to the Loan Agreement, dated as of December 17, 1993, as amended (the "Loan Agreement") between Lessor and the Lender. In accordance with Section 8 of the Loan Agreement, Lender hereby consents to the foregoing Amendment.

THE LONG-TERM CREDIT BANK OF
JAPAN, LTD., LOS ANGELES AGENCY

By: _____

Title: _____

Date: _____

Recording Requested By
and When Recorded, Return to:

Mayer, Brown & Platt
350 South Grand Avenue
25th Floor
Los Angeles, California 90071-1563
Attention: Kevin R. Garlitz
(213) 229-9500

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SIXTH AMENDMENT TO BUILDING LEASE

THIS SIXTH AMENDMENT TO BUILDING LEASE (this "Sixth Amendment") is entered
into as of June 30, 1998, between CIBC INC., a Delaware corporation ("Lessor"),
and AMD INTERNATIONAL SALES & SERVICE, LTD., a Delaware corporation ("Lessee").

RECITALS

A. For purposes of the financing by Lessor of the acquisition of a certain Building, Lessor and Lessee entered into a certain Building Lease, dated as of September 22, 1992, and recorded on September 22, 1992, as Instrument No. 11550954, in the Official Records of Santa Clara County, California, as amended by that certain First Amendment to Building Lease, dated as of December 22, 1992, and recorded on January 5, 1993, as Instrument No. 11720034, in Official Records of Santa Clara County, California (such Building Lease, as so amended, is referred to herein as the "First Amended Building Lease"), pursuant to which Lessor leases the Building (as defined therein) to Lessee and Lessee leases the Building from Lessor.

B. The First Amended Building Lease was modified by a certain Second Amendment to Building Lease, dated as of December 17, 1993, and recorded on December 20, 1993, as Instrument No. 12271738, in the Official Records of Santa Clara County, California (the "Second Amendment to Building Lease"), pursuant to which Lessor financed certain renovations to the Building. The First Amended Building Lease, as amended by the Second Amendment to Building Lease, is referred to herein as the "Second Amended Building Lease."

C. The Second Amended Building Lease was modified by a certain Third Amendment to Building Lease, dated as of August 21, 1995, and recorded on September 20, 1995, as Instrument No. 13020001, in the Official Records of Santa Clara County, California (the "Third Amendment to Building Lease"). The Second Amended Building Lease, as amended by the Third Amendment to Building Lease, is referred to herein as the "Third Amended Building Lease."

D. The Third Amended Building Lease was modified by a certain Fourth Amendment to Building Lease, dated as of November 10, 1995, and recorded on December 7, 1995, as Instrument No. 13123502, in the Official Records of Santa Clara County, California (the "Fourth Amendment to Building Lease"). The Third Amended Building Lease, as amended by the Fourth Amendment to Building Lease, is referred to herein as the "Fourth Amended Building Lease."

E. The Fourth Amended Building Lease was modified by a certain Fifth Amendment to Building Lease, dated as of August 1, 1996, and recorded on August 14, 1996, as Instrument No. 13408206, in the Official Records of Santa Clara County, California (the "Fifth Amendment to Building Lease"). The Fourth Amended Building Lease, as amended by the Fifth Amendment to Building Lease, is referred to herein as the "Fifth Amended Building Lease."

F. Advanced Micro Devices, Inc., a Delaware corporation (the "Guarantor"), executed and delivered to Lessor a Third Amended and Restated Guaranty, dated as of August 21, 1995 and accepted by Lessor as of August 21, 1995 (the "Third

Restated Guaranty"), pursuant to which the Guarantor guaranteed to Lessor the

obligations of Lessee under the Fifth Amended Building Lease and under the Fifth
Amended Land Lease (defined below).

G. The Third Restated Guaranty was modified by a certain First Amendment
to Third Amended and Restated Guaranty, dated as of October 20, 1995, a certain
Second Amendment to Third Amended and Restated Guaranty, dated as of January 12,
1996, a certain Third Amendment to Third Amended and Restated Guaranty, dated as
of May 10, 1996, a certain Fourth Amendment to Third Amended and Restated
Guaranty, dated as of July 20, 1996, a certain Fifth Amendment to Third Amended
and Restated Guaranty, dated as of July 20, 1996, a certain Sixth Amendment to
Third Amended and Restated Guaranty, dated as of February 6, 1998 and a certain
Seventh Amendment to Third Amended and Restated Guaranty, dated as of February
27, 1998. The Third Restated Guaranty, as amended, is referred to herein as the
"Seventh Amended Guaranty."

H. Lessee has requested certain modifications to the Seventh Amended
Guaranty which will be incorporated into a certain Eighth Amendment to Third
Amended and Restated Guaranty to be dated concurrently herewith (the "Eighth

Guaranty Amendment"). The Eighth Guaranty Amendment requires, as a condition

precedent to the effectiveness thereof, that the Lessee execute and deliver this
Sixth Amendment. The Seventh Amended Guaranty, as amended by the Eighth
Guaranty Amendment, is referred to herein as the "Eighth Amended Guaranty."

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I. Concurrently herewith, Lessor and Lessee also are amending that certain
Land Lease between Lessor and Lessee, dated as of September 22, 1992, and
recorded on September 22, 1992, as Instrument No. 11550953, in the Official
Records of Santa Clara County, California, as amended by (i) a certain First
Amendment to Land Lease, dated as of December 22, 1992, and recorded on January
5, 1993, as Instrument No. 11720033, in the Official Records of Santa Clara
County, California, (ii) a certain Second Amendment to Land Lease, dated as of
December 17, 1993, and recorded on December 20, 1993, as Instrument No.
12271737, in the Official Records of Santa Clara County, California, (iii) a
certain Third Amendment to Land Lease, dated as of August 21, 1995, and recorded
on September 20, 1995, as Instrument No. 13020000, in the Official Records of
Santa Clara County, California, (iv) a certain Fourth Amendment to Land Lease,
dated as of November 10, 1995, and recorded on December 7, 1995, as Instrument
No. 13123501, in the Official Records of Santa Clara County, California and (v)
a certain Fifth Amendment to Land Lease, dated as of August 1, 1996, and
recorded on August 13, 1996, as Instrument No. 13405693, in the Official Records
of Santa Clara County, California, (as so amended, the "Fifth Amended Land

Lease"), pursuant to which Lessor leases to Lessee certain land described in

Appendix 1 attached hereto.

NOW, THEREFORE, in consideration of the foregoing and for other good and
valuable consideration, the receipt and adequacy of which are hereby
acknowledged, Lessor and Lessee hereby agree as follows (terms used but not
expressly defined herein shall have the meaning provided in the Fifth Amended
Building Lease):

A. MODIFICATIONS TO BUILDING LEASE

Lessor and Lessee hereby amend the Fifth Amended Building Lease as follows:

1. All references in the Fifth Amended Building Lease to "this Lease" or
"the Lease" will hereafter refer to the Fifth Amended Building Lease as amended
by this Sixth Amendment.

2. The definition of Land Lease is hereby deleted and replaced with the

following:

Land Lease: that certain Land Lease between Lessor and Lessee, dated

as of September 22, 1992, and recorded on September 22, 1992, as Instrument
No. 11550953, in the Official Records of Santa Clara County, California, as
amended by that certain First Amendment to Land Lease, dated as of December
22, 1992, and recorded on January 5, 1993, as Instrument No. 11720034, in
the Official Records of Santa Clara County, California, and as further
amended by a certain Second Amendment to Land Lease, dated as of December
17, 1993,

-3-

and recorded on December 20, 1993, as Instrument No. 12271737, in the Official Records of Santa Clara County, California, and as further amended by a certain Third Amendment to Land Lease, dated as of August 21, 1995, and recorded on September 20, 1995, as Instrument No. 13020000, in the Official Records of Santa Clara County, California, and as further amended by a certain Fourth Amendment to Land Lease, dated as of November 10, 1995, and recorded on December 7, 1995, as Instrument No. 13123501, in the Official Records of Santa Clara County, California, and as further amended by a certain Fifth Amendment to Land Lease, dated as of August 1, 1996, and recorded on August 13, 1996, as Instrument No. 13405693, in the Official Records of Santa Clara County, California, and as further amended by a certain Sixth Amendment to Land Lease, dated as of June 30, 1998

3. Effective as of June 30, 1998, the definition of LIBO Rent is hereby

deleted and replaced with the following:

LIBO Rent: as of an Installment Date means the quotient of (1) the

product of (i) the Balance Due as of the beginning of the Quarterly Period in which such Installment Date falls (such Balance Due shall include the amount of any Advance made on the first day of such Quarterly Period), multiplied by (ii) the sum of 3.40% plus the rate obtained by dividing the LIBO Rate by a percentage equal to 100% minus the LIBO Reserve Percentage, multiplied by (iii) the number of actual days elapsed (including such Installment Date) in the Quarterly Period that includes such Installment Date, divided by (2) 360.

As used herein, "LIBO Reserve Percentage" means the maximum reserve

percentage applicable to Lessor for such Quarterly Period (or if more than one such percentage is applicable during such period, the daily average of such percentages for those days in such period during which each such percentage is applicable) under applicable law, including, without limitation, regulations issued from time to time by the Federal Reserve Board, for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) with respect to liabilities or assets consisting of or including (x) eurocurrency liabilities in the amount of the above referenced portion of the Balance Due and having a maturity substantially the same as such Quarterly Period and (y) any other category of liabilities which includes deposits by reference to which the LIBO Rate is to be determined. Lessor shall submit a certificate to Lessee which shall set forth in reasonable detail the basis for, calculation of and the amount

-4-

of LIBO Rent, which certificate shall be conclusive and binding for all purposes, absent manifest error.

4. To the extent that the amendment to the definition of "LIBO Rent" becomes effective on any day other than the first day of any Quarterly Period (the "LIBO Rent Amendment Effective Date"), then for such Quarterly Period Basic

Rent shall accrue at the LIBO Rent in effect immediately prior to the LIBO Rent Amendment Effective Date up until the day prior to such LIBO Rent Amendment Effective Date, and Basic Rent shall accrue for the remainder of such Quarterly Period at the LIBO Rent in effect on such LIBO Rent Amendment Effective Date (using the 3.40% set forth in the definition of LIBO Rent in Section 3 above instead of the percentage 1.625% set forth in the Fifth Amended Building Lease, but continuing to use the same LIBO Rate as in effect prior to LIBO Rent Amendment Effective Date).

B. AFFIRMATION OF STATUS OF BUILDING LEASE

Except as amended by this Sixth Amendment, the Fifth Amended Building Lease is unchanged; and, as amended by this Sixth Amendment, the Fifth Amended Building Lease is hereby ratified and affirmed, and remains in full force and effect.

C. AMENDMENT FEE

In consideration of this Sixth Amendment, the Sixth Amendment to Land Lease and the Eighth Guaranty Amendment, Lessee shall have paid a one-time nonrefundable fee of \$50,000.00 to Lessor and \$50,000.00 to Lender (defined below) pursuant to the Eighth Guaranty Amendment.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

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IN WITNESS WHEREOF, all parties hereto have caused this Sixth Amendment to be duly executed as of the date first set forth above.

LESSOR: CIBC INC., A DELAWARE CORPORATION

By _____
Name:
Title:

LESSEE: AMD INTERNATIONAL SALES & SERVICE, LTD., A
DELAWARE CORPORATION

/s/ Richard Previte
By _____
Name: Richard Previte
Title: President, Chief Financial Officer and
Treasurer

Guarantor hereby consents to the foregoing amendment, and acknowledges and agrees that all references in the Eighth Amended Guaranty to the "Amended Building Lease" or to the "Amended Land Lease" will hereafter refer to such Amended Building Lease and Amended Land Lease, as the case may be, as respectively amended by this Sixth Amendment to Building Lease and by the Sixth Amendment to Land Lease between Lessor and Lessee. Except as modified by this paragraph, the Eighth Amended Guaranty is unmodified; and, except as modified by this paragraph, the Eighth Amended Guaranty remains in full force and effect and is hereby reaffirmed by the Guarantor.

GUARANTOR:

ADVANCED MICRO DEVICES, INC.

/s/ Richard Previte
By: _____
Name: Richard Previte
Title: President, Chief operating Officer, Chief financial and Administrative
Officer and Treasurer
Date: July 6, 1998

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Reference is made to the Loan Agreement, dated as of December 17, 1993 (the "Loan Agreement"), between CIBC INC., a Delaware corporation, and THE LONG-TERM
- -----
CREDIT BANK OF JAPAN, LTD., LOS ANGELES AGENCY ("Lender"). In accordance with

Section 8(b) of the Loan Agreement, Lender hereby consents to the foregoing Sixth Amendment to Building Lease.

THE LONG-TERM CREDIT BANK OF
JAPAN, LOS ANGELES AGENCY

By: _____
Name: _____
Title: _____
Date: July __, 1998

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ACKNOWLEDGMENT FOR CIBC INC.

STATE OF _____

COUNTY OF _____

On _____, 1998, before me, _____, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Signature: _____

(Seal)

ACKNOWLEDGMENT FOR AMD INTERNATIONAL SALES & SERVICE, LTD.

California
STATE OF _____
Santa Clara
COUNTY OF _____

On July 6, 1998, before me, Winona C. Orange, Notary Public, personally appeared RICHARD PREVITE, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

/s/ Winona C. Orange
Signature: _____

(Seal of WINONA C. ORANGE Appears here)

WINONA C. ORANGE
COMMISSION # 1127987
NOTARY PUBLIC -- CALIFORNIA
SANTA CLARA COUNTY
MY COMM. EXPIRES APR 1, 2001

ACKNOWLEDGMENT FOR ADVANCED MICRO DEVICES, INC.

California
STATE OF _____
Santa Clara
COUNTY OF _____

On July 6, 1998, before me, Winona C. Orange, Notary Public, personally appeared RICHARD PREVITE, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

/s/ Winona C. Orange
Signature: _____

(Seal of WINONA C. ORANGE Appears here)

WINONA C. ORANGE
COMMISSION # 1127987
NOTARY PUBLIC -- CALIFORNIA
SANTA CLARA COUNTY
MY COMM. EXPIRES APR 1, 2001

ACKNOWLEDGMENT FOR
THE LONG-TERM CREDIT BANK OF JAPAN, LOS ANGELES AGENCY

STATE OF _____
COUNTY OF _____

On _____, 1998, before me, _____, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in h__ authorized capacity, and that by h__ signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature: _____

(Seal)

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APPENDIX 1

LEGAL DESCRIPTION OF LAND

The land referred to herein is situated in the State of California, County of Santa Clara, City of Sunnyvale and is described as follows:

Parcel A as shown upon that certain Parcel Map filed for Record February 26, 1975 in the Office of the Recorder, County of Santa Clara, in Book 351 of Maps at Pages 54 and 55.

APN: 205-22-020, 021

ARB: 206-60-015, 018, 035, 042, 014, 013, 012, 053, 052, 057

-12-

Recording Requested By
and When Recorded, Return to:

Mayer, Brown & Platt
350 South Grand Avenue
25th Floor
Los Angeles, California 90071-1563
Attention: Kevin R. Garlitz
(213) 229-9500

=====

SIXTH AMENDMENT TO LAND LEASE

THIS SIXTH AMENDMENT TO LAND LEASE (this "Sixth Amendment") is entered into

as of June 30, 1998, between CIBC INC., a Delaware corporation ("Lessor"), and

AMD INTERNATIONAL SALES & SERVICE, LTD., a Delaware corporation ("Lessee").

RECITALS

A. For purposes of the financing by Lessor of the acquisition of the Land
described in Appendix 1 attached hereto, Lessor and Lessee entered into a

certain Land Lease, dated as of September 22, 1992, and recorded on September
22, 1992, as Instrument No. 11550953, in the Official Records of Santa Clara
County, California, as amended by that certain First Amendment to Land Lease,
dated as of December 22, 1992, and recorded on January 5, 1993, as Instrument
No. 11720033, in the Official Records of Santa Clara County, California (such
Land Lease, as so amended, is referred to herein as the "First Amended Land

Lease"), pursuant to which Lessor leases the Land (as defined therein) to Lessee

and Lessee leases the Land from Lessor.

B. The First Amended Land Lease was modified by a certain Second Amendment
to Land Lease, dated as of December 17, 1993, and recorded on December 20, 1993,
as Instrument No. 12271737, in the Official Records of Santa Clara County,
California (the "Second Amendment to Land Lease"). The First Amended Land

Lease, as amended by the Second Amendment to Land Lease, is referred to herein
as the "Second Amended Land Lease."

C. The Second Amended Land Lease was modified by a certain Third Amendment
to Land Lease, dated as of August 21, 1995, and recorded on September 20, 1995,
as Instrument No. 13020000, in the Official Records of Santa Clara County,
California (the "Third Amendment to Land Lease"). The Second Amended Land

Lease, as amended by the Third Amendment to Land Lease, is referred to herein as
the "Third Amended Land Lease."

D. The Third Amended Land Lease was modified by a certain Fourth Amendment
to Land Lease, dated as of November 10, 1995, and recorded on December 7, 1995,
as Instrument No. 13123501, in the Official Records of Santa Clara County,
California (the "Fourth Amendment to Land Lease"). The Third Amended Land

Lease, as amended by the Fourth Amendment to Land Lease, is referred to herein
as the "Fourth Amended Land Lease."

E. The Fourth Amended Land Lease was modified by a certain Fifth Amendment
to Land Lease, dated as of August 1, 1996, and recorded on August 13, 1996, as
Instrument No. 13405693, in the Official Records of Santa Clara County,
California (the "Fifth Amendment to Land Lease"). The Fourth Amended Land

Lease, as amended by the Fifth Amendment to Land Lease, is referred to herein as
the "Fifth Amended Land Lease."

F. Advanced Micro Devices, Inc., a Delaware corporation (the "Guarantor"),

executed and delivered to Lessor a Third Amended and Restated Guaranty, dated as
of August 21, 1995 and accepted by Lessor as of August 21, 1995 (the "Third

Restated Guaranty"), pursuant to which the Guarantor guaranteed to Lessor the

obligations of Lessee under the Fifth Amended Land Lease and under the Fifth
Amended Building Lease (defined below).

G. The Third Restated Guaranty was modified by a certain First Amendment
to Third Amended and Restated Guaranty, dated as of October 20, 1995, a certain
Second Amendment to Third Amended and Restated Guaranty, dated as of January 12,
1996, a certain Third Amendment to Third Amended and Restated Guaranty, dated as
of May 10, 1996, a certain Fourth Amendment to Third Amended and Restated
Guaranty, dated as of July 20, 1996, a certain Fifth Amendment to Third Amended
and Restated Guaranty, dated as of July 20, 1996, a certain Sixth Amendment to
Third Amended and Restated Guaranty, dated as of February 6, 1998 and a certain
Seventh Amendment to Third Amended and Restated Guaranty, dated as of February
27, 1998. The Third Restated Guaranty, as amended, is referred to herein as the
"Seventh Amended Guaranty."

H. Lessee has requested certain modifications to the Seventh Amended
Guaranty which will be incorporated into a certain Eighth Amendment to Third
Amended and Restated Guaranty to be dated concurrently herewith (the "Eighth

Guaranty Amendment"). The Eighth Guaranty Amendment requires, as a condition

precedent to the effectiveness thereof, that the Lessee execute and deliver this
Sixth Amendment. The Seventh Amended Guaranty, as amended by the Eighth
Guaranty Amendment, is referred to herein as the "Eighth Amended Guaranty."

I. Concurrently herewith, Lessor and Lessee also are amending that certain
Building Lease between Lessor and Lessee,

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dated as of September 22, 1992, and recorded on September 22, 1992, as
Instrument No. 11550954, in the Official Records of Santa Clara County,
California, as amended by (i) a certain First Amendment to Building Lease, dated
as of December 22, 1992, and recorded on January 5, 1993, as Instrument No.
11720034, in the Official Records of Santa Clara County, California, (ii) a
certain Second Amendment to Building Lease, dated as of December 17, 1993, and
recorded on December 20, 1993, as Instrument No. 12271738, in the Official
Records of Santa Clara County, California, (iii) a certain Third Amendment to
Building Lease, dated as of August 21, 1995, and recorded on September 20, 1995,
as Instrument No. 13020001, in the Official Records of Santa Clara County,
California and (iv) a certain Fourth Amendment to Building Lease, dated as of
November 10, 1995, and recorded on December 7, 1995, as Instrument No. 13123502,
in the Official Records of Santa Clara County, California and (v) a certain
Fifth Amendment to Building Lease, dated as of August 1, 1996, and recorded on
August 14, 1996, as Instrument No. 13408206, in the Official Records of Santa
Clara County, California, (as so amended, the "Fifth Amended Building Lease").

NOW, THEREFORE, in consideration of the foregoing and for other good and
valuable consideration, the receipt and adequacy of which are hereby
acknowledged, Lessor and Lessee hereby agree as follows (terms used but not
expressly defined herein shall have the meaning provided in the Fifth Amended
Land Lease):

A. MODIFICATIONS TO LAND LEASE

Lessor and Lessee hereby amend the Fifth Amended Land Lease as follows:

1. All references in the Fifth Amended Land Lease to "this Lease" or "the
Lease" will hereafter refer to the Fifth Amended Land Lease as amended by this
Sixth Amendment.

2. The definition of Building Lease is hereby deleted and replaced with

the following:

Building Lease: that certain Building Lease entered into between

Lessor and Lessee on September 22, 1992, and recorded September 22, 1992,
as Instrument No. 11550954, in the Official Records of Santa Clara County,
California, as amended by that certain First Amendment to Building Lease,
dated as of December 22, 1992, and recorded January 5, 1993, as Instrument
No. 11720034, in the Official Records of Santa Clara County, California,
and as further amended by a certain Second Amendment to Building Lease,
dated as of December 17, 1993, and recorded on December 20, 1993, as
Instrument No. 12271738, in the Official Records of Santa Clara County,
California, and as further amended by a certain Third Amendment to Building

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Lease, dated as of August 21, 1995, and recorded on September 20, 1995, as

Instrument No. 13020001, in the Official Records of Santa Clara County, California, and as further amended by a certain Fourth Amendment to Building Lease, dated as of November 10, 1995, and recorded on December 7, 1995, as Instrument No. 13123502, in the Official Records of Santa Clara County, California, and as further amended by a certain Fifth Amendment to Building Lease, dated as of August 1, 1996, and recorded on August 14, 1996, as Instrument No. 13408206, in the Official Records of Santa Clara County, California, and as further amended by a certain Sixth Amendment to Building Lease, dated as of June 30, 1998.

3. Effective as of June 30, 1998, the definition of LIBO Rent is hereby

deleted and replaced with the following:

LIBO Rent: as of an Installment Date means the Balance Due as of such

Installment Date multiplied by an interest rate per annum equal at all times to the sum of (a) 3.40% plus (b) the rate obtained by dividing the LIBO Rate (or the Corporate Base Rate if required pursuant to the terms set forth under the definition of "LIBO Rate") by a percentage equal to 100% minus the LIBO Reserve Percentage, dividing the sum thereof by 360 and multiplying the result thereof by the number of actual days elapsed (including such Installment Date) in the Quarterly Period that includes such Installment Date.

As used herein, "LIBO Reserve Percentage" means the maximum reserve

percentage applicable to Lessor for such Quarterly Period (or if more than one such percentage is applicable during such period, the daily average of such percentages for those days in such period during which each such percentage is applicable) under applicable law, including, without limitation, regulations issued from time to time by the Federal Reserve Board, for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) with respect to liabilities or assets consisting of or including (x) eurocurrency liabilities in the amount of the above referenced portion of the Balance Due and having a maturity substantially the same as such Quarterly Period and (y) any other category of liabilities which includes deposits by reference to which the LIBO Rate is to be determined. Lessor shall submit a certificate to Lessee which shall set forth in reasonable detail the basis for, calculation of and the amount of LIBO Rent, which certificate shall be conclusive and binding for all purposes, absent manifest error.

4. To the extent that the amendment to the definition of "LIBO Rent" becomes effective on any day other than the

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first day of any Quarterly Period (the "LIBO Rent Amendment Effective

Date"), then for such Quarterly Period Basic Rent shall accrue at the LIBO

Rent in effect immediately prior to the LIBO Rent Amendment Effective Date up until the day prior to such LIBO Rent Amendment Effective Date, and Basic Rent shall accrue for the remainder of such Quarterly Period at the LIBO Rent in effect on such LIBO Rent Amendment Effective Date (using the percentage 3.40% set forth in the definition of LIBO Rent in Section 3 above instead of the percentage 1.625% set forth in the Fifth Amended Land Lease, but continuing to use the same LIBO Rate as in effect prior to LIBO Rent Amendment Effective Date).

B. AFFIRMATION OF STATUS OF LAND LEASE

Except as amended by this Sixth Amendment, the Fifth Amended Land Lease is unchanged; and, as amended by this Sixth Amendment, the Fifth Amended Land Lease is hereby ratified and affirmed, and remains in full force and effect.

C. AMENDMENT FEE

In consideration of this Sixth Amendment, the Sixth Amendment to Building Lease and the Eighth Guaranty Amendment, Lessee shall have paid a one-time nonrefundable fee of \$50,000.00 to Lessor and \$50,000.00 to Lender (defined below) pursuant to the Eighth Guaranty Amendment.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

-5-

IN WITNESS WHEREOF, all parties hereto have caused this Sixth Amendment to be duly executed as of the date first set forth above.

LESSOR: CIBC INC., A DELAWARE CORPORATION

By _____
Name:
Title:

LESSEE: AMD INTERNATIONAL SALES & SERVICE, LTD., A DELAWARE CORPORATION

/s/ Richard Previte
By _____
Name: Richard Previte
Title: President, Chief Financial Officer
and Treasurer

Guarantor hereby consents to the foregoing amendment, and acknowledges and agrees that all references in the Eighth Amended Guaranty to the "Amended Land Lease" or to the "Amended Building Lease" will hereafter refer to such Amended Land Lease and Amended Building Lease, as the case may be, as respectively amended by this Sixth Amendment to Land Lease and by the Sixth Amendment to Building Lease, between Lessor and Lessee. Except as modified by this paragraph, the Eighth Amended Guaranty is unmodified; and, except as modified by this paragraph, the Eighth Amended Guaranty remains in full force and effect and is hereby reaffirmed by the Guarantor.

GUARANTOR:

ADVANCED MICRO DEVICES, INC.

/s/ Richard Previte
By: _____
Name:
Title:
Date: July 6, 1998

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Reference is made to the Loan Agreement, dated as of December 17, 1993 (the "Loan Agreement"), between CIBC INC., a Delaware corporation, and THE LONG-TERM

CREDIT BANK OF JAPAN, LTD., LOS ANGELES AGENCY ("Lender"). In accordance with

Section 8(b) of the Loan Agreement, Lender hereby consents to the foregoing Sixth Amendment to Land Lease.

THE LONG-TERM CREDIT BANK OF JAPAN, LOS ANGELES AGENCY

By: _____
Name: _____
Title: _____
Date: July __, 1998

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ACKNOWLEDGMENT FOR CIBC INC.

STATE OF _____

COUNTY OF _____

On _____, 1998, before me, _____, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Signature: _____

(Seal)

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ACKNOWLEDGMENT FOR AMD INTERNATIONAL SALES & SERVICE, LTD.

California

STATE OF _____

Santa Clara
COUNTY OF _____

On July 6, 1998, before me, Winona C. Orange, Notary Public, personally appeared Richard Previte, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

/s/ Winona C. Orange
Signature: _____

(Seal of WINONA C. ORANGE Appears here)

WINONA C. ORANGE
COMMISSION # 1127987
NOTARY PUBLIC -- CALIFORNIA
SANTA CLARA COUNTY
MY COMM. EXPIRES APR 1, 2001

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ACKNOWLEDGMENT FOR ADVANCED MICRO DEVICES, INC.

California
STATE OF _____

Santa Clara
COUNTY OF _____

On July 6, 1998, before me, Winona C. Orange, Notary Public, personally appeared Richard Previte, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

/s/ Winona C. Orange
Signature: _____

(Seal of WINONA C. ORANGE Appears here)

WINONA C. ORANGE
COMMISSION # 1127987
NOTARY PUBLIC -- CALIFORNIA
SANTA CLARA COUNTY
MY COMM. EXPIRES APR 1, 2001

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ACKNOWLEDGMENT FOR
THE LONG-TERM CREDIT BANK OF JAPAN, LOS ANGELES AGENCY

STATE OF _____

COUNTY OF _____

On _____, 1998, before me, _____, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in h__ authorized capacity, and that by h__ signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature: _____

(Seal)

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APPENDIX 1

Legal Description of Land

The land referred to herein is situated in the State of California, County of Santa Clara, City of Sunnyvale and is described as follows:

Parcel A as shown upon that certain Parcel Map filed for Record February 26, 1975 in the Office of the Recorder, County of Santa Clara, in Book 351 of Maps at Pages 54 and 55.

APN: 205-22-020, 021

ARB: 206-60-015, 018, 035, 042, 014, 013, 012, 053, 052, 057

[AMD LETTERHEAD]

CONTACT:
Scott Allen
PUBLIC RELATIONS
(408) 749-3311

AMD Reports Second Quarter Results

SUNNYVALE, CA -- JULY 8, 1998 -- AMD today reported a net loss of \$64,560,000 on sales of \$526,538,000 for its second quarter, ended June 28, 1998. The loss amounted to \$0.45 per share.

Sales declined by 3 percent from the immediate-prior quarter, and by 11 percent from the second quarter of 1997. Sales for the first quarter of 1998 amounted to \$540,856,000, which resulted in a net loss of \$62,727,000, or \$0.44 per share. In the second quarter of 1997, AMD reported sales of \$594,561,000, and net income of \$9,968,000, or \$0.07 per share, diluted.

For the first six months of 1998, AMD reported total revenues of \$1,067,394,000, a decline of 7 percent from the first six months of 1997, and a net loss of \$0.89 per share. For the same period a year ago, the company reported revenues of \$1,146,560,000, and net income of \$22,919,000, or \$0.16 per share, diluted.

"The substantial growth in sales of AMD-K6(R) processors in the just-completed quarter couldn't offset the decline in sales from our Communications Group, our Memory Group, and Vantis(TM), our programmable logic company," said W.J. Sanders III, chairman and chief executive officer. "Weakening demand in the worldwide semiconductor industry, coupled with continued price pressures on flash memory products, produced a substantial decline in revenues from our non-microprocessor business units.

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"Our Computation Products Group had an excellent quarter," Sanders continued. "Unit shipments of AMD-K6 family processors increased by more than one million units over the immediate-prior quarter to nearly 2.7 million units. We achieved a successful transition to 0.25-micron technology early in the quarter. Approximately 40 percent of unit shipments during the just-completed quarter were products manufactured on 0.25-micron technology. All of our shipments of AMD-K6 processors in the current quarter will be on 0.25-micron technology.

"On May 28 we successfully introduced our next-generation AMD-K6-2(R) processor family with 3DNow! technology. The AMD-K6-2 processor is our first differentiated processor for Microsoft(R) Windows(R) computing, and features additional new instructions developed by AMD and supported by Microsoft to enhance 3-D imaging and sound. We shipped more than 500,000 AMD-K6-2 processors in the quarter, marking the steepest first-quarter sales ramp of a new processor in AMD history. In response to demand from customers, we are rapidly shifting production to AMD-K6-2 processors. Among others, IBM, Hewlett-Packard and Fujitsu have announced desktop systems based on the AMD-K6-2 processor, and we expect additional top-tier manufacturers to follow.

"Today, the world's top three and five of the top 10 manufacturers of desktop PCs are now offering systems powered by AMD processors. We are continuing efforts to expand our customer base to absorb the significant increases in output we plan to achieve during the remainder 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.

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Any forward-looking statements about the AMD-K6 processor involve risks and uncertainties, including whether: the company will be able to significantly increase output of AMD-K6 processors, including higher-performance AMD-K6-2 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 processors will continue at current or greater levels; and worldwide economic conditions, including the economic conditions in Asia, 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).

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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.

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Microsoft and Windows are a registered trademarks of Microsoft Corporation

ADVANCED MICRO DEVICES, INC.

CONSOLIDATED BALANCE SHEETS

(THOUSANDS)

<TABLE>

<CAPTION>

| | June 28, 1998 (Unaudited) | December 28, 1997 (Audited) |
|---|---------------------------------|-----------------------------------|
| <S> | <C> | <C> |
| ----- | | |
| ASSETS | | |
| ----- | | |
| Current assets: | | |
| Cash, cash equivalents and short-term investments | \$ 692,443 | \$ 467,032 |
| Accounts receivable, net | 239,602 | 329,111 |
| Inventories | 171,633 | 168,517 |
| Deferred income taxes | 168,841 | 160,583 |
| Prepaid expenses and other current assets | 55,135 | 50,024 |
| ----- | | |
| Total current assets | 1,327,654 | 1,175,267 |
| Property, plant and equipment, net | 2,163,009 | 1,990,689 |
| Investment in joint venture | 201,560 | 204,031 |
| Other assets | 166,361 | 145,284 |
| ----- | | |
| | \$ 3,858,584 | \$ 3,515,271 |
| ===== | | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| ----- | | |
| Current liabilities: | | |
| Notes payable to banks | \$ 5,027 | \$ 6,601 |
| Accounts payable | 340,911 | 359,536 |
| Accrued compensation and benefits | 82,266 | 63,429 |
| Accrued liabilities | 142,574 | 134,656 |
| Income tax payable | 16,787 | 12,676 |
| Deferred income on shipments to distributors | 81,284 | 83,508 |
| Current portion of long-term debt and capital lease obligations | 123,257 | 66,364 |
| ----- | | |
| Total current liabilities | 792,106 | 726,770 |
| Deferred income taxes | 5,461 | 96,269 |
| Long-term debt and capital lease obligations, less current portion | 1,142,568 | 662,689 |
| Stockholders' equity: | | |

| | | |
|--|--------------|--------------|
| Capital stock: | | |
| Common stock, par value | 1,445 | 1,428 |
| Capital in excess of par value | 1,044,074 | 1,018,884 |
| Retained earnings | 938,842 | 1,066,131 |
| Accumulated other comprehensive income | (65,912) | (56,900) |
| ----- | | |
| Total stockholders' equity | 1,918,449 | 2,029,543 |
| ----- | | |
| | \$ 3,858,584 | \$ 3,515,271 |
| ===== | | |

</TABLE>

Advanced Micro Devices, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Thousands except per share amounts)

<TABLE>
<CAPTION>

| | Quarters Ended (Unaudited) | | | Six Months Ended (Unaudited) | |
|--|-------------------------------|------------------|------------------|---------------------------------|--------------|
| | June 28, 1998 | Mar. 29, 1998 | June 29, 1997 | June 28, 1998 | June 1997 |
| | <C> | <C> | <C> | <C> | <C> |
| NET SALES | \$ 526,538 | \$ 540,856 | \$ 594,561 | \$1,067,394 | |
| \$1,146,560 | | | | | |
| Cost of sales | 390,140 | 423,591 | 372,266 | 813,731 | |
| 721,342 | | | | | |
| Research and development | 139,158 | 128,120 | 110,021 | 267,278 | |
| 214,929 | | | | | |
| Marketing, general and administrative | 101,198 | 88,214 | 102,983 | 189,412 | |
| 197,502 | | | | | |
| | 630,496 | 639,925 | 585,270 | 1,270,421 | |
| 1,133,773 | | | | | |
| Operating income (loss) | (103,958) | (99,069) | 9,291 | (203,027) | |
| 12,787 | | | | | |
| Litigation settlement | - | (11,500) | - | (11,500) | |
| - | | | | | |
| Interest income and other, net | 8,518 | 5,581 | 9,718 | 14,099 | |
| 23,040 | | | | | |
| Interest expense | (17,663) | (12,472) | (9,958) | (30,135) | |
| (19,368) | | | | | |
| Income (loss) before income taxes and equity in joint venture | (113,103) | (117,460) | 9,051 | (230,563) | |
| 16,459 | | | | | |
| Provision (benefit) for income taxes | (44,110) | (46,997) | 2,630 | (91,107) | |
| 4,778 | | | | | |
| Income (loss) before equity in joint venture | (68,993) | (70,463) | 6,421 | (139,456) | |
| 11,681 | | | | | |
| Equity in net income of joint venture | 4,433 | 7,736 | 3,547 | 12,169 | |
| 11,238 | | | | | |
| NET INCOME (LOSS) | \$ (64,560) | \$ (62,727) | \$ 9,968 | \$ (127,287) | \$ |
| 22,919 | | | | | |
| NET INCOME (LOSS) PER COMMON SHARE | | | | | |
| - Basic | \$ (0.45) | \$ (0.44) | \$ 0.07 | \$ (0.89) | \$ |
| 0.16 | | | | | |
| - Diluted | \$ (0.45) | \$ (0.44) | \$ 0.07 | \$ (0.89) | \$ |
| 0.16 | | | | | |

| | | | | |
|--------------------------------------|---------|---------|---------|---------|
| Shares used in per share calculation | | | | |
| - Basic | 143,462 | 142,503 | 140,255 | 142,983 |
| 139,435 | | | | |
| - Diluted | 143,462 | 142,503 | 147,919 | 142,983 |
| 147,335 | | | | |

</TABLE>

Advanced Micro Devices, Inc. INFORMATION ONLY

NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS*
(Includes Pre-Tax FASL Investment Equity Income in Operating Income (Loss))

(Thousands except per share amounts)

<TABLE>
<CAPTION>

| | Quarters Ended (Unaudited) | | | Six Months Ended (Audited) |
|--|-------------------------------|------------------|------------------|-------------------------------|
| | June 28, 1998 | Mar. 29, 1998 | June 29, 1997 | June 28, 1998 |
| NET SALES | \$ 526,538 | \$ 540,856 | \$ 594,561 | \$1,067,394 |
| Cost of sales | 390,140 | 423,591 | 372,266 | 813,731 |
| Income from equity investment in FASL | (7,416) | (15,988) | (7,256) | (23,404) |
| Research and development | 139,158 | 128,120 | 110,021 | 267,278 |
| Marketing, general and administrative | 101,198 | 88,214 | 102,983 | 189,412 |
| Operating income (loss) | (96,542) | (83,081) | 16,547 | (179,623) |
| Litigation settlement | - | (11,500) | - | (11,500) |
| Interest income and other, net | 8,518 | 5,581 | 9,718 | 14,099 |
| Interest expense | (17,663) | (12,472) | (9,958) | (30,135) |
| Income (loss) before income taxes | (105,687) | (101,472) | 16,307 | (207,159) |
| Provision (benefit) for income taxes | (44,110) | (46,997) | 2,630 | (91,107) |
| Provision for taxes on equity income in FASL | 2,983 | 8,252 | 3,709 | 11,235 |
| NET INCOME (LOSS) | \$ (64,560) | \$ (62,727) | \$ 9,968 | \$ (127,287) |
| NET INCOME (LOSS) PER COMMON SHARE | | | | |
| - Basic | \$ (0.45) | \$ (0.44) | \$ 0.07 | \$ (0.89) |
| - Diluted | \$ (0.45) | \$ (0.44) | \$ 0.07 | \$ (0.89) |

Shares used in per share

| | | | | |
|-------------|---------|---------|---------|---------|
| calculation | | | | |
| - Basic | 143,462 | 142,503 | 140,255 | 142,983 |
| 139,435 | | | | |
| - Diluted | 143,462 | 142,503 | 147,919 | 142,983 |
| 147,335 | | | | |

</TABLE>

* The above statements of operations are not in accordance with generally accepted accounting principles (GAAP) in that the pre-tax equity income of FASL has been reclassified and included in the determination of operating income (loss). Net income (loss) and related net income (loss) per common share amounts are the same as those reported under GAAP.

AMD
SELECTED CORPORATE DATA
(UNAUDITED)

<TABLE>
<CAPTION>

| PRODUCT LINE BREAKDOWN | Q2 '98 | | Q1 '98 | | Q2 '97 | |
|---|------------|---------|------------|---------|------------|---------|
| | % OF SALES | REVENUE | % OF SALES | REVENUE | % OF SALES | REVENUE |
| | <C> | <C> | <C> | <C> | <C> | <C> |
| Communications Group (CPD, EPD, NPD) | 23 | \$123M | 28 | \$149M | 31 | \$183M |
| Vantis (PLD) | 10 | 52M | 10 | 56M | 10 | 57M |
| Memory Group (MG) | 25 | 132M | 31 | 167M | 30 | 181M |
| Computation Products Group (CMD, PPD, TMD) | 42 | 220M | 31 | 169M | 29 | 174M |

| OTHER DATA | Q2 '98 | Q1 '98 | Q2 '97 |
|----------------------------------|---------|----------|--------|
| Depreciation and Amortization | \$ 113M | \$ 112M* | \$ 94M |
| Capital Additions | 314M | 181M* | 160M |
| Headcount | 13,313 | 12,936 | 12,382 |
| International Sales | 48% | 55% | 54% |

* Restated from Q1 '98.