

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): January 13, 1999

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

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Item 5. Other Events.

On January 13, 1999, Advanced Micro Devices, Inc. announced record revenues of \$788,820,000 during its fourth quarter, ended December 27, 1998. Net income amounted to \$22,321,000, or \$0.15 per diluted share. 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:

99 Press release dated January 13, 1999.

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SIGNATURES

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

ADVANCED MICRO DEVICES, INC.
(Registrant)

/s/ Francis P. Barton

Date: January 18, 1999

By: _____
Francis P. Barton
Senior Vice President and Chief Financial
Officer

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Exhibit Index

Exhibit Number Exhibit

99 Press release dated January 13, 1999.

[LETTERHEAD FOR AMD]

NEWS RELEASE

CONTACTS:
 Scott Allen
 Public Relations
 (408) 749-3311

AMD REPORTS FOURTH QUARTER RESULTS

SUNNYVALE, CA - JANUARY 13, 1999 - AMD today reported record revenues of \$788,820,000 during its fourth quarter, ended December 27, 1998. Net income amounted to \$22,321,000, or \$0.15 per diluted share. All of the revenue growth resulted from increased sales of AMD-K6(R)-2 processors with 3DNow! (TM) technology.

Revenues increased by 15 percent from the immediate-prior quarter, and by 29 percent from the like period of 1997. In the immediate-prior quarter, AMD reported net income of \$1,006,000 on revenues of \$685,927,000, which resulted in net income of \$0.01 per diluted share. In the like period of 1997, AMD reported revenues of \$613,171,000, which resulted in a net loss of \$12,334,000, or \$0.09 per share.

At \$2,542,141,000, revenues for 1998 were also a record. For 1998, AMD reported a net loss of \$103,960,000, or \$0.72 per share. In 1997 AMD reported revenues of \$2,356,375,000, which resulted in a net loss of \$21,090,000, or \$0.15 per share. AMD revenues for 1998 grew by 8 percent in a year in which the worldwide semiconductor industry experienced a double-digit revenue decline.

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"Growing customer acceptance of the AMD-K6-2 processor with 3DNow! technology enabled AMD to continue to gain share in the market for Microsoft(R) Windows(R) computing," said W.J. Sanders III, chairman and chief executive officer. "Unit shipments of AMD-K6 family processors grew by 1.7 million, or 45 percent, to 5.5 million units from the immediate-prior quarter. AMD-K6 family processor revenues grew by more than \$100 million over the immediate-prior quarter to \$488 million.

"In 1998 AMD shipped more than 13.5 million AMD-K6 family processors, generating revenues in excess of \$1.25 billion," Sanders continued. "The majority of these units - more than 8.5 million - were AMD-K6-2 processors with 3DNow! technology. We believe the substantial and growing installed base of PC systems with 3DNow! technology will provide a strong platform for software developers, which in turn should enhance opportunities for broader acceptance of AMD processors going forward. All AMD processors for the personal computer market now incorporate 3DNow! technology supported by Microsoft Windows DirectX 6.0.

"A key objective in the just-completed quarter was progressing on our speed roadmap and satisfying strategic customer requirements for processors with speeds up to 400 megahertz (MHz)," Sanders continued. "We accomplished this objective. We introduced and shipped in volume 366MHz, 380MHz, and 400MHz versions of the AMD-K6-2 processor with 3DNow! technology. We shipped hundreds of thousands of 400MHz processors, but were unable to satisfy strong overall market demand. We expect to substantially increase shipments of 400MHz processors in the current quarter.

"We continued to gain unit market share during the just-completed quarter. We estimate that AMD-K6 family processors accounted for 16 percent of all processor units for Microsoft Windows computing in the fourth quarter of 1998 - a doubling of market share from the comparable quarter of 1997.

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"At 38 percent share of market, AMD-K6 family processors were number one in the burgeoning segment for sub-\$1,000 desktop PC systems in the bellwether North American retail channel, according to the most recent information from PC Data. Our market share in the \$1,000-to-\$1,500 desktop segment was 37 percent. AMD-K6 family processors captured 21 percent of the North American retail market for portable systems. With today's announcement by Toshiba and the recent announcement by Compaq Computer of portable systems featuring AMD-K6-2

processors with 3DNow! technology, the world's number one and number two producers of portable systems are now AMD customers.

"Aggregate revenues from our other product groups - our Communications Group, our Memory Group, and Vantis, our programmable logic subsidiary - were essentially flat with the immediate-prior quarter. Total AMD bookings for the second consecutive quarter reached record levels, driven by continuing strong demand for AMD-K6-2 processors with 3DNow! technology," 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-K6-2 processor involve risks and uncertainties, including whether: the company will substantially increase production of 400MHz processors, and overall will meet customer demand for increasingly higher-performance AMD-K6-2 processors; the company will maintain or increase AMD-K6-2 revenues sufficient to maintain or increase profitability in the microprocessor business; the company will have the financial and other resources necessary to continue to invest and compete successfully in the microprocessor business, including investment in leading-edge wafer fabrication equipment and process technologies; customer demand for the AMD-K6-2 processor will continue at current or greater levels; and whether economic conditions will change and affect demand for microprocessors and other integrated circuits. Investors are urged to consult the risks and uncertainties detailed in AMD'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 \$2.5 billion in 1998. (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.

NOTE TO EDITOR: Readers may obtain additional information by calling 1 (800) 222-9323 or (408) 749-5703.

3DNOW! AND VANTIS ARE TRADEMARKS OF ADVANCED MICRO DEVICES, INC.

AMD-K6, AMD-K6-2, AMD, THE LOGO AND COMBINATIONS THEREOF ARE REGISTERED TRADEMARKS OF ADVANCED MICRO DEVICES, INC.

MICROSOFT AND WINDOWS ARE REGISTERED TRADEMARKS OF MICROSOFT CORPORATION.

GENERAL NOTICE: OTHER PRODUCT NAMES USED IN THIS PUBLICATION ARE FOR IDENTIFICATION PURPOSES ONLY AND MAY BE TRADEMARKS OF THEIR RESPECTIVE COMPANIES.

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

(Audited)	Quarter Ended (Unaudited)			Year Ended (Unaudited)
Dec. 28, 1997	Dec. 27, 1998	Sept. 27, 1998	Dec. 28, 1997	Dec. 27, 1998
<S>	<C>	<C>	<C>	<C>
<C>				

Net sales \$2,356,375	\$ 788,820	\$ 685,927	\$ 613,171	\$2,542,141	
Cost of sales 1,578,438	481,987	422,985	428,856	1,718,703	
Research and development 467,877	156,459	143,665	127,031	567,402	
Marketing, general and administrative 400,713	120,498	109,768	102,296	419,678	
	758,944	676,418	658,183	2,705,783	
Operating income (loss) (90,653)	29,876	9,509	(45,012)	(163,642)	
Litigation settlement -	-	-	-	(11,500)	
Interest income and other, net 35,097	10,037	10,071	6,525	34,207	
Interest expense (45,276)	(15,177)	(21,182)	(11,757)	(66,494)	
Income (loss) before income taxes and equity in joint venture (100,832)	24,736	(1,602)	(50,244)	(207,429)	
Benefit for income taxes (55,155)	(136)	(635)	(29,861)	(91,878)	
Income (loss) before equity in joint venture (45,677)	24,872	(967)	(20,383)	(115,551)	
Equity in net income (loss) of joint venture 24,587	(2,551)	1,973	8,049	11,591	
Net income (loss) (21,090)	\$ 22,321	\$ 1,006	\$ (12,334)	\$ (103,960)	\$
Net income (loss) per common share					
- Basic (0.15)	\$ 0.15	\$ 0.01	\$ (0.09)	\$ (0.72)	\$
- Diluted (0.15)	\$ 0.15	\$ 0.01	\$ (0.09)	\$ (0.72)	\$
Shares used in per share calculation					
- Basic 140,453	144,926	143,915	141,889	143,668	
- Diluted 140,453	149,949	146,642	141,889	143,668	

</TABLE>

Advanced Micro Devices, Inc.
CONSOLIDATED BALANCE SHEETS
(Thousands)
<TABLE>
<CAPTION>

December 27,

December 28,

1998

1997

(Unaudited)

(Audited)

Assets

<S>	<C>
Current assets:	
Cash, cash equivalents and short-term investments	\$ 697,025
\$ 467,032	
Accounts receivable, net	415,557
329,111	
Inventories	175,075
168,517	
Deferred income taxes	205,959
160,583	
Prepaid expenses and other current assets	68,411
50,024	

Total current assets	1,562,027
1,175,267	

Property, plant and equipment, net	2,268,468
1,990,689	
Investment in joint venture	236,820
204,031	
Other assets	185,653
145,284	

	\$4,252,968
\$3,515,271	

Liabilities and Stockholders' Equity

Current liabilities:	
Notes payable to banks	\$ 6,017
\$ 6,601	
Accounts payable	333,975
359,536	
Accrued compensation and benefits	80,334
63,429	
Accrued liabilities	168,280
134,656	
Income tax payable	22,026
12,676	
Deferred income on shipments to distributors	84,523
83,508	
Current portion of long-term debt, capital lease obligations and other	145,564
66,364	

Total current liabilities	840,719
726,770	

Deferred income taxes	34,784
96,269	
Long-term debt, capital lease obligations and other, less current portion	1,372,416
662,689	

Stockholders' equity:	
Capital stock:	
Common stock, par value	1,465
1,428	
Capital in excess of par value	1,071,591

1,018,884	
Retained earnings	962,171
1,066,131	
Accumulated other comprehensive loss	(30,178)
(56,900)	

Total stockholders' equity	2,005,049
2,029,543	

	\$4,252,968
\$3,515,271	
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</TABLE>

Advanced Micro Devices, Inc. INFORMATION ONLY

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

(Thousands except per share amounts)

(Audited)	Quarter Ended (Unaudited)		Year Ended (Unaudited)	
	Dec. 27, 1998	Sept. 27, 1998	Dec. 28, 1997	Dec. 27, 1998
	<C>	<C>	<C>	<C>
Net sales	\$ 788,820	\$ 685,927	\$ 613,171	\$2,542,141
\$2,356,375				
Cost of sales	481,987	422,985	428,856	1,718,703
1,578,438				
Loss (income) from equity investment in FASL	4,814	(4,487)	(16,770)	(23,077)
(47,549)				
Research and development	156,459	143,665	127,031	567,402
467,877				
Marketing, general and administrative	120,498	109,768	102,296	419,678
400,713				
	763,758	671,931	641,413	2,682,706
2,399,479				
Operating income (loss)	25,062	13,996	(28,242)	(140,565)
(43,104)				
Litigation settlement	-	-	-	(11,500)
-				
Interest income and other, net	10,037	10,071	6,525	34,207
35,097				
Interest expense	(15,177)	(21,182)	(11,757)	(66,494)
(45,276)				
Income (loss) before income taxes	19,922	2,885	(33,474)	(184,352)
(53,283)				
Benefit for income taxes	(136)	(635)	(29,861)	(91,878)
(55,155)				
Provision (benefit) for taxes on equity loss (income) in FASL	(2,263)	2,514	8,721	11,486
22,962				

Net income (loss) (21,090)	\$ 22,321	\$ 1,006	\$ (12,334)	\$ (103,960)	\$
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Net income (loss) per common share					
share					
- Basic (0.15)	\$ 0.15	\$ 0.01	\$ (0.09)	\$ (0.72)	\$
- Diluted (0.15)	\$ 0.15	\$ 0.01	\$ (0.09)	\$ (0.72)	\$

Shares used in per share calculation					
- Basic 140,453	144,926	143,915	141,889	143,668	
- Diluted 140,453	149,949	146,642	141,889	143,668	

</TABLE>

* The above statements of operations are not in accordance with generally accepted accounting principles (GAAP) in that the pre-tax equity loss (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	Q4 '98		Q3 '98		Q4 '97	
	% of Sales	Revenue	% of Sales	Revenue	% of Sales	Revenue
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Communications Group (CPD, EPD, NPD)	15	\$ 122M	18	\$ 126M	28	\$ 174M
Vantis (PLD)	6	47M	7	50M	9	55M
Memory Group (MG)	17	132M	19	129M	30	181M
Computation Products Group (CMD, PPD, TMD)	62	488M	56	381M	33	203M

</TABLE>

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Other Data	Q4 '98	Q3 '98	Q4 '97
<S>	<C>	<C>	<C>
Depreciation and Amortization	\$ 125M	\$ 117M	\$ 108M
Capital Additions	180M	321M	250M
Headcount	13,597	13,384	12,759

International Sales	60%	52%	56%
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</TABLE>