

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K/A (No. 1)

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE
ACT OF 1934.
For the fiscal year ended December 27, 1998

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 1-7882

ADVANCED MICRO DEVICES, INC.
(Exact name of registrant as specified in its charter)

<TABLE>		
<S>	Delaware	<C>
	(State or other jurisdiction	94-1692300
	of incorporation or organization)	(IRS Employer
	One AMD Place	Identification number)
	Sunnyvale, California	94086
	(Address of principal executive offices)	(Zip code)
</TABLE>		

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

Securities registered pursuant to Section 12(b) of the Act:

<TABLE>		
<CAPTION>		
<S>	(Title of each class)	<C>
	-----	(Name of each exchange
	\$0.01 Par Value Common Stock	on which registered)

</TABLE>		New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item
405 of Regulation S-K is not contained herein, and will not be contained, to the
best of registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any amendment to this
Form 10-K.

Aggregate market value of the voting stock held by non-affiliates as of March 1,
1999.

\$2,665,120,199

Indicate the number of shares outstanding of each of the registrant's classes of
common stock, as of the latest practicable date.

146,161,636 shares as of March 1, 1999.

DOCUMENTS INCORPORATED BY REFERENCE

- (1) Portions of the Annual Report to Stockholders for the fiscal year ended
December 27, 1998 are
incorporated into Parts II and IV hereof.
- (2) Portions of the Proxy Statement for the Annual Meeting of Stockholders to
be held on April 29, 1999, are
incorporated into Part III hereof.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a)

1. Financial Statements

The financial statements listed on page F-1 in the Index to Consolidated Financial Statements and Financial Statement Schedule covered by Report of Independent Auditors are set forth on pages F-2 through F-27 of this Annual Report on Form 10-K.

2. Financial Statement Schedule

The financial statement schedule listed on page F-1 in the Index to Consolidated Financial Statements and Financial Statement Schedule covered by the Report of Independent Auditors is set forth on page S-1 of this Annual Report on Form 10-K.

All other schedules have been omitted because the required information is not present or is not present in amounts sufficient to require submission of the schedules, or because the information required is included in the Consolidated Financial Statements or Notes thereto.

3. Exhibits

The exhibits listed in the accompanying Index to Exhibits are filed as part of, or incorporated by reference into, this Annual Report on Form 10-K. The following is a list of such Exhibits:

Exhibit Number	Description of Exhibits
<S>	<C>
2.1 Exhibit 2 to on Form 8-K	Agreement and Plan of Merger dated October 20, 1995, as amended, between AMD and NexGen, Inc., filed as AMD's Quarterly Report for the period ended October 1, 1995, and as Exhibit 2.1 to AMD's Current Report dated January 17, 1996, is hereby incorporated by reference.
2.2 Inc., filed as reference.	Amendment No. 2 to the Agreement and Plan of Merger, dated January 11, 1996, between AMD and NexGen, Exhibit 2.2 to AMD's Current Report on Form 8-K dated January 17, 1996, is hereby incorporated by reference.
3.1 the period	Certificate of Incorporation, as amended, filed as Exhibit 3.1 to AMD's Quarterly Report on Form 10-Q for the period ended July 2, 1995, is hereby incorporated by reference.
3.2 March 29, 1998,	By-Laws, as amended, filed as Exhibit 3.2 to AMD's Quarterly Report on Form 10-Q for the period ended March 29, 1998, is hereby incorporated by reference.
4.1 Form 8-K	Form of AMD 11% Senior Secured Notes due August 1, 2003, filed as Exhibit 4.1 to AMD's Current Report on Form 8-K dated August 13, 1996, is hereby incorporated by reference.
4.2(a) trustee, filed as reference.	Indenture, dated as of August 1, 1996, between AMD and United States Trust Company of New York, as trustee, filed as Exhibit 4.2 to AMD's Current Report on Form 8-K dated August 13, 1996, is hereby incorporated by reference.
+ 4.2(b) of New York,	First Supplemental Indenture, dated as of January 13, 1999, between AMD and United States Trust Company of New York, as trustee.

Exhibit Number	Description of Exhibits
<S>	<C>
4.3	Intercreditor and Collateral Agent Agreement, dated as of August 1, 1996, among United States Trust Company of New York, as trustee, Bank of America NT&SA, as agent for the banks under the Credit Agreement of July 19, 1996, and IBJ Schroder Bank & Trust Company, filed as Exhibit 4.3 to AMD's Current Report on Form 8-K dated August 13, 1996, is hereby incorporated by reference.
4.4	Payment, Reimbursement and Indemnity Agreement, dated as of August 1, 1996, between AMD and IBJ Schroder Bank & Trust Company, filed as Exhibit 4.4 to AMD's Current Report on Form 8-K dated August 13, 1996, is hereby incorporated by reference.
4.5	Deed of Trust, Assignment, Security Agreement and Financing Statement, dated as of August 1, 1996, among

AMD, as grantor, IBJ Schroder Bank & Trust Company, as grantee, and Shelley W. Austin, as trustee, filed as Exhibit 4.5 to AMD's Current Report on Form 8-K dated August 13, 1996, is hereby incorporated by reference.

- 4.6 Security Agreement, dated as of August 1, 1996, among AMD and IBJ Schroder Bank & Trust Company, as agent for United States Trust Company of New York, as Trustee, and Bank of America NT&SA, as agent for banks, filed as Exhibit 4.6 to AMD's Current Report on Form 8-K dated August 13, 1996, is hereby incorporated by reference.
- 4.7 Lease, Option to Purchase and Put Option Agreement, dated as of August 1, 1996, between AMD, as lessor, and AMD Texas Properties, LLC, as lessee, filed as Exhibit 4.7 to AMD's Current Report on Form 8-K dated August 13, 1996, is hereby incorporated by reference.
- 4.8 Reciprocal Easement Agreement, dated as of August 1, 1996, between AMD and AMD Texas Properties, LLC, filed as Exhibit 4.8 to AMD's Current Report on Form 8-K dated August 13, 1996, is hereby incorporated by reference.
- 4.9 Sublease Agreement, dated as of August 1, 1996, between AMD, as sublessee, and AMD Texas Properties, LLC, as sublessor, filed as Exhibit 4.9 to AMD's Current Report on Form 8-K dated August 13, 1996, is hereby incorporated by reference.
- 4.10 Indenture, dated as of May 8, 1998, by and between AMD and The Bank of New York, filed as Exhibit 4.1 to AMD's Current Report on Form 8-K dated May 8, 1998, is hereby incorporated by reference.
- 4.11 Officers' Certificate, dated as of May 8, 1998, filed as Exhibit 4.2 to AMD's Current Report on Form 8-K dated May 8, 1998, is hereby incorporated by reference.
- 4.12 Form of 6% Convertible Subordinated Note due 2005, filed as Exhibit 4.3 to AMD's Current Report on Form 8-K dated May 8, 1998, is hereby incorporated by reference.
- 4.13 AMD hereby agrees to file on request of the Commission a copy of all instruments not otherwise filed with respect to AMD's long-term debt or any of its subsidiaries for which the total amount of securities authorized under such instruments does not exceed 10 percent of the total assets of AMD and its subsidiaries on a consolidated basis.
- +4.14 Officers' Certificate, dated as of January 13, 1999.
- *10.1 AMD 1982 Stock Option Plan, as amended, filed as Exhibit 10.1 to AMD's Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
- *10.2 AMD 1986 Stock Option Plan, as amended, filed as Exhibit 10.2 to AMD's Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
- *10.3 AMD 1992 Stock Incentive Plan, as amended, filed as Exhibit 10.3 to AMD's Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.

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Exhibit Number	Description of Exhibits
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*10.4	AMD 1980 Stock Appreciation Rights Plan, as amended, filed as Exhibit 10.4 to AMD's Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
*10.6	Forms of Stock Option Agreements, filed as Exhibit 10.8 to AMD's Annual Report on Form 10-K for the fiscal year ended December 29, 1991, are hereby incorporated by reference.
*10.7	Form of Limited Stock Appreciation Rights Agreement, filed as Exhibit 4.11 to AMD's Registration Statement on Form S-8 (No. 33-26266), is hereby incorporated by reference.
*10.8	AMD 1987 Restricted Stock Award Plan, as amended, filed as Exhibit 10.10 to AMD's Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
*10.9	Forms of Restricted Stock Agreements, filed as Exhibit 10.11 to AMD's Annual Report on Form 10-K for the fiscal year ended December 29, 1991, are hereby incorporated by reference.
*10.10	Resolution of Board of Directors on September 9, 1981, regarding acceleration of vesting of all outstanding stock options and associated limited stock appreciation rights held by officers under certain circumstances, filed as Exhibit 10.10 to AMD's Annual Report on Form 10-K for the fiscal year ended March 31, 1985, is hereby incorporated by reference.
*10.11	AMD 1996 Stock Incentive Plan, as amended, filed as Exhibit 10.11 to AMD's Annual Report on Form 10-K for the fiscal year ended December 29, 1996, is hereby incorporated by reference.
*10.12	Employment Agreement dated September 29, 1996, between AMD and W. J. Sanders III, filed as Exhibit 10.11(a) to AMD's Quarterly Report on Form 10-Q for the period ended September 29, 1996, is hereby incorporated by reference.
*10.13	Management Continuity Agreement between AMD and W. J. Sanders III, filed as Exhibit 10.14 to AMD's Annual Report on Form 10-K for the fiscal year ended December 29, 1991, is hereby incorporated by reference.

- *10.14 Bonus Agreement between AMD and Richard Previte, filed as Exhibit 10.14 to AMD's Quarterly Report on Form 10-Q for the period ended June 28, 1998, is hereby incorporated by reference.
- *10.15 Executive Bonus Plan, as amended, filed as Exhibit 10.16 to AMD's Annual Report on Form 10-K for the fiscal year ended December 25, 1994, is hereby incorporated by reference.
- *10.16 AMD Executive Incentive Plan, filed as Exhibit 10.14(b) to AMD's Quarterly Report on Form 10-Q for the period ended June 30, 1996, is hereby incorporated by reference.
- *10.17 Form of Bonus Deferral Agreement, filed as Exhibit 10.12 to AMD's Annual Report on Form 10-K for the fiscal year ended March 30, 1986, is hereby incorporated by reference.
- *10.18 Form of Executive Deferral Agreement, filed as Exhibit 10.17 to AMD's Annual Report on Form 10-K for the fiscal year ended December 31, 1989, is hereby incorporated by reference.
- *10.19 Director Deferral Agreement of R. Gene Brown, filed as Exhibit 10.18 to AMD's Annual Report on Form 10-K for the fiscal year ended December 31, 1989, is hereby incorporated by reference.
- 10.20 Intellectual Property Agreements with Intel Corporation, filed as Exhibit 10.21 to AMD's Annual Report on Form 10-K for the fiscal year ended December 29, 1991, are hereby incorporated by reference.
- *10.21 Form of Indemnification Agreements with former officers of Monolithic Memories, Inc., filed as Exhibit 10.22 to AMD's Annual Report on Form 10-K for the fiscal year ended December 27, 1987, is hereby incorporated by reference.

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Exhibit Number -----	Description of Exhibits -----
<S>	<C>
*10.22	Form of Management Continuity Agreement, filed as Exhibit 10.25 to AMD's Annual Report on Form 10-K for the fiscal year ended December 29, 1991, is hereby incorporated by reference.
**10.23(a)	Joint Venture Agreement between AMD and Fujitsu Limited, filed as Exhibit 10.27(a) to AMD's Amendment No. 1 to its Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
**10.23(b)	Technology Cross-License Agreement between AMD and Fujitsu Limited, filed as Exhibit 10.27(b) to AMD's Amendment No. 1 to its Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
**10.23(c)	AMD Investment Agreement between AMD and Fujitsu Limited, filed as Exhibit 10.27(c) to AMD's Amendment No. 1 to its Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
**10.23(d)	Fujitsu Investment Agreement between AMD and Fujitsu Limited, filed as Exhibit 10.27(d) to AMD's Amendment No. 1 to its Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
**10.23(e)	First Amendment to Fujitsu Investment Agreement dated April 28, 1995, filed as Exhibit 10.23(e) to AMD's Annual Report on Form 10-K for the fiscal year ended December 29, 1996, is hereby incorporated by reference.
10.23(f)	Second Amendment to Fujitsu Investment Agreement, dated February 27, 1996, filed as Exhibit 10.23 (f) to AMD's Annual Report on Form 10-K for the fiscal year ended December 29, 1996, is hereby incorporated by reference.
**10.23(g)	Joint Venture License Agreement between AMD and Fujitsu Limited, filed as Exhibit 10.27(e) to AMD's Amendment No. 1 to its Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
**10.23(h)	Joint Development Agreement between AMD and Fujitsu Limited, filed as Exhibit 10.27(f) to AMD's Amendment No. 1 to its Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
**10.23(i)	Fujitsu Joint Development Agreement Amendment, filed as Exhibit 10.23(g) to AMD's Quarterly Report on Form 10-Q for the period ended March 31, 1996, is hereby incorporated by reference.
10.24(a)	Credit Agreement, dated as of July 19, 1996, among AMD, Bank of America NT&SA, as administrative agent and lender, ABN AMRO Bank N.V., as syndication agent and lender, and Canadian Imperial Bank of Commerce, as documentation agent and lender, filed as Exhibit 99.1 to AMD's Current Report on Form 8-K dated August 13, 1996, is hereby incorporated by reference.
10.24(b)	First Amendment to Credit Agreement, dated as of August 7, 1996, among AMD Bank of America NT&SA, as administrative agent and lender, ABN AMRO Bank N.V., as syndication agent and lender, and Canadian Imperial Bank of Commerce, as documentation agent and lender, filed as Exhibit 99.2 to AMD's Current Report on Form 8-K dated August 13, 1996, is hereby incorporated by reference.
10.24(c)	Second Amendment to Credit Agreement, dated as of September 9, 1996, among AMD, Bank of America NT&SA, as administrative agent and lender, ABN AMRO Bank N.V., as syndication agent and lender, and Canadian Imperial Bank of Commerce, as documentation agent and lender, filed as Exhibit 10.24(b) to AMD's Quarterly Report on Form 10-Q for the period ended September 29, 1996, is hereby incorporated by reference.

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5

Exhibit Number	Description of Exhibits
<S>	<C>
10.24(d)	Third Amendment to Credit Agreement, dated as of October 1, 1997, among AMD, 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, filed as Exhibit 10.24(d) to AMD's Quarterly Report on Form 10-Q for the period ended September 28, 1997, is hereby incorporated by reference.
10.24(e)	Fourth Amendment to Credit Agreement, dated as of January 26, 1998, among AMD, 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, filed as Exhibit 10.24(e) to AMD's Annual Report on Form 10-K for the fiscal year ended December 28, 1997, is hereby incorporated by reference.
10.24(f)	Fifth Amendment to Credit Agreement, dated as of February 26, 1998, among AMD, 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, filed as Exhibit 10.24(f) to AMD's Annual Report on Form 10-K for the fiscal year ended December 28, 1997, is hereby incorporated by reference.
10.24(g)	Sixth Amendment to Credit Agreement, dated as of June 30, 1998, among AMD, 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, filed as exhibit 10.24(g) to AMD's Current Report on Form 8-K dated July 8, 1998, is hereby incorporated by reference.
**+ 10.25	Technology Development and License Agreement, dated as of October 1, 1998, among AMD and its subsidiaries and Motorola, Inc. and its subsidiaries.
**+ 10.26	Patent License Agreement, dated as of December 3, 1998, between AMD and Motorola, Inc.
+ 10.27	Lease Agreement, dated as of December 22, 1998, between AMD and Delaware Chip LLC.
*10.28(a)	AMD Executive Savings Plan (Amendment and Restatement, effective as of August 1, 1993), filed as Exhibit 10.30 to AMD's Annual Report on Form 10-K for the fiscal year ended December 25, 1994, is hereby incorporated by reference.
*10.28(b)	First Amendment to the AMD Executive Savings Plan (as amended and restated, effective as of August 1, 1993), filed as Exhibit 10.28(b) to AMD's Annual Report on Form 10-K for the fiscal year ended December 28, 1997, is hereby incorporated by reference.
*10.28(c)	Second Amendment to the AMD Executive Savings Plan (as amended and restated, effective as of August 1, 1993), filed as Exhibit 10.28(b) to AMD's Annual Report on Form 10-K for the fiscal year ended December 28, 1997, is hereby incorporated by reference.
*10.29	Form of Split Dollar Agreement, as amended, filed as Exhibit 10.31 to AMD's Annual Report on Form 10-K for the fiscal year ended December 25, 1994, is hereby incorporated by reference.
*10.30	Form of Collateral Security Assignment Agreement, filed as Exhibit 10.32 to AMD's Annual Report on Form 10-K for the fiscal year ended December 26, 1993, is hereby incorporated by reference.
*10.31	Forms of Stock Option Agreements to the 1992 Stock Incentive Plan, filed as Exhibit 4.3 to AMD's Registration Statement on Form S-8 (No. 33-46577), are hereby incorporated by reference.
*10.32	1992 United Kingdom Share Option Scheme, filed as Exhibit 4.2 to AMD's Registration Statement on Form S-8 (No. 33-46577), is hereby incorporated by reference.
*+ 10.33	AMD 1998 Stock Incentive Plan.

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6

Exhibit Number	Description of Exhibits
*10.34	Form of indemnification agreements with current officers and directors of AMD, filed as Exhibit 10.38 to AMD's Annual Report on Form 10-K for the fiscal year ended December 25, 1994, is hereby incorporated by reference.
*10.35	Agreement to Preserve Goodwill dated January 15, 1996, between AMD and S. Atiq Raza, filed as Exhibit 10.36 to AMD's Annual Report on Form 10-K for the fiscal year ended December 31, 1995, is hereby incorporated by reference.
*10.36	1995 Stock Plan of NexGen, Inc., as amended, filed as Exhibit 10.36 to AMD's Annual Report on Form 10-K for the fiscal year ended December 29, 1996, is hereby incorporated by reference.

- **10.37 Patent Cross-License Agreement dated December 20, 1995, between AMD and Intel Corporation, filed as Exhibit 10.38 to AMD's Annual Report on Form 10-K for the fiscal year ended December 31, 1995, is hereby incorporated by reference.
- 10.38 Contract for Transfer of the Right to the Use of Land between AMD (Suzhou) Limited and China-Singapore Suzhou Industrial Park Development Co., Ltd., filed as Exhibit 10.39 to AMD's Annual Report on Form 10-K for the fiscal year ended December 31, 1995, is hereby incorporated by reference.
- *10.39 NexGen, Inc. 1987 Employee Stock Plan, filed as Exhibit 99.3 to Post-Effective Amendment No. 1 on Form S-8 to AMD's Registration Statement on Form S-4 (No. 33-64911), is hereby incorporated by reference.
- *10.40 1995 Stock Plan of NexGen, Inc. (assumed by AMD), as amended, filed as Exhibit 10.37 to AMD's Quarterly Report on Form 10-Q for the period ended June 30, 1996, is hereby incorporated by reference.
- *10.41 Form of indemnity agreement between NexGen, Inc. and its directors and officers, filed as Exhibit 10.5 to the Registration Statement of NexGen, Inc. on Form S-1 (No. 33-90750), is hereby incorporated by reference.
- 10.42 Series E Preferred Stock Purchase Warrant of NexGen, Inc. issued to PaineWebber Incorporated, filed as Exhibit 10.14 to the Registration Statement of NexGen, Inc. on Form S-1 (No. 33-90750), is hereby incorporated by reference.
- 10.43 Series F Preferred Stock Purchase Warrant of NexGen, Inc., filed as Exhibit 10.15 to the Registration Statement of NexGen, Inc. on Form S-1 (No. 33-90750), is hereby incorporated by reference.
- 10.44 Series G Preferred Stock Purchase Warrant of NexGen, Inc., filed as Exhibit 10.16 to the Registration Statement of NexGen, Inc. on Form S-1 (No. 33-90750), is hereby incorporated by reference.
- **10.45 Agreement for Purchase of IBM Products between IBM and NexGen, Inc. dated June 2, 1994, filed as Exhibit 10.17 to the Registration Statement of NexGen, Inc. on Form S-1 (No. 33-90750), is hereby incorporated by reference.
- *10.46 Letter Agreement dated as of September, 1988, between NexGen, Inc. and S. Atiq Raza, First Promissory Note dated October 17, 1988, and Second Promissory Note dated October 17, 1988, as amended, filed as Exhibit 10.20 to the Registration Statement of NexGen, Inc. on Form S-1 (No. 33-90750), are hereby incorporated by reference.
- 10.47 Series B Preferred Stock Purchase Warrant of NexGen, Inc. issued to Kleiner, Perkins, Caufield and Byers IV, as amended, filed as Exhibit 10.23 to the Registration Statement of NexGen, Inc. on Form S-1 (No. 33-90750), is hereby incorporated by reference.

Exhibit Number - - - - -	Description of Exhibits -----
**10.48(a)	C-4 Technology Transfer and Licensing Agreement dated June 11, 1996, between AMD and IBM Corporation, filed as Exhibit 10.48 to AMD's Amendment No. 1 to its Quarterly Report on Form 10-Q/A for the period ended September 29, 1996, is hereby incorporated by reference.
**10.48(b)	Amendment No. 1 to the C-4 Technology Transfer and Licensing Agreement, dated as of February 23, 1997, between AMD and International Business Machine Corporation, filed as Exhibit 10.48(a) to AMD's Quarterly Report on Form 10-Q for the period ended March 30, 1997, is hereby incorporated by reference.
**10.49(a)	Design and Build Agreement dated November 15, 1996, between AMD Saxony Manufacturing GmbH and Meissner and Wurst GmbH, filed as Exhibit 10.49(a) to AMD's Annual Report on Form 10-K for the fiscal year ended December 29, 1996, is hereby incorporated by reference.
10.49(b)	Amendment to Design and Build Agreement dated January 16, 1997, between AMD Saxony Manufacturing GmbH and Meissner and Wurst GmbH filed as Exhibit 10.49(b) to AMD's Annual Report on Form 10-K for the fiscal year ended December 29, 1996, is hereby incorporated by reference.
**10.50(a-1)	Syndicated Loan Agreement with Schedules 1, 2 and 17, dated as of March 11, 1997, among AMD Saxony Manufacturing GmbH, Dresdner Bank AG and Dresdner Bank Luxemborg S.A., filed as Exhibit 10.50(a) to

AMD's Quarterly Report on Form 10-Q for the period ended March 30, 1997, is hereby incorporated by reference.

- **10.50(a-2) Supplemental Agreement to the Syndicated Loan Agreement dated February 6, 1998, among AMD Saxony Manufacturing GmbH, Dresdner Bank AG and Dresdner Bank Luxembourg S.A., filed as Exhibit 10.50(a-2) to AMD's Annual Report on Form 10-K/A (No.1) for the fiscal year ended December 28, 1997, is hereby incorporated by reference.
- **10.50(b) Determination Regarding the Request for a Guarantee by AMD Saxony Manufacturing GmbH, filed as Exhibit 10.50(b) to AMD's Quarterly Report on Form 10-Q for the period ended March 30, 1997, is hereby incorporated by reference, filed as Exhibit 10.50(b) to AMD's Annual Report on Form 10-K for the fiscal year ended December 28, 1997, is hereby incorporated by reference.
- **10.50(c) AMD Subsidy Agreement, between AMD Saxony Manufacturing GmbH and Dresdner Bank AG, filed as Exhibit 10.50(c) to AMD's Quarterly Report on Form 10-Q for the period ended March 30, 1997, is hereby incorporated by reference.
- **10.50(d) Subsidy Agreement, dated February 12, 1997, between Sachsische Aufbaubank and Dresdner Bank AG, with Appendices 1, 2a, 2b, 3 and 4, filed as Exhibit 10.50(d) to AMD's Quarterly Report on Form 10-Q for the period ended March 30, 1997, is hereby incorporated by reference.
- 10.50(e) AMD, Inc. Guaranty, dated as of March 11, 1997, among AMD, Saxony Manufacturing GmbH and Dresdner Bank AG, filed as Exhibit 10.50(e) to AMD's Quarterly Report on Form 10-Q for the period ended March 30, 1997, is hereby incorporated by reference.
- 10.50(f-1) Sponsors' Support Agreement, dated as of March 11, 1997, among AMD, AMD Saxony Holding GmbH and Dresdner Bank AG, filed as Exhibit 10.50(f) to AMD's Quarterly Report on Form 10-Q for the period ended March 30, 1997, is hereby incorporated by reference.
- 10.50(f-2) First Amendment to Sponsors' Support Agreement, dated as of February 6, 1998, among AMD, AMD Saxony Holding GmbH and Dresdner Bank AG, filed as Exhibit 10.50(f-2) to AMD's Annual Report on Form 10-K for the fiscal year ended December 28, 1997, is hereby incorporated by reference.
- 10.50(g-1) Sponsors' Loan Agreement, dated as of March 11, 1997, among AMD, AMD Saxony Holding GmbH and Saxony Manufacturing GmbH, filed as Exhibit 10.50(g) to AMD's Quarterly Report on Form 10-Q for the period ended March 30, 1997, is hereby incorporated by reference.

8

Exhibit Number - -----	Description of Exhibits -----
10.50(g-2)	First Amendment to Sponsors' Loan Agreement, dated as of February 6, 1998, among AMD, AMD Saxony Holding GmbH and AMD Saxony Manufacturing GmbH, filed as Exhibit 10.50(g-2) to AMD's Annual Report on Form 10-K for the fiscal year ended December 28, 1997, is hereby incorporated by reference.
10.50(h)	Sponsors' Subordination Agreement, dated as of March 11, 1997, among AMD, AMD Saxony Holding GmbH, AMD Saxony Manufacturing GmbH and Dresdner Bank AG, filed as Exhibit 10.50(h) to AMD's Quarterly Report on Form 10-Q for the period ended March 30, 1997, is hereby incorporated by reference.
10.50(i)	Sponsors' Guaranty, dated as of March 11, 1997, among AMD, AMD Saxony Holding GmbH and Dresdner Bank AG, filed as Exhibit 10.50(i) to AMD's Quarterly Report on Form 10-Q for the period ended March 30, 1997, is hereby incorporated by reference.
**10.50(j)	AMD Holding Wafer Purchase Agreement, dated as of March 11, 1997, among AMD and AMD Saxony Holding GmbH, filed as Exhibit 10.50(j) to AMD's Quarterly Report on Form 10-Q for the period ended March 30, 1997, is hereby incorporated by reference.
**10.50(k)	AMD Holding Research, Design and Development Agreement, dated as of March 11, 1997, between AMD Saxony Holding GmbH and AMD, filed as Exhibit 10.50(k) to AMD's Quarterly Report on Form 10-Q for the period ended March 30, 1997, is hereby incorporated by reference.
**10.50(l-1)	AMD Saxonia Wafer Purchase Agreement, dated as of March 11, 1997, between AMD Saxony Holding GmbH and AMD Saxony Manufacturing GmbH, filed as Exhibit 10.50(l) to AMD's Quarterly Report on Form 10-Q

for the period ended March 30, 1997, is hereby incorporated by reference.

- 10.50(l-2) First Amendment to AMD Saxonia Wafer Purchase Agreement, dated as of February 6, 1998, between AMD Saxony Holding GmbH and AMD Saxony Manufacturing GmbH, filed as Exhibit 10.50 (l-2) to AMD's Annual Report on Form 10-K for the fiscal year ended December 28, 1997, is hereby incorporated by reference.
- **10.50(m) AMD Saxonia Research, Design and Development Agreement, dated as of March 11, 1997, between AMD Saxony Manufacturing GmbH and AMD Saxony Holding GmbH, filed as Exhibit 10.50(m) to AMD's Quarterly Report on Form 10-Q for the period ended March 30, 1997, is hereby incorporated by reference.
- 10.50(n) License Agreement, dated March 11, 1997, among AMD, AMD Saxony Holding GmbH and AMD Saxony Manufacturing GmbH, filed as Exhibit 10.50(n) to AMD's Quarterly Report on Form 10-Q for the period ended March 30, 1997, is hereby incorporated by reference.
- 10.50(o) AMD, Inc. Subordination Agreement, dated March 11, 1997, among AMD, AMD Saxony Holding GmbH and Dresdner Bank AG, filed as Exhibit 10.50(o) to AMD's Quarterly Report on Form 10-Q for the period ended March 30, 1997, is hereby incorporated by reference.
- **10.50(p-1) ISDA Agreement, dated March 11, 1997, between AMD and AMD Saxony Manufacturing GmbH, filed as Exhibit 10.50(p) to AMD's Quarterly Report on Form 10-Q for the period ended March 30, 1997, is hereby incorporated by reference.
- **10.50(p-2) Confirmation to ISDA Agreement, dated February 6, 1998, between AMD and AMD Saxony Manufacturing GmbH, filed as Exhibit 10.50(p-2) to AMD's Annual Report on Form 10-K for the fiscal year ended December 28, 1997, is hereby incorporated by reference.
- + 13 1998 Annual Report to Stockholders, portions of which have been incorporated by reference into Parts II and IV of this annual report.
- + 21 List of AMD subsidiaries.

9

Exhibit Number - - - - -	Description of Exhibits -----
+ 23	Consent of Ernst & Young LLP, Independent Auditors, refer to page F-2 herein.
+ 24	Power of Attorney.
+ 27	Financial Data Schedule.

* Management contracts and compensatory plans or arrangements required to be filed as an Exhibit to comply with Item 14(a)(3).

** Confidential treatment has been granted as to certain portions of these Exhibits.

+ Previously filed.

AMD will furnish a copy of any exhibit on request and payment of AMD's reasonable expenses of furnishing such exhibit.

(b) Reports on Form 8-K

During the fourth quarter of AMD's fiscal year ended December 27, 1998, a Current Report on Form 8-K dated October 23, 1998 reporting under Item 5--Other Events was filed announcing AMD's third quarter earnings.

10

(d) Fujitsu AMD Semiconductor Limited Financial Statements

This Form 10-K/A is being filed to reflect additional information relating to Fujitsu AMD Semiconductor Limited (FASL), for which the fiscal year end is March 31. FASL, a joint venture formed by AMD and Fujitsu Limited (Fujitsu), was formed in 1993 for the development and manufacture of non-volatile memory devices. AMD has a 49.992% interest in FASL, and Fujitsu has the remaining interest.

<TABLE>
<CAPTION>
<S>

<C>

Statements of Income for the three years ended March 31, 1999.....	12
Balance Sheets at March 31, 1999 and 1998.....	13
Statements of Stockholders' Equity for the three years ended March 31, 1999..	14
Statements of Cash Flows for the three years ended March 31, 1999.....	15
Notes to Financial Statements.....	16
Report of Ernst & Young, Independent Auditors.....	21

</TABLE>

11

<TABLE>
<CAPTION>
FUJITSU AMD SEMICONDUCTOR LIMITED

STATEMENTS OF INCOME
FOR THE THREE YEARS ENDED MARCH 31, 1999

(Thousands except share and per share amounts)

	1999	1998	1997
	-----	-----	-----
<S>	<C>	<C>	<C>
Net sales	\$401,130	\$483,937	\$367,103
Expenses:			
Cost of sales	351,294	294,849	219,079
Selling, general and administrative	42,633	47,976	42,153
	-----	-----	-----
	393,927	342,825	261,232
	-----	-----	-----
Operating income	7,203	141,112	105,871
Interest income	8	24	161
Interest expense	(1,855)	(881)	(322)
Other income (expense), net	(561)	(1,967)	412
	-----	-----	-----
Income before income taxes	4,795	138,288	106,122
Provision (Benefit) for income taxes	(6,252)	62,902	53,850
	-----	-----	-----
Net income	\$ 11,047	\$ 75,386	\$ 52,272
	=====	=====	=====
Net income per common share:			
Basic	\$ 17.37	\$ 118.53	\$ 82.19
Diluted	\$ 17.37	\$ 118.53	\$ 82.19
Shares used in per share calculation			
Basic	636,000	636,000	636,000
Diluted	636,000	636,000	636,000

</TABLE>

See accompanying notes.

12

<TABLE>
<CAPTION>
FUJITSU AMD SEMICONDUCTOR LIMITED
BALANCE SHEETS
MARCH 31, 1999 AND 1998

(Thousands except share and per share amounts)

	1999	1998
	-----	-----
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 8	\$ 11,453
Accounts receivable from affiliates	64,007	74,837
Inventories:		
Raw materials and supplies	4,471	4,921
Work-in-process	57,760	35,693
Finished goods	2,339	8,471
	-----	-----
Total inventories	64,570	49,085
Other current assets	299	1,960
	-----	-----
Total current assets	128,884	137,335

Property, plant and equipment:		
Equipment	944,936	764,921
Buildings	131,016	117,449
Construction in progress	3,866	5,708
	-----	-----
Total property, plant and equipment	1,079,818	888,078
Accumulated depreciation	(507,449)	(288,342)
	-----	-----
Property, plant and equipment, net	572,369	599,736
Other assets	11,895	9,955
	-----	-----
TOTAL	\$ 713,148	\$ 747,026
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Loan payable to affiliates	\$ 114,036	\$ 93,868
Accounts payable	34,998	105,473
Payables to affiliates	29,200	33,331
Accrued liabilities	11,307	8,047
Income taxes payable	17	31,908
	-----	-----
Total current liabilities	189,558	272,627
Deferred income taxes	59,610	62,097
Other accrued liabilities	1,269	772
Commitments	-	-
Stockholders' equity:		
Common stock, par value \$500; 800,000 shares authorized; 636,000 shares issued and outstanding in 1999 and 1998	318,790	318,790
Retained earnings	214,978	203,931
Accumulated other comprehensive loss	(71,057)	(111,191)
	-----	-----
Total stockholders' equity	462,711	411,530
	-----	-----
TOTAL	\$ 713,148	\$ 747,026
	=====	=====

</TABLE>

See accompanying notes.

13

<TABLE>
<CAPTION>
FUJITSU AMD SEMICONDUCTOR LIMITED

STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE YEARS ENDED MARCH 31, 1999

(Thousands except share amounts)

	Common Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Number of Shares	Amount			
<S>	<C>	<C>	<C>	<C>	<C>
March 31, 1996 (Unaudited)	636,000	\$318,790	\$ 76,273	\$ (26,661)	\$368,402
Comprehensive income (loss)					
Net income	-	-	52,272	-	52,272
Other comprehensive loss:					
Net change in accumulated translation adjustments	-	-	-	(56,769)	(56,769)
Total other comprehensive loss					(56,769)
Total comprehensive loss					(4,497)
March 31, 1997	636,000	318,790	128,545	(83,430)	363,905
Comprehensive income (loss)					
Net income	-	-	75,386	-	75,386
Other comprehensive loss:					
Net change in accumulated translation adjustments	-	-	-	(27,761)	(27,761)
Total other comprehensive loss					(27,761)
Total comprehensive income					47,625
March 31, 1998	636,000	318,790	203,931	(111,191)	411,530

Comprehensive income (loss)					
Net income	-	-	11,047	-	11,047
Other comprehensive income:					
Net change in accumulated translation adjustments	-	-	-	40,134	40,134
Total other comprehensive income					40,134
Total comprehensive income					51,181

March 31, 1999 636,000 \$318,790 \$214,978 \$ (71,057) \$462,711
</TABLE>

See accompanying notes.

14

FUJITSU AMD SEMICONDUCTOR LIMITED

STATEMENTS OF CASH FLOWS
FOR THE THREE YEARS ENDED MARCH 31, 1999

(Thousands)

<TABLE>
<CAPTION>

	1999	1998	1997
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net income	\$ 11,047	\$ 75,386	\$ 52,272
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	181,415	146,637	117,287
Net loss on disposal of property, plant and equipment	179	433	-
Changes in operating assets and liabilities:			
Net decrease (increase) in receivables, inventories, prepaid expenses and other assets	7,593	(65,570)	32,268
Net (decrease) increase in deferred income tax liabilities	(7,928)	11,719	12,668
(Decrease) Increase in income taxes payable	(32,842)	3,893	12,813
Net (decrease) increase in payables and accrued liabilities	(79,872)	90,721	(152,059)
Net cash provided by operating activities	79,592	263,219	75,249
Cash flows from investing activities:			
Purchase of property, plant and equipment	(101,964)	(303,834)	(233,817)
Proceeds from sale of property, plant and equipment	85	702	-
Net cash used for investing activities	(101,879)	(303,132)	(233,817)
Cash flows from financing activities:			
Proceeds from borrowings	384,884	242,368	92,791
Payments on debt	(374,384)	(194,221)	(44,758)
Net cash provided by financing activities	10,500	48,147	48,033
Net (decrease) increase in cash	(11,787)	8,234	(110,535)
Net effect of exchange rate changes on cash	342	(848)	(4,919)
Cash at beginning of year	11,453	4,067	119,521
Cash at end of year	\$ 8	\$ 11,453	\$ 4,067
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest	\$ 1,910	\$ 881	\$ 322
Income taxes	\$ 32,608	\$ 47,225	\$ 27,034

</TABLE>

See accompanying notes.

15

FUJITSU AMD SEMICONDUCTOR LIMITED
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

In 1993, Advanced Micro Devices (AMD) and Fujitsu Limited (Fujitsu) formed a joint venture, Fujitsu AMD Semiconductor Limited (FASL or the Company), for the development and manufacture of non-volatile memory devices. Through FASL, the two companies have constructed and are operating an advanced integrated circuit (IC) manufacturing facility in Aizu-Wakamatsu, Japan, to produce Flash memory devices. AMD has a 49.992% interest in FASL, and Fujitsu has the remaining interest.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FISCAL YEAR. The Company's fiscal year ends March 31.

ACCOUNTING PRINCIPLES. The accounting records of the Company are maintained in accordance with accounting practices prevailing in Japan. The accompanying financial statements, however, include adjustments that have not been recorded in the legal books of account of the Company but are necessary to conform to generally accepted accounting principles in the United States of America (U.S. GAAP). These adjustments consist principally of depreciation under a different method and its impact on the valuation of inventories, provision of deferred income taxes, and adjustments stemming from the translation of the Company's financial statements into the U.S. dollar for reporting purposes.

CASH EQUIVALENTS. Cash equivalents consist of financial instruments which are readily convertible into cash and have original maturities of three months or less at the time of acquisition.

FOREIGN CURRENCY TRANSLATION. The functional currency of the Company is the Japanese yen. Financial statements are translated into the U.S. dollar using the exchange rate at each balance sheet date for assets and liabilities and a weighted-average exchange rate for each period for income statement items. Translation adjustments are recorded as a separate component of stockholders' equity in the U.S. dollar financial statements.

REVENUE RECOGNITION. Revenue is recognized from sales when products are shipped to the customer.

INVENTORIES. Inventories are stated at the lower of actual cost (average method) or market (net realizable value).

PROPERTY, PLANT AND EQUIPMENT. Property, plant and equipment is stated at cost. Depreciation for U.S. GAAP purposes is provided on the straight-line basis over the estimated useful lives of the assets for financial reporting purposes and on accelerated methods for tax purposes. Estimated useful lives for financial reporting purposes are as follows: machinery and equipment 3 to 5 years; buildings up to 26 years.

NET INCOME PER COMMON SHARE. Net income per share has been computed using the weighted-average common shares outstanding. The Company has no potentially dilutive securities.

16

FUJITSU AMD SEMICONDUCTOR LIMITED NOTES TO FINANCIAL STATEMENTS

RECENT ACCOUNTING PRONOUNCEMENTS. In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 (SFAS 133), "Accounting for Derivative Instruments and Hedging Activities." SFAS 133 is required to be adopted for fiscal years beginning after June 15, 2000. This Statement will require recognition of all derivatives on the balance sheet at fair value and the changes in fair value will be recognized through earnings or other comprehensive income, depending on the nature of the derivatives. The Company does not have any derivative instruments; therefore, SFAS 133 will have no impact on the Company's financial position, results of operation or cash flows.

USE OF ESTIMATES. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results inevitably will differ from those estimates, and such differences may be material to the financial statements.

FINANCIAL PRESENTATION. The Company has reclassified certain prior year amounts on the financial statements to conform to the current year presentation.

3. RELATED PARTY TRANSACTIONS

The Company is 100 percent owned by AMD and Fujitsu, with AMD having a 49.992% interest, and Fujitsu having the remaining interest. Under the terms of the joint venture agreement, FASL production is allocated nearly equally between AMD and Fujitsu. All of the Company's accounts receivable and sales as of and for the years ended March 31, 1999, 1998 and 1997 were with these related parties.

FASL made purchases from AMD, Fujitsu and Fujitsu's subsidiaries totaling \$49 million, \$62 million and \$46 million in 1999, 1998, and 1997, respectively. At March 31, 1999 and 1998, FASL owed AMD, Fujitsu and Fujitsu's subsidiaries approximately \$142 million and \$125 million, respectively, which consisted of loan, trade and royalty payables.

The Company has an agreement with Fujitsu Capital Limited (FCAP), a wholly owned subsidiary of Fujitsu, to provide financing to FASL at lower interest rates than banks. Had the Company obtained financing from a lender other than FCAP, the additional interest expense would have been immaterial. FASL completed construction of the building for a second Flash memory device wafer fabrication facility, FASL II, in the third quarter of 1997 at a site contiguous to the existing FASL facility in Aizu-Wakamatsu, Japan. Equipment installation is in progress and the facility, including equipment, the completion of which is anticipated in the second quarter of 2000, is expected to cost approximately \$1 billion. Approximately \$368 million of such cost has been funded as of March 31, 1999. Capital expenditures for FASL II construction to date have been funded by cash generated from FASL operations and borrowings by FASL. However, to the extent that FASL is unable to secure the necessary funds for FASL II, AMD and Fujitsu may be required to contribute cash or guarantee third-party loans in proportion to their respective interests in FASL. At March 31, 1999, AMD and Fujitsu had loan guarantees outstanding totaling \$114 million with respect to such loans. The planned FASL II costs are denominated in yen and are therefore subject to change due to foreign exchange rate fluctuations.

17

FUJITSU AMD SEMICONDUCTOR LIMITED
NOTES TO FINANCIAL STATEMENTS

The Company has a severance benefit package for employees formerly employed by Fujitsu. FASL accrues the Company's share of severance benefits at year-end in an amount to be settled with Fujitsu if the eligible employee terminates their service with FASL and returns to Fujitsu or another Fujitsu group company.

4. COMPREHENSIVE LOSS

In 1998, the Company adopted Statement of Financial Accounting Standards No. 130 (SFAS 130), "Reporting Comprehensive Income." SFAS 130 establishes new rules for the reporting and display of comprehensive loss and its components; however, the adoption of this statement had no impact on the net income or stockholders' equity. SFAS 130 requires unrealized gains or losses on available-for-sale securities and the foreign currency translation adjustments, which prior to adoption were reported separately in stockholders' equity, to be included in other comprehensive loss. Prior year financial statements have been reclassified to conform to the requirements of SFAS 130.

As of March 31, 1999 and 1998 components of accumulated other comprehensive loss, consisting only of cumulative translation adjustments, were \$71,057,000 and \$111,191,000 respectively.

5. INCOME TAXES

Provision for income taxes consists of:

<TABLE>
<CAPTION>

(Thousands)	1999	1998	1997
<S>	<C>	<C>	<C>
Current:			
Foreign National	\$ (226)	\$33,935	\$27,415
Foreign Local	(117)	17,248	13,841
Deferred:			
Foreign National and Local	(5,909)	11,719	12,594
(Benefit) Provision for income taxes	\$ (6,252)	\$62,902	\$53,850

</TABLE>

Significant components of the Company's deferred tax assets and liabilities as of March 31, 1999 and 1998 are as follows:

18

FUJITSU AMD SEMICONDUCTOR LIMITED
NOTES TO FINANCIAL STATEMENTS

<TABLE>
<CAPTION>

(Thousands)	1999	1998
-------------	------	------

<u><S></u>	<u><C></u>	<u><C></u>
Deferred tax assets:		
Inventory reserves	\$ -	\$ 2,672
Tax loss carryforward	5,682	-
Accrued expenses not currently deductible	2,265	5,995
	-----	-----
Total deferred tax assets	7,947	8,667
	-----	-----
Deferred tax liabilities:		
Depreciation	(65,749)	(63,967)
Sales reserves	(6,752)	(9,553)
Inventory reserves	(50)	-
Other	(174)	-
	-----	-----
Total deferred tax liabilities	(72,725)	(73,520)
	-----	-----
Net deferred tax liabilities	\$ (64,778)	\$ (64,853)
	=====	=====

</TABLE>

The following is a reconciliation between statutory Japanese income taxes and the total provision for income taxes:

<u><TABLE></u>	<u>1999</u>		<u>1998</u>		<u>1997</u>	
<u><CAPTION></u>	<u>Tax</u>	<u>Rate</u>	<u>Tax</u>	<u>Rate</u>	<u>Tax</u>	<u>Rate</u>
(Thousands except percent)						
<S>	<u><C></u>	<u><C></u>	<u><C></u>	<u><C></u>	<u><C></u>	<u><C></u>
Statutory income tax provision	\$ 2,238	46.7 %	\$69,700	50.4 %	\$53,492	50.4
%						
Permanent book/tax differences	(55)	(1.1)	49	0.0	(36)	(0.0)
Inhabitant tax per capita	31	0.6	33	0.0	36	0.0
Effect of tax rate change	(8,131)	(169.6)%	(5,533)	(4.0)	0	0.0
Other	(335)	(7.0)	(1,347)	(0.9)	358	0.3
	-----	-----	-----	-----	-----	-----
%	\$ (6,252)	(130.4)%	\$62,902	45.5 %	\$53,850	50.7
	=====	=====	=====	=====	=====	=====

</TABLE>

6. SEGMENT REPORTING

In June 1997, the Financial Accounting Standards Board issued the Statement of Financial Accounting Standards No. 131 (SFAS 131), "Disclosures about Segments of an Enterprise and Related Information," which the Company has adopted in the current year. As required by SFAS 131, the Company has determined it has only one principle business and one reportable segment: non-volatile memory devices. FASL derives all of its revenues from sales of only one product, Flash memory devices, and is not organized by multiple operating segments for the purposes of making operating decision or assessing performance. Accordingly, the Company operates in one reportable segment.

The Company derives revenues from its sales to AMD and Fujitsu. All long-lived assets are located in Japan.

19

FUJITSU AMD SEMICONDUCTOR LIMITED
NOTES TO FINANCIAL STATEMENTS

7. COMMITMENTS

At March 31, 1999, the Company had commitments of approximately \$24 million for the purchase and installation of equipment in FASL facilities.

The Company leases the land from Fujitsu under an agreement that expires May 31, 2023. The lease fee is revised every three years based on the fair market value of the land. In addition, certain manufacturing equipment is used under operating lease contracts. For each of the next five years and beyond, lease obligations are:

<TABLE>
<CAPTION>

(Thousands)	
Years ending March 31:	Leases
<S>	<C>
2000	\$ 5,840
2001	5,209
2002	846
2003	398
2004	398
2005 and thereafter	7,657

Total	\$20,348
	=====

</TABLE>

Rent expense was \$5,402,000, \$1,151,000 and \$573,000 in 1999, 1998 and 1997, respectively.

8. RETAINED EARNINGS

The amount of retained earnings available for dividends under the Commercial Code in Japan is based on the amount recorded in the Company's books maintained in accordance with Japanese accounting practices. The adjustments included in the accompanying financial statements but not recorded in the books as explained in Note 2 have no effect on the determination of retained earnings available for dividends under the Commercial Code in Japan.

9. SUBSEQUENT EVENT

In June 1999, a new transfer price agreement, which includes the basis for determining the unit selling price, was approved by the Board of Directors. Under the old transfer price agreement, the unit selling price was calculated based on a percentage of AMD's ultimate average selling price at a predetermined, nonnegotiable exchange rate. Under the new transfer price agreement, the unit selling price is calculated using approximately 106 percent of cost of sales based on the Commercial Code in Japan. Under the Commercial Code in Japan, property, plant and equipment are depreciated using the declining balance method. The change is effectively applied to the unit selling price of products shipped on and after April 1, 1999.

20

Report of Independent Auditors

The Board of Directors and Stockholders
Fujitsu AMD Semiconductor Limited

We have audited the accompanying balance sheets of Fujitsu AMD Semiconductor Limited as of March 31, 1999 and 1998, and the related statements of income, stockholders' equity and cash flows for each of the three years in the period ended March 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

We have also reported separately on the financial statements of Fujitsu AMD Semiconductor Limited for the same years prepared in accordance with accounting principles generally accepted in Japan.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fujitsu AMD Semiconductor Limited at March 31, 1999 and 1998, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 1999, in conformity with accounting principles generally accepted in the United States of America.

/s/ Ernst & Young

Tokyo, Japan
September 17, 1999

21

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ADVANCED MICRO DEVICES, INC.

September 22, 1999

By: /s/ Francis P. Barton

Francis P. Barton
Senior Vice President,
Chief Financial Officer