

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): October 6, 1999

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

DELAWARE ----- (State or other jurisdiction of incorporation)	1-7882 ----- (Commission File Number)	94-1692300 ----- (I.R.S. Employer Identification No.)
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One AMD Place, P.O. Box 3453 Sunnyvale, California ----- (Address of principal executive offices)	94088-3453 ----- (Zip Code)
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Registrant's telephone number, including area code:	(408) 732-2400 -----
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Page 1 of 4

Item 5. Other Events.  
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On October 6, 1999, Advanced Micro Devices, Inc. reported sales of \$662,192,000 and net loss of \$105,545,000, or \$0.72 per share, for the third quarter ended September 26, 1999. The full text of the press release is set forth in Exhibit 99.1 attached hereto and is incorporated in this report as if fully set forth herein.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.  
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(c) Exhibits

99.1 Press release dated October 6, 1999.

2

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

ADVANCED MICRO DEVICES, INC.

Dated: October 7, 1999

By: /s/ Francis P. Barton  
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Francis P. Barton  
Senior Vice President, Chief Financial  
Officer

3

Exhibit Index  
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Exhibit Number	Exhibit
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99.1	Press release dated October 6, 1999.
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[AMD LETTERHEAD]

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AMD REPORTS THIRD QUARTER RESULTS

SUNNYVALE, CA--OCTOBER 6, 1999--AMD today reported sales of \$662,192,000 and a net loss of \$105,545,000, or \$0.72 per share, for the third quarter, ended September 26, 1999.

Led by increased sales of AMD Athlon (TM) processors and flash memory products, sales increased by 11 percent from the immediate-prior quarter, while declining by 3 percent from the third quarter of 1998. Results from the immediate-prior quarter and the third quarter of 1998 include sales of Vantis Corporation, the AMD programmable logic subsidiary that was sold during the second quarter of 1999. Sales for AMD continuing product groups - the Computation Products Group, Communications Group, and Memory Group - were up 16 percent from the immediate-prior quarter, while up 1 percent from the third quarter of 1998.

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2

In the immediate-prior quarter, AMD reported sales of \$595,109,000 and net income of \$79,896,000, or \$0.53 per diluted share. The company's second-quarter results reflected an operating loss of \$172,542,000, a one-time after-tax gain of \$259,236,000 from the sale of the Vantis, and restructuring and other special charges of \$17,514,000. Excluding the one-time gain and the restructuring and other special charges, results would have been a net loss of \$161,826,000, or \$1.10 per share for the quarter ended June 27, 1999.

In the third quarter of 1998, AMD reported sales of \$685,927,000, which resulted in net income of \$1,006,000, or \$0.01 per diluted share.

For the first nine months of 1999, AMD reported total sales of \$1,888,894,000, which resulted in a net loss of \$154,016,000, or \$1.05 per share. In the first nine months of 1998, AMD reported total sales of \$1,753,321,000, and a net loss of \$126,281,000, or \$0.88 per share.

"Sharply higher sales of flash memories and sales of AMD Athlon processors at higher margins than those experienced on AMD-K6(R) family processors combined to boost revenues smartly and cut our operating loss by more than \$70 million compared to the immediate-prior quarter," said W.J. Sanders III, chairman and chief executive officer.

"Flash memory sales grew by 28 percent over the immediate-prior quarter. Flash memory demand is very strong and continues to outstrip our ability to supply, even as we increase production capacity.

"Unit sales of Microsoft Windows compatible processors grew by more than 20 percent over the immediate-prior quarter to more than 4.5 million units," Sanders continued.

"Limited AMD Athlon motherboard availability during the third quarter was exacerbated by the Taiwan earthquake on September 21, which shut off motherboard shipments in the final week of our quarter. In spite of this, unit sales of AMD Athlon processors attained the hundreds of thousands level.

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3

"Demand for AMD Athlon processors from both our OEM customers and end-users has been very strong. Technical reviews have been outstanding, reflecting the clear superiority of the AMD Athlon processor over the Intel Pentium III processor on all important and relevant benchmarks. With this week's introduction of the 700-MHz AMD Athlon processor, AMD continues to set the performance standard for Microsoft Windows PCs.

"Our operational performance last quarter was excellent. Accordingly, we are highly confident that we can produce more than one million AMD Athlon processors in the current quarter. In the face of strong demand, unit sales are expected to be gated by infrastructure support limitations resulting from the continuing effects of the Taiwan earthquake. The most critical items are the motherboards themselves and the components that populate them. Based on all of the currently available information, we believe we still have a good chance of achieving our pre-earthquake goal of cumulative sales of one million AMD Athlon processors by year-end," Sanders concluded.

Cautionary Statement

This release contains forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally preceded by words such as "plans," "expects," "believes," "anticipates" or "intends." Investors are cautioned that all forward-looking statements in this release involve risks and uncertainty that could cause actual results to differ materially from current expectations. Forward-looking statements in this release involve the risk that third parties may not provide infrastructure solutions to support the AMD Athlon processor in a timely manner to allow the company to meet its unit sales goals, that infrastructure support limitations resulting from the continuing effects of the Taiwan earthquake will worsen, that the company will not be able to produce the AMD Athlon processor in the volume necessary to meet its goals, that the AMD Athlon will not achieve customer and market acceptance; and, that demand for flash memory products will not continue at current or greater levels. We urge investors to review in detail the risks and uncertainties in the company's Securities and Exchange Commission filings.

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About AMD

AMD is a global supplier of integrated circuits for the personal and networked computer and communications markets. AMD produces microprocessors, flash memories, and integrated circuits for communications and networking applications. Founded in 1969 and based in Sunnyvale, California, AMD had revenues of \$2.5 billion in 1998. (NYSE:AMD).

--30--

Visit AMD on the Web: Additional press releases and information about AMD and its products are available at [www.amd.com](http://www.amd.com).

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

<TABLE>  
 <CAPTION>

	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)	
	Sept. 26, 1999	June 27, 1999	Sept. 27, 1998	Sept. 26, 1999	Sept. 1998
<S> Net sales 1,753,321	<C> \$ 662,192	<C> \$ 595,109	<C> \$ 685,927	<C> \$1,888,894	<C> \$
Cost of sales 1,236,716	474,119	458,339	422,985	1,382,889	
Research and development 410,943	157,626	167,278	143,665	484,850	
Marketing, general and					

administrative 299,180	129,437	124,520	109,768	381,267	
Restructuring and other special charges	-	17,514	-	32,530	
-----					
	761,182	767,651	676,418	2,281,536	
-----					
Operating income (loss) (193,518)	(98,990)	(172,542)	9,509	(392,642)	
Gain on sale of Vantis	-	432,059	-	432,059	
Litigation settlement (11,500)	-	-	-	-	
Interest income and other, net 24,170	6,757	7,252	10,071	24,777	
Interest expense (51,317)	(18,033)	(18,087)	(21,182)	(56,883)	
-----					
Income (loss) before income taxes and equity in joint venture (232,165)	(110,266)	248,682	(1,602)	7,311	
Provision (benefit) for income taxes (91,742)	-	172,823	(635)	167,350	
-----					
Income (loss) before equity in joint venture (140,423)	(110,266)	75,859	(967)	(160,039)	
Equity in net income of joint venture 14,142	4,721	4,037	1,973	6,023	
-----					
Net income (loss) (126,281)	\$ (105,545)	\$ 79,896	\$ 1,006	\$ (154,016)	\$
-----					
Net income (loss) per common share					
- - Basic (0.88)	\$ (0.72)	\$ 0.54	\$ 0.01	\$ (1.05)	\$
- - Diluted (0.88)	\$ (0.72)	\$ 0.53	\$ 0.01	\$ (1.05)	\$
-----					
Shares used in per share calculation					
- - Basic 143,249	147,388	146,947	143,915	146,748	
- - Diluted 143,249	147,388	149,540	146,642	146,748	
-----					

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)

<TABLE>  
<CAPTION>

	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)	
	Sept. 26, 1999	June 27, 1999	Sept. 27, 1998	Sept. 26, 1999	Sept. 1998
Net sales 1,753,321	\$ 662,192	\$ 595,109	\$ 685,927	\$ 1,888,894	\$

Cost of sales	474,119	458,339	422,985	1,382,889	
1,236,716					
Income from equity investment in FASL	(8,098)	(6,869)	(4,487)	(10,332)	
(27,891)					
Research and development	157,626	167,278	143,665	484,850	
410,943					
Marketing, general and administrative	129,437	124,520	109,768	381,267	
299,180					
Restructuring and other special charges	-	17,514	-	32,530	
-					
-----					
	753,084	760,782	671,931	2,271,204	
1,918,948					
-----					
Operating income (loss)	(90,892)	(165,673)	13,996	(382,310)	
(165,627)					
Gain on sale of Vantis	-	432,059	-	432,059	
-					
Litigation settlement	-	-	-	-	
(11,500)					
Interest income and other, net	6,757	7,252	10,071	24,777	
24,170					
Interest expense	(18,033)	(18,087)	(21,182)	(56,883)	
(51,317)					
-----					
Income (loss) before income taxes	(102,168)	255,551	2,885	17,643	
(204,274)					
Provision (benefit) for income taxes	-	172,823	(635)	167,350	
(91,742)					
Provision for taxes on					
equity income in FASL	3,377	2,832	2,514	4,309	
13,749					
-----					
Net income (loss)	\$ (105,545)	\$ 79,896	\$ 1,006	\$ (154,016)	\$
(126,281)					
-----					
Net income (loss) per common share					
- - Basic	\$ (0.72)	\$ 0.54	\$ 0.01	\$ (1.05)	\$
(0.88)					
- - Diluted	\$ (0.72)	\$ 0.53	\$ 0.01	\$ (1.05)	\$
(0.88)					
-----					
Shares used in per share					
calculation					
- - Basic	147,388	146,947	143,915	146,748	
143,249					
- - Diluted	147,388	149,540	146,642	146,748	
143,249					

</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.

Advanced Micro Devices, Inc.  
CONSOLIDATED BALANCE SHEETS\*  
(Thousands)

<TABLE>  
<CAPTION>

	Sept. 26, 1999	Dec. 27, 1998
<S>	<C>	<C>
Assets		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 377,035	\$ 697,025
Accounts receivable, net	382,478	415,557
Inventories	234,110	175,075
Deferred income taxes	49,827	205,959
Prepaid expenses and other current assets	117,331	68,411

Total current assets	1,160,781	1,562,027
Property, plant and equipment, net	2,569,115	2,268,468
Investment in joint venture	271,896	236,820
Other assets	177,015	185,653
	\$ 4,178,807	\$ 4,252,968
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities:</b>		
Notes payable to banks	\$ 4,778	\$ 6,017
Accounts payable	318,126	333,975
Accrued compensation and benefits	90,386	80,334
Accrued liabilities	208,248	168,280
Income tax payable	9,526	22,026
Deferred income on shipments to distributors	77,698	84,523
Current portion of long-term debt, capital lease obligations and other	44,691	145,564
Total current liabilities	753,453	840,719
Deferred income taxes	58,037	34,784
Long-term debt, capital lease obligations and other, less current portion	1,448,552	1,372,416
<b>Stockholders' equity:</b>		
<b>Capital stock:</b>		
Common stock, par value	1,490	1,465
Capital in excess of par value	1,109,072	1,071,591
Retained earnings	808,155	962,171
Accumulated other comprehensive income (loss)	48	(30,178)
Total stockholders' equity	1,918,765	2,005,049
	\$ 4,178,807	\$ 4,252,968

</TABLE>

\* Amounts as of September 26, 1999 are unaudited. Amounts as of December 27, 1998 are derived from the December 27, 1998 audited financial statements.

AMD  
Selected Corporate Data  
(Unaudited)

Segment Breakdown	Q3 '99 % of Sales	Q3 '99 Revenue	Q2 '99 % of Sales	Q2 '99 Revenue	Q3 '98 % of Sales	Q3 '98 Revenue
AMD segment:	<C>	<C>	<C>	<C>	<C>	<C>
Computation Products Group	55	\$ 368M	53	\$ 317M	64	\$ 437M
Memory Group	31	206M	28	166M	19	129M
Communications Group	11	70M	12	70M	10	70M
Other	3	18M	0	2M	0	0M
Vantis segment:						
Vantis	0	0	7	40M	7	50M

Other Data	Q3 '99	Q2 '99	Q3 '98
Depreciation and Amortization	\$130M	\$128M	\$117M
Capital Additions	146M	148M	321M
Headcount	13,244	13,467	13,384
International Sales	63%	58%	52%