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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE TO**

(Rule 13e-4)

**TENDER OFFER STATEMENT UNDER SECTION 14(D)(1) OR 13(E)(1)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**Advanced Micro Devices, Inc.**

(Name of Subject Company (Issuer) and Filing Person (Offeror))

**Options to Purchase Common Stock, \$0.01 par value**  
(Title of Class of Securities)

**007903107**

(CUSIP Number of Class of Securities (Underlying Common Stock))

**Harry A. Wolin**

**Senior Vice President, General Counsel and Assistant Secretary**

**Advanced Micro Devices, Inc.**

**One AMD Place**

**Sunnyvale, California 94088**

**(408) 749-4000**

(Name, Address, and Telephone Number of Person Authorized  
to Receive Notices and Communications on Behalf of Filing Person)

**Copies to:**

**Christopher L. Kaufman, Esq.**

**Tad J. Freese, Esq.**

**Latham & Watkins LLP**

**140 Scott Drive**

**Menlo Park, California 94025**

**(650) 328-4600**

**Calculation of Filing Fee**

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**Transaction valuation\***

N/A\*

**Amount of filing fee**

N/A\*

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- \* A filing fee is not required in connection with this filing as it relates solely to preliminary communications made before the commencement of a tender offer.
- Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
- |                           |     |
|---------------------------|-----|
| Amount Previously Paid:   | N/A |
| Form or Registration No.: | N/A |
| Filing Party:             | N/A |
| Date Filed:               | N/A |

- Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third party tender offer subject to Rule 14d-1.  
 issuer tender offer subject to Rule 13e-4.  
 going-private transaction subject to Rule 13e-3.  
 amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

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On May 7, 2009, the stockholders of Advanced Micro Devices, Inc. (the "Company") approved a one-time option exchange program (the "Option Exchange Program") pursuant to which employees of the Company (excluding executive officers and directors) who hold certain options to purchase shares of the Company's common stock (such options, "eligible options") will be given the opportunity to exchange such eligible options for replacement options. The attached written communication (the "Exhibits") were disseminated by the Company on June 15, 2009 in connection with the proposed Option Exchange Program. None of the communications attached as exhibits to this Schedule TO constitute an offer to holders of the Company's outstanding stock options to exchange those options. Even though the requisite stockholder approval has been obtained, the Compensation Committee of the Board of Directors of the Company has the discretion to determine if and when to implement the Option Exchange Program.

*The Option Exchange Program has not yet commenced. The Company will file a Tender Offer Statement on Schedule TO with the Securities and Exchange Commission, or SEC, upon the commencement of the Option Exchange Program. Persons who are eligible to participate in the Option Exchange Program should read the Tender Offer Statement on Schedule TO and other related materials when those materials become available because they will contain important information about the Option Exchange Program.*

*The Company's stockholders and option holders will be able to obtain the written materials described above and other documents filed by the Company with the SEC free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov). In addition, stockholders and option holders may obtain free copies of the documents filed by the Company with the SEC by directing a written request to: Advanced Micro Devices, Inc., One AMD Place, Sunnyvale, California 94088, Attention: Investor Relations.*

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**Item 12. Exhibits.**

<u>Exhibit Number</u>	<u>Description</u>
99.1	Communication from Matt Martin, AMD's Vice President, Compensation and Benefits, to eligible AMD employees regarding the Stock Option Exchange Program, dated June 15, 2009.
99.2	Stock Option Exchange Program Questions and Answers, dated June 15, 2009.
99.3	Stock Option Exchange Program Communication Schedule, dated June 15, 2009.

To: (Eligible Employees)  
 From: Matt Martin, Vice President, Compensation and Benefits  
 Date: June 15, 2009  
 Subject: Stock Option Exchange Program

On May 7 our stockholders approved a proposal allowing AMD to conduct a one-time exchange of eligible stock options. We anticipate that you will be eligible to participate in the stock option exchange. Please review the key points below to learn more about the stock option exchange program.

#### **Stock Option Exchange Program**

- **The opportunity** – A stock option exchange is a one-time, voluntary opportunity for eligible employees (approximately 3,800 current employees who hold underwater stock options, excluding executive officers and members of the Board of Directors) to exchange select underwater stock options (see Q&A or proxy for details) for a lesser number of at-the-money stock options.
- **Minimum exercise price and exchange ratios** – The information in our proxy statement is based on data as of January 2009. The minimum stock option exercise price and the exchange ratios will change before any option exchange program begins, reflecting the then-current stock price. These details will be communicated to you when we launch the stock option exchange.
- **Timing** – It is anticipated that the option exchange program could begin as early as late June. However, the decision to proceed, and the timing, will be at the discretion of the Compensation Committee of the Board of Directors.
- **Additional information** – You will receive a follow-up email with important information once we launch the stock option exchange.
  - o At that time you will have access to an updated Q&A and a pre-recorded webcast to learn more about the stock option exchange.
  - o In early July, a series of global online sessions, and in-person meetings in Austin, Boxborough, Markham and Sunnyvale, will be held to review the program details and take questions. The schedule is available [here](#).
- **Questions** – Answers to questions about the option exchange can be found in the Q&A and the proxy statement on file with the Securities and Exchange Commission. You will receive additional information once we launch the stock option exchange. Should you have questions in the meantime, please contact Brian Wode at [brian.wode@amd.com](mailto:brian.wode@amd.com).
- **Expect to be out of the office?** If you expect to be out of the office for four weeks or more, beginning as early as late June, please contact the Stock Administration Team at [HRSC.StockAdministration@amd.com](mailto:HRSC.StockAdministration@amd.com), so we can provide you with the information that will permit you to have an opportunity to consider participation in the stock option exchange.

#### **Key legal disclosure**

**The option exchange described in this email has not yet commenced. AMD will file a Tender Offer Statement on Schedule TO with the Securities and Exchange Commission, or SEC, upon the commencement of the option exchange. Persons who are eligible to participate in the option exchange should read the Tender Offer Statement on Schedule TO and other related materials when those materials become available, because they will contain important information about the option exchange.**

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**AMD stockholders and option holders will be able to obtain the written materials described above and other documents filed by AMD with the SEC free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov). In addition, stockholders and option holders may obtain free copies of the documents filed by AMD with the SEC by directing a written request to: Advanced Micro Devices, Inc., One AMD Place, Sunnyvale, California 94088, Attention: Investor Relations.**

**Stock Option Exchange Questions and Answers**

June 15, 2009

Overview – On May 7, 2009 stockholders approved a proposal to allow AMD to conduct a one-time exchange of stock options held by eligible employees (excluding executive officers and members of the Board of Directors) with an exercise price greater than the 52-week high stock price (other than options granted within the 12-month period preceding the commencement date of the exchange offer and options with expiration dates prior to the first vesting date of the replacement options), in exchange for a lesser number of options in accordance with a specified exchange ratio. The proposal allows the Compensation Committee of the Board of Directors to authorize initiating the stock option exchange within six months of stockholder approval.

**Q: Why are we doing this?**

A: To allow employees the opportunity to exchange options granted above a certain price for a lesser number of options granted at the then current market price.

**Q: How will the eligible options be determined?**

A: Any options that were granted more than 12 months prior to the commencement date of the exchange offer, with an exercise price above the 52-week high of AMD's stock price will be eligible and with expiration dates after the first vesting date of the replacement options.

**Q: When will the offer to exchange options occur?**

A: We anticipate the offer to occur within six months of May 7, 2009, the date stockholders approved the exchange program.

**Q: How is the exchange ratio determined?**

A: The actual exchange ratio will be determined prior to and near the commencement of the exchange offer and is dependent upon AMD's stock price at such time, among other factors.

**Q: At what price will the replacement options be granted?**

A: The surrendered options will be cancelled on the expiration date of the exchange offer. The new options will be granted on the date of cancellation of the old options and such new options will have an exercise price equal to the fair market value of our common stock on the date of the new grant.

**Q: Do I have to participate?**

A: No, participation is strictly voluntary.

**Q: I don't hold any AMD options, but I do have RSUs. Can I participate?**

A: No, only stock options are eligible for the exchange.

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**Q: Are options with stock appreciation rights (commonly referred to as tandem SARs) eligible for exchange?**

**A:** Yes.

**Q: Will all AMD employees be eligible?**

**A:** Executive officers are excluded from participation in the option exchange. All other AMD employees at the time of the exchange will be eligible.

**Q: I understand that we currently grant stock options to the Vice President level and above. Does this program only benefit them?**

**A:** No. In fact, the majority of options that are eligible are granted to employees below the Vice President level. Furthermore, we expect that approximately 3,800 individual employees will be eligible to participate in the stock option exchange offer. Note that both AMD and the former ATI granted options to a relatively broad population until recently.

**Q: When will I receive more information?**

**A:** Eligible employees will receive more information when the stock option exchange offer is launched, including an updated description of which stock options are eligible for exchange, timing considerations and the exchange process.

**Key legal disclosure**

The option exchange described in this Q&A has not yet commenced. AMD will file a Tender Offer Statement on Schedule TO with the Securities and Exchange Commission, or SEC, upon the commencement of the option exchange. Persons who are eligible to participate in the option exchange should read the Tender Offer Statement on Schedule TO and other related materials when those materials become available, because they will contain important information about the option exchange.

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**Stock Option Exchange Communication Schedule**  
June 15, 2009

Monday	Tuesday	Wednesday	Thursday	Friday
June 29	June 30	July 1	July 2	July 3
		<b>APAC/GC Live Meeting*:</b> <ul style="list-style-type: none"> <li>• 11:00 am SGT</li> </ul> <b>EMEA Live Meeting*:</b> <ul style="list-style-type: none"> <li>• 4:00 pm CEST</li> </ul>	<b>APAC/GC Live Meeting*:</b> <ul style="list-style-type: none"> <li>• 2:00 pm SGT</li> </ul>	
July 6	July 7	July 8	July 9	July 10
<b>Austin</b> on-site sessions: <ul style="list-style-type: none"> <li>• 9:00 am CDT</li> <li>• 11:00 am CDT</li> </ul> B500 Multipurpose Room	<b>Boxborough</b> on-site sessions: <ul style="list-style-type: none"> <li>• 10:30 am EDT</li> <li>• 2:00 pm EDT</li> </ul> <b>Austin</b> on-site sessions: <ul style="list-style-type: none"> <li>• 10:00 am CDT</li> <li>• 1:00 pm CDT</li> </ul> B500 Multipurpose Room	<b>Markham</b> on-site sessions: <ul style="list-style-type: none"> <li>• 9:00 am EDT</li> <li>• 3:00 pm EDT</li> </ul> Chez Array	<b>Markham</b> on-site session: <ul style="list-style-type: none"> <li>• 9:00 am EDT</li> </ul> Chez Array  <b>Sunnyvale</b> on-site sessions: <ul style="list-style-type: none"> <li>• 10:00 am PDT</li> <li>• 1:00 pm PDT</li> <li>• 3:00 pm PDT</li> </ul> Commons Auditorium	<b>Austin</b> on-site session: <ul style="list-style-type: none"> <li>• 10:30 am CDT</li> </ul> B500 Multipurpose Room
July 13	July 14	July 15	July 16	July 17
<b>Americas</b> Live Meetings*: <ul style="list-style-type: none"> <li>• 10:00 am CDT</li> <li>• 2:00 pm CDT</li> </ul>				
<p><i>*Live Meeting access details to be communicated late June</i></p> <p><i>If you have not already installed Live Meeting, please visit <a href="#">myITSelfHelp</a> in advance of the meetings.</i></p>				

**Key legal disclosure**

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