

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (date of earliest event reported): July 10, 1996

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.)
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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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Item 5. Other Events.

On July 10, 1996, Advanced Micro Devices, Inc. (the "Company") announced its second quarter revenues. The Company reported a net loss of \$34,672,000 on sales of \$455,077,000. The loss amounted to \$0.26 per common share on a fully diluted basis. The results include a non-recurring pre-tax gain of \$16.3 million resulting from a sale of securities. 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.

During the second quarter, the Company produced more than 500,000 of its AMD-K5(TM) PR75 (75 MHz) and AMD-K5 PR90 (90 MHz) microprocessors, but shipped only 200,000 units. The Company also began initial shipments of its AMD-K5 PR100 (100 MHz) microprocessor in the second quarter. Due to anticipated slower demand for its AMD-K5 products, the Company expects that it will produce fewer AMD-K5 microprocessors in the third quarter of 1996 than its previous goal of 1,000,000 units. This may also cause the Company to produce fewer AMD-K5 microprocessors during the remainder of 1996 and through the first quarter of 1997 than the 3,000,000 units and 5,000,000 units previously announced with respect to such periods.

The matters discussed above contain forward-looking statements regarding the Company's anticipated production and sales of its AMD-K5 microprocessors. These statements involve risks and uncertainties that could cause actual results to differ from predicted results. The Company's production plans are subject to change depending on customers inventory levels and orders for the Company's products, changed industry and Company forecasts of demand, the timing of introduction of higher-performance fifth-generation microprocessors and other products, and the place at which the Company is able to ramp production of fifth-generation microprocessors in FAB 25. The Company's success in producing and selling products as planned is subject to numerous risks and uncertainties including those related to the potentially adverse effects of marketing and pricing strategies adopted by Intel Corporation which has a dominant position in

the microprocessor market, the possibility that products newly introduced by the Company may fail to achieve market acceptance or that any of the Company's products may be found to be defective, possibly adverse conditions in the personal computer market and unexpected interruptions in the Company's manufacturing operations. Information on the factors that could affect the Company's financial results are set forth in the Company's SEC filings, including the filed report on Form 10-K for the year ended December 31, 1995, and the Company's quarterly report on Form 10-Q for the quarter ended March 31, 1996.

Item 7. Financial Statements and Exhibits.

(c) Exhibits:

99 Press release dated July 10, 1996

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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)

Date: July 22, 1996

By: /s/ Marvin D. Burkett

Marvin D. Burkett
Senior Vice President, Chief
Financial and Administrative
Officer and Treasurer

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Exhibit Index

Exhibit Number

Exhibit

99 Press release dated July 10, 1996

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NEWS RELEASE

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AMD REPORTS SECOND QUARTER RESULTS

SUNNYVALE, CA--JULY 10, 1996--AMD today reported a net loss of \$34,672,000 on sales of \$455,077,000 for the quarter ended June 30, 1996. The loss amounted to \$0.26 per share on a fully diluted basis. The company's second-quarter results include a non-recurring, pre-tax gain of \$16.3 million resulting from a sale of securities.

Sales for the like period of 1995 amounted to \$638,867,000, which resulted in net income of \$80,652,000, or \$0.59 per share fully diluted.

In the immediate-prior quarter, AMD reported sales of \$544,212,000, which resulted in net income of \$25,327,000, or \$0.18 per share fully diluted. The company's first-quarter results included a non-recurring gain of \$24.7 million resulting from a sale of securities and non-recurring charges of \$8.7 million for expenses associated with AMD's merger with NexGen, Inc., which was completed during the quarter.

For the first six months of 1996, the company reported total revenues of \$999,289,000, which resulted in a net loss applicable to common stockholders of \$9,345,000, or \$0.07 per common share fully diluted. For the same period a year ago, AMD reported revenues of \$1,266,248,000, which resulted in net income applicable to common stockholders of \$164,972,000, or \$1.21 per common share fully diluted. (Financial results for 1995 have been restated to include the historical financial information of NexGen, Inc.)

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"The main cause of our revenue decrease was a significant decline in flash memory revenues from the immediate prior quarter," said W.J. Sanders III, chairman and chief executive officer. "Flash memory sales were impacted by soft demand and sharply lower prices as customers continued to reduce their inventories to levels consistent with current availability. All AMD product lines were adversely affected by weaker demand for semiconductors.

"AMD incurred a widening operating loss in its second quarter as aggregate results from our other divisions were insufficient to offset the large losses we are currently experiencing in our Microsoft(R) Windows(R)-compatible microprocessor divisions," Sanders continued.

"The keys to returning to profitability in our Windows-compatible microprocessor business are producing and selling our fifth-generation, AMD-K5(TM) and successfully introducing our sixth-generation, AMD-K6 superscalar microprocessors. In the just-completed quarter, we shipped more than 200,000 AMD-K5-PR75 and AMD-K5-PR90 microprocessors as direct plug-in replacements for Pentium(R) 75 and Pentium 90 devices, demonstrating compatibility of AMD's independently developed, fifth-generation processors," Sanders continued. "Consistent with our road map to introduce higher-performance devices, we made initial production shipments of our AMD-K5-PR100 devices during the second quarter," Sanders concluded.

AMD is a global supplier of integrated circuits for the personal and networked computer and communications markets. A Fortune 500 company, AMD

produces processors, flash memories, programmable logic devices, and products

for communications and networking applications. Founded in 1969, AMD is based in Sunnyvale, California, and has sales and manufacturing facilities worldwide. The Company had revenues of \$2.5 billion in 1995 (NYSE: AMD).

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CAUTIONARY STATEMENT

The forward-looking statements in the above news release relate to compatibility and profitability of AMD's microprocessors. Such forward-looking statements are based on current expectations and beliefs, and are subject to numerous risks and uncertainties that could cause actual results to differ materially. Factors that would cause the actual results to differ materially are: the risk that the company's microprocessors may not be compatible with all industry-standard software and hardware or competitive with products produced by other manufacturers, primarily Intel Corporation; the risk that the company's sixth-generation microprocessor design acquired in the NexGen merger which is still in development, requires further modification using AMD's design verification and manufacturing technologies and will be manufactured using technologies which have not yet been successfully implemented; and such other risks and uncertainties as are detailed under the "Management's Discussion and Analysis of Results of Operations and Financial Condition" contained in the company's annual report on Form 10-K for the fiscal year ended December 31, 1995, and the company's quarterly report on Form 10-Q for the quarter ended March 31, 1996.

WORLD WIDE WEB: Press announcements and other information about AMD are available on the Internet via the World Wide Web. Type <http://www.amd.com> at the URL prompt.

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Pentium is a registered trademark of Intel Corporation.

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AMD news release #96CORP18

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

	Quarters Ended		Six Months Ended		
	June 30, 1996	March 31, 1996	July 2, 1995 (Restated)*	June 30, 1996	July 2, 1995 (Restated)*
Net sales	\$455,077	\$544,212	\$638,867	\$999,289	\$1,266,248
Cost of sales	379,779	368,735	315,905	748,514	621,590
Research and development	92,768	94,780	105,695	187,548	202,569
Marketing, general, and administrative	83,063	103,011	106,602	186,074	209,336
	555,610	566,526	528,202	1,122,136	1,033,495
Operating income (loss)	(100,533)	(22,314)	110,665	(122,847)	232,753
Interest income and other, net	23,039	28,059	6,975	51,098	14,033
Interest expense	(1,812)	(1,981)	(501)	(3,793)	(1,079)

Income (loss) before income taxes and equity in joint venture	(79,306)	3,764	117,139	(75,542)	245,707
Provision (credit) for income taxes	(31,723)	-	39,016	(31,723)	81,840

Income (loss) before equity in joint venture	(47,583)	3,764	78,123	(43,819)	163,867
Equity in net income of joint venture	12,911	21,563	2,529	34,474	1,115

Net income (loss)	(34,672)	25,327	80,652	(9,345)	164,982
Preferred stock dividends	-	-	-	-	10

Net income (loss) applicable to common stockholders	\$ (34,672)	\$25,327	\$80,652	\$ (9,345)	\$164,972

Net income (loss) per common share					
- - Primary	\$ (0.26)	\$0.18	\$0.59	\$ (0.07)	\$1.24
- - Fully diluted	\$ (0.26)	\$0.18	\$0.59	\$ (0.07)	\$1.21

Shares used in per share calculation					
- - Primary	135,266	138,399	136,950	134,487	132,722
- - Fully diluted	135,266	138,399	137,647	134,487	136,467

* Restated from previously released financial information as a result of the January 1996 merger with NexGen, Inc.

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

June 30,
1996
(Unaudited)

December 31,
1995
(Audited)
(Restated)*

Assets

Current assets:

Cash, cash equivalents, and short-term investments	\$281,658	\$ 509,665
Accounts receivable, net	209,691	284,238
Inventories	175,837	155,986
Deferred income taxes	141,089	147,489
Prepaid expenses and other current assets	64,236	40,564

Total current assets 872,511 1,137,942

Property, plant, and equipment, net	1,681,120	1,641,634
Investment in joint venture	187,881	176,821
Other assets	103,513	122,070

\$2,845,025 \$3,078,467

Liabilities and Stockholders' Equity

Current liabilities:

Notes payable to banks	\$ 11,878	\$ 26,770
Accounts payable	177,240	241,916
Accrued compensation and benefits	57,178	106,347
Accrued liabilities	96,916	103,404
Income tax payable	3,000	56,297
Deferred income on shipments to distributors	93,990	100,057
Current portion of long-term debt and capital lease obligations	27,739	41,642

Total current liabilities	467,941	676,433
Deferred income taxes	103,807	84,607
Long-term debt and capital lease obligations, less current portion	201,922	214,965
Stockholders' equity:		
Capital stock:		
Common stock, par value	1,404	1,050
Capital in excess of par value	936,475	908,989
Retained earnings	1,133,476	1,192,423
Total stockholders' equity	2,071,355	2,102,462
	\$2,845,025	\$3,078,467

* Restated from previously released financial information as a result of the January 1996 merger with NexGen, Inc.

Advanced Micro Devices, Inc. INFORMATION ONLY

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

(Thousands except per share amounts)

	Quarter Ended (Unaudited)			Six Months Ended (Unaudited)	
	June 30, 1996	March 31, 1996	July 2, 1995 **	June 30, 1996	July 2, 1995 **
Net sales	\$455,077	\$544,212	\$638,867	999,289	\$1,266,248
Cost of sales	379,779	368,735	315,905	748,514	621,590
Net income from equity investment in FASL	(19,863)	(33,174)	(3,891)	(53,037)	(1,715)
Research and development	92,768	94,780	105,695	187,548	202,569
Marketing, general, and administrative	83,063	103,011	106,602	186,074	209,336
	535,747	533,352	524,311	1,069,099	1,031,780
Operating income (loss)	(80,670)	10,860	114,556	(69,810)	234,468
Interest income and other, net	23,039	28,059	6,975	51,098	14,033
Interest expense	(1,812)	(1,981)	(501)	(3,793)	(1,079)
Income (loss) before income taxes and equity in joint venture	(59,443)	36,938	121,030	(22,505)	247,422
Provision (credit) for income taxes	(31,723)	-	39,016	(31,723)	81,840
Provision for taxes on equity in income of FASL	6,952	11,611	1,362	18,563	600
Net income (loss)	(34,672)	25,327	80,652	(9,345)	164,982
Preferred stock dividends	-	-	-	-	10
Net income (loss) applicable to common stockholders	\$(34,672)	\$25,327	\$80,652	\$(9,345)	\$164,972
Net income (loss) per common share					
- Primary	\$(0.26)	\$0.18	\$0.59	\$(0.07)	\$1.24
- Fully diluted	\$(0.26)	\$0.18	\$0.59	\$(0.07)	\$1.21
Shares used in per share calculation					
- Primary	135,266	138,399	136,950	134,487	132,722
- Fully diluted	135,266	138,399	137,647	134,487	136,467

* 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 generally accepted accounting principles.

** Financial results for 1995 have been restated to include the historical financial information of NexGen, Inc.

AMD
SELECTED CORPORATE DATA
(UNAUDITED)

PRODUCT LINE BREAKDOWN*

	Q2 '96		Q1 '96		Q2 '95	
	% OF SALES	REVENUE	% OF SALES	REVENUE	% OF SALES	REVENUE
Computation Products Group	23	\$103M	23	\$126M	47	\$ 298M
Communications and Components Group	64	290M	64	348M	44	280M
Programmable Logic Subsidiary (TBN)	13	62M	13	70M	9	61M

OTHER DATA

	Q2 '96	Q1 '96	Q2 '95
Depreciation	\$88M	\$76M	\$56M
Capital Spending	110M	96M	141M
Headcount	12,535	12,806	12,352
International Sales	53%	52%	58%

* Restated to include NEXGEN