

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

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

Date of Report (date of earliest event reported): January 16, 2003

ADVANCED MICRO DEVICES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction
of incorporation)

**One AMD Place,
P.O. Box 3453
Sunnyvale, California**

(address of principal executive offices)

Registrant's telephone number,
including area code:

1-7882

(Commission
File Number)

94-1692300

(I.R.S. Employer
Identification No.)

94088-3453

(Zip Code)

(408) 732-2400

Item 5. Other Events.

On January 16, 2003, AMD reported sales of \$686,430,000 and a net loss of \$854,740,000 for the quarter ended December 29, 2002. The net loss amounted to \$2.49 per share. Excluding the effects of restructuring and other charges¹ to show the company's results from ongoing operations, the fourth quarter net loss was \$235,145,000, or \$0.68 per share.

Fourth quarter sales declined by 28 percent from the fourth quarter of 2001 and increased by 35 percent from the third quarter of 2002. In the fourth quarter of 2001, AMD reported sales of \$951,873,000 and a net loss of \$15,842,000, or \$0.05 per share.

In the third quarter of 2002, AMD reported sales of \$508,227,000 and a net loss of \$254,171,000, or \$0.74 per share.

For the full year ended December 29, 2002, sales declined by 31 percent from 2001. AMD reported sales of \$2,697,029,000 and a net loss of \$1,303,012,000, or \$3.81 per share. AMD reported sales in 2001 of \$3,891,754,000 and a net loss of \$60,581,000, or \$0.18 per share.

Excluding the effects of one-time charges¹ in 2002 and 2001, the company recorded a net loss from ongoing operations of \$683,417,000 or \$2.00 per share in 2002, and net income of \$28,924,000 or \$0.09 per share in 2001. The fourth quarter 2002 operating loss, excluding one-time charges, was \$217,370,000, down approximately \$100 million or 31 percent, from the third quarter operating loss of \$315,084,000. The fourth quarter 2001 operating loss was \$18,059,000.

In the fourth quarter of 2002 the Company recorded one-time charges totaling \$620 million, equivalent to \$1.81 per share. These fourth quarter charges included:

- Restructuring and other special charges of \$331 million primarily relating to severance for staff reductions, the consolidation of facilities and asset impairments.
- Other charges of \$46 million primarily relating to a one-time research and development expense in connection with product development services received in the fourth quarter.
- Income tax expense charge of \$243 million to establish a 100% valuation allowance against net deferred tax assets.

¹ As shown in the attached Reconciliation of GAAP to Pro-forma Non-GAAP Consolidated Statements of Operations.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits

<u>Number</u>	<u>Exhibit</u>
99.1	Financial Statements

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.

Date: January 17, 2003

ADVANCED MICRO DEVICES, INC.

By: /s/ ROBERT J. RIVET

Robert J. Rivet
Senior Vice President, Chief Financial Officer

Exhibit Index

<u>Number</u>	<u>Exhibit</u>
99.1	Financial Statements

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

	Dec. 29, 2002	Dec. 30, 2001*
	(unaudited)	
Assets		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 1,037,705	\$ 869,997
Accounts receivable, net	395,828	659,783
Inventories	432,603	380,474
Deferred income taxes	—	155,898
Prepaid expenses and other current assets	153,542	286,957
Total current assets	2,019,678	2,353,109
Property, plant and equipment, net	2,880,809	2,739,138
Investment in joint venture	382,942	363,611
Deferred income taxes	—	—
Other assets	335,752	191,384
	\$ 5,619,181	\$ 5,647,242
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 352,438	\$ 304,990
Accrued compensation and benefits	185,744	129,042
Accrued liabilities	593,778	443,995
Income taxes payable	21,246	56,234
Deferred income on shipments to distributors	57,184	47,978
Current portion of long-term debt, capital lease obligations and other	161,689	331,698
Total current liabilities	1,372,079	1,313,937
Deferred income taxes	—	105,305
Long-term debt, capital lease obligations and other, less current portion	1,779,837	672,945
Stockholders' equity:		
Capital stock:		
Common stock, par value	3,445	3,405
Capital in excess of par value	1,921,247	1,889,217
Retained earnings	492,668	1,795,680
Accumulated other comprehensive income (loss)	49,905	(133,247)
Total stockholders' equity	2,467,265	3,555,055
	\$ 5,619,181	\$ 5,647,242

*Derived from the December 30, 2001 audited financial statements of Advanced Micro Devices, Inc.

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

	Quarter Ended			Year Ended	
	Dec. 29, 2002 (Unaudited)	Sept. 29 2002 (Unaudited)	Dec. 30, 2001 (Unaudited)	Dec. 29, 2002 (Unaudited)	Dec. 30, 2001*
Net sales	\$ 686,430	\$ 508,227	\$ 951,873	\$ 2,697,029	\$ 3,891,754
Cost of sales	506,613	453,884	644,662	2,105,661	2,589,747
Research and development	244,848	220,959	160,871	816,114	650,930
Marketing, general and administrative	194,389	158,568	163,684	670,065	620,030
Restructuring and other special charges	330,575	—	—	330,575	89,305
	1,276,425	833,411	969,217	3,922,415	3,950,012
Operating loss	(589,995)	(325,184)	(17,344)	(1,225,386)	(58,258)
Interest and other income, net	992	12,941	5,784	32,132	25,695
Interest expense	(22,296)	(21,166)	(9,570)	(71,349)	(61,360)
Loss before income taxes and equity in net income (loss) of joint venture	(611,299)	(333,409)	(21,130)	(1,264,603)	(93,923)
Provision (benefit) for income taxes	243,470	(73,350)	(5,705)	44,586	(14,463)
Loss before equity in net income (loss) of joint venture	(854,769)	(260,059)	(15,425)	(1,309,189)	(79,460)
Equity in net income (loss) of joint venture	29	5,888	(417)	6,177	18,879
Net loss	\$ (854,740)	\$ (254,171)	\$ (15,842)	\$ (1,303,012)	\$ (60,581)
Net loss per common share					
Basic	\$ (2.49)	\$ (0.74)	\$ (0.05)	\$ (3.81)	\$ (0.18)
Diluted	\$ (2.49)	\$ (0.74)	\$ (0.05)	\$ (3.81)	\$ (0.18)
Shares used in per share calculation					
— Basic	343,949	342,780	340,119	342,334	332,407
— Diluted	343,949	342,780	340,119	342,334	332,407

**Derived from the December 30, 2001 audited financial statements of Advanced Micro Devices, Inc.*