

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: December 30, 1994

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 office)	94088-3453 ----- (Zip Code)
Registrant's telephone number, including area code:	(408) 732-2400

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Item 5. Other Events

On December 30, 1994, Advanced Micro Devices, Inc. (the "Company") issued a press release announcing that the California Supreme Court upheld an arbitrator's award of technology rights to the Company in a long-running legal battle with Intel Corporation concerning a 1982 technology exchange agreement between the two companies (the "AMD/Intel Technology Agreement Arbitration"). Prior to the settlement with Intel next discussed, the press release also advised that Intel was expected to continue to challenge the validity of the award in federal court.

On January 11, 1995, the Company issued a press release announcing that it had reached agreement with Intel Corporation to settle all current outstanding legal disputes (the "AMD/Intel Litigations") which include: (1) the AMD/Intel Technology Agreement Arbitration; (2) the '287 Microcode Litigation; (3) the '386 Microcode Litigation; (4) the '486 Microcode Litigation; (5) the Anti-trust Litigation; (6) the Business Interference Litigation and (7) the ITC Action. The settlement agreement terms include:

1. AMD will have a perpetual license to the microcode in the Intel 386(TM) and Intel 486(TM) microprocessors.
2. AMD agrees that it has no right to copy any other Intel microcode including the Pentium(TM) Processor, P6 microcode and 486 ICE (in circuit emulation) microcode.
3. The companies will negotiate a new patent cross-license agreement to become effective 1/1/96.
4. Intel will receive \$58 million as settlement for past damages related to the ICE module of the '486 Microcode Litigation case. As ordered in the 1992 arbitration between the two companies, Intel will pay AMD approximately \$18 million in damages (which includes interest) awarded by the arbitrator for breach of contract and will not contest the rights granted AMD in the AMD/Intel Technology Agreement Arbitration. The damages amount of \$18 million was previously recorded by the Company in the third quarter of 1994.
5. Intel and AMD will drop all cases including appeals currently pending in the courts.
6. AMD will have the right to use foundries for Am486(R) products

containing Intel microcode for up to 20 percent of its 486 production.

- 7. AMD and its customers will get a license for Intel's "Crawford '338" patent, covering memory management.
- 8. The two companies agree not to initiate legal action against one another for any activity occurring prior to January 6, 1995.

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On January 12 , 1995, the Company issued a press release announcing that it had restated its 1994 financial results as a result of the settlement of the AMD/Intel litigations, specifically the agreement to pay Intel \$58 million for past damages in the ICE module of the 486 Microcode Litigation. Thus, the Company recorded a \$58 million charge in its fourth quarter of 1994 and revised its previously released 1994 results. Net income for the quarter and the year end was reduced by \$35,877,000 from the originally reported amounts because of the tax benefit of the settlement and an accrual made for the AMD/Intel Litigations previously recorded in the fourth quarter.

Currently, assuming the Intel settlement is fully consummated, the Company does not anticipate that the AMD/Intel Litigations or the foregoing settlement will have a material adverse impact on the Company's financial condition or results of operations for fiscal year 1995.

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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: January 19, 1995

By: /s/ Larry R. Carter

Larry R. Carter

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NEWS RELEASE

For further information:
John Greenagel (408) 749-3310
Chuck Mulloy (408) 749-5481

CALIFORNIA SUPREME COURT UPHOLDS ARBITRATOR'S
AWARD TO ADVANCED MICRO DEVICES

SUNNYVALE, CA ... December 30, 1994 ... The California Supreme Court has upheld an arbitrator's award of technology rights to Advanced Micro Devices, Inc. in a long-running legal battle with Intel Corporation concerning a 1982 technology exchange agreement between the two companies.

The ruling ends litigation that began in 1987 when AMD brought suit to compel arbitration, alleging that Intel had failed to honor its obligations under the technology exchange agreement. After finding that Intel had breached contractual obligations, including obligations of "good faith and fair dealing," retired Superior Court Judge J. Barton Phelps, acting as court-appointed arbitrator, awarded AMD, in addition to other remedies, a worldwide, royalty-free license to any Intel intellectual property contained in AMD's reverse-engineered Am386(R) microprocessor. These rights included patents, copyrights, mask work rights and trade secrets. Judge Phelps also extended the terms of AMD's license rights for two years as those rights concern the Am386 microprocessor.

In 1993 a Sixth District Court of Appeals panel ruled that the arbitrator had exceeded his jurisdiction and invalidated the award of technology rights. Today's Supreme Court action overrules this lower court decision and affirms the Superior Court's judgment in favor of AMD.

In an unrelated proceeding earlier this year, unanimous jury verdicts upheld AMD's license rights to use Intel microcodes, including the microcode in the Am386 microprocessor family.

"AMD is delighted at a decision that not only does justice in this particular case, but also preserves the viability of arbitration as an alternative form of resolution for complicated business disputes in California," said W. J. Sanders III, chairman and chief executive officer. "This ruling, which we expect will be followed by the federal courts, forecloses Intel's claims for monetary damages based on our sales of 386 microprocessors," Mr. Sanders continued.

Mr. Sanders said AMD does not believe the federal courts will respond favorably to Intel's pleas to ignore a ruling of the California Supreme Court simply because it involves copyright issues. "This case involved a contract breach and the appropriate remedies for that breach," said Mr. Sanders. "Although the arbitrator awarded a license to a federally protected copyright, the arbitrator's authority to make that award is exclusively governed by state law. Because California contract law controlled AMD's 1982 agreement with Intel, the federal court must defer to the California Supreme Court's interpretation of the arbitrator's powers. We are confident that the federal court will accept the Supreme Court's decision and dismiss Intel's federal copyright action on the Am386 microprocessor.

"AMD and Intel have been in litigation long enough. I hope we can now find a path to a resolution based on our mutual interest in supporting the continued expansion of the market for Microsoft(R) Windows(TM)-compatible computer systems," he concluded.

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AMD news release #94CORP27
Am386 is a registered trademark of Advanced Micro Devices, Inc.
Microsoft is a registered trademark of Microsoft Corp.
Windows is a trademark of Microsoft Corp.

NEWS RELEASE

For further information:

Chuck Mulloy
AMD
(408) 749-5481

Howard High
Intel
(408) 765-1488

AMD, INTEL SETTLE ALL LEGAL DISPUTES

SANTA CLARA, CA ... January 11, 1995 ... Advanced Micro Devices, Inc. and Intel Corporation said they have reached agreement to settle all outstanding legal disputes between the two companies.

Following are the major points of the agreement:

- * AMD will have a perpetual license to the microcode in the Intel 386(TM) and Intel 486(TM) microprocessors.
- * AMD agrees that it has no right to copy any other Intel microcode including the Pentium(TM) Processor, P6 microcode and 486 ICE (in circuit emulation) microcode.
- * The companies will negotiate a new patent cross-license agreement to become effective 1/1/96.
- * Intel will receive \$58 million as settlement for past damages in the 486 ICE case. As ordered in the 1992 arbitration between the two companies, Intel will pay AMD approximately \$18 million (which includes interest) awarded by the arbitrator for breach of contract and will not contest the rights granted AMD in the arbitration award.
- * Intel and AMD will drop all cases including appeals currently in the courts.
- * AMD will drop its antitrust case against Intel.
- * AMD will have the right to use foundries for Am486(R) products containing Intel microcode for up to 20 percent of its 486 production.
- * AMD and its customers will get a license on Intel's "Crawford '338" patent, covering memory management.
- * The two companies will agree not to initiate legal action against one another for any activity occurring prior to January 6, 1995.

The two companies said they have been in negotiations for 4 months. The talks were suggested by Judge Magistrate Patricia Trumbull of the U.S. District Court in San Jose, who presided in the 386 and 486 cases.

In a joint statement, Richard Previte, president and chief operating officer of AMD, and Craig Barrett, executive vice president and chief operating officer of Intel, said "We are pleased to reach an agreement that will enable the two companies to concentrate on competing in the marketplace, not the courts. This is clearly in the best interests of our customers, our stockholders and the PC marketplace." Messrs. Previte and Barrett were the lead negotiators of the agreement.

AMD is the fifth-largest U.S. manufacturer of integrated circuits. Focusing on the personal and networked computing and communications markets, AMD produces microprocessors and related peripherals, memories, programmable logic devices and circuits for telecommunications and networking applications.

Intel, the world's largest chip maker, is also a leading manufacturer of personal computer, networking and communications products.

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EXHIBIT 28.3

NEWS RELEASE

For further information:
 Chuck Mulloy
 (408) 749-5481

ADVANCED MICRO DEVICES RESTATES 1994 RESULTS
 TO REFLECT LITIGATION SETTLEMENT

SUNNYVALE, CA ... January 12, 1995 ... Advanced Micro Devices (AMD) today announced that as a result of the AMD and Intel litigation settlement as required for financial reporting purposes, AMD recorded a \$58 million charge in its fourth quarter of 1994 and revised its previously released 1994 results. Net income for the quarter and the year end was reduced by \$ 35,877,000 from the originally reported amounts because of the tax benefit of the settlement and an accrual previously recorded in the fourth quarter.

Even after the restatement AMD still achieved record sales, operating income and net income for 1994. The settlement will have no financial impact on 1995 operating results or financial condition.

Advanced Micro Devices, Inc., is the fifth-largest U.S. manufacturer of integrated circuits. Focusing on the personal and networked computing and communications markets, AMD produces microprocessors and related peripherals, memories, programmable logic devices and circuits for telecommunications and networking applications. AMD has sales offices worldwide and has manufacturing facilities in Sunnyvale, California; Austin, Texas; Bangkok, Thailand; Penang, Malaysia; Singapore; Aizu-Wakamatsu, Japan and Basingstoke, England.

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

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	(Revised)* December 25, 1994 (Audited) <C>	December 26, 1993 (Audited) <C>

ASSETS		

Current assets:		
Cash and temporary cash investments	\$ 377,854	\$ 488,198
Accounts receivable, net	337,107	263,617
Inventories	128,690	104,050
Prepaid expenses and other current assets	44,293	30,399
Deferred income taxes	98,675	77,922

Total current assets	986,619	964,186
Other assets	70,284	58,633
Property, plant, and equipment, net	1,264,211	904,326
Investment in joint venture	124,588	2,086

	\$ 2,445,702	\$ 1,929,231
=====		

Liabilities and Shareholders' Equity

Current liabilities:		
Notes payable to banks	\$ 32,459	\$ 30,994
Accounts payable	149,122	127,151
Accrued compensation and benefits	104,526	81,860
Other accrued liabilities	140,570	83,982
Income tax payable	53,795	34,991
Deferred income on shipments to distributors	83,800	74,436
Long-term debt and capital lease obligations		

due within one year	27,895	21,205

Total current liabilities	592,167	454,619
Deferred income taxes	42,518	42,837
Long-term debt and capital lease obligations due after one year	75,752	79,504
Shareholders' equity:		
Capital stock:		
Serial preferred stock, par value	34	35
Common stock, par value	956	926
Capital in excess of par value	698,673	619,733
Retained earnings	1,035,602	731,577

Total shareholders' equity	1,735,265	1,352,271

	\$ 2,445,702	\$ 1,929,231
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</TABLE>

* Revised from previously released financial information as a result of a negotiated settlement with Intel Corporation.

Advanced Micro Devices, Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Thousands except per share amounts)

<TABLE>

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	Quarter Ended (Unaudited)			Year Ended (Audited)	
	Dec. 25, 1994 (Revised)*	Sept. 25, 1994	Dec. 26, 1993	Dec. 25, 1994 (Revised)*	Dec. 26, 1993
<S>	<C>	<C>	<C>	<C>	<C>
NET SALES	\$ 545,168	\$ 543,114	\$413,404	\$2,134,659	\$ 1,648,280
Cost of sales	263,837	252,409	208,552	982,306	789,564
Research and development	76,115	67,759	66,747	279,984	262,802
Marketing, general, and administrative	87,236	87,369	83,148	359,230	290,861

	427,188	407,537	358,447	1,621,520	1,343,227

Operating income	117,980	135,577	54,957	513,139	305,053
Litigation settlement	(58,000)	-	-	(58,000)	-
Interest income and other, net	5,317	394	4,647	16,259	16,490
Interest expense	(1)	(205)	(1,391)	(1,844)	(2,910)

Income before income taxes and equity in joint venture	65,296	135,766	58,213	469,554	318,633
Provision for income taxes	21,548	44,803	16,300	153,703	89,218

Income before equity in joint venture	43,748	90,963	41,913	315,851	229,415
Equity in net income (loss) of joint venture	(2,989)	(4,277)	(274)	(10,585)	(634)

NET INCOME	40,759	86,686	41,639	305,266	228,781
Preferred stock dividends	2,588	2,587	2,588	10,350	10,350

NET INCOME APPLICABLE TO COMMON SHAREHOLDERS	\$ 38,171	\$ 84,099	\$ 39,051	\$ 294,916	\$ 218,431

NET INCOME PER COMMON SHARE

- Primary	\$0.39	\$0.86	\$0.41	\$3.02	\$2.30
- Fully diluted	\$0.39	\$0.83	\$0.41	\$2.92	\$2.24

Shares used in per share calculation

- Primary	98,636	97,778	95,895	97,510	95,108
- Fully diluted	105,490	104,872	102,751	104,570	102,063

</TABLE>

* Revised from previously released financial information as a result of a negotiated settlement with Intel Corporation.