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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement [] Confidential, for Use of the
Commission Only (as permitted by
Rule 14a-6(e)(2))
- [X] Definitive Proxy Statement
- [] Definitive Additional Materials
- [] Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

ADVANCED MICRO DEVICES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required.
- [] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed
pursuant to Exchange Act Rule 0-11 (Set forth the amount on which
the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

[] Fee paid previously with preliminary materials.

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Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee
was paid previously. Identify the previous filing by registration statement
number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Notes:

ADVANCED MICRO DEVICES, INC.
ONE AMD PLACE [AMD LOGO APPEARS HERE]
P.O. BOX 3453
SUNNYVALE, CALIFORNIA 94088-3453

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

We will hold the Annual Meeting of Stockholders of Advanced Micro Devices, Inc. at the St. Regis Hotel, 2 East 55th Street, New York, New York 10022, on Thursday, April 27, 2000. The meeting will start at 10:00 a.m. local time. At the meeting, we will:

- . Elect eight directors,
- . Ratify the appointment of Ernst & Young LLP as our independent auditors for the current fiscal year,
- . Approve an increase in the number of shares authorized to be issued under the Advanced Micro Devices, Inc. 1996 Stock Incentive Plan by 7,250,000 shares,
- . Approve the Advanced Micro Devices, Inc. 2000 Employee Stock Purchase Plan,
- . If properly presented, consider a stockholder proposal to amend our bylaws, which is opposed by the Board of Directors, and
- . Transact any other business that properly comes before the meeting.

By Order of the Board of Directors,

THOMAS M. McCOY
Secretary

Sunnyvale, California
March 21, 2000

YOUR VOTE IS IMPORTANT.

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, WE URGE YOU TO COMPLETE, SIGN AND DATE THE ENCLOSED PROXY CARD AND RETURN IT PROMPTLY IN THE ENVELOPE PROVIDED. RETURNING YOUR PROXY CARD WILL ENSURE THAT YOUR VOTE IS COUNTED IF YOU LATER DECIDE NOT TO ATTEND THE MEETING.

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ADVANCED MICRO DEVICES, INC.

PROXY STATEMENT

2000 Annual Meeting of Stockholders

QUESTIONS AND ANSWERS

1.Q:WHO IS SOLICITING MY VOTE?

A: This proxy solicitation is being made by the Board of Directors of Advanced Micro Devices, Inc. We have retained Georgeson Shareholder Communications, Inc. and MacKenzie Partners, Inc., professional proxy solicitors, to assist us with this proxy solicitation.

2.Q:WHEN WAS THIS PROXY STATEMENT MAILED TO STOCKHOLDERS?

A: This proxy statement was first mailed to stockholders on or about March 21, 2000.

3.Q:WHAT MAY I VOTE ON?

A: You may vote on:

- . The election of directors to serve on our Board of Directors,
- . The approval of the appointment of our independent auditors for the current fiscal year,
- . The approval of an increase in the number of shares authorized to be issued under the Advanced Micro Devices, Inc. 1996 Stock Incentive Plan (the 1996 Plan) by 7,250,000 shares,
- . The approval of the Advanced Micro Devices, Inc. 2000 Employee Stock Purchase Plan (the ESPP), and
- . If properly presented at the meeting, a stockholder proposal to amend our bylaws (the stockholder bylaw proposal).

4.Q:HOW DOES THE BOARD RECOMMEND I VOTE ON THE PROPOSALS?

A: The Board recommends that you vote:

- . FOR each of the director nominees,
- . FOR the appointment of Ernst & Young LLP as independent auditors for the current fiscal year,
- . FOR the increase in the number of shares authorized to be issued under the 1996 Plan,
- . FOR the ESPP, and
- . AGAINST the stockholder bylaw proposal.

5.Q:WHO IS ENTITLED TO VOTE?

A: Stockholders as of the close of business on February 28, 2000 (the Record Date) are entitled to vote at the Annual Meeting. On the Record Date, approximately 152,006,873 shares of our common stock were outstanding. Every stockholder is entitled to one vote for each share of common stock held. A list of these stockholders is kept at the offices of our transfer agent, EquiServe LLP, 100 William Street-Galleria, New York, New York.

6.Q:HOW DO I VOTE BY MAIL?

A: If you complete and properly sign each proxy card you receive and return it in the prepaid envelope to us, it will be voted by one of the

individuals indicated on the card (your "proxy") as you direct. If you return your signed proxy card but do not mark the boxes showing how you wish to vote, your shares will be voted FOR the election of the director nominees, FOR the ratification of the appointment of our auditors, FOR the increase in the number of shares authorized to be issued under the 1996 Plan, FOR the ESPP and AGAINST the stockholder bylaw proposal.

7.Q: CAN I VOTE BY TELEPHONE OR ELECTRONICALLY?

A: If you live in the United States or Canada, you may submit your proxy by following the Vote by Telephone instructions on the proxy card. If you have Internet access, you may submit your proxy from any location in the world by following the Vote by Internet instructions on the proxy card.

8.Q: CAN I VOTE AT THE MEETING?

A. Yes. If you wish to vote your shares in person at the Annual Meeting and they are held by your broker (held in "street name"), you must bring a letter from the broker to the meeting showing that you were the direct or indirect ("beneficial") owner of the shares on February 28, 2000.

9.Q: CAN I CHANGE MY VOTE AFTER I RETURN MY PROXY CARD OR AFTER I HAVE VOTED BY TELEPHONE OR ELECTRONICALLY?

A. Yes. You may revoke your proxy at any time before it is exercised by:

- . Sending in another proxy with a later date (by mail, telephone or over the Internet),
- . Notifying our Corporate Secretary in writing before the Annual Meeting that you wish to revoke your proxy, or
- . Voting in person at the Annual Meeting.

10.Q: HOW DO I VOTE MY SHARES IF THEY ARE HELD IN STREET NAME?

A: If your shares are held by your broker, in "street name," you will receive a form from your broker seeking instruction as to how your shares should be voted. If you do not instruct your broker how to vote, your broker will vote your shares at its discretion. However, your broker is not permitted to exercise voting discretion on the stockholder bylaw proposal; therefore, if you do not instruct your broker how to vote, your shares will not be voted on the stockholder bylaw proposal. These shares are said to be represented by "broker non-votes."

11.Q: WHAT IS A "QUORUM"?

A: A "quorum" is a majority of the outstanding shares. They may be present at the Annual Meeting or represented by proxy. There must be a quorum for the Annual Meeting to be held. If you submit a properly executed proxy card, even if you abstain from voting, you will be considered part of the quorum. Broker non-votes are counted in determining if there is a quorum.

12.Q: HOW ARE MATTERS PASSED OR DEFEATED?

A: The eight director nominees receiving the highest number of affirmative votes will be elected. A properly executed proxy marked "WITHHOLD AUTHORITY" with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum. All the other matters must receive affirmative votes from more than 50% of the shares that are voted to be adopted. An abstention has the same effect as a vote AGAINST a proposal. Because your broker does not have discretion to vote on your behalf on the stockholder bylaw proposal, broker non-votes will not be counted in determining the number of shares voting on that proposal.

13.Q: WHO WILL COUNT THE VOTES?

A: Representatives of our transfer agent, EquiServe, will count the votes.

14.Q: IS MY VOTE CONFIDENTIAL?

A: Proxy cards, ballots and voting tabulations that identify individual stockholders are mailed or returned directly to EquiServe, and handled in a manner that protects your voting privacy. Your vote will not be disclosed except: (1) as needed to permit EquiServe to tabulate and certify the vote, and (2) as required

by law. However, comments written on the proxy card may be forwarded to management. In that case, your identity may not be kept confidential.

15.Q: WHO CAN ATTEND THE ANNUAL MEETING?

A: Only stockholders as of the close of business on February 28, 2000, holders of proxies for those stockholders and other persons invited by us can attend.

16.Q: HOW WILL VOTING ON ANY BUSINESS NOT DESCRIBED ON THE NOTICE OF ANNUAL MEETING BE CONDUCTED?

A: We do not know of any business to be considered at the Annual Meeting other than the proposals described in this proxy statement. If any other business is presented at the Annual Meeting, your signed proxy card gives authority to W. J. Sanders III, our Chief Executive Officer, or Thomas M. McCoy, our Senior Vice President, General Counsel, Secretary and Year 2000 Compliance Officer, to vote on such matters at their discretion.

17.Q: WHEN ARE THE STOCKHOLDER PROPOSALS FOR THE 2001 ANNUAL MEETING DUE?

A: All stockholder proposals to be considered for inclusion in next year's proxy statement must be submitted in writing to Thomas M. McCoy, Secretary, Advanced Micro Devices, Inc., One AMD Place, Sunnyvale, California 94088 before November 22, 2000.

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ITEM 1--ELECTION OF DIRECTORS

Eight directors will be elected at the Annual Meeting. All directors are elected annually and serve a one-year term until the next Annual Meeting.

The Nominating Committee of the Board of Directors selected, and the Board of Directors accepted, the following eight persons as nominees for election to the Board: Mr. W. J. Sanders III, Dr. Friedrich Baur, Mr. Charles M. Blalack, Dr. R. Gene Brown, Mr. Robert B. Palmer, Mr. Joe L. Roby, Dr. Hector de J. Ruiz and Dr. Leonard M. Silverman. All of the nominees are currently directors of AMD.

The Board of Directors expects all nominees named below to be available for election. If a nominee declines or is unable to act as a director, your proxy may vote for any substitute nominee proposed by the Board. Your proxy will vote FOR the election of these nominees, unless you instruct otherwise.

The experience and background of each of the nominees follows.

W. J. Sanders III--Mr. Sanders, 63, has been a director since 1969. Mr. Sanders is Chairman of the Board and Chief Executive Officer of AMD. Mr. Sanders co-founded AMD in 1969. He is also a director of Donaldson, Lufkin & Jenrette, Inc., the parent company of Donaldson, Lufkin & Jenrette Securities Corporation.

Dr. Friedrich Baur--Dr. Baur, 72, has been a director since 1994. Dr. Baur has been President and Managing Partner of MST Beteiligungs und Unternehmensberatungs GmbH, a German consulting firm, since 1990. Beginning in 1953, Dr. Baur held a variety of positions of increasing responsibility with Siemens AG, retiring in 1982 as Executive Vice President and a Managing Director. He also represented Siemens AG on the Board of Directors of AMD from 1978 until 1982. From 1982 to 1990, Dr. Baur was Chairman of the Board of Zahnradfabrik Friedrichshafen AG.

Charles M. Blalack--Mr. Blalack, 73, has been a director since 1989. Mr. Blalack is Chairman of the Board and Chief Executive Officer of Blalack and Company, a registered investment advisor, and has been since 1969. From 1970 until 1991, Mr. Blalack was Chief Executive Officer of Blalack-Loop, Inc., an investment banking firm and member of the National Association of Securities Dealers. Prior to 1970, he was founder, Chairman and Chief Executive Officer of BW & Associates, an investment banking firm and member of the New York Stock Exchange. Mr. Blalack was a member of the Board of Directors of Monolithic Memories, Inc. until it was acquired by AMD in 1987.

Dr. R. Gene Brown--Dr. Brown, 67, has been a director since 1969. Dr. Brown is a private investor and financial and management consultant. Currently, he is a director of Hagler Bailly, Inc. and has been since 1998. Dr. Brown was a non-employee Managing Director of Putnam, Hayes & Bartlett, Inc., an economic and management consulting firm, from 1975 to 1998, when it was acquired by Hagler Bailly, Inc. From 1961 to 1968, Dr. Brown was a full-time professor in the graduate schools of business at Harvard University and then Stanford University. From 1968 to 1974, Dr. Brown was Vice President of Corporate Development for Syntex Corporation, and from 1974 to 1976, Dr. Brown was President of Berkeley BioEngineering.

Robert B. Palmer--Mr. Palmer, 59, has been a director since 1999. Mr. Palmer was the Chairman and Chief Executive Officer of Digital Equipment Corporation (Digital), and negotiated the 1998 merger of Digital with Compaq Corporation. Mr. Palmer was named Chairman of the Board of Digital in May 1995, and was appointed Chief Executive Officer and President of Digital in October 1992. From 1990 to 1992, Mr. Palmer served as Vice President, Manufacturing and

Logistics and Vice President, Manufacturing and Logistics and Component Engineering. After joining Digital in 1985, from 1986 to 1990, Mr. Palmer held the positions of Vice President, Semiconductor Operations and Vice President, Semiconductor and Interconnect Technology. Before Digital, Mr. Palmer was Executive Vice President of Semiconductor Operations at United Technologies Corporation (UTC), joining UTC in 1980 when it acquired Mostek Corporation, where he was a member of the founding team in 1969. Mr. Palmer is on the Board of Directors of the Cooper Institute for Aerobic Research, a non-profit preventative medicine research and education organization.

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Dr. Hector de J. Ruiz--Dr. Ruiz, 54, has been a director since February 2000. Dr. Ruiz joined AMD as President and Chief Operating Officer in January 2000. Before joining AMD, Dr. Ruiz had served as President of Motorola, Inc.'s Semiconductor Products Sector since May 1997. From 1991 to 1994, Dr. Ruiz was Senior Vice President and General Manager of Motorola's paging and messaging businesses, and in 1996 became Executive Vice President and General Manager of those businesses. Dr. Ruiz joined Motorola in 1977, and from 1977 to 1991, he held the positions of Operations Manager, Vice President of MOS Wafer Processing, Vice President of the Memory Products Division, Corporate Vice President and General Manager of Integrated Circuit Wafer Manufacturing, Corporate Vice President and Assistant General Manager, Microprocessor Products Group, Corporate Vice President and Director of Technology and Senior Vice President. Before joining Motorola, Dr. Ruiz worked at Texas Instruments, Inc. from 1972 to 1977. Dr. Ruiz is a member of the Board of Directors of Darden Restaurants, Inc.

Joe L. Roby--Mr. Roby, 60, has been a director since 1991. Mr. Roby is the President, Chief Executive Officer and a director of Donaldson, Lufkin & Jenrette, Inc. (DLJ), a diversified financial services company and the parent company of Donaldson, Lufkin & Jenrette Securities Corporation. Mr. Roby has been a member of the Board of Directors of DLJ since 1989. He was appointed President of DLJ in February 1996 and Chief Executive Officer in February 1998. Mr. Roby served as the Chief Operating Officer of DLJ from November 1995 until February 1998. Previously, Mr. Roby was the Chairman of the Banking Group of Donaldson, Lufkin & Jenrette Securities Corporation, a position he had held since 1989. Mr. Roby is a member of the Board of Directors of Sybron International Corporation.

Dr. Leonard M. Silverman--Dr. Silverman, 60, has been a director since 1994. Dr. Silverman is Dean of the School of Engineering of the University of Southern California, and has held that position since 1984. He was elected to the National Academy of Engineering in 1988 and is a Fellow of the Institute of Electrical and Electronic Engineers. Dr. Silverman served on the Board of Directors of Tandon Corporation from 1988 to 1993. Dr. Silverman is also a member of the Board of Directors of Diodes, Inc. and Netter Digital Entertainment, Inc.

Your Board of Directors unanimously recommends that you vote "FOR" the proposed slate of directors for the current year. Unless you indicate otherwise, your proxy will vote "FOR" the proposed nominees.

COMMITTEES AND MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors held eight regularly scheduled and special meetings during the 1999 fiscal year. All Directors attended at least 75% of the meetings of the Board of Directors and of the committees on which they served during 1999. The Board has three permanent committees: the Audit Committee, the Nominating Committee and the Compensation Committee. The members of the committees are appointed by the Board annually.

Audit Committee. The Audit Committee consists of Dr. R. Gene Brown, as Chair, Mr. Robert B. Palmer and Mr. Charles M. Blalack, each a non-employee director. The Audit Committee held five meetings during 1999. The Audit Committee reviews our accounting policies, internal controls, financial reporting practices, contingent risks and risk management strategies and plans, including litigation issues, and the services and fees of independent auditors. In connection with these reviews, the Audit Committee meets alone with our financial and legal personnel, and with our independent auditors, who have free access to the Audit Committee at any time. The director of our Internal Control Department reports directly to the Chair of the Audit Committee and serves a staff function for the Audit Committee. The Audit Committee recommends the selection of the independent auditors to serve the following year in examining our accounts. The Audit Committee also annually reviews the independence of the independent auditors as a factor in these recommendations.

Nominating Committee. The Nominating Committee consists of Mr. W. J. Sanders II, as Chair, Mr. Charles M. Blalack, Dr. R. Gene Brown, Mr. Robert B. Palmer and Mr. Joe L. Roby. The Nominating Committee

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met once during 1999 to consider nominees for the 1999 Annual Meeting. If you

wish to submit names of prospective nominees for consideration by the Nominating Committee you should do so in writing to our Corporate Secretary (nomination procedures are discussed in greater detail in our bylaws which will be provided to you upon written request).

Compensation Committee. The Compensation Committee consists of Mr. Charles M. Blalack, as Chair, Dr. R. Gene Brown and Dr. Leonard M. Silverman, each a non-employee director. The Compensation Committee recommends to the Board proposed equity incentive plans, determines equity compensation for the Chief Executive Officer and other executive officers, provides oversight of the salaries of executive officers as determined by the Chief Executive Officer, adopts executive bonus plans and grants equity awards to certain other employees. The Chief Executive Officer and Senior Vice President, Human Resources make recommendations to the Compensation Committee on the equity compensation of executive officers other than themselves. During 1999, the Compensation Committee met 11 times.

DIRECTORS' COMPENSATION AND BENEFITS

In 1999, we paid each director who was not an employee of AMD an annual fee of \$25,000, a fee of \$1,500 for attendance at each regular or special meeting of the Board, and a fee of \$1,000 for attendance at each meeting of each committee (other than the Nominating Committee) on which they served. In addition, we paid the Chair of the Audit Committee an annual fee of \$20,000 for service in that capacity, and we paid the Chair of the Compensation Committee an annual fee of \$4,000 for service in that capacity. We also reimburse reasonable out-of-pocket expenses incurred by directors in connection with attending meetings and performing other Board-related services for AMD, and, on occasion, travel expenses of their spouses.

Under a non-discretionary formula approved by the stockholders, we grant options to purchase 15,000 shares of common stock to non-employee directors on their initial election to the Board. These options vest on July 15 of the first, second, third and fourth calendar years following election in the following amounts, respectively: 6,000, 4,500, 3,000 and 1,500. If the director remains on the Board, we automatically grant supplemental options to purchase 5,000 shares of common stock on each re-election. Approximately one-third of these options vest on July 15 of each of the second, third and fourth calendar years following re-election. The exercise price of each option is the fair market value on the date of grant. The options expire on the earlier of ten years plus one day from the grant date or twelve months following termination of a director's service on the Board.

Any non-employee director may elect to defer receipt of all or a portion of his annual fees and meeting fees, but may not defer less than \$5,000. We credit deferred amounts plus interest to an account for record-keeping purposes, and we pay cash payments in a lump sum or in installments over a period of years, as elected by the director. Except in the case of the director's death or disability, payments commence upon the latest of the director's tenth anniversary of his first deferral, age 55, or upon retirement from the Board, but in no event later than age 70. The aggregate amount of retirement payments equals the director's deferred fees plus the accumulation of interest based on the annual dividend interest rate for the individual insurance policy on the director's life. In the event of the director's death, his beneficiary will receive the value of his account plus, in certain cases, a supplemental death benefit of up to ten times the average annual amount of his deferred fees. During 1999, Dr. Brown deferred fees in the amount of \$20,000 pursuant to this program. In addition, in lieu of his annual fee, Dr. Brown used an automobile provided by us, valued at \$22,548, which is taxable to him. We also provided Dr. Brown with family medical and dental insurance benefits, which are valued at \$57,553 and are also taxable to him.

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PRINCIPAL STOCKHOLDERS

The following table shows each person or entity we know to be the beneficial owner of more than five percent of our common stock as of February 28, 2000.

<TABLE> <CAPTION> Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
<S>	<C>	<C>
The Capital Research and Management Company(1).. 333 South Hope Street Los Angeles, CA 90071	11,810,130 (sole dispositive power as to all shares)	7.9%
UBS AG(2)..... Bahnhofstrasse 45 8021, Zurich, Switzerland	11,140,744 (sole voting power and shared dispositive power as to all shares)	10.7%

Friess Associates,
 Inc.(3)..... 7,969,000
 350 E. Broadway (sole voting and dispositive power as to all shares)
 Jackson, WY 83001

5.4%

</TABLE>

- (1) This information is based on Amendment No. 3 to the Schedule 13G filed with the Securities and Exchange Commission (SEC) on February 14, 2000, by Capital Research and Management Co. (Capital), a registered Investment Advisor. Capital is deemed to be the beneficial owner of 11,810,130 shares as a result of acting as an investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940. Shares reported by Capital include 2,060,130 shares resulting from the assumed conversion of \$76,225,000 principal amount of the Company's 6.00% Convertible Subordinate Notes due 2005.
- (2) This information is based on Amendment No. 1 to the Schedule 13G filed with the SEC on February 17, 2000, by UBS AG and Brinson Partners, Inc. (BPI). UBS AG is classified as a Bank and BPI is a registered Investment Advisor. BPI is an indirect wholly-owned subsidiary of UBS AG. UBS AG reported indirect beneficial holdings of our stock by reason of its ownership of BPI and UBS (USA) Inc., a parent holding company of BPI. BPI reported sole voting power and shared dispositive power as to 9,013,550 shares. BPI is located at 209 South LaSalle, Chicago, IL 60604. The percentage of outstanding shares beneficially owned by UBS AG includes 8.7% beneficially owned by BPI.
- (3) This information is based on the Schedule 13G filed with the SEC on January 12, 2000, by Friess Associates, Inc. Friess Associates, Inc. is an Investment Advisor.

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SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The table below shows the number of shares of our common stock beneficially owned as of February 28, 2000, by our directors, the nominees for election as directors, by each of our executive officers listed in the Summary Compensation Table, below, and by all of our directors and executive officers as a group. Except as otherwise indicated, each person has sole investment and voting powers with respect to the shares shown as beneficially owned. Ownership information is based upon information provided by the individuals.

<TABLE>
 <CAPTION>

Name	Amount and Nature of Beneficial Ownership(1)	Percent of Class
W. J. Sanders III.....	1,930,281(2)	1.27%
Dr. Friedrich Baur.....	7,534(3)	*
Charles M. Blalack.....	24,667(4)	*
Dr. R. Gene Brown.....	46,891(5)	*
Robert B. Palmer.....	0	*
Richard Previte.....	704,837(6)	*
Joe L. Roby.....	40,467(7)	*
Dr. Hector de J. Ruiz.....	1,000(8)	*
Dr. Leonard M. Silverman.....	16,667(9)	*
Robert R. Herb(10).....	126,000(11)	*
Dr. William T. Siegle(12).....	51,182(13)	*
Thomas M. McCoy(14).....	113,490(15)	*
All directors and executive officers as a group (17 persons).....	4,016,031(16)	2.64%

</TABLE>

* Less than one percent.

- (1) Some of the individuals may share voting power with regard to the listed shares with their spouses.
- (2) Includes 1,800,000 shares subject to options that are exercisable on February 28, 2000 or become exercisable within 60 days thereafter.
- (3) Includes 5,867 shares subject to options that are exercisable on February 28, 2000 or become exercisable within 60 days thereafter.
- (4) Includes 22,667 shares subject to options that are exercisable on February 28, 2000 or become exercisable within 60 days thereafter.
- (5) Includes 19,667 shares subject to options that are exercisable on February 28, 2000 or become exercisable within 60 days thereafter.
- (6) Includes 637,500 shares subject to options that are exercisable on February 28, 2000 or become exercisable within 60 days thereafter.
- (7) Includes 27,667 shares subject to options that are exercisable on February 28, 2000 or become exercisable within 60 days thereafter.
- (8) Does not include 1,000,000 shares subject to options, with 250,000 shares exercisable in January 2001, 2002, 2003 and 2004.
- (9) Includes 16,667 shares subject to options that are exercisable on February 28, 2000 or become exercisable within 60 days thereafter.

- (10) Mr. Herb, 38, is Senior Vice President and Chief Sales and Marketing Officer of AMD.
- (11) Includes 126,000 shares subject to options that are exercisable on February 28, 2000 or become exercisable within 60 days thereafter.
- (12) Dr. Siegle, 61, is Senior Vice President, Technology and Manufacturing Operations, Chief Scientist of AMD.
- (13) Includes 35,750 shares subject to options that are exercisable on February 28, 2000 or become exercisable within 60 days thereafter.
- (14) Mr. McCoy, 49, is Senior Vice President, General Counsel, Secretary and Year 2000 Compliance Officer of AMD.
- (15) Includes 105,000 shares subject to options that are exercisable on February 28, 2000 or become exercisable within 60 days thereafter.
- (16) Includes 3,673,635 shares subject to options that are exercisable on February 28, 2000 or become exercisable within 60 days thereafter.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors, our Section 16 officers and any persons holding more than ten percent of our common stock to report to the Securities and Exchange Commission and the New York Stock Exchange their initial ownership of our stock and any changes in that ownership. No person holds more than ten percent of our common stock. We believe that during fiscal year 1999, our directors and Section 16 officers filed all Section 16(a) reports on a timely basis. In making this statement, we have relied upon the written representations of our directors and Section 16 officers.

EXECUTIVE COMPENSATION

The following table shows compensation information for our Chief Executive Officer and the four other most highly paid executive officers of the Company.

SUMMARY COMPENSATION TABLE (1997-1999)

<TABLE>
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Name and Principal Position	Annual Compensation				Long-Term Compensation Awards		
	Year	Salary	Bonus(1)	Other Annual Compensation	Restricted Stock Awards	Securities Underlying Options	All Other Compensation(2)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
W. J. Sanders III..... Chairman and Chief Executive Officer	1999 1998 1997	\$1,000,000 \$1,000,000 \$1,000,000	\$2,000,000 \$ 12,167(3) \$ 617,817(3)	\$257,719(4) \$274,427(4) \$256,928(4)	\$ 0 \$ 0 \$ 0	0 0 0	\$541,777 \$516,503 \$472,812
Richard Previte..... Vice Chairman	1999 1998 1997	\$ 785,155 \$ 769,401 \$ 757,477	\$ 500,000 \$ 9,078(5) \$ 8,068(5)	\$ 0 \$ 0 \$ 0	\$ 0 \$ 0 \$ 0	0 160,000 100,000	\$ 41,336 \$ 40,114 \$ 30,843
Robert R. Herb..... Senior Vice President and Chief Sales and Marketing Officer	1999 1998 1997	\$ 393,750 \$ 361,298 \$ 226,250	\$ 512,813 \$ 379,483 \$ 2,177	\$ 0 \$ 55,701(6) \$141,893(6)	\$ 0 \$ 0 \$ 0	150,000 250,900 102,000	\$ 15,253 \$ 8,974 \$ 6,974
William T. Siegle..... Senior Vice President, Technology and Manufacturing Operations, Chief Scientist	1999 1998 1997	\$ 385,000 \$ 366,442 \$ 291,077	\$ 349,300 \$ 148,745 \$ 7,573	\$ 0 \$ 0 \$ 0	\$ 0 \$ 0 \$ 0	108,000 100,000 20,000	\$ 22,576 \$ 18,743 \$ 14,319
Thomas M. McCoy..... Senior Vice President, General Counsel, Secretary and Year 2000 Compliance Officer	1999 1998 1997	\$ 418,000(7) \$ 348,800 \$ 333,539	\$ 226,000 \$ 4,095 \$ 166,626	\$ 0 \$ 0 \$ 0	\$ 0 \$ 0 \$ 0	112,500 50,000 45,000	\$ 12,247 \$ 12,363 \$ 12,124

</TABLE>

- (1) Includes cash profit sharing in the following amounts for Messrs. Sanders, Previte, Herb, Siegle and McCoy: for 1998, \$12,167, \$9,078, \$4,483, \$4,370 and \$4,095; for 1997, \$10,371, \$8,068, \$2,177, \$2,971, and \$3,410.
- (2) Includes for 1999, 1998 and 1997 for Mr. Sanders, pursuant to his agreement, \$400,000 in deferred retirement compensation for each year and \$93,697, \$64,943 and \$23,000 as a deferred cost of living salary adjustment. Includes for 1999 for Messrs. Sanders, Previte, Herb, Siegle and McCoy, our matching contributions to our 401(k) Plan in the amounts of \$2,400, \$2,400, \$2,800, \$2,400 and \$2,400, our matching contributions to the Executive Savings Plan (the ESP) in the amounts of \$15,518,

\$11,444, \$4,383, \$4,219 and \$0, imputed income from term life insurance in the amounts of \$3,881, \$4,251, \$611, \$1,691 and \$886 and premiums paid for individual insurance policies in the amount of \$26,282, \$23,241, \$7,459, \$14,266 and \$8,962. Includes for 1998 for Messrs. Sanders, Previte, Herb, Siegle and McCoy, our matching contributions to our 401(k) Plan in the amounts of \$2,400, \$2,400, \$2,400, \$2,400 and \$2,400, our matching contributions to the ESP in the amounts of \$13,574, \$8,928, \$2,616, \$3,113 and \$0, imputed income from

term life insurance in the amounts of \$9,304, \$5,546, \$733, \$2,413 and \$1,001 and premiums paid for individual insurance policies in the amount of \$26,282, \$23,241, \$3,225, \$10,817 and \$8,962. Includes for 1997 for Messrs. Sanders, Previte, Herb, Siegle and McCoy, the Company's matching contributions to the Company's 401(K) Plan in the amounts of \$2,250, \$2,250, \$2,250, \$2,250 and \$2,250, respectively; the Company's matching contributions to the ESP in the amounts of \$12,600, \$0, \$1,013, \$1,961 and \$0, respectively; imputed income from the term life insurance provided by the Company in the amounts of \$8,680, \$5,352, \$486, \$1,774 and \$912, respectively; and premiums paid by the Company for individual insurance policies in the amount of \$26,282, \$23,241, \$3,225, \$8,334 and \$8,962, respectively.

- (3) No bonus was earned for 1998 or 1997. This column includes cash profit sharing for 1998 and 1997. (See note 1.) In 1997, pursuant to the terms of Mr. Sanders' employment agreement, \$607,446 was paid from the bonus carried forward from 1995. No additional carryover amount currently exists.
- (4) Includes for 1999, 1998 and 1997, \$115,298, \$113,782, and \$104,178, of in-kind compensation in the form of company provided vehicles; and \$79,754, \$96,061 and \$78,176, reflecting the cost of providing physical security services.
- (5) No bonus was earned for 1998 or 1997. This column includes cash profit sharing for 1998 and 1997. (See note 1.)
- (6) Includes for 1998, \$36,943 of relocation assistance and \$17,458 of in-kind compensation in the form of a company provided vehicle. Includes for 1997, \$128,789 of relocation assistance.
- (7) Includes \$20,000 for loan forgiveness and a \$38,000 retention payment.

1999 OPTION GRANTS

<TABLE>
<CAPTION>

Name	Number of Securities Underlying Options Granted(1)	% of Total Options Granted to Employees in Fiscal Year	Exercise Price Per Share	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation For Option Term(2)		
					0%	5%	10%
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
W. J. Sanders III.....	0	0%	\$ N/A	\$ N/A	\$ 0	\$ 0	\$ 0
Richard Previte.....	0	0%	\$ N/A	\$ N/A	\$ 0	\$ 0	\$ 0
Robert R. Herb.....	100,000	2.05%	\$16.38	4/28/09	\$ 0	\$1,030,129	\$2,610,550
	50,000	1.03%	\$18.50	8/12/09	\$ 0	\$ 581,728	\$1,474,212
William T. Siegle.....	50,000	1.03%	\$16.38	4/28/09	\$ 0	\$ 515,065	\$1,305,275
	20,000	0.41%	\$ 0.01	4/28/09	\$327,400	\$ 533,426	\$ 849,510
	38,000	0.78%	\$18.50	8/12/09	\$ 0	\$ 442,113	\$1,120,401
Thomas M. McCoy.....	50,000	1.03%	\$16.38	4/28/09	\$ 0.00	\$ 515,065	\$1,305,275
	25,000	0.51%	\$16.38	4/28/09	\$ 0.00	\$ 257,532	\$ 652,638
	37,500	0.77%	\$18.50	8/12/09	\$ 0.00	\$ 436,296	\$1,105,659

</TABLE>

- (1) For all optionees: Each option has a ten-year term. Each option is subject to earlier termination upon the optionee's termination of employment, death or disability. The exercise price may be paid in cash or in shares. Withholding taxes due on exercise may be paid in cash, with previously owned shares, or by having shares withheld. 50,000 shares of Mr. Herb's options vest in July 2000, 2002 and 2003. Dr. Siegle's shares vest as follows: 62,000 shares in July 2000; 10,000 shares in July 2001; 16,000 shares in July 2002; and 20,000 shares with an exercise price of \$.01 vest in January 2004 and vesting is accelerated if certain performance criteria are met. Mr. McCoy's shares vest as follows: 25,000 shares in July 2000 and 2001; 12,500 in July 2000 and 2001; and 37,500 shares in July 2000. Upon an optionee's termination of employment, options may be exercised only to the extent exercisable on the date of such termination of employment. Upon an optionee's death or disability, certain options that vest during the year of death or disability may become exercisable. Options may also become fully exercisable upon a change in control of AMD as that term is defined under AMD's stock incentive plans or in accordance with an optionee's management continuity agreement. See the discussion under "Employment Agreements" and "Change in Control Arrangements."
- (2) The 0%, 5% and 10% assumed rates of annual compound stock price appreciation are mandated by rules of the Securities and Exchange Commission and do not represent our estimate or projection of future

prices of our common stock.

AGGREGATED OPTION EXERCISES IN 1999
AND FISCAL YEAR-END OPTION VALUES

<TABLE>
<CAPTION>

Name	Number of Shares Acquired on Exercise	Value Realized(1)	Number of Securities Underlying Unexercised Options at 12/26/99		Value of Unexercised In-The-Money Options at 12/26/99(1)	
			(Exercisable)	(Unexercisable)	(Exercisable)	(Unexercisable)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
W. J. Sanders III.....	0	\$ 0	2,300,000	900,000	\$30,373,000	\$12,492,000
Richard Previte.....	11,317	\$250,332	645,550	171,317	\$ 3,653,413	\$ 2,129,093
Robert R. Herb.....	10,000	\$318,700	120,924	399,882	\$ 1,180,081	\$ 3,674,046
William T. Siegle.....	0	\$ 0	55,625	214,625	\$ 635,519	\$ 2,348,009
Thomas M. McCoy.....	5,658	\$125,155	135,000	168,158	\$ 296,400	\$ 1,504,557

</TABLE>

(1) Value for these purposes is based solely on the difference between market value of underlying shares on the applicable date (i.e., date of exercise or fiscal year-end) and the exercise price of options.

Employment Agreements

Chairman's Employment Agreement. In 1996, we entered into an employment agreement with Mr. Sanders that expires December 31, 2003. The agreement provides for annual base compensation to Mr. Sanders of \$1 million through 2001, \$500,000 in 2002 and \$350,000 in 2003, with certain deferred adjustments for cost of living increases. The agreement also provides for an annual incentive bonus equal to 0.6% of our adjusted operating profit (as defined in the agreement) in excess of 20% of adjusted operating profits for the preceding year for each year through 2001. The annual bonus payment is capped at \$5 million, with any excess carried over to years where the cap is not satisfied. Mr. Sanders is also eligible to receive a discretionary bonus, in an amount determined by the Compensation Committee. Under the agreement, we granted Mr. Sanders an option in 1996 to purchase 2,500,000 shares of our common stock with an exercise price equal to the fair market value of our common stock on the date of the grant with time-based and performance-based vesting criteria. 1,600,000 of these options were vested as of February 28, 2000.

If we terminate or constructively terminate Mr. Sanders' employment before the agreement expires, Mr. Sanders will receive his salary through the later of December 31, 2002 or one year following termination, his bonus for the year of termination and for the year following his termination, vesting of all time-based options and vesting of time-based performance-accelerated options for the year of termination and for the year following termination (provided the performance milestones are satisfied within those periods). Mr. Sanders will receive a portion of these benefits if his employment terminates by reason of death or disability.

If Mr. Sanders' employment terminates following a Change in Control (as defined on p. 13, below), he will receive:

- . The greater of the salary payable for the remaining term of the agreement or three times his base salary,
- . Bonus payments equal to the average of the two highest annual bonuses paid during the past five years plus any difference between the amount paid and any bonus amount that would otherwise have been payable to Mr. Sanders for the year in which the termination occurred and the following year,
- . Vesting of all time-based options,
- . Vesting of time-based performance-accelerated options if the performance milestones are satisfied on the basis of the acquisition price or if the options would have vested in the year of such Change in Control, and
- . An additional payment to reimburse him for federal excise taxes (and taxes on those taxes).

Under the agreement, we accrue \$400,000 per year (with 9% interest) in deferred retirement compensation, payable to Mr. Sanders if he is Chief Executive Officer on September 12, 2001. This \$2 million (plus interest) will be paid to Mr. Sanders in a manner that ensures that it is deductible under Section 162(m) of the Internal Revenue Code of 1986 (the Code). Following the termination or constructive termination of Mr. Sanders' employment by us other than for cause, retirement deferrals will accelerate.

President and Chief Operating Officer's Employment Agreement. In January 2000, we entered into an employment agreement with Dr. Ruiz that provides for an initial annual base compensation of \$750,000 and an annual incentive bonus equal to 0.3% of our adjusted operating profit in excess of 20% of adjusted operating profits for the preceding year. The annual bonus is capped at \$5 million. For 2000, Dr. Ruiz' bonus will be no less than \$500,000, or if greater, 0.3% of adjusted operating profit for 2000. Under the agreement, we granted Dr. Ruiz an option to purchase 1,000,000 shares of our common stock with an exercise price equal to the fair market value on the date of grant. Beginning in 2001, Dr. Ruiz will be eligible for base compensation increases and entitled to annual grants of options to purchase 250,000 shares of common stock.

In addition, under the agreement, we will pay Dr. Ruiz a retirement benefit to replace the retirement benefit that he forfeited at the time he joined AMD. The retirement benefit will be paid following the later of his termination of employment or his attainment of age 57. In the case of his voluntary termination or his termination for cause before age 55, no benefits will be payable. We will pay all federal and state income or employment taxes on this retirement benefit amount. Should Dr. Ruiz forfeit any of his vested stock option gains from his former employer, we will reimburse him for any forfeited gains (not to exceed the aggregate spread on shares subject to the stock option as of the date he joined AMD). In the event that Dr. Ruiz voluntarily leaves or he is terminated for cause within two years of joining AMD, he will be required to repay the full amount of this reimbursement.

In the event we terminate Dr. Ruiz without cause, we will pay Dr. Ruiz a lump sum severance payment equal to one year of his current annual base salary and accelerate the vesting of the initial option grant by one year. In the event that Dr. Ruiz resigns before 2002 because the Board of Directors has determined that he will not become Chief Executive Officer of AMD following our 2002 Annual Meeting, he will receive a lump sum severance payment equal to two years of his current annual base salary and we will accelerate the vesting of his initial option by two years. In the event of a Change in Control (as defined on p. 13, below), if we terminate Dr. Ruiz' employment without cause or he resigns due to any diminution or adverse change in the circumstances of his employment, he will receive a lump sum severance payment equal to three years of his current annual base salary, the average of his two highest bonuses in the past five years and full acceleration of all stock options held by him at the time of termination. We will pay Dr. Ruiz an additional payment to reimburse him for federal excise taxes (and taxes on those taxes).

Vice Chairman's Employment Agreement. In 1999, we entered into an employment agreement with Mr. Previte that provides for annual base compensation of \$770,340, increased in 1999 and 2000 by a Consumer Price Index percentage, through April 30, 2000, and a bonus payment for 1999 equal to 0.3% of our adjusted operating profits. Under the agreement, on January 31, 2000, Mr. Previte began a paid leave of absence of one year. If we terminate Mr. Previte's employment before January 31, 2001, other than for cause, Mr. Previte will receive his base compensation, benefits and continued vesting of options through January 31, 2001. During his leave of absence, Mr. Previte will be available to provide limited services to us at the request of the Chief Executive Officer. If we terminate Mr. Previte's employment for cause, or if Mr. Previte competes with the Company, all rights to compensation, benefits and continued vesting of stock options terminate. Mr. Previte will serve as Vice Chairman until the 2000 Annual Meeting. He will not stand for re-election as a director at the 2000 Annual Meeting.

Change in Control Arrangements

Management Continuity Agreements. We have entered into management continuity agreements with each of our executive officers, except Mr. Sanders and Dr. Ruiz, designed to ensure their continued services in the event of a change in control. Mr. Sanders' employment agreement supersedes his management continuity agreement and Dr. Ruiz' employment agreement addresses a change of control. Mr. Sanders' and Dr. Ruiz' employment agreements are discussed in this proxy statement in the section entitled, "Employment Agreements," beginning on p.11, above.

For purposes of the management continuity agreements, a change in control includes any change of a nature which would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended. A change in control is conclusively presumed to have occurred on:

- . Acquisition by any person, other than AMD, or any employee benefit plan of ours, of beneficial ownership of more than 20% (35% in the case of Mr. Sanders' and Dr. Ruiz' employment agreements and in Mr. Herb's management continuity agreement) of the combined voting power of our

then outstanding securities.

- . A change of the majority of the Board of Directors during any two consecutive years, unless certain conditions of Board approval are met.
- . A determination by certain members of the Board within one year after an event that such event constitutes a change in control.

The management continuity agreements provide that, in the event of a change in control, we will reimburse the executive officer for any federal excise taxes (and taxes on those taxes) payable as a result of benefits received from us. The agreements provide that, if within two years after a change in control the executive officer's employment is terminated by us or the executive officer is constructively discharged, the executive officer will receive:

- . A severance benefit equal to three times the sum of his rate of base compensation plus the average of his two highest bonuses in the last five years,
- . Payment of his accrued bonus,
- . Twelve months' continuation of other incidental benefits, and
- . Full and immediate vesting of all unvested stock options, SARs and restricted stock awards.

Mr. Herb's management continuity agreement provides that he will receive these benefits upon termination of his employment by him or the Company following a change in control.

Vesting of Stock Options. All stock options granted and restricted stock awarded under our stock incentive plans become fully vested on termination of employment (other than for misconduct) or constructive termination within one year following a change of control, as defined in the plans.

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CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Mr. Roby, director, is the President, Chief Executive Officer and a director of Donaldson, Lufkin & Jenrette, Inc. (DLJ). In 1999, Donaldson, Lufkin & Jenrette Securities Corporation, a wholly-owned subsidiary of DLJ, provided investment banking services to us and will provide services to us in 2000. W. J. Sanders III, Chairman of the Board of AMD, is a director of DLJ.

In March 1997, Mr. McCoy borrowed \$450,000 from us pursuant to a promissory note secured by a pledge of stock and a deed of trust on real property. Mr. McCoy borrowed an additional \$50,000 in April 1997 and \$20,000 in May 1998. In January 1999, the \$20,000 loan was forgiven by AMD and the remaining loans were restructured to extend the term to March 2002, change the interest rate to 4.57%, and require payment in four annual installments. The largest amount owed under the loans during 1999 was \$525,521, and the aggregate amount outstanding under the loans as of February 28, 2000 was \$504,798.

In connection with Mr. Francis P. Barton's initial employment by AMD as Chief Financial Officer in 1998, we loaned him \$200,000 pursuant to a promissory note bearing interest at 5.43%, payable in four annual installments beginning September 1, 1999, secured by a deed of trust on real property. The largest amount owed under the loan during 1999 was \$211,870, and the aggregate amount outstanding under the loan as of February 28, 2000 was \$154,254.

In January 2000, we loaned \$2.5 million to Dr. Ruiz pursuant to a promissory note bearing interest at 7.75% payable in full on July 26, 2000. The aggregate amount outstanding under the loan as of February 28, 2000 was \$2,521,764.

Notwithstanding anything to the contrary set forth in any of our previous filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, that might incorporate future filings, including this proxy statement, in whole or in part, the following report and the Performance Graph on page 18 shall not be incorporated by reference into any such filings, nor shall they be deemed to be soliciting material or deemed filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended.

BOARD COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

During 1999, the Compensation Committee of AMD's Board of Directors consisted of Mr. Blalack, as Chair, Dr. Brown and Dr. Silverman. The members of the Compensation Committee are independent non-employee, non-affiliated directors.

The Committee has overall responsibility for AMD's executive compensation policies and practices. The Committee's functions include:

- . Determining the compensation of the Chief Executive Officer of AMD,

- . Reviewing and approving all other executive officers' compensation, including salary and payments under the annual executive bonus plans, in each case based in part upon the recommendation of the Chief Executive Officer and the Senior Vice President, Human Resources of AMD, and
- . Granting awards to executive officers and, depending on the size of the award, to other employees under AMD's equity incentive plans.

Certain officers of AMD, outside counsel and consultants typically attend meetings of the Committee. No officer of AMD is present during discussions or deliberations regarding that officer's own compensation. The Committee administers AMD's 1998 Stock Incentive Plan, 1996 Executive Incentive Plan, 1996 Stock Incentive Plan, 1995 Stock Plan of NexGen, Inc., and 1992 Stock Incentive Plan.

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Compensation Philosophy and Policies. The Committee believes that long-term corporate success, defined as sustained profitable growth, is best achieved in an environment in which employees have the opportunity to be innovative and are rewarded appropriately for that innovation. In order to provide a direct link between corporate performance and compensation which will attract and retain top-caliber employees, the Committee's compensation philosophy is to provide total compensation opportunities that are highly competitive with the pay practices of other industry-leading companies. Our compensation policies are designed to address a number of objectives, and to both reward financial performance and motivate executive officers to achieve significant returns for our stockholders. Our policies rely on two principles. First, a large portion of executive officers' cash compensation should be at risk and vary depending upon meeting stated financial objectives. Second, a significant portion of executive officers' total compensation should be in the form of stock and other equity incentives.

When establishing salaries, bonus levels, and stock or equity awards for executive officers, the Committee considers the individual's role, leadership responsibilities and performance during the past year, and the amount of compensation paid to executive officers in similar positions at companies that compete with us for executives. The Committee has retained an outside compensation consultant to make periodic reviews of competitive data obtained from other independent consultants. The Committee's determinations take into account our outside compensation consultant's reviews and the compensation practices of those high technology companies that compete with us for executive talent and have annual revenues generally in excess of \$1 billion. Most of these companies are included in the Technology-500 Index used in the performance graph appearing in this proxy statement.

Because we want to attract and retain top-caliber employees, we typically set base salary targets at or above the median for this group of companies. Companies outside the semiconductor industry are selected for inclusion in this review based upon the extent to which they satisfy a list of selection criteria, which includes size, growth rates, similar financial performance, leadership status in their industry, reputation for innovation and the extent to which they compete with us for executives, not all of which may be satisfied in any particular case. The Committee has instructed its compensation consultant to include in its review companies other than those included in the Technology-500 Index because we compete with them for executives, depending upon the specific skills required for the position.

The Committee uses comparative data to set compensation targets that will provide executive officers with compensation that exceeds the average amounts paid to similar executives in years in which we achieve superior results, and with compensation below the average of amounts paid to similar executives in years in which we fail to achieve superior results. However, the Committee also makes discretionary and subjective determinations of appropriate compensation amounts to reflect, for example, our philosophy of compensating executives for the success they achieve in managing specific enterprises. The Committee places considerable weight upon the recommendations of the Chief Executive Officer in the case of other executive officers. While decisions concerning specific 1999 salaries, bonus levels, and stock or equity awards for individual executive officers were made within this broad framework, and in light of each executive officer's level of responsibility, performance, and competitive pay position, the awards were ultimately based upon the Committee's judgment regarding the individual executive officer's performance, taking account of whether each particular payment or award would provide an appropriate reward and incentive for his contribution to the continuation of our long-term profit performance.

Base Salary. In consultation with members of the Committee, the Chief Executive Officer reviews annually every other executive officer's base salary, including those officers who are also directors. When reviewing base salaries, he considers individual and corporate performance, levels of responsibility and competitive pay practices. These factors vary from individual to individual and the Chief Executive Officer does not assign relative weight or priority to any one factor. In 1999, salary increases for

executive officers were deferred until the quarter following the Company's return to profitability. Therefore, salary increases for 1999 were not effective until January 2000.

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Under Mr. Sanders' employment agreement, the Committee approved a 2.7% increase to Mr. Sanders' base salary for 1999 as a cost of living adjustment. This 2.7% adjustment will be deferred. We paid Mr. Sanders a base salary of \$1,000,000 for 1999. The agreement is discussed in more detail in this proxy statement in the section entitled, "Employment Agreements," on p. 11.

Annual Cash Bonus Incentives. Annual cash bonus incentives allow us to communicate key corporate goals to all employees and reward employees for achieving those goals each fiscal year. As one example of these incentives, we allocate up to 10% of operating profits to a profit sharing program in which all domestic and U.S. expatriate employees participate. Generally, we pay a portion of this allocation in cash and contribute a portion to a tax-qualified deferred profit sharing plan. No profit sharing was paid out under this plan for 1999. A one-time modified cash profit sharing plan was put in place for employees at the level of manager and below for the fourth quarter of 1999.

All senior executives with titles of vice president and above, other than Mr. Sanders, Mr. Previte and Dr. Ruiz, were eligible in 1999 for bonus awards under the Executive Bonus Plan. The Executive Bonus Plan has a short-term component and a long-term component. The amount payable under the short-term component of the Executive Bonus Plan ranges from 0% to 100% of base salary depending on the executive's level of responsibility. Under the short-term component, 80% of the targeted bonus is based on AMD's achievement of predetermined operating income goals beyond a threshold level of operating income. The remaining 20% of the targeted bonus under the short-term component is based on the executive's achievement of various group and division goals developed by the executive's manager. Bonuses under the long-term component of the Executive Bonus Plan are based on AMD's three-year average return on equity relative to that of the S&P 500 Index, and on AMD's three-year sales growth relative to that of the semiconductor industry, as published by Worldwide Semiconductor Trade Statistics (WSTS). In order for an award to be paid under the long-term component, we must achieve a threshold level of performance relative to the S&P 500 and WSTS indexes, which is established by management, approved by the Committee and reviewed by the Board. The maximum amount payable under the long-term component is 60% of base salary. Although none of the eligible and participating executive officers earned an award under the Executive Bonus Plan in 1999, discretionary bonuses were paid based on modified Company goals for the second half of the year.

The Committee believes that the Company is in serious competition with high technology companies to attract and retain top caliber employees both within and without the semiconductor industry. In fact, during 1999 when members of senior management resigned, additional responsibilities were added to those members who remained. The Committee also recognizes that AMD has been under intense pressure to return to profitability and did so in the fourth quarter of 1999. In light of these circumstances, the Committee determined it was appropriate to be flexible in administering cash-based incentive compensation programs for 1999. Accordingly, the Committee approved additional awards for exemplary performance and for achieving certain strategic objectives.

Mr. Sanders was awarded \$2,000,000 for his leadership and strategic direction after assuming the role of Chief Operating Officer in July, successfully leading the Company to fourth quarter profitability and successfully leading the project to finance and build Fab 30 in Dresden, Germany. Mr. Previte was awarded \$500,000 for the successful completion of the sale of the Company's programmable logic subsidiary, Vantis Corporation, in June 1999. Mr. Herb was awarded an additional \$375,000 for the successful achievement of the revenue objectives for AMD-K6(R) and AMD Athlon(TM) microprocessors for the third and fourth quarters. Dr. Siegle was awarded an additional \$233,800 for accomplishment of strategic manufacturing objectives and for the successful incorporation of certain additional technology into the Company's alliance with Motorola in 1999. Mr. McCoy was awarded an additional \$100,000 for his leadership as Year 2000 Compliance Officer, successfully leading the Company's Year 2000 remediation and transition program. The Committee believes that the development of these special incentive programs was a significant contributor to AMD's return to profitability in the fourth quarter of 1999.

Equity Incentive Awards. A fundamental tenet of AMD's compensation policy is that significant equity participation creates a vital long-term partnership between executive officers and other stockholders. As of

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February 28, 2000, executive officers of AMD owned an aggregate of 298,705 shares of common stock (including restricted shares) and had the right to acquire an additional 3,581,100 shares of common stock upon the exercise of employee stock options which are exercisable by April 28, 2000. These interests, exclusive of other outstanding options, represented in the

aggregate 2.55% of AMD's outstanding capital stock on February 28, 2000. We intend to continue our strategy of encouraging our executive officers to become stockholders.

The number of shares of common stock subject to option grants or restricted stock awards is based on AMD's business plans, the executive's level of corporate responsibility, individual performance, historical award data, and competitive practices of high technology companies that compete with us for executives, with annual revenues generally in excess of \$1 billion and satisfying the other criteria set forth above. In making these grants, the Committee exercises its discretion and does not assign any relative weight to one or more of these factors. Further, the Committee generally does not consider whether an executive has exercised previously granted options. During 1999, executive officers received options to purchase 667,000 shares of common stock. Mr. Sanders did not receive any equity awards in 1999.

Tax Policy. Section 162(m) of the Code limits deductions for certain executive compensation in excess of \$1 million. Certain types of compensation are deductible only if performance criteria are specified in detail and are contingent on stockholder approval of the compensation arrangement. AMD has endeavored to structure its compensation plans to achieve maximum deductibility under Section 162(m) with minimal sacrifices in flexibility and corporate objectives. However, as noted above, because the cash-based incentive compensation arrangements normally implemented before the end of the first quarter were revised mid-year, a portion of the payments under such arrangements will not be deductible under Section 162(m).

While the Committee will consider deductibility under Section 162(m) with respect to future compensation arrangements with executive officers, deductibility will not be the sole factor used in ascertaining appropriate levels or modes of compensation. Since corporate objectives may not always be consistent with the requirements for full deductibility, it is conceivable that AMD may enter into compensation arrangements in the future under which payments are not deductible under Section 162(m).

Conclusion. The Committee believes that long-term stockholder value is enhanced by corporate and individual performance achievements. Through the plans and policies described above, a significant portion of AMD's executive compensation is based on corporate and individual performance, as well as competitive pay practices. The Committee believes equity compensation, in the form of stock options and restricted stock, is vital to the long-term success of AMD. The Committee remains committed to this policy, recognizing the competitive market for talented executives and that the cyclical nature of AMD's business may result in highly variable compensation for a particular time period. Moreover, the Committee believes that AMD's flexibility in implementing its compensation philosophy in 1999 has played a substantial part in enabling AMD to retain its key executives and return to profitability in the fourth quarter of 1999. The Committee believes that long-term stockholder value was enhanced by the corporate and individual performance achievements of AMD's executives.

COMPENSATION COMMITTEE

Charles M. Blalack
 R. Gene Brown
 Leonard M. Silverman

PERFORMANCE GRAPH

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN
 ADVANCED MICRO DEVICES, S&P 500 INDEX AND
 TECHNOLOGY-500 INDEX

The following graph shows a five-year comparison of cumulative total return on our common stock, the S&P 500 Index and the Technology-500 Index from December 31, 1994 through December 31, 1999. The past performance of our common stock is no indication of future performance.

[Performance Graph Appears Here]

This graph was plotted using the following data:

<TABLE>
 <CAPTION>

	Year ending December 31,					
	1994	1995	1996	1997	1998	1999
AMD.....	\$100	\$ 66.35	\$103.55	\$ 71.38	\$116.62	\$116.37
S&P 500 Index.....	\$100	\$137.58	\$169.17	\$225.60	\$290.08	\$351.12
Technology-500 Index.....	\$100	\$144.04	\$204.35	\$257.68	\$445.72	\$780.60

</TABLE>

ITEM 2--RATIFICATION OF INDEPENDENT AUDITORS

Unless you indicate otherwise, your proxy will vote FOR the ratification of the appointment of Ernst & Young LLP as the independent auditors for the current year. Ernst & Young LLP has been our independent auditors since our incorporation in 1969.

Audit services of Ernst & Young LLP during the 1999 fiscal year included the examination of our consolidated financial statements and services related to filings with the Securities and Exchange Commission and other regulatory bodies.

Our Audit Committee meets with Ernst & Young LLP several times a year. At such times, the Audit Committee reviews both audit and non-audit services performed by Ernst & Young LLP for the preceding year, as well as the fees charged for such services. Among other things, the Committee examines the effect that the performance of non-audit services may have upon the independence of the auditors.

A representative of Ernst & Young LLP is expected to be present at the Annual Meeting and will have an opportunity to make a statement if he or she so desires. He or she will also be available to respond to appropriate questions from stockholders.

Your Board of Directors unanimously recommends that you vote "FOR" the ratification of the appointment of Ernst & Young LLP as the independent auditors for the current year. Unless you indicate otherwise, your proxy will vote "FOR" ratification.

ITEM 3--APPROVAL OF THE INCREASE IN NUMBER OF SHARES AUTHORIZED FOR ISSUANCE UNDER THE ADVANCED MICRO DEVICES, INC. 1996 STOCK INCENTIVE PLAN.

The Company's stockholders are also being asked to approve an amendment to the Advanced Micro Devices, Inc. 1996 Stock Incentive Plan (the 1996 Plan) to increase the number of shares authorized for issuance under the 1996 Plan. The purpose of this amendment is to provide the Company with an additional 7,250,000 shares of common stock that can be awarded to employees, consultants and advisors of the Company. Management believes that this amendment is in the best interests of the Company because of the need to provide equity incentives to attract and retain quality employees and consultants and remain competitive in the industry.

The purpose of the 1996 Plan is to enable the Company and its affiliates to recruit and retain capable employees and consultants for the successful conduct of its business and to provide an additional incentive to officers and other eligible key employees, consultants and advisors and Outside Directors upon whom rest major responsibilities for the successful operation and management of the Company and its affiliates. The 1996 Plan is intended to enable the Company to attract qualified personnel in a highly competitive labor market. The Company intends future increases in the value of securities granted under the 1996 Plan to form part of the compensation for services to be rendered by such persons in the future.

As of February 28, 2000, approximately 2,268,084 shares were available for future grants and 18,493,336 shares were subject to outstanding options from all of our stock incentive plans. The weighted average exercise price and weighted average remaining term of the outstanding options were \$18.41 and \$7.37, respectively.

The stockholders approved the 1996 Plan on April 24, 1996 with an effective date of February 7, 1996. The Board of Directors approved previous amendments to the 1996 Plan in October 1996 and in April 1998, and the stockholders approved these previous amendments on April 24, 1997 and April 30, 1998. The Board of Directors approved the proposed amendment to the 1996 Plan, to be voted on at the Annual Meeting, in February 2000. Below is a summary of the principal provisions of the 1996 Plan and its operation.

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Summary Description of the 1996 Plan

Number of Shares Subject to the 1996 Plan. The 1996 Plan reserves for issuance up to 10,200,000 shares of AMD common stock pursuant to the exercise of options granted under such plan. If the stockholders approve the amendment, an additional 7,250,000 shares may be issued pursuant to the exercise of options granted under the 1996 Plan. The number of shares is subject to adjustment for any future stock dividends, splits, mergers, combinations, or other changes in capitalization as described in the 1996 Plan. The market value of the Company's common stock on the New York Stock Exchange as of February 28, 2000 was \$37.75 per share.

Administration and Duration of the 1996 Plan. Authority to administer the 1996 Plan and to grant awards rests with the Board of Directors. The Board has

delegated its authority to grant awards to any employee (including officers who are members of the Board) to the Compensation Committee. The Board has also delegated authority to senior management to grant awards covering up to 25,000 shares per year to any employee who is not also an officer or member of the Board.

The 1996 Plan will terminate on February 7, 2006, but the Board retains the right to suspend, terminate or amend the 1996 Plan at any time. On termination of the 1996 Plan, outstanding awards remain in effect until they expire by their terms, are forfeited or otherwise terminate.

Eligibility for Participation. Options may be granted under the 1996 Plan to key full- or part-time employees, officers, consultants and advisors of the Company and its affiliates. The maximum number of shares that may be granted to an individual under the 1996 Plan is 2,000,000. As of February 28, 2000, approximately 3,835 persons were eligible to receive options under the 1996 Plan, 986,575 shares had been issued upon the exercise of options under the 1996 Plan, and 8,929,373 shares were subject to outstanding options under the 1996 Plan. As of February 28, 2000, 284,052 shares were available for future option grants.

Over the term of the 1996 Plan through February 28, 2000, the following executive officers have been granted the following options to purchase shares under the 1996 Plan: Mr. Sanders, 2,000,000 shares; Dr. Ruiz, 750,000 shares; Mr. Previte, 300,000 shares; Mr. Herb, 112,000 shares; Dr. Siegle, 170,000 shares; and Mr. McCoy, 200,000 shares. During this period, the Company's executive officers as a group have been granted options to purchase an aggregate of 4,448,500 shares, and all employees as a group (excluding executive officers) have been granted options to purchase an aggregate of 8,797,776 shares under the 1996 Plan. During this period, the Company's current directors as a group (excluding executive officers) have been granted options to purchase 105,000 shares under the 1996 Plan.

Terms of Options. Options granted to employees may be either incentive stock options (ISOs) which satisfy the requirements of Code Section 422 or nonstatutory options (NSOs) which are not intended to satisfy such requirements. Options granted to Outside Directors, consultants and advisors may only be NSOs.

The exercise price of options granted under the 1996 Plan may not be less than the fair market value of the Company's common stock on the date of grant. Payment of the exercise price may be made in cash, by certified check, promissory note, other shares of the Company's common stock, or through a same day sale program. In addition, the Board may authorize loans and loan guarantees for the exercise price. The term of an ISO may not exceed ten years. The term of an NSO may not exceed ten years plus one day. The Company did not grant any ISOs in 1999.

Options granted to employees generally are made cumulatively exercisable in annual installments, although the actual dates of exercise may be modified by the Board or its delegate so long as the option holder's interest is not thereby diminished without the option holder's consent. Options may be made exercisable only under such conditions as the Board or its delegate may establish, such as if the optionee remains employed until a specified date, or if specified performance goals have been met. If an optionee's employment terminates because of misconduct, such option terminates immediately. If an optionee's employment terminates for any reason other than misconduct, the option remains exercisable for a fixed period of three months (twelve months in the case of

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vice presidents or where employment has terminated because of death or disability) or a longer period to be fixed by the Board or its delegate up to the remainder of the option's term. In no case may an option be exercised after the expiration of the option's term. An option may be exercised by the optionee or his guardian or legal representative.

Outside Director Option Program. An Outside Director who has not previously been elected or appointed as a member of the Board will be granted a First Option for 15,000 shares on his or her election or appointment. First Options vest in increments of 6,000, 4,500, 3,000 and 1,500 on July 15 of the first, second, third and fourth calendar year following grant. On the first business day coincident with or following each annual meeting of the Company's stockholders at which an Outside Director is re-elected, he or she will automatically receive an Annual Option for 5,000 shares, vesting in three increments of 1,667, 1,667 and 1,666 shares on July 15 of the second, third and fourth calendar year following re-election. Options held by Outside Directors may be exercised for up to twelve months following termination of their service on the Board to the extent the options are vested on the date of termination. Options which are not vested on the date of termination are canceled. Options held by Outside Directors will become fully vested for exercise upon a Change of Control. See the section entitled "Acceleration in Connection with a Change of Control" below.

Acceleration in Connection with a Change of Control. If a participant's employment is terminated for any reason other than for cause (or, with respect to certain participants who are executive officers of the Company as defined in the 1996 Plan, there is a constructive termination of their employment) within one year after a Change of Control, all options held by such participant become fully vested. A constructive termination occurs if the participant resigns because of a diminution or adverse change in his or her conditions of employment. Options held by Outside Directors become fully vested upon a Change of Control without regard to termination of their service as a director. In general, a "Change of Control" will be deemed to have occurred upon the acquisition of more than 20% of either the then outstanding shares of AMD common stock or the combined voting power of the Company's then outstanding securities, a change in two-thirds of the Board of Directors over a two-year period, certain mergers or corporate transactions in which the Company is not the surviving entity, or a liquidation of the Company or a sale of substantially all of the Company's assets. The 1996 Plan Change of Control provisions are not applicable to options granted to Mr. Sanders or Dr. Ruiz.

Plan Benefits Table. The following table shows in the aggregate the Annual Options that will be granted to Outside Directors under the 1996 Plan in 2000. Since all current Outside Directors are incumbent directors, no Outside Director who is elected at the 2000 Annual Meeting of Stockholders will receive a First Option. Because future awards to executive officers and employees of the Company are discretionary and cannot be determined at this time, the table does not reflect any such awards.

<TABLE>
<CAPTION>

Name and Position -----	Exercise Price (per share) -----	Number of Shares -----
<S>	<C>	<C>
All current directors who are not executive officers as a group (6 persons)....	Fair market value on date of grant	30,000

</TABLE>

Federal Tax Consequences--Nonstatutory Options. No taxable income is recognized by an optionee upon the grant of an NSO. The optionee generally will recognize ordinary income in the year in which the option is exercised equal to the excess of the fair market value of the purchased shares at the date of exercise over the exercise price, and the optionee will be required to satisfy the tax withholding requirements applicable to such income which the optionee may elect to satisfy by having the Company withhold shares from the shares otherwise due or by delivering a sufficient number of previously owned shares of the Company's common stock to the Company. On ultimate sale of the shares, the optionee will generally recognize as capital gain or loss the difference between the fair market value on the date of exercise and the ultimate sales price.

Incentive Stock Options. No taxable income is recognized by the optionee at the time of the grant of an ISO and, except in determining alternative minimum tax, no taxable income is recognized at the time the ISO is exercised. The optionee will, however, recognize taxable income or loss in the year in which the purchased shares are sold or otherwise made the subject of disposition.

For federal tax purposes, dispositions of ISOs are divided into two categories: qualifying and disqualifying. The optionee will make a qualifying disposition of the purchased shares if the sale or other taxable disposition of such shares is made more than two years after the grant date of the option and more than one year after the exercise date. If the optionee fails to satisfy either of these two holding periods prior to the sale or other disposition of the purchased shares, then a disqualifying disposition will result.

Upon a qualifying disposition of the shares, the optionee will recognize mid-term capital gain or long-term capital gain in an amount equal to the excess of (i) the amount realized upon the sale or other disposition over (ii) the option price paid for the shares. If there is a disqualifying disposition of the shares, then the excess of (i) the fair market value of the shares at the date of exercise (or, if lower, the fair market value of the shares on the date of disposition) over (ii) the option price paid therefor will be taxable as ordinary income. Any additional gain recognized upon the disposition will be a capital gain, and such gain will be mid-term if the shares have been held for more than one year following exercise of the option and long-term if the shares have been held for more than eighteen months following exercise of the option.

Alternative Minimum Tax. The difference between the fair market value of shares subject to an ISO on the date of exercise and the exercise price of such shares is an adjustment to income for purposes of the alternative minimum tax (the AMT). The AMT (imposed to the extent it exceeds the taxpayer's regular tax) is 26% on the portion of an individual taxpayer's alternative minimum taxable income that would otherwise be ordinary income (28% in the

case of alternative minimum taxable income in excess of \$175,000). A maximum 20% AMT rate applies to the portion of alternative minimum taxable income that would otherwise be treated as net capital gain. Alternative minimum taxable income is determined by adjusting regular taxable income for certain items, increasing that income by certain tax preference items (including the difference between the fair market value of the shares subject to the ISO on the date of exercise and the exercise price) and reducing this amount by the applicable exemption amount (\$45,000 in case of a joint return, subject to reduction under certain circumstances). If a disqualifying disposition of the shares subject to an ISO occurs in the same calendar year as exercise of the ISO, there is no AMT adjustment with respect to those shares. Also, upon a sale of such shares that is a qualifying disposition, alternative minimum taxable income is reduced in the year of sale by the excess of the fair market value of the shares subject to the ISO at exercise over the amount paid for such shares.

Deduction to the Company. The Company will be entitled to an income tax deduction equal to the amount of ordinary income recognized by the optionee in connection with the exercise of an NSO. The deduction generally will be allowed for the taxable year of the Company in which occurs the last day of the calendar year in which the optionee recognizes ordinary income in connection with such exercise.

If the optionee makes a disqualifying disposition of the shares purchased on exercise of an ISO, then the Company will be entitled to an income tax deduction for the taxable year in which such disposition occurs, equal to the amount which is taxable to the employee as ordinary income. In no other instance will the Company be allowed a deduction with respect to the optionee's disposition of the shares purchased upon exercise of an ISO.

ITEM 4--APPROVAL OF THE ADVANCED MICRO DEVICES, INC.
2000 EMPLOYEE STOCK PURCHASE PLAN

In February 2000, our Board of Directors adopted the 2000 Employee Stock Purchase Plan (ESPP) effective February 1, 2001, authorizing 250,000 shares of our common stock to be issued to employees under the ESPP, subject to stockholder approval. The ESPP is intended to replace our existing employee stock purchase plan which had approximately 1,384,196 shares of our common stock remaining available for issuance as of February 28, 2000. The essential features of the ESPP, as proposed, are outlined below.

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Summary Description of the ESPP

Purpose. The purpose of the ESPP, which is intended to qualify under Section 423 of the Code, is to provide our employees (including officers) and participating subsidiaries with an opportunity to purchase our common stock through payroll deductions. The Board of Directors believes that equity participation in the ESPP provides employees at all levels with a greater incentive to contribute to our success.

Administration. The ESPP will be administered by a committee appointed by the Board. Offerings under the ESPP will have a duration of three months and commence on the first business day on or after February 1, May 1, August 1 and November 1 of each year, unless otherwise specified by the Board of Directors.

Eligibility and Participation. Any employee who is customarily employed for at least 20 hours per week and more than five months per calendar year by us or our participating subsidiaries will be eligible to participate in the ESPP. Employees will become participants in the ESPP by delivering to us a subscription agreement within a specified period of time prior to the commencement of each offering period.

No employee who owns 5% or more of the total combined voting power or value of all classes of shares of our stock or our subsidiaries' stock, including shares which may be purchased under the ESPP or pursuant to any other options, will be permitted to purchase shares under the ESPP. In addition, no employee will be entitled to purchase more than \$25,000 worth of shares under the ESPP in any calendar year based on the fair market value of the shares at the time the option is granted.

We estimate approximately 6,500 of our current employees will be eligible to participate in the ESPP. We are not presently able to determine the amount of benefits which may be received by employees under the ESPP.

Payroll Deductions. The purchase price of the shares will be accumulated by payroll deductions over each offering period. The deductions may not be greater than 10% of a participant's compensation, nor less than a minimum established by the Board or its delegate. Compensation, for purposes of the ESPP, includes salary, shift differential, lead pay and overtime, but excludes bonuses, special awards, 50% of commissions, income attributable to option exercises, reimbursements and allowances. A participant may increase or decrease his or her rate of payroll deductions once during each offering period.

All payroll deductions of a participant will be credited to his or her account under the ESPP and are deposited with our general funds. Such funds may be used for any corporate purpose. No charges for administrative or other costs may be made by us against the payroll deductions.

Purchase Price. The price at which shares will be sold under the ESPP is the lower of 85% of the fair market value of our common stock at the beginning of the offering period or 85% of the fair market value of our common stock as of the end of such period.

Number of Shares. The ESPP authorizes 250,000 shares of our common stock for issuance under the ESPP, subject to stockholder approval.

At the beginning of an offering period, each participant will be granted an option to purchase up to that number of shares equal to 30% of the participant's eligible compensation for the preceding offering period divided by 85% of the fair market value of a share of our common stock at the beginning of the offering period. Unless the employee's participation is discontinued, his or her option for the purchase of shares will be exercised automatically at the end of the offering period at the applicable price. To the extent an employee's payroll deductions exceed the amount required to purchase the shares subject to an option, such excess amount is refunded to the employee at the end of the offering period. To the extent that an employee's payroll deductions are insufficient to exercise the full number of shares subject to an option, the remaining portion of the option expires unexercised. The market value of our common stock on the New York Stock Exchange as of February 28, 2000 was \$37.75 per share.

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Withdrawal from the ESPP. A participant may terminate his or her interest in a given offering by withdrawing all of the accumulated payroll deductions credited to such participant's account at any time prior to the end of the offering period. The withdrawal of accumulated payroll deductions automatically terminates the employee's interest in that offering. As soon as practicable after such withdrawal, the payroll deductions credited to a participant's account are returned to the participant without interest. A participant's withdrawal from an offering does not have any effect upon such participant's eligibility to participate in subsequent offerings under the ESPP.

Termination of Employment. Termination of a participant's employment for any reason, including retirement or death or the failure to remain in the continuous employ of AMD for at least 20 hours per week (except for certain leaves of absence), cancels his or her participation in the ESPP immediately. In such event, the payroll deductions credited to the participant's account will be returned to the participant, or in the case of death, to the person or persons entitled thereto, without interest.

Changes in Capitalization. In the event of any stock dividend, stock split, spin-off, recapitalization, merger, consolidation, exchange of shares or other change in capitalization, the number of shares then subject to an option and the number of authorized shares remaining available to be sold shall be increased or decreased appropriately, with such other adjustment as may be deemed necessary or equitable by the Board, including adjustments to the price per share.

Transferability. No rights or accumulated payroll deductions of an employee under the ESPP may be pledged, assigned or transferred for any reason, and any such attempt may be treated by us as an election to withdraw from the ESPP.

Amendment and Termination of the Plan. The Board of Directors may at any time amend or terminate the ESPP, except that such termination cannot affect options previously granted nor may any amendment make any change in an existing option which adversely affects the rights of any participant without the participant's consent. No amendment may be made to the ESPP without prior or subsequent stockholder approval, if stockholder approval would be required to meet the requirements of Section 423 of the Code or to satisfy the requirements of a stock exchange on which our shares are listed.

Federal Income Tax Consequences. The ESPP, and the right of participants to make purchases thereunder, is intended to qualify as an "employee stock purchase plan" under the provisions of Section 423 of the Code. Under these provisions, no income will be taxable to a participant at the time of grant of the option or purchase of shares. We will be entitled to a deduction for amounts taxed as ordinary income to a participant only to the extent that ordinary income must be reported upon disposition of shares by the participant before the expiration of the holding period described below. A participant may become liable for tax upon disposition of the shares acquired, as summarized below.

1. If the shares are sold or disposed of, including by way of gift, at least two years after the date of the beginning of the offering period the participant will recognize ordinary income in an amount equal to the lesser of

(a) the excess of the value of the shares at the time of such disposition over the purchase price of the shares or (b) 15% of the value of the shares at the beginning of the offering period. Any further gain upon such disposition will be treated as long-term capital gain. If the sale price is less than the purchase price, there is no ordinary income and the participant has a capital loss for the difference.

2. If the shares are sold or disposed of, including by way of gift or exchange, before the expiration of the two-year period described above, the excess of the value of the shares on the date of purchase over the purchase price will be treated as ordinary income to the participant. This amount will constitute ordinary income in the year of sale or other disposition even if no gain is realized on the sale or other disposition. A capital loss will be recognized if the sale price is lower than the value of the shares on the date of purchase but any such loss will not affect the ordinary income recognized upon the disposition.

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Your Board of Directors unanimously recommends that you vote "FOR" approval of the amendment to the ESPP. Unless you indicate otherwise, your proxy will vote "FOR" approval.

ITEM 5--STOCKHOLDER PROPOSAL TO AMEND BYLAWS

The Company has been notified that a stockholder of the Company intends to present the proposal set forth below for consideration at the 2000 Annual Meeting. Any person may submit an oral or written request to the Secretary of the Company for the name, address and stock ownership of the stockholder proponent. This information will be furnished orally or in writing, as requested. The Company is not responsible for the content of the stockholder proposal, which is printed as it was submitted.

The Board of Directors opposes the following stockholder proposal for the reasons stated after the proposal.

"RESOLVED, that the stockholders of Advanced Micro Devices, Inc. (the "Company") amend the Company's Bylaws to require that the Board's Chairperson be an independent Director. For purposes of this proposal, the stockholders further recommend that the term "Independent Director" means a director who: (i) has not been employed by the Company in an executive capacity within the last five years; (ii) is not, and is not affiliated with a company that is, an advisor or consultant to the Company; (iii) is not affiliated with a significant customer or supplier of the Company; (iv) has no personal services contract(s) with the Company or its senior management; (v) is not affiliated with a not-for-profit entity that receives significant contributions from the Company; (vi) within the last five years, has not had any business relationship with the Company (other than service as a director) for which the Company has been required to make disclosure under Regulation S-K of the Securities and Exchange Commission; (vii) is not employed by a public company at which an executive officer of the Company serves as a director; (viii) has not had a relationship described in (i) through (vii) above with any affiliate of the Company; and (ix) is not a member of the immediate family of any person described in (i) through (viii) above.

"SUPPORTING STATEMENT

"How important is the Board of Directors? We believe that the Board--and most particularly its Chairperson--is of paramount importance. This is why we are sponsoring this proposal which urges the Board to amend the Company's bylaws so that the Board's leader will be a person who is independent of the Company and its officers. Through this proposal, we seek to promote strong, objective leadership on the Board.

"A Board of Directors must formulate corporate policies and monitor management's implementations of those policies. The Chairperson is responsible for leading the Board in these tasks, and ensuring that directors are given the information necessary to perform their duties. In our view, when the Board's Chairperson is also an officer, employee or otherwise closely related to the Company's management, it is difficult to objectively perform this monitoring and evaluation function. We believe that an independent Chairperson would best ensure that the interests of stockholders are served, rather than the interests of management.

"The benefits of independent directors are generally well accepted. The New York Stock Exchange, for example, requires that at least two members of the board of a listed company, and all members of the Company's audit committee, must meet the Exchange's standards of independence. The Investment Company Act of 1940 (the law that governs the activities of investment companies) also includes an independent director provision, generally requiring investment company boards to be comprised of at least 40 percent "disinterested" directors.

"Help us send a message to this Board and its Chairperson. Please VOTE FOR THIS PROPOSAL."

Your Board of Directors recommends a vote AGAINST the above proposal for the following reasons:

The same proposal was made by the same stockholder only two years ago. At that time, the Company's stockholders rejected the proposal, and the Board believes that the reasons for doing so are equally relevant today.

The Board believes that the best interests of the Company and its stockholders would not be served by adopting a bylaw provision that would require the separation of the positions of Chairman of the Board and Chief Executive Officer. The Board's view is that it should be free to make this choice in a manner that seems best for the Company at any particular point in time. The proposed bylaw would instead require a particular structure and deprive the Board of its flexibility to organize its functions and conduct its business in the manner it deems most efficient.

The Board's responsibility "to organize its functions and conduct its business in the manner it deems most efficient" is recognized by TIAA-CREF, a major institutional investor widely recognized for its corporate governance leadership, in its "Policy Statement on Corporate Governance." TIAA-CREF states in this policy that, "in the absence of special circumstances, ordinarily we would not support shareholder resolutions concerning separation of the CEO and Chairman . . . unless the board supports such measures."

The Board believes that the Company is currently best served by having one person serve as both Chairman and CEO, acting as a bridge between the Board and the whole operating organization and providing critical leadership for the strategic initiatives and challenges of the future.

The Company competes in a volatile industry where long-term success depends on strategic vision and strong, experienced leadership. Implementation of the proposal would deprive the Company and its stockholders of the leadership of one of the most experienced industry executives, W. J. Sanders III, who has led the Company successfully from a Silicon Valley start-up business to a multibillion dollar, worldwide enterprise. Implementation of the proposal would cause the Company to breach its 1996 employment agreement with Mr. Sanders, which provides that he will serve as both chairman and CEO through the five-year term of the agreement.

The Board believes its independence is not compromised by having a single person serve as Chairman and CEO. The functions of the Board are carried out at the full Board and Board committee levels. Each director is a full and equal participant in the major strategic and policy decisions of the Company. The insight, advice, and counsel that each non-employee director makes available to the Company would not change if they were the Chairman.

The Board also believes the responsibilities of the Compensation Committee of the Board, which is composed of all non-employee directors, makes a non-executive Chairman unnecessary. The Compensation Committee reviews and approves the compensation for all elected officers. The Chairman and CEO is not a member of this committee. This supports objectivity of the Board when it reviews performance and compensation matters. The Audit Committee also consists solely of non-employee directors and provides a direct channel of communication between the Board and the Company's independent auditors.

Finally, the Company fully complies with the New York Stock Exchange requirements and standards of independence, and the Board believes that no meaningful additional measure of independence would be provided by a non-executive Chairman.

For the reasons set forth above, the Board believes that the interests of the Company and its stockholders are best served at this time by the experience and consistent direction and strategic vision afforded by a single full-time individual serving as Chairman and CEO.

Accordingly, your Board of Directors unanimously recommends that Stockholders vote "AGAINST" this stockholder proposal.

ANNUAL REPORT AND FINANCIAL STATEMENTS

Our 1999 Annual Report, which includes our audited financial statements for the fiscal year ended December 26, 1999, has accompanied or preceded this proxy statement. We will provide, without charge, upon your written request, a copy of our most recent Annual Report on Form 10-K, as filed with the Securities and Exchange Commission. Requests should be directed to our Corporate Secretary at Advanced Micro Devices, Inc., One AMD Place, P.O. Box 3453, Sunnyvale, California 94088-3453.

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AMD-22933A

ADVANCED MICRO DEVICES, INC.
1996 STOCK INCENTIVE PLAN

1. PURPOSE

The purpose of this Plan is to encourage key personnel, Outside Directors and advisors whose long-term service is considered essential to the Company's continued progress, to remain in the service of the Company or its Affiliates. By means of the Plan, the Company also seeks to attract new key employees, Outside Directors and advisors whose future services are necessary for the continued improvement of operations. The Company intends future increases in the value of securities granted under this Plan to form part of the compensation for services to be rendered by such persons in the future. It is intended that this purpose will be effected through the granting of Options.

2. DEFINITIONS

The terms defined in this Section 2 shall have the respective meanings set forth herein, unless the context otherwise requires.

(a) "Affiliate" The term "Affiliate" shall mean any corporation, partnership, joint venture or other entity in which the Company holds an equity, profits or voting interest of thirty percent (30%) or more.

(b) "Board" The term "Board" shall mean the Company's Board of Directors or its delegate as set forth in Sections 3(d) and 3(e) below.

(c) "Change of Control" Unless otherwise defined in a Participant's employment agreement, the term "Change of Control" shall be deemed to mean any of the following events: (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or any of its Affiliates) representing more than 20% of either the then outstanding shares of the Common Stock of the Company or the combined voting power of the Company's then outstanding voting securities; (ii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board and any new director (other than a director designated by a person who has entered into an agreement or arrangement with the Company to effect a transaction described in clause (i) or (ii) of this sentence) whose appointment, election, or nomination for election by the Company's stockholders, was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose appointment, election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board; or (iii) there is consummated a merger or consolidation of the Company or subsidiary thereof with or into any other corporation, other than a merger or consolidation which would result in the holders of the voting securities of the Company outstanding immediately prior thereto holding securities which represent immediately after such merger or consolidation more than 50% of the combined voting power of the voting securities of either the

Company or the other entity which survives such merger or consolidation or the parent of the entity which survives such merger or consolidation; or (iv) the stockholders of the Company approve a plan of complete liquidation of the Company or there is consummated the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 80% of the combined voting power of the voting securities of which are owned by persons in substantially the same proportions as their ownership of the Company immediately prior to such sale. Notwithstanding the foregoing (i) unless otherwise provided in a Participant's employment agreement, no "Change of Control" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the Common Stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately prior to such transaction or series of transactions and (ii) unless otherwise provided in a Participant's employment agreement, "Change of Control" shall exclude the acquisition of securities representing more than 20% of either the then outstanding shares of the Common Stock of the Company or the combined voting power of the Company's then

outstanding voting securities by the Company or any of its wholly owned subsidiaries, or any trustee or other fiduciary holding securities of the Company under an employee benefit plan now or hereafter established by the Company.

(d) "Code" The term "Code" shall mean the Internal Revenue Code of 1986, as amended to date and as it may be amended from time to time.

(e) "Company" The term "Company" shall mean Advanced Micro Devices, Inc., a Delaware corporation.

(f) "Constructive Termination" The term "Constructive Termination" shall mean a resignation by a Participant who has been elected by the Board as a corporate officer of the Company due to diminution or adverse change in the circumstances of such Participant's employment with the Company, as determined in good faith by the Participant; including, without limitation, reporting relationships, job description, duties, responsibilities, compensation, perquisites, office or location of employment. Constructive Termination shall be communicated by written notice to the Company, and such termination shall be deemed to occur on the date such notice is delivered to the Company.

(g) "Disinterested Director" The term "Disinterested Director" shall mean a member of the Board who has not, during the one year prior to service as an administrator of the Plan, or during such service, been granted or awarded equity securities of the Company pursuant to this Plan (except for automatic grants of options to Outside Directors pursuant to Section 8 hereof) or any other plan of the Company or any of its Affiliates.

(h) "Fair Market Value per Share" The term "Fair Market Value per Share" shall mean as of any day (i) the closing price for Shares on the New York Stock Exchange as reported on the composite tape on the day as of which such determination is being made or, if there was no sale of Shares reported on the composite tape on such day, on the most recently preceding day on which there was such a sale, or (ii) if the Shares are not listed or admitted to trading on the

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New York Stock Exchange on the day as of which the determination is made, the amount determined by the Board or its delegate to be the fair market value of a Share on such day.

(i) "Insider" The term "Insider" means an officer or director of the Company or any other person whose transactions in the Company's Common Stock are subject to Section 16 of the Exchange Act.

(j) "ISO" The term "ISO" shall mean a stock option described in Section 422(b) of the Code.

(k) "NSO" The term "NSO" shall mean a nonstatutory stock option not described in Section 422(b) of the Code.

(l) "Option" The term "Option" shall mean (except as herein otherwise provided) a stock option granted under this Plan.

(m) "Outside Director" The term "Outside Director" shall mean a member of the Board of Directors of the Company who is not also an employee of the Company or an Affiliate.

(n) "Participant" The term "Participant" shall mean any person who holds an Option or Restricted Stock Award granted under this Plan.

(o) "Plan" The term "Plan" shall mean this Advanced Micro Devices, Inc. 1996 Stock Incentive Plan, as amended from time to time.

(p) "Shares" The term "Shares" shall mean shares of Common Stock of the Company and any shares of stock or other securities received as a result of the adjustments provided for in Section 11 of this Plan.

3. ADMINISTRATION

(a) The Board, whose authority shall be plenary, shall administer the Plan and may delegate part or all of its administrative powers with respect to part or all of the Plan pursuant to Section 3(d); provided, however, that the Board shall delegate administration of the Plan to the extent required by Section 3(e).

(b) Except for automatic grants of Options to Outside Directors pursuant to Section 8 hereof, the Board or its delegate shall have the power, subject to and within the limits of the express provisions of the Plan:

(1) To grant Options pursuant to the Plan.

(2) To determine from time to time which of the eligible persons shall be granted Options under the Plan, the number of Shares for which each

Option shall be granted, the term of each granted Option and the time or times during the term of each Option within which all or portions of each Option may be exercised (which at the discretion of the Board of its delegate may be accelerated.)

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(3) To prescribe the terms and provisions of each Option granted (which need not be identical) and the form of written instrument that shall constitute the Option agreement.

(4) To take appropriate action to amend any Option hereunder, including to amend the vesting schedule of any outstanding Option, or to cause any Option granted hereunder to cease to be an ISO, provided that no such action adverse to a Participant's interest may be taken by the Board or its delegate without the written consent of the affected Participant.

(5) To determine whether and under what circumstances an Option may be settled in cash or Shares.

(c) The Board or its delegate shall also have the power, subject to and within the limits of the express provisions of this Plan:

(1) To construe and interpret the Plan and Options granted under the Plan, and to establish, amend and revoke rules and regulations for administration of the Plan. The Board or its delegate, in the exercise of this power, shall generally determine all questions of policy and expediency that may arise and may correct any defect, omission or inconsistency in the Plan or in any Option agreement in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(2) Generally, to exercise such powers and to perform such acts as are deemed necessary or expedient to promote the best interests of the Company.

(d) The Board may, by resolution, delegate administration of the Plan (including, without limitation, the Board's powers under Sections 3(b) and (c) above), under either or both of the following:

(1) with respect to the participation of or granting of Options to an employee, consultant or advisor who is not an Insider, to a committee of one or more members of the Board, whether or not such members of the Board are Disinterested Directors;

(2) with respect to matters other than the selection for participation in the Plan, substantive decisions concerning the timing, pricing, amount or other material term of an Option, to a committee of one or more members of the Board, whether or not such members of the Board are Disinterested Directors, or to one or more Insiders.

(e) Unless each member of the Board is a Disinterested Director, the Board shall, by resolution, delegate administration of the Plan with respect to the participation in the Plan of employees who are Insiders, including its powers to select such employees for participation in the Plan, to make substantive decisions concerning the timing, pricing, amount or any other material term of an Option, to a committee of two or more Disinterested Directors who are also "outside directors" within the meaning of Section 162(m) of the Code. Any committee to which administration of the Plan is so delegated pursuant to this Section 3(e) may also administer the Plan with respect to an employee described in Section 3(d)(1) above.

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(f) Except as required by Section 3(e) above, the Board shall have complete discretion to determine the composition, structure, form, term and operations of any committee established to administer the Plan. If administration is delegated to a committee, unless the Board otherwise provides, the committee shall have, with respect to the administration of the Plan, all of the powers and discretion theretofore possessed by the Board and delegable to such committee, subject to any constraints which may be adopted by the Board from time to time and which are not inconsistent with the provisions of the Plan. The Board at any time may revert in the Board any of its administrative powers under the Plan, except under circumstances where a committee is required to administer the Plan under Section 3(e) above.

(g) The determinations of the Board or its delegate shall be conclusive and binding on all persons having any interest in this Plan or in any awards granted hereunder.

4. SHARES SUBJECT TO PLAN

Subject to the provisions of Section 11 (relating to adjustments upon changes in capitalization), the Shares which may be available for issuance under the Plan shall not exceed in the aggregate 17,450,000 Shares of the Company's authorized Common Stock and may be unissued Shares or reacquired Shares or

Shares bought on the market for the purposes of issuance under the Plan. If any Options granted under the Plan shall for any reason be forfeited or canceled, terminate or expire, the Shares subject to such Options shall be available again for the purposes of the Plan. Shares which are delivered or withheld from the Shares otherwise due on exercise of an Option shall become available for future awards under the Plan. Shares that have actually been issued under the Plan, upon exercise of an Option shall not in any event be returned to the Plan and shall not become available for future awards under the Plan.

5. ELIGIBILITY

Options may be granted only to full or part-time employees, officers, directors, consultants and advisors of the Company and/or of any Affiliate; provided such consultants and advisors render bona fide services not in

connection with the offer and sale of securities in a capital-raising transaction. Outside Directors shall not be eligible for the benefits of the Plan, except as provided in Section 8 hereof. Any Participant may hold more than one Option at any time; provided that the maximum number of shares which

are subject to Options granted to any individual shall not exceed in the aggregate two million (2,000,000) Shares over the full ten-year life of the Plan.

6. STOCK OPTIONS -- GENERAL PROVISIONS

(a) Except for automatic grants of Options to Outside Directors under Section 8 hereof, each Option granted pursuant to the Plan may, at the discretion of the Board, be granted either as an ISO or as an NSO. No Option may be granted alternatively as an ISO and as an NSO.

(b) To the extent that the aggregate exercise price for ISOs which are exercisable for the first time by a Participant during any calendar year (under this Plan or any other plans of the Company or its subsidiaries or parent (as such terms are defined in Section 424 of the Code)) exceeds \$100,000, such Options shall be treated as NSOs.

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(c) No ISO may be granted to a person who, at the time of grant, owns stock possessing more than 10% of the total combined voting power of the Company or any of its subsidiaries or parent (as such terms are defined in Section 424 of the Code) unless the exercise price is at least 110% of the Fair Market Value per Share of the stock subject to the Option and the term of the Option does not exceed five (5) years from the date such ISO is granted.

(d) Notwithstanding any other provision in this Plan, no term of this Plan relating to ISOs will be interpreted, amended or altered, nor will any discretion or authority granted under this Plan be exercised, so as to disqualify this Plan under Section 422 of the Code or, without the consent of the Participant affected, to disqualify an ISO under Section 422 of the Code.

7. TERMS OF OPTION AGREEMENT

Except as otherwise required by the terms of Section 8 hereof, each Option agreement shall be in such form and shall contain such terms and conditions as the Board from time to time shall deem appropriate, subject to the following limitations:

(a) The term of any NSO shall not be greater than ten (10) years and one day from the date it was granted. The term of any ISO shall not be greater than ten (10) years from the date it was granted.

(b) The exercise price of each ISO shall be not less than the Fair Market Value per Share of the stock subject to the Option on the date the Option is granted. NSOs may be granted at an exercise price that is not less than Fair Market Value per Share of the Shares at the time an NSO is granted.

(c) Unless otherwise specified in the Option agreement, no Option shall be transferable otherwise than by will, pursuant to the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder, or as otherwise permitted by regulations and interpretations under Section 16 of the Exchange Act.

(d) Except as otherwise provided in paragraph (e) of this Section 7 or in a Participant's employment agreement, the rights of a Participant (other than an Outside Director) to exercise an Option shall be limited as follows:

(1) DEATH OR DISABILITY: If a Participant's service is terminated by death or disability, then the Participant or the Participant's estate, or such other person as may hold the Option, as the case may be, shall have the right for a period of twelve (12) months following the date of death or disability, or for such other period as the Board may fix, to exercise the Option to the extent the Participant was entitled to exercise such Option

on the date of his death or disability, or to such extent as may otherwise be specified by the Board (which may so specify after the date of his death or disability but before expiration of the Option), provided the actual date of exercise is in no event after the expiration of the term of the Option. A Participant's estate shall mean his legal representative or any person who acquires the right to exercise an Option by reason of the Participant's death or disability.

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(2) MISCONDUCT: If a Participant is determined by the Board to have committed on act of theft, embezzlement, fraud, dishonesty, a breach of fiduciary duty to the Company (or Affiliate), or deliberate disregard of the rules of the Company (or Affiliate), or if a Participant makes any unauthorized disclosure of any of the trade secrets or confidential information of the Company (or Affiliate), engages in any conduct which constitutes unfair competition with the Company (or Affiliate), induces any customer of the Company (or Affiliate) to break any contract with the Company (or Affiliate), or induces any principal for whom the Company (or Affiliate) acts as agent to terminate such agency relationship, then, unless otherwise provided in a Participant's employment agreement, neither the Participant, the Participant's estate nor such other person who may then hold the Option shall be entitled to exercise any Option with respect to any Shares whatsoever, after termination of service, whether or not after termination of service the Participant may receive payment from the Company (or Affiliate) for vacation pay, for services rendered prior to termination, for services rendered for the day on which termination occurs, for salary in lieu of notice, or for any other benefits. In making such determination, the Board shall give the Participant an opportunity to present to the Board evidence on his behalf. For the purpose of this paragraph, unless otherwise provided in a Participant's employment agreement, termination of service shall be deemed to occur on the date when the Company dispatches notice or advice to the Participant that his service is terminated.

(3) TERMINATION FOR OTHER REASONS: If a Participant's service is terminated for any reason other than those mentioned above under "DEATH OR DISABILITY" or "MISCONDUCT," the Participant, the Participant's estate, or such other person who may then hold the Option may, within three months following such termination, or within such longer period as the Board may fix, exercise the Option to the extent such Option was exercisable by the Participant on the date of termination of his employment or service, or to the extent otherwise specified by the Board (which may so specify after the date of the termination but before expiration of the Option) provided the date of exercise is in no event after the expiration of the term of the Option.

(4) EVENTS NOT DEEMED TERMINATIONS: Unless otherwise provided in a Participant's employment agreement, the service relationship shall not be considered interrupted in the case of (i) a Participant who intends to continue to provide services as a director, employee, consultant or advisor to the Company or an Affiliate; (ii) sick leave; (iii) military leave; (iv) any other leave of absence approved by the Board, provided such leave is

for a period of not more than 90 days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to employees in writing; or (v) in the case of transfer between locations of the Company or between the Company or its Affiliates. In the case of any employee on an approved leave of absence, the Board may make such provisions respecting suspension of vesting of the Option while on leave from the employ of the Company or an Affiliate as it may deem appropriate, except that in no event shall an Option be exercised after the expiration of the term set forth in the Option.

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(e) Unless otherwise provided in a Participant's employment agreement, if any Participant's employment is terminated by the Company for any reason other than for Misconduct or, if applicable, by Constructive Termination, within one year after a Change of Control has occurred, then all Options held by such Participant shall become fully vested for exercise upon the date of termination, irrespective of the vesting provisions of the Participant's Option agreement. For purposes of this subsection (e), the term "Change of Control" shall have the meaning assigned by this Plan, unless a different meaning is defined in an individual Participant's Option agreement or employment agreement.

(f) Options may also contain such other provisions, which shall not be inconsistent with any of the foregoing terms, as the Board or its delegate shall deem appropriate.

(g) The Board may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefor; provided that any such

action may not, without the written consent of a Participant, impair any such Participant's rights under any Option previously granted.

8. AUTOMATIC GRANTS TO OUTSIDE DIRECTORS

(a) Each Outside Director shall be granted an Option to purchase 15,000 Shares under the Plan (the "First Option") on the date such Outside Director is first elected or appointed as a member of the Board; provided that an Outside

Director who has previously been elected as a member of the Board on the Effective Date set forth in Section 14 below shall not be granted a First Option under the Plan. Thereafter, on the first business day coincident with or following each annual meeting of the Company's stockholders, each Outside Director reported as being elected shall be granted an additional Option to purchase 5,000 Shares under the Plan (the "Annual Option"). Further, subject to the right of any Outside Director who has not previously been elected as a member of the Board to receive a First Option, if there are insufficient Shares available under the Plan for each Outside Director who is eligible to receive an Annual Option (as adjusted) in any year, the number of Shares subject to each Annual Option in such year shall equal the total number of available Shares then remaining under the Plan divided by the number of Outside Directors who are eligible to receive an Annual Option on such date, as rounded down to avoid fractional Shares. All Options granted to Outside Directors shall be subject to the following terms and conditions of this Section 8.

(b) All Options granted to Outside Directors pursuant to the Plan shall be NSOs.

(c) The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, may consist entirely of (i) cash, (ii) certified or cashier's check, (iii) other Shares which (x) either have been owned by the Participant for more than six months on the date of surrender or were not acquired, directly or indirectly, from the Company, and (y) have a Fair Market Value per Share on the date of surrender equal to the aggregate exercise price of the Shares as to which said Option shall be exercised, (iv) delivery of a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company the amount of sale or loan proceeds required to pay the exercise price, or (v) any combination of the foregoing methods of payment.

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(d) Each Option granted to an Outside Director shall be for a term of ten years plus one day. Each First Option shall vest and become exercisable on July 15 of subsequent calendar years, according to the following schedule: 6,000 shares in the first calendar year following the date of grant; 4,500 shares in the second such calendar year; 3,000 shares in the third such calendar year; and 1,500 shares in the fourth such calendar year. Each Annual Option shall vest and become exercisable on July 15 of subsequent calendar years according to the following schedule: in increments of 1,667, 1667, and 1,666 in the second, third and fourth calendar years following the date of grant. Any Shares acquired by an Outside Director upon exercise of an Option shall not be freely transferable until six months after the date stockholder approval referred to in Section 14 hereof is obtained.

(e) If an Outside Director's tenure on the Board is terminated for any reason, then the Outside Director or the Outside Director's estate, as the case may be, shall have the right for a period of twelve months following the date such tenure is terminated to exercise the Option to the extent the Outside Director was entitled to exercise such Option on the date the Outside Director's tenure terminated; provided the actual date of exercise is in no event after the expiration of the term of the Option. An Outside Director's "estate" shall mean the Outside Director's legal representative or any person who acquires the right to exercise an Option by reason of the Outside Director's death or disability.

(f) Upon a Change of Control, all Options held by an Outside Director shall become fully vested and exercisable upon such Change of Control, irrespective of any other provisions of the Outside Director's Option agreement.

(g) The automatic grants to Outside Directors pursuant to this Section 8 shall not be subject to the discretion of any person. The other provisions of this Plan shall apply to the Options granted automatically pursuant to this Section 8, except to the extent such other provisions are inconsistent with this Section 8.

9. PAYMENTS AND LOANS UPON EXERCISE OF OPTIONS

With respect to Options other than Options granted to Outside Directors pursuant to Section 8, the following provisions shall apply:

(a) The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Board or its delegate (and, in the case of an ISO, shall be determined at the time of grant) and may consist entirely of (i) cash, (ii) certified or cashier's check, (iii) promissory note, (iv) other Shares which (x) either have been owned by the

Participant for more than six months on the date of surrender or were not acquired, directly or indirectly, from the Company, and (y) have a Fair Market Value per Share on the date of surrender equal to the aggregate exercise price of the Shares as to which said Option shall be exercised, (v) delivery of a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company the amount of sale or loan proceeds required to pay the exercise price, or (vi) any combination of the foregoing methods of payment. Any promissory note shall be a full recourse promissory note having such terms as may be approved by the Board and bearing interest at a rate sufficient to avoid imputation of income under Sections 483, 1274 or 7872 of the Code; provided that Participants

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who are not employees or directors of the Company will not be entitled to purchase Shares with a promissory note unless the note is adequately secured by collateral other than the Shares; provided further, that the portion of the

exercise price equal to the par value, if any, of the Shares must be paid in cash;

(b) The Company may make loans or guarantee loans made by an appropriate financial institution to individual Participants, including Insiders, on such terms as may be approved by the Board for the purpose of financing the exercise of Options granted under the Plan and the payment of any taxes that may be due by reason of such exercise.

10. TAX WITHHOLDING

(a) Where, in the opinion of counsel to the Company, the Company has or will have an obligation to withhold federal, state or local taxes relating to the exercise of any Option, the Board may in its discretion require that such tax obligation be satisfied in a manner satisfactory to the Company. With respect to the exercise of an Option, the Company may require the payment of such taxes before Shares deliverable pursuant to such exercise are transferred to the holder of the Option.

(b) With respect to the exercise of an Option, a Participant may elect (a "Withholding Election") to pay his minimum statutory withholding tax obligation by the withholding of Shares from the total number of Shares deliverable pursuant to the exercise of such Option, or by delivering to the Company a sufficient number of previously acquired Shares, and may elect to have additional taxes paid by the delivery of previously acquired Shares, in each case in accordance with rules and procedures established by the Board. Previously owned Shares delivered in payment for such additional taxes must have been owned for at least six months prior to the delivery or must not have been acquired directly or indirectly from the Company and may be subject to such other conditions as the Board may require. The value of Shares withheld or delivered shall be the Fair Market Value per Share on the date the Option becomes taxable. All Withholding Elections are subject to the approval of the Board must be made in compliance with rules and procedures established by the Board.

11. ADJUSTMENTS OF AND CHANGES IN CAPITALIZATION

If there is any change in the Common Stock of the Company by reason of any stock dividend, stock split, spin-off, split up, merger, consolidation, recapitalization, reclassification, combination or exchange of Shares, or any other similar corporate event, then the Board shall make appropriate adjustments to the number of Shares theretofore appropriated or thereafter subject or which may become subject to an Option under the Plan. Outstanding Options shall also be automatically converted as to price and other terms if necessary to reflect the foregoing events. No right to purchase fractional Shares shall result from any adjustment in Options pursuant to this Section 11. In case of any such adjustment, the Shares subject to the Option shall be rounded down to the nearest whole Share. Notice of any adjustment shall be given by the Company to each holder of any Option which shall have been so adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all purposes of the Plan.

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12. PRIVILEGES OF STOCK OWNERSHIP

No Participant will have any rights of a stockholder with respect to any Shares until the Shares are issued to the Participant. After Shares are issued to the Participant, the Participant will be a stockholder and have all the rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares.

13. EXCHANGE AND BUYOUT OF AWARDS; RULE 16b-3

The Board or its delegate may, at any time or from time to time, authorize

the Company, with the consent of the respective Participants, to issue new Options in exchange for the surrender and cancellation of any or all outstanding Options, except as otherwise provided in Section 7(i) with respect to Insiders. The Board or its delegate may at any time buy from a Participant an Option previously granted with payment in cash, Shares or other consideration, based on such terms and conditions as the Board or its delegate and the Participant may agree. Grants of Options to Insiders are intended to comply with the applicable provisions of Rule 16b-3 and such Options shall contain such additional conditions or restrictions, if any, as may be required by Rule 16b-3 to be in the written agreement relating to such Options in order to qualify for the maximum exemption from Section 16 of the Exchange Act with respect to Plan transactions.

14. EFFECTIVE DATE OF THE PLAN

This Plan will become effective when adopted by the Board (the "Effective Date"). This Plan must be approved by the stockholders of the Company, consistent with applicable laws, within twelve (12) months before or after the Effective Date. Upon the Effective Date, the Board or its delegate may grant Options pursuant to this Plan; provided that no Option may be exercised prior to the initial stockholder approval of this Plan. In the event that stockholder approval is not obtained within the time period provided herein, all Options granted hereunder will be canceled. So long as Insiders are Participants, the Company will comply with the requirements of Rule 16b-3 with respect to stockholder approval.

15. AMENDMENT OF THE PLAN

(a) The Board at any time, and from time to time, may amend the Plan; provided that, except as provided in Section 11 (relating to adjustments upon - - - - - changes in capitalization), no amendment for which stockholder approval is required shall be effective unless such approval is obtained within the required time period. Whether stockholder approval is required shall be determined by the Board.

(b) It is expressly contemplated that the Board may, without seeking approval of the Company's stockholders, amend the Plan in any respect necessary to provide the Company's employees with the maximum benefits provided or to be provided under Section 422 of the Code or Section 16 of the Exchange Act and the regulations promulgated thereunder and/or to bring the Plan or Options granted under it into compliance therewith.

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(c) Rights and obligations under any Option granted before any amendment of the Plan shall not be altered or impaired by amendment of the Plan, except with the consent of the person who holds the Option, which consent may be obtained in any manner that the Board or its delegate deems appropriate.

(d) To the extent required by Rule 16b-3, the Board may not amend the provisions of Section 8 hereof more than once every six months, other than to comport with changes in the Code, the Employee Retirement Income Security Act, or the rules thereunder.

16. REGISTRATION, LISTING, QUALIFICATION, APPROVAL OF STOCK AND OPTIONS

An award under this Plan will not be effective unless such award is in compliance with all applicable federal and state securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver certificates for Shares under this Plan prior to: (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and/or (b) completion of any registration or other qualification of such Shares under any state or federal law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Shares with the Securities and Exchange Commission or to effect compliance with the registration, qualification or listing requirements of any state securities laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so.

17. NO RIGHT TO EMPLOYMENT

Nothing in this Plan or in any Option shall be deemed to confer on any employee any right to continue in the employ of the Company or any Affiliate or to limit the rights of the Company or its Affiliates, which are hereby expressly reserved, to discharge an employee at any time, with or without cause, or to adjust the compensation of any employee.

18. MISCELLANEOUS

The use of any masculine pronoun or similar term is intended to be without legal significance as to gender.

2000 EMPLOYEE STOCK PURCHASE PLAN

The following constitutes the provisions of the Advanced Micro Devices, Inc. 2000 Employee Stock Purchase Plan (the "Plan"). The terms "Corporation" and "AMD" refer to Advanced Micro Devices, Inc. and, where appropriate, any Participating Subsidiary of Advanced Micro Devices, Inc.

1. Purpose. The purpose of the Plan is to foster continued cordial

employee relations by providing employees of the Corporation and Participating Subsidiaries with an opportunity to purchase Common Stock of the Corporation through payroll deductions. It is the intention of the Corporation that the Plan qualify as an "employee stock purchase plan" under Section 423 of the Internal Revenue Code of 1986, as amended (the "Code"). The provisions of the Plan shall be construed so as to extend and limit participation in a manner consistent with the requirements of that section of the Code and the regulations promulgated thereunder.

2. Definitions.

(a) "Board" means the Board of Directors of the Corporation.

(b) "Business Day" means a day on which AMD Common Stock is publicly traded.

(c) "Committee" means the committee designated by the Board to administer this Plan.

(d) "Compensation" means salaries, overtime, shift differential and lead pay. Bonuses, special awards, sales commissions, cash profit sharing, income attributable to the exercise of a compensatory stock option or warrant and reimbursements and allowances are excluded.

(e) "Employee" means any person, including an officer, customarily employed for at least twenty (20) hours per week and more than five (5) months in a calendar year by the Corporation or its Participating Subsidiaries. Individuals who provide services to the Company or any of its Participating Subsidiaries as independent contractors, who are reclassified as common law employees for any reason other than for federal income and employment tax purposes, are not eligible Employees.

(f) "Participating Subsidiary" means any subsidiary (determined by reference to Section 425 of the Code) designated by the Board to be a participating subsidiary.

(g) "Offering Period" shall have meaning assigned by paragraph 4.

(h) "Option Grant Date" means the first Business Day of each Offering Period of the Plan.

(i) "Purchase Date" means the last Business Day of each Offering Period of the Plan.

3. Eligibility. Any Employee who shall be employed by the Corporation or

its Participating Subsidiaries on the first day of an Offering Period, shall be eligible to participate in such Offering Period under the Plan, subject to the requirements of paragraph 5 and the limitations imposed by Section 423(b) of the Code.

4. Offering period. Absent action by the Board, each Offering Period

shall extend for three calendar months commencing on the first Business Day on or after February 1, May 1, August 1 and November 1 of each year and ending on the last Business Day of the third month.

5. Participation.

(a) An eligible Employee may become a participant in the Plan by completing a subscription agreement authorizing payroll deduction on the form provided by the Corporation and filing it with the designated Corporation office not later than the 15th day of the month prior to a new Offering Period; provided that participants who go on a leave of absence are subject to the special rules set forth in paragraph 10(c) hereof; and provided further that an Employee who commences employment in the month prior to a new Offering Period may complete a subscription agreement on the date he commences employment. An Employee who becomes eligible to participate in the Plan after an Option Grant

Date may not participate until the next Offering Period.

(b) Payroll deductions for a participant shall commence with the first payroll following the Option Grant Date and shall end with the Purchase Date of the offering, unless sooner terminated by the participant as provided in paragraph 10, or by the Corporation.

6. Payroll Deductions.

(a) At the time a participant files his subscription agreement, he shall elect to have payroll deductions made on each payday during the Offering Period at a rate not exceeding ten percent (10%) of the Compensation which he would otherwise receive on such payday, provided that the aggregate of such payroll deductions during the Offering Period shall not exceed ten percent (10%) of the aggregate compensation which he would otherwise have received during said Offering Period. The Committee shall determine whether the amount to be deducted from each paycheck is to be designated as a specific dollar amount, or as a percentage of the eligible Compensation being paid on such pay day, or as either, and may also establish a minimum percentage or amount for such payroll deductions.

(b) All payroll deductions authorized by a participant shall be credited to his account under the Plan. A participant may not make any additional payments into such account.

(c) A participant may discontinue his participation in the Plan as provided in paragraph 10, and may decrease or increase the rate of his payroll deductions a maximum of once during the Offering Period by completing and filing with the Corporation a new authorization for payroll deduction. The change in rate shall become effective no later than fifteen (15) days after the Corporation's receipt of the new authorization.

7. Grant of Option

(a) On each Option Grant Date, each participant in the Plan shall be granted an option to purchase (at the per share option price) the number of shares of the Corporation's Common Stock determined by dividing: (i) thirty percent (30%) of the participant's Pay by (ii) eighty-five percent (85%) of the fair market value of a share of the Corporation's Common Stock on such Option Grant Date; but in no event shall such number be greater than the amount permitted under Section 7(b) of this Plan. Fair market value of a share of the Corporation's Common Stock shall be determined as provided in Section 7(c) herein. In calculating under this section the number of shares subject to option for the next Offering Period, and for purposes of calculating the foregoing limit, Pay for a current Offering Period shall mean: (1) Five Hundred Seventy (570) times the sum of (a) the participant's hourly wage rate in effect on the first day of the current Offering Period plus (b) the Participant's average hourly overtime for the preceding Offering Period; plus (2) the amount of Compensation deferred from a prior Offering Period and which will be paid to the participant during the current Offering Period.

(b) Exceptions. Any provisions of the Plan to the contrary

notwithstanding, any option granted to an Employee shall be limited so that:

(i) immediately after the grant, such employee would not own stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Corporation or of any subsidiary of the Corporation (including stock which the employee may purchase under outstanding options and stock, the ownership of which is attributed to the employee under Section 424 (d) of the Code), and

(ii) the Employee's rights to purchase shares under all employee stock purchase plans of the Corporation and its subsidiaries shall not accrue (i.e., become exercisable) at a rate which exceeds twenty-five thousand dollars (\$25,000) of fair market value of such shares (determined at the time such option is granted) for each calendar year in which such option is outstanding at any time.

(c) The option price per share of such shares shall be the lower of:

(i) 85% of the fair market value of a share of the Corporation's Common Stock at the

Option Grant Date; or (ii) 85% of the fair market value of a share of the Corporation's Common Stock at the Purchase Date. The fair market value of the Corporation's Common Stock on said dates shall be the closing price on the New York Stock Exchange for such date, or if no sale is made on such date, the corresponding closing price on the first preceding date on which the Corporation's Common Stock was sold.

(d) Any excess contributions remaining in the Employee's account after the purchase of the shares on the Purchase Date will be returned to the

employee, or may be credited against future payroll deductions.

8. Exercise of Option. Unless a participant withdraws from the Plan as

provided in paragraph 10, his option for the purchase of shares will be exercised automatically for the number of whole shares which the accumulated payroll deductions in his account could purchase at the applicable option price on the Purchase Date. During his lifetime, a participant's option to purchase shares hereunder is exercisable only by him.

9. Delivery. As promptly as practicable after the Purchase Date of each

offering, the Corporation shall arrange the delivery to each participant or the participant's account at the Corporation's approved brokerage firm, as appropriate, of a certificate representing the number of whole shares purchased on exercise of his option.

10. Withdrawal; Termination of Employment.

(a) A participant may withdraw all, but not less than all, the payroll deductions credited to his account under the Plan at any time prior to the Purchase Date by giving written notice to the Corporation on a form provided for such purpose. All of the participant's payroll deductions credited to his account will be paid to him promptly after receipt of his notice of withdrawal, his option for the current period will be automatically cancelled, and no further payroll deductions for the purchase of shares will be made during the Offering Period.

(b) Upon termination of the participant's employment for any reason, including retirement, permanent disability or death, the payroll deductions credited to his account will be returned to him or, in the case of his death, to the person or persons entitled thereto under paragraph 14, and his option will be automatically cancelled.

(c) In the event an Employee fails to remain in the continuous employ of the Corporation or its subsidiaries for customarily at least twenty (20) hours per week during an Offering Period, he will be deemed to have elected to withdraw from the Plan and the payroll deductions credited to his account will be returned to him and his option cancelled; provided that a participant who goes on an unpaid leave of absence shall be permitted to remain in the Plan with respect to an Offering Period which commenced prior to the beginning of such leave of absence. If such participant is not guaranteed reemployment by contract or statute and the leave of absence extends beyond 90 days, such participant shall be deemed to have terminated employment on the 91st day of such leave of absence. Payroll deductions for a participant who has been on an unpaid leave of

absence will resume at the same rate as in effect prior to such leave upon return to work unless changed by such participant or unless the participant has been on an unpaid leave of absence either throughout an entire Offering Period or for more than ninety (90) days, in which cases the participant shall not be permitted to re-enter the Plan until a subscription agreement is filed with respect to a subsequent Offering Period which commences after such participant has returned to work from the unpaid leave of absence.

(d) A participant's withdrawal from an offering will not have any effect upon his eligibility to participate in a succeeding offering or in any similar plan which may hereafter be adopted by the Corporation.

11. No Interest. No interest shall accrue on the payroll deductions of a

participant in the Plan.

12. Stock.

(a) The maximum number of shares of the Corporation's Common Stock which may be sold pursuant to options exercised under the Plan shall be 250,000 shares, subject to adjustment upon changes in capitalization of the Corporation as provided in paragraph 18. The shares to be sold to participants in the Plan may be, at the election of the Corporation, either treasury shares or shares authorized but unissued. In addition, the officers of the Corporation are authorized to acquire shares of the Corporation's Common Stock in the open market for resale under this Plan. If the total number of shares which would otherwise be subject to options granted pursuant to paragraph 7(a) hereof at the Option Grant Date exceeds the number of shares then available under the Plan (after deduction of all shares for which options have been exercised or are then outstanding), the Corporation shall make a pro rata allocation of the shares remaining available for option grant in as uniform and equitable a manner as is practicable. In such event, the Corporation may reduce the rate of payroll deductions as appropriate.

(b) The participant will have no interest or voting right in shares covered by his option until such option has been exercised.

(c) Shares to be delivered to a participant under the Plan will be registered in the name of the participant or in street name in the participant's account at the Corporation's approved brokerage firm.

13. Administration.

(a) The Plan shall be administered by the Board or a committee appointed by the Board (the "Committee"). The Board may from time to time remove members from or add members to the Committee. Vacancies on the Committee, however caused, shall be filled by the Board. Acts taken or approved by a majority of the Committee at which a quorum is present, or acts approved in writing by all members of the

Committee, shall be the valid acts of the Committee. The Plan shall be administered in a manner that assures all participants the same rights and privileges.

(b) The administration, interpretation or application of the Plan by the Board or its Committee shall be final, conclusive and binding upon all participants. Members of the Board or its Committee who are eligible Employees are permitted to participate in the Plan.

(c) No member of the Board or its Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it. In addition to such other rights of indemnification as they may have as directors or as members of the Committee, the members of the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorney's fees actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan or any option granted thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Corporation) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee member is liable for negligence or misconduct in the performance of his duties; provided that within sixty (60) days after institution of any such action, suit or proceeding the Committee member seeking indemnification shall in writing offer the Corporation the opportunity, as its own expense, to handle and defend the same.

(d) All costs and expenses incurred in administering the Plan shall be paid by the Corporation. The Board or the Committee, if any is appointed, may request advice or assistance or employ such other persons as are necessary for proper administration of the Plan.

14. Designation of Beneficiary.

(a) A participant may file a written designation of a beneficiary who is to receive any shares and cash, if any, from the participant's account under the Plan in the event of such participant's death subsequent to the Purchase Date but prior to delivery to him of such shares and cash. In addition, a participant may file a written designation of a beneficiary who is to receive any cash from the participant's account under the Plan in the event of such participant's death prior to the Purchase Date.

(b) Such designation of beneficiary may be changed by the participant at any time by written notice. In the event of the death of a participant in the absence of a valid designation of a beneficiary who is living at the time of such participant's death, the Corporation shall deliver such shares and/or cash in accordance with the participant's designation of beneficiaries under the Advanced Micro Devices Deferred Profit Sharing Plan; or, in the absence of such designation, to the executor or administrator of the estate of the participant; or if no such executor or administrator has been appointed (to the

knowledge of the Corporation), the Corporation, in its discretion, may deliver such shares and/or cash to the spouse or to any one or more dependents or relatives of the participant; or if no spouse, dependent or relative is known to the Corporation, then to such other person as the Corporation may designate.

15. Transferability. Neither payroll deduction credited to a

participant's account nor any rights with regard to the exercise of an option or to receive shares under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution, or as provided in paragraph 14 hereof) by the participant. Any such attempt at assignment, transfer, pledge or other disposition, shall be void and without effect, except that the Corporation may treat such act as an election to withdraw funds in accordance with paragraph 10.

16. Use of Funds. All payroll deductions received or held by the Corporation under the Plan may be used by the Corporation for any corporate purpose, and the Corporation shall not be obligated to segregate such payroll deductions.
17. Statements. Statements of account will be given to participating employees promptly following each Purchase Date, which statements will set forth the amounts of payroll deductions, the per share purchase price, the number of shares purchased and any excess contributions.
18. Changes in Capitalization. In the event of any stock dividend, stock split, spin-off, recapitalization, merger, consolidation, exchange of shares or the like, the number of shares then subject to option and the number of authorized shares remaining available to be sold shall be increased or decreased appropriately, with such other adjustment as may be deemed necessary or equitable by the Board.
19. Amendment. The Board of Directors may at any time amend the Plan. No such amendment may make any change in any option previously granted which adversely affects the rights of any participant without such participant's consent. No amendment for which shareholder approval is required shall be effective unless such approval is obtained within the required time period. Whether stockholder approval is required shall be determined by the Committee and consistent with the rules of the Securities Exchange Commission, the Code or the stock exchange(s) on which the Corporation's shares are listed, as such rules are in effect at the time the plan amendment becomes effective.
20. Termination. The Board of Directors of Advanced Micro Devices, Inc. may at any time terminate the Plan. No such termination will affect options previously granted. Unless sooner terminated by the Board, this Plan shall terminate February 1, 2011.
21. Notices. All notices or other communications by a participant to the Corporation in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Corporation at the location, or by the person, designated by the Corporation for the receipt thereof.
22. Government and Other Regulations. The Plan, and the grant and exercise of the rights to purchase shares hereunder, and the Corporation's obligation to sell and deliver shares upon the exercise of rights to purchase shares, shall be subject to all applicable federal, state and foreign laws, rules and regulations, and to such approvals by any regulatory or government agency as may, in the opinion of counsel for the Corporation, be required. Any amendments requiring stockholder approval shall take effect only subject to such approval.
23. Applicable Law. The interpretation, performance and enforcement of this Plan shall be governed by the laws of the State of California.

[AMD LOGO]

One AMD Place
Sunnyvale, CA 94088
(408) 732-2400

You are cordially invited to attend the Annual Meeting of Stockholders of Advanced Micro Devices, Inc. to be held at 10:00 a.m. on Thursday, April 27, 2000, at the St. Regis Hotel at 2 East 55th Street, New York, New York. Detailed information regarding the business to be transacted at the meeting is contained in the accompanying Notice of Annual Meeting and Proxy Statement.

Regardless of whether you plan to attend the meeting, it is important that your shares be voted. Accordingly, we ask that you either vote by telephone or by the Internet or sign and return your proxy card as soon as possible in the envelope provided.

Annual Meeting of Stockholders - April 27, 2000

This Proxy is solicited on behalf of the Board of Directors

The undersigned appoints W.J. SANDERS III and THOMAS M. MCCOY and each of them as proxies for the undersigned, with full power of substitution to represent and to vote all the stock of the undersigned on the following matters as described in the Proxy Statement accompanying the Notice of Meeting, receipt of which hereby acknowledged, and according to their discretion on all other matters that may be properly presented for action at the Annual Meeting of Stockholders of Advanced Micro Devices, Inc. to be held on Thursday, April 27, 2000, and at any adjournment(s) or postponement(s) thereof. If properly executed, this proxy shall be voted in accordance with the instructions given. To the extent no directions are given on a proposal, the proxyholders will vote FOR the nominees listed on the reverse side, FOR the ratification of the appointment of independent auditors, FOR the amendment to the 1996 Stock Incentive Plan, FOR the approval of the 2000 Employee Stock Purchase Plan, and AGAINST the stockholder proposal to amend the bylaws, and in the discretion of the proxyholders on other matters which may properly be presented at the meeting. The undersigned may revoke this proxy at any time prior to its exercise or may attend the meeting and vote in person.

SEE REVERSE CONTINUED AND TO BE SIGNED ON REVERSE SIDE SEE REVERSE
SIDE SIDE

[LETTERHEAD OF AMD]

[Vote by Telephone]

It's fast, convenient, and immediate!
Call Toll-Free on a Touch-Tone Phone
1-877-PRX-VOTE (1-877-779-8683).

Follow these four easy steps:

1. Read the accompanying Proxy Statement Prospective and Proxy Card.
2. Call the toll-free number 1-877 PRX-VOTE (1-877-779-8683). For stockholders residing outside the United States call collect on a touch tone phone 1-201-536-8073.
3. Enter your 14-digit Voter Control Number located on your Proxy Card above your name.
4. Follow the recorded instructions.

Your vote is Important!
Call 1-877-PRX-VOTE anytime!

[Vote by Internet]

It's fast, convenient, and your vote is immediately confirmed and posted.

Follow these four easy steps:

1. Read the accompanying Proxy Statement/Prospectus and Proxy Card.
2. Go to the Website <http://www.eproxyvote.com/amd>
3. Enter your 14-digit Voter Control Number located on your Proxy Card above your name.
4. Follow the instructions provided.

Your vote is Important!
Go to <http://www.eproxyvote.com/amd> anytime!

Do not return your Proxy Card if you are voting by Telephone or Internet

AMD59A DETACH HERE

[X] Please mark
vote as in
this example.

UNLESS OTHERWISE SPECIFIED, THIS PROXY WILL BE VOTED FOR THE LISTED NOMINEES FOR DIRECTORS, FOR RATIFICATION OF ERNST & YOUNG LLP AS THE CORPORATION'S INDEPENDENT AUDITORS, AND FOR APPROVAL OF THE AMENDMENT TO THE 1991 STOCK PURCHASE PLAN.

The Board of Directors recommends a vote FOR Items 1,2,3 and 4,

Nominees for Directors:

