

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 8-K

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

Date of Report (date of earliest event reported): July 19, 2000

ADVANCED MICRO DEVICES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE ----- (State or other jurisdiction of incorporation)	1-7882 ----- (Commission File Number)	94-1692300 ----- (I.R.S. Employer Identification No.)
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One AMD Place, P.O. Box 3453 Sunnyvale, California ----- (address of principal executive offices)	94088-3453 ----- (Zip Code)
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Registrant's telephone number,  
including area code: (408) 732-2400  
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Item 5. Other Events.  
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On July 19, 2000, Advanced Micro Devices, Inc. (the "Company") announced its second quarter sales. The Company reported record net income of \$207,142,000 on record sales of \$1,170,437,000 for its second quarter ended July 2, 2000. Net income amounted to \$1.21 per diluted share after taxes. Sales increased by 7 percent from the quarter ended April 2, 2000, and by 97 percent from the quarter ended June 27, 1999. The full text of the press release is set forth in Exhibit 99 attached hereto and is incorporated in this report as if fully set forth herein.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.  
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(c) Exhibits

Number -----	Exhibit -----
99.1	Press release dated July 19, 2000.

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<TABLE>  
<CAPTION>  
Advanced Micro Devices, Inc.  
CONSOLIDATED BALANCE SHEETS\*  
(Thousands)

	July 2, 2000	Dec. 26, 1999
<S>	<C>	<C>
Assets		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 1,079,893	\$ 596,511
Accounts receivable, net	533,007	429,809
Inventories	255,579	198,213
Deferred income taxes	63,440	55,956
Prepaid expenses and other current assets	127,472	129,389
Total current assets	2,059,391	1,409,878

Property, plant and equipment, net	2,475,667	2,523,236
Investment in joint venture	267,448	273,608
Other assets	160,988	170,976

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\$ 4,963,494                      \$ 4,377,698  
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Liabilities and Stockholders' Equity

Current liabilities:

Accounts payable	353,398	387,193
Accrued compensation and benefits	155,779	91,900
Accrued liabilities	233,256	273,689
Income tax payable	18,763	17,327
Deferred income on shipments to distributors	99,590	92,917
Current portion of long-term debt, capital lease obligations and other	75,951	47,626

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Total current liabilities                      936,737                      910,652

Deferred income taxes	101,861	60,491
Long-term debt, capital lease obligations and other, less current portion	1,481,725	1,427,282

Stockholders' equity:

Capital stock:		
Common stock, par value	1,649	1,496
Capital in excess of par value	1,219,409	1,121,956
Retained earnings	1,269,726	873,235
Accumulated other comprehensive loss	(47,613)	(17,414)

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Total stockholders' equity                      2,443,171                      1,979,273  
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\$ 4,963,494                      \$ 4,377,698  
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\* Amounts as of July 2, 2000 are unaudited. Amounts for December 26, 1999 are derived from the December 26, 1999 audited financial statements.

SIGNATURES  
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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ADVANCED MICRO DEVICES, INC.

Date: July 28, 2000

By: /s/ Francis P. Barton

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Francis P. Barton  
Senior Vice President, Chief Financial  
Officer

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Exhibit Index  
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Number	Exhibit
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99.1	Press release dated July 19, 2000.

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

<TABLE>  
<CAPTION>

Ended
Quarter Ended
Six Months

	(Unaudited)				
(Unaudited)					
	Jul. 2,	Apr. 2,	Jun. 27,	Jul. 2,	
	2000	2000	1999	2000	
1999					
<S>	<C>	<C>	<C>	<C>	<C>
Net sales	\$ 1,170,437	\$ 1,092,029	\$ 595,109	\$ 2,262,466	\$
1,226,702					
Cost of sales	612,567	605,757	458,339	1,218,324	
908,770					
Research and development	155,651	161,297	167,278	316,948	
327,224					
Marketing, general and administrative	152,022	144,306	124,520	296,328	
251,830					
Restructuring and other special charges	-	-	17,514	-	
32,530					
	920,240	911,360	767,651	1,831,600	
1,520,354					
Operating income (loss)	250,197	180,669	(172,542)	430,866	
(293,652)					
Gain on sale of Vantis	-	-	432,059	-	
432,059					
Interest income and other, net	19,935	21,128	7,252	41,063	
18,020					
Interest expense	(11,244)	(11,479)	(18,087)	(22,723)	
(38,850)					
Income before income taxes and equity in joint venture	258,888	190,318	248,682	449,206	
117,577					
Provision for income taxes	51,778	-	172,823	51,778	
167,350					
Income (loss) before equity in joint venture	207,110	190,318	75,859	397,428	
(49,773)					
Equity in net income (loss) of joint venture	32	(969)	4,037	(937)	
1,302					
Net income (loss)	\$ 207,142	\$ 189,349	\$ 79,896	\$ 396,491	\$
(48,471)					
Net income (loss) per common share					
- Basic	\$ 1.34	\$ 1.25	\$ 0.54	\$ 2.60	
(0.33)					
- Diluted	\$ 1.21	\$ 1.15	\$ 0.53	\$ 2.36	
(0.33)					
Shares used in per share calculation					
- Basic	154,558	150,880	146,947	152,719	
146,428					

- Diluted  
146,428

176,218

171,942

149,540

174,080

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</TABLE>

CONTACT:  
John Greenagel  
Strategic Communications  
(408) 749-3310

AMD REPORTS SECOND QUARTER RESULTS

-- AMD earns a record \$207 million, or \$1.21 per diluted share after taxes, on record quarterly sales up by 97 percent from second quarter of 1999--

SUNNYVALE, CA ---- July 19, 2000 --AMD today reported record sales of \$1,170,437,000, record operating income of \$250,197,000, and record net income of \$207,142,000 for the quarter ended July 2, 2000. Operating income rose by 38 percent from the immediate-prior quarter. Net income amounted to \$1.21 per diluted share after a 20 percent tax rate. (On an untaxed basis, second-quarter earnings per diluted share would have been \$1.51, up by 31 percent from the first quarter when the tax rate was zero.)

Sales grew by 7 percent from the immediate-prior quarter, for which AMD reported sales of \$1,092,029,000, operating income of \$180,669,000, and net income of \$189,349,000, or \$1.15 per diluted share.

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Sales nearly doubled from the second quarter of 1999, for which AMD reported sales of \$595,109,000 and net income of \$79,896,000, or \$0.53 per diluted share. Revenues from PC processors and flash memory products each more than doubled from the comparable quarter of 1999. The results for the second quarter of 1999 included a one-time, after-tax gain of \$259 million from the sale of Vantis Corporation, the company's former programmable logic subsidiary. The results from the second quarter of 1999 also included 11 weeks of operating results from Vantis prior to the effective date of the sale. In the second quarter of 1999, AMD incurred an operating loss of \$172,542,000.

For the first six months of 2000, AMD reported total sales of \$2,262,466,000 and net income of \$396,491,000, or \$2.36 per diluted share. For the same period of 1999, AMD reported total sales of \$1,226,702,000 and a net loss of \$48,471,000, or a loss of \$0.33 per share, including the gain on the sale of Vantis and restructuring and other special charges.

"AMD had another great quarter," said Hector de J. Ruiz, president and chief operating officer of AMD. "Strong revenue growth in both of our principal product lines - PC processors and flash memory devices - again resulted in record sales and earnings."

In what is traditionally the weakest quarter for PC processors, the company reported that combined unit shipments of AMD Athlon, AMD Duron, and AMD K6-2(TM) processors remained near record levels at well in excess of 6 million units.

"During the quarter, AMD introduced two enhanced seventh-generation PC processors," said Ruiz. "The new AMD Athlon(TM) processor, formerly code-named `Thunderbird,' features 256K of on-die L2 cache memory and is targeted at the performance sector of the PC market. AMD also commenced shipments of the AMD Duron(TM) processor, formerly code-named `Spitfire,' featuring 64K of on-board L2 cache memory. The AMD Duron processor is targeted at the value segment of the PC market."

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"Demand for AMD processors remains strong. Combined unit sales of AMD seventh-generation processors - the AMD Athlon and AMD Duron processors - increased by 52 percent over the immediate-prior quarter to more than 1.8 million units, meeting our previously stated goal. We are especially pleased at the strong support we have received from our infrastructure partners during the transition to the newest version of the AMD Athlon processor family. With the additional production capacity of our new Dresden facility, we believe we are on target to double unit shipments of AMD seventh-generation processors in each of the next two quarters to 3.6 million units in the third quarter and to 7.2 million units in the fourth quarter," said Ruiz.

Ruiz noted that AMD successfully met a number of important challenges in the just-completed quarter. "We achieved our goal of increasing AMD seventh-

generation processor unit shipments by 52 percent sequentially while making a successful transition to our newest AMD Athlon and AMD Duron products. During the quarter, we converted all AMD Athlon processor production to the new version, featuring on-chip L2 cache memory. Fab 30 in Dresden transitioned to production status, completing an excellent start-up phase employing our most advanced process technology - 0.18-micron technology using copper interconnects. We are rapidly ramping production in Fab 30, and to date we have met or exceeded every milestone along the way," said Ruiz.

"Our progress in flash memory was equally successful. Memory Group sales grew by more than 10 percent over the immediate-prior quarter," Ruiz continued.

"During the quarter, AMD introduced two advanced flash memory products for high-end cellular telephones. Working closely with Nokia, AMD developed 32- and 64-megabit devices with simultaneous read-write architecture and 1.8-volt operation for extended battery life. These features are critical in adding new capabilities to cellular telephones, such as Internet connectivity, video streaming, and the functionality of handheld information appliances.

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"Demand for AMD flash memory products continues to exceed our production capacity," said Ruiz. "We are adding capacity as rapidly as possible to support our customers. During the quarter Fujitsu AMD Semiconductor Limited (FASL) made initial shipments from a production facility in Iwate, Japan, and qualified production in additional facilities in Aizu-Wakamatsu and Gresham, Oregon. As announced earlier today, FASL broke ground for construction of a third megafab for flash memory production at Aizu-Wakamatsu, Japan. Initial production at this new facility, designated JV3, is planned to commence in the second half of 2001.

"Today we are reaping the rewards of AMD's sustained commitment to investing in process technology, product development, and production capacity for both PC processors and flash memory products. AMD has the strongest product portfolio in its 31-year history, with industry-leading products for our target markets. We have excellent relationships with leading customers around the world, and we continue to operate in a favorable market environment. During my first six months at AMD, I have been very favorably impressed with the dedication of the AMD workforce and the total commitment to success that permeates the company," Ruiz concluded.

#### Current Outlook

The company's outlook statements are based on current expectations. The following statements are forward-looking, and actual results could differ materially.

Despite the loss of revenues as a result of the sale of the Communication Products Division, AMD projects that sales will be higher in the third quarter than in the immediate-prior quarter. The company's current overall outlook is based on the following projections for its major product lines:

The company projects that combined unit shipments of AMD Athlon and Duron family processors will increase to 3.6 million units in the third quarter and to 7.2 million units in the fourth quarter, resulting in a richer mix and a higher blended average selling price and higher revenues for PC processors.

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AMD projects that Memory Group sales will grow in the 10 percent range in the third quarter and will achieve a similar growth rate in the fourth quarter. The company projects that demand for flash memory products will continue to exceed supply.

#### AMD Teleconference

AMD will hold a teleconference for the financial community at 2:30 PM Pacific Daylight Time today to discuss second-quarter financial results. AMD will provide a real-time audio broadcast of the teleconference on the Investor Relations page of its web sit at <http://www.amd.com> or

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<http://www.streetfusion.com>. The webcast will be available for two weeks after  
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the teleconference.

AMD will also provide a telephone recording of the teleconference, which will be available at approximately 4:30 PM PT today. Interested persons may listen to the playback of the teleconference by calling the following toll-free number: 1-800-633-8284 and entering the code number 15676264.

#### Cautionary Statement

This release contains forward-looking statements, which are made pursuant

to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements in this release involve risks and uncertainty that could cause actual results to differ materially from current expectations. There can be no assurance that demand for the company's products will continue at current or greater levels, or that the company will continue to grow revenues, operating profits, or earnings.

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There are also risks that the company will not be able to produce the AMD Athlon and AMD Duron processors in the volume, speed mix or with the feature set necessary to meet customer requirements and the company's plans and goals; that Intel Corporation pricing, marketing programs, new product introductions or other activities targeting the company's processors business will prevent attainment of the company's current processor sales plans; that third parties may not provide timely or adequate infrastructure solutions to support the AMD Athlon and AMD Duron processors; and that the company will not be able to grow demand for its PC processors sufficiently to utilize fully its processor production capacity. We urge investors to review in detail the risks and uncertainties in the company's Securities and Exchange Commission filings, including but not limited to the report on Form 10-K for the year ended December 26, 1999.

#### About AMD

AMD is a global supplier of integrated circuits for the personal and networked computer and communications markets with manufacturing facilities in the United States, Europe, Japan, and Asia. AMD produces microprocessors, flash memory devices, and support circuitry for communications and networking applications. Founded in 1969 and based in Sunnyvale, California, AMD had revenues of \$2.9 billion in 1999. (NYSE: AMD).

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

NOTE TO EDITOR: Readers may obtain additional information by calling 1-800-222-9323 or 408-749-3060. Technical Support Email: [hw.support@amd.com](mailto:hw.support@amd.com)

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