

UNITED STATES
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): August 4, 2000

ADVANCED MICRO DEVICES, INC.

(Exact name of registrant as specified in its charter)

<TABLE>
<S>

Delaware	<C> 1-7822	<C> 94-1692300
-----	-----	-----
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

</TABLE>

One AMD Place P.O. Box 3453 Sunnyvale, California	94088-3453
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(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (408) 732-2400

Item 2. Acquisition or Disposition of Assets

On August 4, 2000, Advanced Micro Devices, Inc. ("AMD") completed the sale of 90 percent of the Communication Products Division ("CPD") for approximately \$375 million in cash to Francisco Partners, L.P., a private equity investment firm. CPD, the part of the Communications Group that produced telecommunication products, was reorganized into a subsidiary of AMD and recapitalized in connection with the sale. AMD has retained a 10 percent ownership interest in the business and also has a warrant to acquire approximately an additional 10 percent. AMD's estimated pre-tax gain on the sale of CPD is approximately \$339 million. The gain will be recorded in the third quarter ended October 1, 2000. The full text of the press release relating to the completion of the sale of CPD 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

(b) Pro Forma Financial Information

On August 4, 2000, AMD completed the sale of 90 percent of CPD for approximately \$375 million in cash to Francisco Partners, L.P. CPD, the part of the Communications Group that produced telecommunication products, was reorganized into a subsidiary of AMD and recapitalized in connection with the sale. AMD has retained a 10 percent ownership interest in the business and also has a warrant to acquire approximately an additional 10 percent.

The following unaudited pro forma condensed consolidated financial statements present financial information for AMD giving effect to the sale of CPD, which was consummated on August 4, 2000 effective as of July 31, 2000. The unaudited pro forma condensed consolidated balance sheet as of July 2, 2000 is presented as if the sale transaction had occurred as of that date. The unaudited pro forma condensed consolidated statements of operations for the six months ended July 2, 2000 and for the fiscal year ended December 26, 1999 are presented as if the disposition transaction had occurred at the beginning of the earliest period presented.

The pro forma condensed consolidated financial statements should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto included in AMD's quarterly report on Form 10-Q for the quarterly period ended July 2, 2000 and the audited consolidated financial statements and notes thereto incorporated by reference in AMD's annual report on Form 10-K for the fiscal year ended December 26, 1999. The pro forma information may not necessarily be indicative of what AMD's results of operations or financial position would have been had the transaction been in effect as of and for the periods presented, nor is such information necessarily indicative of

ADVANCED MICRO DEVICES, INC.
 PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
 (Thousands)

<TABLE>
 <CAPTION>

	July 2, 2000		
Assets	Historical	Business to be disposed	Pro forma adjustment
Pro forma		[A]	
-----	-----	-----	-----
<S>	<C>	<C>	<C>
<C>			
Current assets:			
Cash, cash equivalents and short-term investments	\$ 1,079,893	\$ -	\$ 375,000 [A]
1,454,893			
Accounts receivable, net	533,007	(33,952)	-
499,055			
Inventories:			
Raw materials	11,430	-	-
11,430			
Work-in-process	162,101	(8,084)	-
154,017			
Finished goods	82,048	(2,862)	-
79,186			

Total inventories	255,579	(10,946)	-
244,633			
Deferred income taxes	63,440		
63,440			
Prepaid expenses and other current assets	127,472	-	-
127,472			

Total current assets	2,059,391	(44,898)	375,000
2,389,493			
Property, plant and equipment, at cost	5,063,403	(9,624)	-
5,053,779			
Accumulated depreciation and amortization	(2,587,736)	6,853	-
(2,580,883)			

Property, plant and equipment, net	2,475,667	(2,771)	-
2,472,896			
Investment in joint venture	267,448	-	-
267,448			
Other assets	160,988	(3,438)	3,696 [A]
161,246			

\$ 5,291,083	\$ 4,963,494	\$ (51,107)	\$ 378,696
=====	=====	=====	=====
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	\$ 353,398	\$ (2,955)	\$ 2,613 [A]
\$ 353,056			
Accrued compensation and benefits	155,779	(1,420)	-
154,359			
Accrued liabilities	233,256	(662)	-
232,594			
Income tax payable	18,763	-	-
18,763			
Deferred income on shipments to distributors	99,590	(9,115)	-
90,475			
Current portion of long-term debt, capital lease obligations and other	75,951	-	-
75,951			

Total current liabilities	936,737	(14,152)	2,613
925,198			

Deferred income taxes	101,861	-	124,014 [C]
225,875			
Long-term debt, capital lease obligations and other, less current portion	1,481,725	-	-
1,481,725			
Commitments and contingencies			
Stockholders' equity:			
Capital stock:			
Common stock, par value	1,649	-	-
1,649			
Capital in excess of par value	1,219,409	-	4,004 [A]
1,223,413			
Retained earnings	1,269,726	(36,955)	248,065 [A]
1,480,836			
Accumulated other comprehensive loss	(47,613)	-	-
(47,613)			
-----	-----	-----	-----
Total stockholders' equity	2,443,171	(36,955)	252,069
2,658,285			
-----	-----	-----	-----
	\$ 4,963,494	\$ (51,107)	\$ 378,696
5,291,083			
=====	=====	=====	=====

</TABLE>

See accompanying notes

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ADVANCED MICRO DEVICES, INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(Thousands except per share amounts)

	Six months ended July 2 , 2000		
	Historical	Business to be disposed [A]	Pro forma adjustment
	-----	-----	-----
Pro forma			
<S>	<C>	<C>	<C>
Net sales	\$ 2,262,466	\$ (122,883)	\$ 48,337 [B] \$
2,187,920			
Expenses:			
Cost of sales	1,218,324	(56,521)	43,943 [B]
1,205,746			
Research and development	316,948	(14,262)	-
302,686			
Marketing, general and administrative	296,328	(17,228)	-
279,100			
-----	-----	-----	-----
	1,831,600	(88,011)	43,943
1,787,532			
-----	-----	-----	-----
Operating income	430,866	(34,872)	4,394
400,388			
Interest income and other, net	41,063	-	-
41,063			
Interest expense	(22,723)	-	-
(22,723)			
-----	-----	-----	-----
Income before income taxes and equity in joint venture	449,206	(34,872)	4,394
418,728			
Provision for income taxes	51,778	(11,299)	-
40,479			
-----	-----	-----	-----

Income before equity in joint venture	397,428	(23,573)	4,394
378,249			
Equity in net loss of joint venture	(937)	-	-
(937)			
-----	-----	-----	-----
Net income	\$ 396,491	\$ (23,573)	\$ 4,394
377,312			
=====	=====	=====	=====
Net income per common share:			
Basic	\$ 2.60		\$
2.47			
=====	=====		
Diluted	\$ 2.36		\$
2.25			
=====	=====		
Shares used in per share calculation:			
Basic	152,719		
152,719			
=====	=====		
Diluted	174,080		
174,080			
=====	=====		

</TABLE>

See accompanying notes

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ADVANCED MICRO DEVICES, INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(Thousands except per share amounts)

<TABLE>
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	Fiscal year ended December 26, 1999			
	Historical	Business to be disposed [A]	Pro forma adjustment	Pro
forma				
<S>	<C>	<C>	<C>	<C>
Net sales	\$ 2,857,604	\$ (166,988)	\$ 67,037	[B] \$
2,757,653				
Expenses:				
Cost of sales	1,964,434	(82,601)	60,943	[B]
1,942,776				
Research and development	635,786	(36,433)	-	
599,353				
Marketing, general and administrative	540,070	(24,862)	-	
515,208				
Restructuring and other special charges	38,230	-	-	
38,230				
-----	-----	-----	-----	-----
	3,178,520	(143,896)	60,943	
3,095,567				
-----	-----	-----	-----	-----
Operating loss	(320,916)	(23,092)	6,094	
(337,914)				
Gain on sale of Vantis	432,059			
432,059				
Interest income and other, net	31,735	-	-	
31,735				
Interest expense	(69,253)	-	-	
(69,253)				
-----	-----	-----	-----	-----
Income before income taxes and equity in joint venture	73,625	(23,092)	6,094	

56,627				
Provision for income taxes	167,350	(7,473)	7,473	[C]
167,350				
-----	-----	-----	-----	-----
Loss before equity in joint venture	(93,725)	(15,619)	(1,379)	
(110,723)				
Equity in net income of joint venture	4,789	-	-	
4,789				
-----	-----	-----	-----	-----
Net loss	\$ (88,936)	\$ (15,619)	\$ (1,379)	\$
(105,934)				
=====	=====	=====	=====	
Net loss per common share:				
Basic	\$ (0.60)			\$
(0.72)				
=====	=====			
Diluted	\$ (0.60)			\$
(0.72)				
=====	=====			
Shares used in per share calculation:				
Basic	147,068			
147,068				
=====	=====			
Diluted	147,068			
147,068				
=====	=====			

</TABLE>

See accompanying notes

Notes to Pro Forma Condensed Consolidated Financial Statements

1. Basis of Presentation

The following unaudited pro forma condensed consolidated financial statements present financial information for AMD giving effect to the sale of CPD, which was consummated on August 4, 2000 effective as of July 31, 2000. The unaudited pro forma condensed consolidated balance sheet as of July 2, 2000 is presented as if the sale transaction had occurred as of that date. The unaudited pro forma condensed consolidated statements of operations for the six months ended July 2, 2000 and for the fiscal year ended December 26, 1999 are presented as if the sale transaction had occurred at the beginning of the earliest period presented.

2. Unaudited Pro Forma Consolidated Financial Adjustments

[A] Reflects the sale of 90 percent of CPD, the part of the Communications Group that produced telecommunication products, to Francisco Partners, L.P., a private equity investment firm, for total cash proceeds of \$375 million. Included in pro forma retained earnings at July 2, 2000 is the resulting estimated gain to be recognized on the sale, net of other expenses of the sale transactions and compensation expense recorded in connection with options to purchase AMD stock previously issued to CPD employees and applicable income taxes, as if the sale transaction had occurred on July 2, 2000. The estimated after-tax gain of approximately \$211 million will be recorded in the third quarter of the fiscal year ending December 31, 2000. The actual after-tax gain will be determined based on the amount by which the proceeds received from the sale exceed the sum of the actual carrying value of CPD net assets as of July 31, 2000 and direct costs associated with the sale. Pursuant to Article 11 of Regulation S-X, the estimated gain to be recognized on the disposition transaction has been excluded from the pro forma condensed consolidated statement of operations for the six months ended July 2, 2000 and the fiscal year ended December 26, 1999 due to its non-recurring nature.

[B] Subsequent to the CPD sale, AMD will continue to provide wafer fabrication, administrative and assembly, test, mark and pack services to CPD pursuant to service agreements. The wafer fabrication and assembly, test, mark and pack service agreements will continue to December 31, 2004, and the administrative service agreements will expire on the 12-month anniversary of the closing date. The pro forma adjustments to the condensed consolidated statements of operation for the six months ended July 2, 2000 and the fiscal year ended December 26, 1999 reflect the sales and related expenses to CPD that were eliminated in the historical information.

[C] The pro forma adjustment to income taxes in the condensed consolidated balance sheet as of July 2, 2000 reflects an effective tax rate of 37% on the sale. The pro-forma adjustment to income tax expense on the 1999 statement of operations reflects the adjustment to the deferred tax asset valuation allowance.

(c) Exhibits

Number -----	Exhibit -----
99	Press release dated August 4, 2000.

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SIGNATURES

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

ADVANCED MICRO DEVICES, INC.

Date: August 17, 2000

By: /s/ Francis P. Barton

Francis P. Barton
Senior Vice President,
Chief Financial Officer

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CONTACTS:

For AMD
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Strategic Communications
(408) 749-3310

For Legerity
Jose Villasenor
Ketchum Public Relations
214-259-3426

AMD ANNOUNCES COMPLETION OF SALE OF ITS COMMUNICATION PRODUCTS DIVISION

SUNNYVALE, CA-August 4, 2000-Advanced Micro Devices (NYSE: AMD) today announced the completion of the sale of 90 percent of AMD's Communication Products Division for approximately \$375 million in cash. AMD has retained a 10 percent ownership interest in the business and also has a warrant to acquire approximately an additional 10 percent. The parties signed the definitive agreements for the sale of the Communication Products Division to Francisco Partners, LP on May 21, 2000. The new entity will do business under the name of Legerity, Inc.

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).

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

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