

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): April 7, 1999

ADVANCED MICRO DEVICES, INC.  
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(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 April 7, 1999, Advanced Micro Devices, Inc. (the Company) announced that shipments of AMD-K6-2 processors were substantially below plan. The Company also said that severe price competition, especially in processors with frequencies below 400 megahertz (MHz), caused average selling prices for AMD-K6 family processors to decline to \$78. 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 and Exhibits.  
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(c) Exhibits:

99 Press release dated April 7, 1999.

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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.  
(Registrant)

Date: April 14, 1999 By: /s/ Francis Barton

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Francis P. Barton  
Senior Vice President, Chief Financial Officer

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Exhibit Index  
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Exhibit Number Exhibit



[AMD Letterhead and  
Logo]

CONTACT:  
Scott Allen  
Public Relations  
(408) 749-3311

John Greenagel  
Corporate Communications  
(408) 749-3310

Toni Beckham  
Investor Relations  
(408) 749-3127

AMD REPORTS SUBSTANTIAL DECLINE IN FIRST QUARTER PROCESSOR SHIPMENTS AND REVENUES

SUNNYVALE, CA-APRIL 7, 1999-Advanced Micro Devices announced today that shipments of AMD-K6-2 processors, at 4.3 million units in its just-completed first quarter, were substantially below plan. The company also said that severe price competition, especially in processors with frequencies below 400 megahertz (MHz), caused average selling prices (ASPs) for AMD-K6 family processors to decline to \$78. Based on a preliminary analysis, first quarter revenues for the company are expected to be approximately \$630 million. Last year's comparable quarter produced revenues of \$541 million. In the immediate-prior quarter, revenues were a record \$789 million.

The company said that previously reported yield problems that impacted December production of AMD-K6-2 processors continued to take a heavy toll on production volume and mix through the first eight weeks of 1999 as the earlier material worked through the manufacturing process. Wafer starts containing the design enhancements put in place to address these yield issues positively impacted both unit volume and mix in fiscal March, the last five weeks of the first quarter. AMD also reported that March shipments of AMD-K6-2 processors exceeded shipments in January and February combined. On that basis, the company said it expects to meet its goal of shipping 20 to 25 million units for all of 1999. Demand for AMD-K6 family processors remains strong, and customer relationships remain intact. Based on March production results and the planned production mix of AMD-K6-2 and AMD-K6-III processors, and initial shipments of AMD-K7(tm) processors scheduled for June, the company believes that ASPs will improve this quarter.

These statements about estimated results are preliminary. The company plans to announce its actual results for the quarter on April 14, 1999.

About AMD

AMD is a global supplier of integrated circuits for the personal and networked computer and communications markets. AMD produces processors, flash memories, programmable logic devices, and products for communications and networking applications. Founded in 1969 and based in Sunnyvale, California, AMD had revenues of \$2.5 billion in 1998. (NYSE: AMD)

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. Forward-looking statements are generally preceded by words such as "expects," "plans," "believes," "anticipates," or "intends." Investors are cautioned that all forward-looking statements in this release involve risks and uncertainty that could cause actual results to differ materially from current expectations. Forward-looking statements in this release involve the risk that the company will not be able to maintain or increase processor yields; that design or production problems will prevent the company from meeting its unit shipment goal for 1999; that the company will not be able to maintain or enhance processor yields to a richer distribution of higher-speed processors; that the company will not be able to increase average selling prices because of yield problems, competitor pricing activity, or a deterioration of market conditions or customer relationships adversely affecting demand for the company's processors; and that the AMD-K7 processor introduction will slip from its current schedule for introduction in limited quantities in June. We urge

investors to review in detail the risks and uncertainties detailed in the company's Securities and Exchange Commission filings, including the most recently filed Form-10K.

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  
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URL prompt.

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