

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 14, 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 July 14, 1999, Advanced Micro Devices, Inc. reported sales of \$595,109,000 and net income of \$79,896,000, or \$0.53 per diluted share, for the second quarter, ended June 27, 1999. The results reflected an operating loss of \$173 million, a one-time, after-tax gain of \$259 million from the sale of Vantis Corporation, the company's programmable logic subsidiary, and restructuring and other special charges of \$17.5 million. The full text of the press release is set forth in Exhibit 99.1 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

99.1 Press Release dated July 14, 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.

Dated: July 22, 1999

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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Exhibit Number Exhibit  
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99.1 Press Release dated July 14, 1999.



[LETTERHEAD OF AMD APPEARS HERE]

## AMD REPORTS SECOND QUARTER RESULTS

SUNNYVALE, CA-JULY 14, 1999-AMD today reported that the one-time, after-tax gain from the sale of Vantis Corporation offset a substantial operating loss in the just-completed quarter. AMD reported sales of \$595,109,000 and net income of \$79,896,000, or \$0.53 per diluted share, for the second quarter, ended June 27, 1999. The results reflected an operating loss of \$173 million, a one-time, after-tax gain of \$259 million from the sale of Vantis, the company's programmable logic subsidiary, and restructuring and other special charges of \$17.5 million. Excluding the one-time gain from the sale of Vantis and the restructuring and other special charges would result in a net loss of \$162 million, or \$1.10 per share.

Sales declined by 6 percent from the immediate-prior quarter, while increasing by 13 percent from the second quarter of 1998. The sale of Vantis was concluded on June 15, 1999, and therefore results from the second quarter include only 11 weeks of sales from Vantis Corporation. In the first quarter of 1999, AMD reported sales of \$631,593,000, which resulted in a net loss of \$128,367,000, or \$0.88 per share, including restructuring and other special charges. In the second quarter of 1998, AMD reported sales of \$526,538,000 and a net loss of \$64,560,000, or \$0.45 per share.

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For the first six months 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. For the same period a year ago, AMD reported total sales of \$1,067,394,000 and a net loss of \$127,287,000, or \$0.89 per share.

As the company forecasted several weeks ago, AMD reported sales of 3.7 million AMD-K6(R) family processors, down from 4.3 million units in the immediate-prior quarter. Average selling prices for AMD-K6 family processors declined to \$67 versus \$78 in the first quarter of 1999.

Sales from the company's non-microprocessor product lines increased by 16 percent from the immediate-prior quarter, led by strong sales of flash memory products, driven by demand from cellular telephone customers.

"With the resumption of growth from our memory and communications product lines, AMD's challenge is clear," said W.J. Sanders III, chairman and chief executive officer. "In the face of Intel's intensifying aggression in the consumer sector of the PC market, where our AMD-K6-2 processor family with 3DNow!(R) technology has achieved substantial market share in both desktop and portable PCs, further gains in unit market share or revenue growth are unlikely.

"The key to resuming growth and expanding margins is the recently introduced AMD Athlon(TM) processor. The world's first seventh-generation processor for Microsoft(R) Windows(R) computing is the highest-performance processor for PCs available today. Initial shipments of AMD Athlon processors, including 600-megahertz versions, commenced in June. We are encouraged by early customer reaction to the AMD Athlon processor," Sanders concluded.

## 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

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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 regarding the AMD Athlon processor involve the risk that the company will not be able to produce the processor in the volume required by customers on a timely basis; that AMD and third parties may not provide timely infrastructure solutions (motherboards and chipsets) to support the processor; that the processor will not achieve customer and market acceptance; and that the company will not be able to maintain average selling prices because of Intel's competitive reaction to this new product. 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.

About AMD

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

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Visit AMD on the Web: Additional press releases and information about AMD and its products are available at [www.amd.com](http://www.amd.com).

AMD, the AMD logo, 3DNow, AMD Athlon and combinations thereof are trademarks, and the AMD-K6 is a registered trademark of Advanced Micro Devices, Inc. Microsoft and Windows are registered trademarks of Microsoft Corporation.

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

<TABLE>  
<CAPTION>

Ended  (Unaudited)	Quarter Ended  (Unaudited)			Six Months	
	June 27, 1999	Mar. 28, 1999	June 28, 1998	June 27, 1999	
Net sales \$1,067,394	\$ 595,109	\$ 631,593	\$ 526,538	\$1,226,702	<C>
Cost of sales 813,731	458,339	450,431	390,140	908,770	
Research and development 267,278	167,278	159,946	139,158	327,224	
Marketing, general and administrative 189,412	124,520	127,310	101,198	251,830	
Restructuring and other special charges -	17,514	15,016	-	32,530	
1,270,421	767,651	752,703	630,496	1,520,354	
Operating loss (203,027)	(172,542)	(121,110)	(103,958)	(293,652)	
Gain on sale of Vantis -	432,059	-	-	432,059	
Litigation settlement (11,500)	-	-	-	-	
Interest income and other, net 14,099	7,252	10,768	8,518	18,020	
Interest expense (30,135)	(18,087)	(20,763)	(17,663)	(38,850)	
Income (loss) before income taxes and equity in joint venture (230,563)	248,682	(131,105)	(113,103)	117,577	
Provision (benefit) for income taxes (91,107)	172,823	(5,473)	(44,110)	167,350	

Income (loss) before equity in joint venture (139,456)	75,859	(125,632)	(68,993)	(49,773)
Equity in net income (loss) of joint venture 12,169	4,037	(2,735)	4,433	1,302
-----				
Net income (loss) (127,287)	\$ 79,896	\$ (128,367)	\$ (64,560)	\$ (48,471) \$
-----				
Net income (loss) per common share				
- - Basic \$(0.89)	\$0.54	\$(0.88)	\$(0.45)	\$(0.33)
- - Diluted \$(0.89)	\$0.53	\$(0.88)	\$(0.45)	\$(0.33)
-----				
Shares used in per share calculation				
- - Basic 142,983	146,947	145,909	143,462	146,428
- - Diluted 142,983	149,540	145,909	143,462	146,428

Advanced Micro Devices, Inc.

NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS\*  
(Includes Pre-tax FASL Investment Equity Loss (Income) in Operating Income  
(Loss))

(Thousands except per share amounts)

<TABLE>  
<CAPTION>

Ended (Audited)	Quarter Ended (Unaudited)			Six Months (Unaudited)
	June 27, 1999	Mar. 28, 1999	June 28, 1998	June 27, 1999
Net sales \$1,067,394	<C> \$ 595,109	<C> \$ 631,593	<C> \$ 526,538	<C> \$1,226,702 <C>
Cost of sales 813,731	458,339	450,431	390,140	908,770
Loss (income) from equity investment in FASL (23,404)	(6,869)	4,636	(7,416)	(2,233)
Research and development 267,278	167,278	159,946	139,158	327,224
Marketing, general and administrative 189,412	124,520	127,310	101,198	251,830
Restructuring and other special charges	17,514	15,016	-	32,530
	760,782	757,339	623,080	1,518,121
1,247,017				

Operating loss (179,623)	(165,673)	(125,746)	(96,542)	(291,419)
Gain on sale of Vantis	432,059	-	-	432,059
Litigation settlement (11,500)	-	-	-	-
Interest income and other, net 14,099	7,252	10,768	8,518	18,020
Interest expense (30,135)	(18,087)	(20,763)	(17,663)	(38,850)
-----				
Income (loss) before income taxes (207,159)	255,551	(135,741)	(105,687)	(119,810)
Provision (benefit) for income taxes (91,107)	172,823	(5,473)	(44,110)	167,350
Provision (benefit) for taxes on equity loss (income) in FASL 11,235	2,832	(1,901)	2,983	931
-----				
Net income (loss) (127,287)	\$ 79,896	\$ (128,367)	\$ (64,560)	\$ (48,471) \$
-----				
Net income (loss) per common share shares				
- - Basic \$(0.89)	\$0.54	\$ (0.88)	\$ (0.45)	\$ (0.33)
- - Diluted \$(0.89)	\$0.53	\$ (0.88)	\$ (0.45)	\$ (0.33)
-----				
Shares used in per share calculation				
- - Basic 142,983	146,947	145,909	143,462	146,428
- - Diluted 142,983	149,540	145,909	143,462	146,428

</TABLE>

\* The above statements of operations are not in accordance with generally accepted accounting principles (GAAP) in that the pre-tax equity loss (income) of FASL has been reclassified and included in the determination of operating income (loss). Net income (loss) and related net income (loss) per common share amounts are the same as those reported under GAAP.

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

	June 27, 1998	Dec. 1999
	(Audited)	(Unaudited)
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<S>	<C>	<C>
Assets		
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Current assets:		
Cash, cash equivalents and short-term investments 697,025	\$ 650,830	\$
Accounts receivable, net 415,557	320,755	
Inventories	203,056	

175,075		
Deferred income taxes		49,827
205,959		
Prepaid expenses and other current assets		73,407
68,411		
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-----		
Total current assets		1,297,875
1,562,027		
Property, plant and equipment, net		2,538,119
2,268,468		
Investment in joint venture		228,881
236,820		
Other assets		181,134
185,653		
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-----		
		\$4,246,009
\$4,252,968		
=====		
=====		
Liabilities and Stockholders' Equity		
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Current liabilities:		
Notes payable to banks	\$	5,762
6,017		
Accounts payable		300,538
333,975		
Accrued compensation and benefits		91,539
80,334		
Accrued liabilities		161,789
168,280		
Income tax payable		10,917
22,026		
Deferred income on shipments to distributors		81,263
84,523		
Current portion of long-term debt, capital lease obligations and other		131,364
145,564		
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Total current liabilities		783,172
840,719		
Deferred income taxes		60,113
34,784		
Long-term debt, capital lease obligations and other, less current portion		1,440,563
1,372,416		
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Stockholders' equity:		
Capital stock:		
Common stock, par value		1,490
1,465		
Capital in excess of par value		1,102,723
1,071,591		
Retained earnings		913,700
962,171		
Accumulated other comprehensive loss		(55,752)
(30,178)		
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-----		
Total stockholders' equity		1,962,161
2,005,049		
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		\$4,246,009
\$4,252,968		
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</TABLE>

(Unaudited)

<TABLE>  
<CAPTION>

Segment Breakdown	Q2 '99	Q1 '99	Q2 '98
	% of Sales	Revenue	% of Sales
AMD segment:			
Computation Products Group	53	\$317M	42
Memory Group	28	166M	25
Communications Group	12	70M	23
Other	0	2M	0
Vantis segment:			
Vantis	7	40M	10
Other Data	Q2 '99	Q1 '99	Q2 '98
Depreciation and Amortization	\$128M	\$127M	\$113M
Capital Additions	148M	200M	314M
Headcount	13,467	13,803	13,314
International Sales	58%	58%	48%

</TABLE>