

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): October 11, 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 October 11, 2000, Advanced Micro Devices, Inc. (the "Company") announced its third quarter sales. The Company reported record net income of \$408,567,000 on record sales of \$1,206,549,000 for its third quarter ended October 1, 2000. Net income amounted to \$1.18 per diluted share. 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, Pro Forma Financial Information and Exhibits.  
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(c) Exhibits

Number -----	Exhibit -----
99.1	Press release dated October 11, 2000.

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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.

Date: October 18, 2000

By: /s/ Robert J. Rivet

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Robert J. Rivet  
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 October 11, 2000.

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Investor Relations  
(408) 749-3127

## AMD REPORTS THIRD QUARTER RESULTS

AMD reports record sales, record operating income, and record net income of \$409 million; sales up by 82 percent from third quarter of 1999 -

SUNNYVALE, CA -- October 11, 2000 -- AMD today reported record sales of \$1,206,549,000, record operating income of \$262,844,000, and record net income of \$408,567,000 for the quarter ended October 1, 2000. Net income amounted to \$1.18 per diluted share. The company's third-quarter results included a one-time gain of \$336,899,000 resulting from the sale of the company's voice communications business (Legerity) during the quarter, and charges of \$22,980,000 relating to the retirement of senior secured notes. Net income excluding one-time gains and charges was \$219,301,000, or \$0.64 per diluted share, also a record.

Aggregate sales of the company's flagship products - PC processors and flash memory devices - more than doubled from the third quarter of 1999, and grew by more than 10 percent sequentially from the second quarter of 2000. Total sales grew by 82 percent from the third quarter of 1999. Notwithstanding the absence of sales from the company's voice communications business, which was sold during the quarter, total sales grew by slightly more than 3 percent from the immediate-prior quarter.

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In the immediate-prior quarter, AMD reported sales of \$1,170,437,000, operating income of \$250,197,000, and net income of \$207,142,000, or \$0.60 per diluted share. In the like period of 1999, AMD reported sales of \$662,192,000, an operating loss of \$98,990,000, and net loss of \$105,545,000, or a loss of \$0.36 per share.

For the first nine months of 2000, AMD reported sales of \$3,469,015,000, operating income of \$693,710,000, and net income of \$805,058,000, or \$2.36 per diluted share. For the same period of 1999, AMD reported total sales of \$1,888,894,000, an operating loss of \$392,642,000, a net loss of \$154,016,000, or a loss of \$0.52 per share. The results for the first nine months of 1999 included a one-time, after-tax gain of \$259,236,000 from the sale of Vantis Corporation, and restructuring and other special charges of \$32,530,000.

The earnings per share and number of shares used in the earnings-per-share data for all periods presented reflect the two-for-one stock split that was effective August 21, 2000.

"Sales growth was led by continuing extraordinary demand for AMD flash memory devices, whose sales more than doubled over the same period of 1999 and grew by 17 percent sequentially on record unit sales," said W.J. Sanders III, chairman and chief executive officer. "Demand for AMD flash memory products continues to exceed supply. Demand also continues to be broadly based, reflecting strength in cellular telephones, set-top boxes, automotive applications, Internet infrastructure products, and mobile Internet appliances.

"In a tougher market than anticipated, AMD achieved record PC processor revenues on record unit sales, which were up more than 50 percent year-on-year and 10 percent sequentially," Sanders said. "We continued our excellent operational execution and met our aggressive goal of sequentially doubling combined AMD Athlon(TM) and AMD Duron(TM) processor sales to more than 3.6 million units. Our position as the reliable provider of the world's fastest PC processors contributed immensely to our success in gaining market share worldwide, particularly in the performance sector.

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"The newest version of the AMD Athlon processor, featuring performance-enhancing on-chip L2 cache memory, is an overwhelming success, and demand remains strong. The recently introduced AMD Duron processor is the performance leader in the value space, and is on the steepest ramp of unit shipments of any processor in AMD's history. We continue to work closely with our customers and infrastructure partners to meet the challenge of providing the best performing personal computers at all price points," Sanders concluded.

The company's total bookings in the third quarter were a record, with a book-to-bill ratio greater than 1:1.

#### Current Outlook

The company's outlook statements are based on current expectations. The following statements are forward-looking, and actual results could differ materially. The company's current outlook is based on the following projections for its flagship products.

In the fourth quarter, the company again expects to sell out its production of AMD Athlon processors. The company expects that sales of AMD Athlon processors, AMD Duron processors, and PC processors in the aggregate will set new records, individually and collectively, in both units and dollars. For the year, the company expects that total sales of PC processors will easily exceed earlier projections of 25 million units, with the final tally projected to be approximately 28 million units, compared to last year's 18.8 million units. The company projects that sales of AMD PC processors will be between 8 and 9 million units in the fourth quarter based on a total market projected to be between 43 and 45 million units.

The company's production capacity ramp will be the limiting factor in growth in sales of AMD flash memory products in the fourth quarter. The company projects that demand for AMD flash memory products will continue to exceed supply for the foreseeable future.

The company projects that total sales will grow in the high-single-digit range sequentially, resulting in annual sales of approximately \$4.8 billion, compared to approximately \$2.9 billion in 1999.

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#### AMD Teleconference

AMD will hold a teleconference for the financial community at 2:30 PM Pacific Daylight Time today to discuss third-quarter financial results. AMD will provide a real-time audio broadcast of the teleconference on the Investor Relations page of its web site 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 PDT 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 16399094.

#### 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 profit, or earnings. 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; that the company will not be able to grow demand for its PC processors sufficiently to utilize fully its processor production capacity; and that uncertain global economic conditions or Middle East tensions will cause lower than expected demand for the company's products. 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.

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

Ended (Unaudited)	Quarter Ended (Unaudited)			Nine Months	
----- -----	Oct. 1, 2000	Jul. 2, 2000	Sept. 26, 1999	Oct. 1, 2000	
----- -----					
Sept. 26, 1999	Oct. 1, 2000	Jul. 2, 2000	Sept. 26, 1999	Oct. 1, 2000	
----- -----					
<S> Net sales 1,888,894	<C> \$ 1,206,549	<C> \$ 1,170,437	<C> \$ 662,192	<C> \$ 3,469,015	<C> \$
Cost of sales 1,382,889	639,010	612,567	474,119	1,857,334	
Research and development 484,850	162,764	155,651	157,626	479,712	
Marketing, general and administrative 381,267	141,931	152,022	129,437	438,259	
Restructuring and other special charges 32,530	-	-	-	-	
----- -----					
2,281,536	943,705	920,240	761,182	2,775,305	
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Operating income (loss) (392,642)	262,844	250,197	(98,990)	693,710	
Gain on sale of Legerity -	336,899	-	-	336,899	
Gain on sale of Vantis 432,059	-	-	-	-	
Interest income and other, net 24,777	19,789	19,935	6,757	60,852	
Interest expense (56,883)	(17,382)	(11,244)	(18,033)	(40,105)	
----- -----					
Income (loss) before income taxes, equity in joint venture and extraordinary item 7,311	602,150	258,888	(110,266)	1,051,356	
Provision for income taxes	175,009	51,778	-	226,787	

167,350

Income (loss) before equity in joint venture and extraordinary item (160,039)	427,141	207,110	(110,266)	824,569	
Equity in joint venture 6,023	4,406	32	4,721	3,469	
Income (loss) before extraordinary item (154,016)	431,547	207,142	(105,545)	828,038	
Extraordinary item - debt retirement net of tax benefit -	22,980	-	-	22,980	
Net income (loss) (154,016)	\$ 408,567	\$ 207,142	\$ (105,545)	\$ 805,058	\$
Net income (loss) per common share					
Basic					
Income (loss) before extraordinary item (0.52)	\$ 1.38	\$ 0.67	\$ (0.36)	\$ 2.69	\$
Net income (loss) (0.52)	\$ 1.31	\$ 0.67	\$ (0.36)	\$ 2.61	\$
Diluted					
Income (loss) before extraordinary item (0.52)	\$ 1.24	\$ 0.60	\$ (0.36)	\$ 2.42	\$
Net income (loss) (0.52)	\$ 1.18	\$ 0.60	\$ (0.36)	\$ 2.36	\$
Shares used in per share calculation					
- Basic 293,934	311,943	309,625	295,223	307,942	
- Diluted 293,934	352,893	352,973	295,223	350,082	

&lt;/TABLE&gt;

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

<TABLE>  
<CAPTION>

	October 1, 2000	December 26, 1999
Assets		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 1,233,497	\$ 596,511
Accounts receivable, net	687,692	429,809
Inventories	290,426	198,213
Deferred income taxes	73,981	55,956
Prepaid expenses and other current assets	167,253	129,389
Total current assets	2,452,849	1,409,878
Property, plant and equipment, net	2,505,801	2,523,236

