

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 16, 2002**

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.)

**One AMD Place,
P.O. Box 3453
Sunnyvale, California**

(Address of principal executive offices)

94088-3453

(Zip Code)

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

Item 5. Other Events.

On October 16, 2002, AMD reported sales of \$508,227,000 and a net loss of \$254,171,000, for the quarter ended September 29, 2002. The net loss amounted to \$0.74 per share, presented in accordance with generally accepted accounting principles (GAAP).

Third quarter sales declined by 34 percent from the third quarter of 2001 and by 15 percent from the second quarter of 2002. In the third quarter of 2001, AMD reported total sales of \$765,870,000 and a net loss of \$186,929,000, or \$0.54 per share. Excluding the effects of restructuring and other special charges¹, the 2001 third quarter loss was \$97,424,000, or \$0.28 per share. In the second quarter of 2002, AMD reported sales of \$600,299,000 and a net loss of \$184,938,000, or \$0.54 per share.

For the first nine months of 2002, sales declined by 32 percent from the first nine months of 2001. AMD reported sales for the first nine months of 2002 of \$2,010,599,000 and a net loss of \$448,272,000 or \$1.31 per share. For the first nine months of 2001, AMD reported sales of \$2,939,881,000 and a net loss of \$44,739,000, or \$0.14 per share. Excluding the effects of restructuring and other special charges¹, net income for the first nine months of 2001 was \$44,766,000, or \$0.13 per diluted share.

¹ Third quarter and the first nine months of 2001 special charges included restructuring and other special charges of \$89.3 million, impaired investments of \$22.0 million, and additional inventory provisions of \$6.9 million.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits

<u>Number</u>	<u>Exhibit</u>
99.1	Financial Statements

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 hereunto duly authorized.

ADVANCED MICRO DEVICES, INC.

Date: October 17, 2002

By: /s/ ROBERT J. RIVET

Robert J. Rivet
Senior Vice President, Chief Financial Officer

EXHIBIT INDEX

<u>Number</u>	<u>Exhibit</u>
99.1	Financial Statements

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

	Sept. 29, 2002	June 30, 2002	Dec. 30, 2001*
	(unaudited)	(unaudited)	
Assets			
Current assets:			
Cash, cash equivalents and short-term investments	\$ 891,009	\$ 1,099,943	\$ 869,997
Accounts receivable, net	428,653	534,929	659,783
Inventories	420,232	380,078	380,474
Deferred income taxes	177,321	236,152	155,898
Prepaid expenses and other current assets	253,616	264,663	286,957
	<u>2,170,831</u>	<u>2,515,765</u>	<u>2,353,109</u>
Property, plant and equipment, net	2,929,792	2,934,877	2,739,138
Investment in joint venture	374,408	378,164	363,611
Deferred income taxes	85,996	—	—
Other assets	170,455	171,936	191,384
	<u>\$ 5,731,482</u>	<u>\$ 6,000,742</u>	<u>\$ 5,647,242</u>
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	\$ 355,576	\$ 356,341	\$ 304,990
Accrued compensation and benefits	119,666	128,641	129,042
Accrued liabilities	389,861	343,289	443,995
Income taxes payable	38,088	37,824	56,234
Deferred income on shipments to distributors	34,151	38,381	47,978
Current portion of long-term debt, capital lease obligations and other	356,517	367,360	331,698
	<u>1,293,859</u>	<u>1,271,836</u>	<u>1,313,937</u>
Deferred income taxes	—	75,438	105,305
Long-term debt, capital lease obligations and other, less current portion	1,196,531	1,141,060	672,945
Stockholders' equity:			
Capital stock:			
Common stock, par value	3,435	3,423	3,405
Capital in excess of par value	1,914,989	1,906,952	1,889,217
Retained earnings	1,347,408	1,601,580	1,795,680
Accumulated other comprehensive income (loss)	(24,740)	453	(133,247)
	<u>3,241,092</u>	<u>3,512,408</u>	<u>3,555,055</u>
	<u>\$ 5,731,482</u>	<u>\$ 6,000,742</u>	<u>\$ 5,647,242</u>

* Derived from the December 30, 2001 audited financial statements of Advanced Micro Devices, Inc.

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

	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)	
	Sept. 29, 2002	June 30, 2002	Sept. 30, 2001	Sept. 29, 2002	Sept. 30, 2001
Net sales	\$ 508,227	\$ 600,299	\$ 765,870	\$ 2,010,599	\$ 2,939,881
Cost of sales	453,884	558,290	594,056	1,599,048	1,945,085
Research and development	220,959	178,425	161,185	571,266	490,059
Marketing, general and administrative	158,568	160,248	150,918	475,676	456,346
Restructuring and other special charges	—	—	89,305	—	89,305
	<u>833,411</u>	<u>896,963</u>	<u>995,464</u>	<u>2,645,990</u>	<u>2,980,795</u>
Operating loss	(325,184)	(296,664)	(229,594)	(635,391)	(40,914)
Interest and other income, net	12,941	8,661	(11,220)	31,140	19,911
Interest expense	(21,166)	(15,729)	(9,946)	(49,053)	(51,790)
Loss before income taxes and equity in net income (loss) of joint venture	(333,409)	(303,732)	(250,760)	(653,304)	(72,793)
Benefit for income taxes	(73,350)	(121,493)	(65,018)	(198,884)	(8,758)
Loss before equity in net income (loss) of joint venture	(260,059)	(182,239)	(185,742)	(454,420)	(64,035)
Equity in net income (loss) of joint venture	5,888	(2,699)	(1,187)	6,148	19,296
Net loss	<u>\$ (254,171)</u>	<u>\$ (184,938)</u>	<u>\$ (186,929)</u>	<u>\$ (448,272)</u>	<u>\$ (44,739)</u>
Net loss per common share					
Basic	\$ (0.74)	\$ (0.54)	\$ (0.54)	\$ (1.31)	\$ (0.14)
Diluted	\$ (0.74)	\$ (0.54)	\$ (0.54)	\$ (1.31)	\$ (0.14)
Shares used in per share calculation					
Basic	342,780	341,782	345,044	341,796	329,837
Diluted	342,780	341,782	345,044	341,796	329,837