

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): January 13, 1998

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.

On January 13, 1998, Advanced Micro Devices, Inc. (the Company) announced its fourth quarter revenues. The Company reported a net loss of \$12,334,000 on sales of \$613,171,000 for its fourth quarter, ended December 28, 1997. The loss amounted to \$0.09 per share. Revenues increased by 3 percent over the immediate-prior quarter, and 23 percent over the like period of 1996. 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.

(c) Exhibits:

99 Press release dated January 13, 1998

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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 hereunto duly authorized.

ADVANCED MICRO DEVICES, INC.
(Registrant)

Date: January 26, 1998

/s/ Marvin D. Burkett
By: _____
Marvin D. Burkett
Senior Vice President,
Chief Financial and
Administrative Officer
and Treasurer

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Exhibit Index

Exhibit Number

Exhibit

99

Press release dated January 13, 1998

[AMD LETTERHEAD]

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

AMD REPORTS FOURTH QUARTER RESULTS

SUNNYVALE, CA - January 13, 1998 - AMD today reported a net loss of \$12,334,000 on sales of \$613,171,000 for its fourth quarter, ended December 28, 1997. The loss amounted to \$0.09 per share. Revenues increased by 3 percent over the immediate-prior quarter, and by 23 percent over the like period of 1996.

Sales for the like period of 1996 were \$496,868,000, which resulted in a net loss of \$21,243,000, or \$0.15 per share. In the immediate-prior quarter, AMD reported sales of \$596,644,000, which resulted in a loss of \$0.22 per share.

Revenues for 1997 were \$2,356,375,000, which resulted in a net loss of \$21,090,000, or \$0.15 per share. In 1996 AMD reported revenues of \$1,953,019,000, which resulted in a net loss of \$68,950,000, or \$0.51 per share. Revenues grew by 21 percent year-to-year.

"Our three non-microprocessor businesses - our Communications Group, our Memory Group, and our programmable logic company, Vantis(TM) - were profitable in the aggregate in the fourth quarter on revenues down slightly from the immediate-prior quarter," said W.J. Sanders III, chairman and chief executive officer. "We were especially pleased that flash memory sales increased nominally during a period of intense competition.

"Sales of AMD-K6(R) processors for Microsoft(R) Windows(R) computing increased by 26 percent over the immediate-prior quarter to \$190 million," Sanders continued. "Unit shipments of AMD-K6 processors increased by 50 percent to 1.5 million units. Although we increased unit production substantially, yields continued to be disappointing. We achieved significant progress in shipping higher-speed devices as nearly half of the units shipped were 233-megahertz (MHz) devices.

"Demand for AMD-K6 processors remained strong. The AMD-K6 processor has achieved significant acceptance in the market for desktop personal computers priced below \$2,000, and especially in the fast-growing market for sub-\$1,000 personal computers. Our base of top-tier customers expanded with the addition of Compaq, the world's largest personal computer manufacturer, during the quarter. As previously reported, we made initial shipments of AMD-K6 processors manufactured with 0.25-micron technology produced in the company's Submicron Development Center in Sunnyvale, California, including both 266-MHz desktop and 233-MHz mobile versions. The 266-MHz AMD-K6 is being used in IBM Corp.'s new Aptiva model E46 personal computer, and the 233-MHz AMD-K6 is being used in the Compaq Presario model 1621 notebook computer.

"Our current challenge is to execute a successful transition to 0.25-micron technology in our megafab, Fab 25, in Austin, Texas. Meeting our customers' demand for higher-performance AMD-K6 processors in the volumes they need is our first priority," Sanders concluded.

CAUTIONARY STATEMENT

Investors are cautioned that all forward-looking statements of management's expectations involve risks and uncertainties that could cause actual results to differ materially from current expectations.

Any forward-looking statements about the AMD-K6 processor involve risks and uncertainties, including whether: the company will execute a successful transition to 0.25-micron technology in Fab 25 in Austin, will significantly improve production yields, and overall will achieve the production ramp necessary to meet customer demand for higher-performance AMD-K6 processors in the volumes they need; the company will increase AMD-K6 revenues sufficient to achieve profitability in the microprocessor business; the company will have the financial and other resources necessary to continue to invest in the microprocessor business, including leading-edge wafer fabrication equipment and process technologies; customer demand for the AMD-K6 processor will continue at current or greater levels; and whether economic conditions will change and affect demand for microprocessors and other integrated circuits. Investors are urged to consult the risks and uncertainties detailed in the company's reports filed with the Securities and Exchange Commission.

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 \$2.4 billion in 1997. (NYSE: AMD).

WORLD WIDE WEB: Press announcements and other information about AMD are available on the Internet via the World Wide Web. Type://www.amd.com at the URL prompt.

VANTIS IS A TRADEMARKS OF ADVANCED MICRO DEVICES, INC.

AMD-K6, AMD, THE AMD LOGO AND COMBINATIONS THEREOF ARE REGISTERED TRADEMARKS OF ADVANCED MICRO DEVICES, INC.

MICROSOFT AND WINDOWS ARE REGISTERED TRADEMARKS OF MICROSOFT CORPORATION.

ADVANCED MICRO DEVICES, INC.

CONSOLIDATED BALANCE SHEETS

(THOUSANDS)

<TABLE>

<CAPTION>

	December 28, 1997 (Audited)	December 1996 (Audited)
29,		

ASSETS		

<S>	<C>	<C>
Current assets:		
Cash, cash equivalents and short-term investments	\$ 467,032	\$
386,198		
Accounts receivable, net	329,111	
220,028		
Inventories	168,517	
154,010		
Deferred income taxes	160,583	
140,850		
Prepaid expenses and other current assets	50,024	
127,991		

Total current assets	1,175,267	
1,029,077		
Property, plant and equipment, net	1,990,689	
1,787,402		
Investment in joint venture	204,031	
197,205		
Other assets	145,284	
131,599		

	\$3,515,271	
\$3,145,283		
=====		
LIABILITIES AND STOCKHOLDERS' EQUITY		

Current liabilities:		
Notes payable to banks	\$ 6,601	\$
14,692		
Accounts payable	359,536	
224,139		
Accrued compensation and benefits	63,429	
66,745		
Accrued liabilities	134,656	
103,436		
Income tax payable	12,676	
51,324		
Deferred income on shipments to distributors	83,508	
95,466		
Current portion of long-term debt and capital lease obligations	66,364	
27,671		

Total current liabilities	726,770	
583,473		
Deferred income taxes	96,269	
95,102		
Long-term debt and capital lease obligations, less current portion	662,689	

444,830

Stockholders' equity:

Capital stock:	
Common stock, par value	1,428
1,380	
Capital in excess of par value	1,018,884
957,226	
Retained earnings	1,009,231
1,063,272	

Total stockholders' equity	2,029,543
2,021,878	

	\$3,515,271
\$3,145,283	

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 </TABLE>
 ADVANCED MICRO DEVICES, INC.
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (THOUSANDS EXCEPT PER SHARE AMOUNTS)
 <TABLE>
 <CAPTION>

	Quarters Ended (Unaudited)			Year Ended (Audited)	
	Dec. 28, 1997	Sept. 28, 1997	Dec. 29, 1996	Dec. 28, 1997	Dec. 29, 1996
<S>	<C>	<C>	<C>	<C>	<C>
Net sales	\$613,171	\$596,644	\$496,868	\$2,356,375	\$1,953,019
Cost of sales	428,856	428,240	354,622	1,578,438	1,440,828
Research and development	127,031	125,917	107,499	467,877	400,703
Marketing, general and administrative	102,296	100,915	88,292	400,713	364,798
	658,183	655,072	550,413	2,447,028	2,206,329
Operating loss	(45,012)	(58,428)	(53,545)	(90,653)	(253,310)
Interest income and other, net	6,525	5,532	4,079	35,097	59,391
Interest expense	(11,757)	(14,151)	(7,601)	(45,276)	(14,837)
Loss before income taxes and equity in joint venture	(50,244)	(67,047)	(57,067)	(100,832)	(208,756)
Benefit for income taxes	(29,861)	(30,072)	(22,826)	(55,155)	(85,008)
Loss before equity in joint venture	(20,383)	(36,975)	(34,241)	(45,677)	(123,748)
Equity in net income of joint venture	8,049	5,300	12,998	24,587	54,798
NET LOSS APPLICABLE TO COMMON STOCKHOLDERS	\$(12,334)	\$(31,675)	\$(21,243)	\$(21,090)	\$(68,950)
NET LOSS PER COMMON SHARE					
- Basic	\$ (0.09)	\$ (0.22)	\$ (0.15)	\$ (0.15)	\$ (0.51)
- Diluted	\$ (0.09)	\$ (0.22)	\$ (0.15)	\$ (0.15)	\$ (0.51)
Shares used in per share calculation					
- Basic	141,889	141,055	137,102	140,453	135,126
- Diluted	141,889	141,055	137,102	140,453	135,126

</TABLE>
 ADVANCED MICRO DEVICES, INC. INFORMATION ONLY

NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS*
 (INCLUDES PRE-TAX FASL INVESTMENT EQUITY INCOME IN OPERATING LOSS)

(THOUSANDS EXCEPT PER SHARE AMOUNTS)
 <TABLE>
 <CAPTION>

	Quarters Ended (Unaudited)			Year Ended (Audited)	
	Dec. 28, 1997	Sept. 28, 1997	Dec. 29, 1996	Dec. 28, 1997	Dec. 29, 1996

<S>	<C>	<C>	<C>	<C>	<C>
NET SALES	\$613,171	\$596,644	\$496,868	\$2,356,375	\$1,953,019
Cost of sales	428,856	428,240	354,622	1,578,438	1,440,828
Income from equity investment in FASL	(16,770)	(11,041)	(19,996)	(47,549)	(84,305)
Research and development	127,031	125,917	107,499	467,877	400,703
Marketing, general and administrative	102,296	100,915	88,292	400,713	364,798
	641,413	644,031	530,417	2,399,479	2,122,024
Operating loss	(28,242)	(47,387)	(33,549)	(43,104)	(169,005)
Interest income and other, net	6,525	5,532	4,079	35,097	59,391
Interest expense	(11,757)	(14,151)	(7,601)	(45,276)	(14,837)
Loss before income taxes	(33,474)	(56,006)	(37,071)	(53,283)	(124,451)
Benefit for income taxes	(29,861)	(30,072)	(22,826)	(55,155)	(85,008)
Provision for taxes on equity income in FASL	8,721	5,741	6,998	22,962	29,507
NET LOSS APPLICABLE TO COMMON STOCKHOLDERS	\$ (12,334)	\$ (31,675)	\$ (21,243)	\$ (21,090)	\$ (68,950)
NET LOSS PER COMMON SHARE					
- Basic	\$ (0.09)	\$ (0.22)	\$ (0.15)	\$ (0.15)	\$ (0.51)
- Diluted	\$ (0.09)	\$ (0.22)	\$ (0.15)	\$ (0.15)	\$ (0.51)
Shares used in per share calculation					
- Basic	141,889	141,055	137,102	140,453	135,126
- Diluted	141,889	141,055	137,102	140,453	135,126

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

AMD
SELECTED CORPORATE DATA
(UNAUDITED)

<TABLE>

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PRODUCT LINE BREAKDOWN	Q4 '97		Q3 '97		Q4 '96	
	% OF SALES	REVENUE	% OF SALES	REVENUE	% OF SALES	REVENUE
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Communications Group (CPD, LPD, NPD)	28	\$174M	30	\$179M	33	\$166M
Vantis (PLD)	9	55M	10	62M	12	59M
Memory Group (MG)	30	181M	30	178M	33	162M
Computation Products Group (CMD, PPD, TMD)	33	203M	30	178M	22	110M

<CAPTION>

OTHER DATA	Q4 '97	Q3 '97	Q4 '96
<S>	<C>	<C>	<C>
Depreciation and Amortization	\$108M	\$104M	\$ 88M
Capital Additions	155M	157M	144M
Headcount	12,759	12,617	12,181
International Sales	56%	60%	55%

</TABLE>