

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): June 15, 1999

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 -----

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Item 2. Acquisition or Disposition of Assets

On June 15, 1999, Advanced Micro Devices, Inc. (the "Company" or "AMD") announced the completion of the sale of Vantis Corporation ("Vantis"), a wholly owned subsidiary of AMD, to Lattice Semiconductor Corporation. Vantis develops and markets complex and simple, high performance, complementary metal oxide semiconductor programmable logic devices ("PLDs"). AMD received, net of cash and short-term investments of approximately \$62 million held by Vantis, approximately \$438 million in cash. AMD's preliminary gain on the sale of Vantis of approximately \$436 million, subject to adjustment (if any) based on the final determination of the net asset value of Vantis at June 15, 1999, will be recorded in its second quarter ended June 27, 1999. The full text of the press release relating to the completion of the sale of Vantis is set forth in Exhibit 99 attached hereto and is incorporated in this report as if fully set forth herein.

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

(b) Pro Forma Financial Information

On June 15, 1999, AMD announced the completion of the sale of Vantis to Lattice Semiconductor Corporation. Vantis develops and markets complex and simple, high performance, complementary metal oxide semiconductor PLDs. AMD received, net of cash and short-term investments of approximately \$62 million held by Vantis, approximately \$438 million in cash. AMD's preliminary gain on the sale of Vantis of approximately \$436 million, subject to adjustment (if any) based on the final determination of the net asset value of Vantis at June 15, 1999, will be recorded in its second quarter ended June 27, 1999. The full text of the press release relating to the completion of the sale of Vantis is set forth in Exhibit 99 attached hereto and is incorporated in this report as if fully set forth herein.

The following unaudited pro forma condensed consolidated financial statements present financial information for AMD giving effect to the sale of Vantis, which was consummated on June 15, 1999. The unaudited pro forma condensed consolidated balance sheet as of March 28, 1999 is presented as if the sale had occurred as of that date. The unaudited pro forma condensed consolidated statements of operations for the quarterly period ended March 28, 1999 and the fiscal year ended December 27, 1998 are presented as if the sale had occurred at the beginning of the earliest period presented.

The pro forma condensed consolidated financial statements should be read in conjunction with AMD's unaudited condensed consolidated financial statements and notes thereto included in the Company's quarterly report on Form 10-Q for the period ended March 28, 1999 and the audited and consolidated financial

statements and notes thereto incorporated by reference in the Company's annual report on Form 10-K for the fiscal year ended December 27, 1998. The pro forma information may not necessarily be indicative of what the Company's results of operations or financial position would have been had the transaction been in effect as of and for the periods presented, nor is such information necessarily indicative of the Company's results of operations or financial position for any future period or date.

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ADVANCED MICRO DEVICES, INC.
 PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)
 (Thousands)

<TABLE>
 <CAPTION>

	March 28, 1999			
Assets forma	Historical	Business to be disposed	Pro forma adjustment	Pro
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Current assets:				
Cash, cash equivalents and short-term investments	\$ 489,145	\$ (76,864)	\$ 514,772 [A]	\$
927,053				
Accounts receivable, net	376,360	(24,351)	28,060 [B]	
380,069				
Inventories:				
Raw materials	14,689	--	--	
14,689				
Work-in-process	132,516	(5,440)	--	
127,076				
Finished goods	35,465	(2,906)	--	
32,559				

Total inventories	182,670	(8,346)	--	
174,324				
Deferred income taxes	206,745	(16,605)	(160,103) [C]	
30,037				
Prepaid expenses and other current assets	73,701	(13,595)	--	
60,106				

Total current assets	1,328,621	(139,761)	--	
1,571,589				
Property, plant and equipment, at cost	4,771,052	(34,591)	--	
4,736,461				
Accumulated depreciation and amortization	(2,197,561)	28,215	--	
(2,169,346)				

Property, plant and equipment, net	2,573,491	(6,376)		
2,567,115				
Investment in joint venture	232,313	--	--	
232,313				
Other Assets	171,068	(6,198)	--	
164,870				

	\$ 4,305,493	\$ (152,335)		\$
4,535,887				
=====				
Liabilities and Stockholders' Equity				

Current liabilities:				
Notes payable to banks	\$ 5,941	\$ --	--	\$
5,941				
Accounts payable	343,980	(45,497)	\$ 28,060 [B]	
326,543				
Accrued compensation and benefits	81,451	(4,383)	--	
77,068				
Accrued liabilities	133,468	(5,557)	--	
127,911				
Income tax payable	21,610	(4,712)	--	
16,898				
Deferred income on shipments to distributors	102,503	(29,096)	--	
73,407				
Current portion of long-term debt, capital lease				

obligations and other 172,663	174,663	(2,000)	--
---	-----	-----	-----
Total current liabilities 800,431	863,616	(91,245)	
Deferred income taxes 28,177	28,226	(49)	--
Long-term debt, capital lease obligations and other, less current portion 1,538,707	1,539,957	(1,250)	--
Commitments and contingencies			
Stockholders' equity:			
Capital stock:			
Common stock, par value 1,483	1,478	(442)	447 [A]
Capital in excess of par value 1,051,682	1,080,729	(33,006)	3,959 [A]
Retained earnings 1,157,764	833,804	(26,303)	350,263 [A]
Accumulated other comprehensive loss (42,357)	(42,317)	(40)	--
---	-----	-----	-----
Total stockholders' equity 2,168,572	1,873,694	(59,791)	
---	-----	-----	-----
	\$ 4,305,493	\$ (152,335)	\$
4,535,887	=====	=====	

</TABLE>

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ADVANCED MICRO DEVICES, INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)
(Thousands except per share amounts)

<TABLE>
<CAPTION>

	Quarter ended March 28, 1999			
	Historical	Business to be disposed	Pro forma adjustment	Pro forma
<S>	<C>	<C>	<C>	<C>
Net sales	\$ 631,593	\$ (47,157)	\$ 17,176 [B]	\$ 601,612
Expenses:				
Cost of sales	450,431	(20,394)	17,176 [B]	447,213
Research and development	159,946	(8,245)	-	151,701
Marketing, general and administrative	127,310	(12,150)	-	115,160
Restructuring and other special charges	15,016	--	-	15,016
	752,703	(40,789)	17,176	729,090
Operating loss	(121,110)	(6,368)	-	(127,478)
Interest income and other, net	10,768	(1,190)	-	9,578
Interest expense	(20,763)	--	-	(20,763)
Loss before income taxes and equity in joint venture	(131,105)	(7,558)	-	(138,663)
Benefit for income taxes	(5,473)	(2,761)	-	(8,234)
Loss before equity in joint venture	(125,632)	(4,797)	-	(130,429)
Equity in net loss of joint venture	(2,735)	--	-	(2,735)
Net loss	\$ (128,367)	\$ (4,797)	\$ -	\$ (133,164)
Net loss per common share:				
Basic	\$ (0.88)			\$ (0.91)
Diluted	\$ (0.88)			\$ (0.91)
Shares used in per share calculation:				
Basic	145,909			145,909

Diluted	145,909	145,909
	=====	=====

</TABLE>

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ADVANCED MICRO DEVICES, INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)
(Thousands except per share amounts)

<TABLE>
<CAPTION>

	Fiscal year ended December 27, 1998			
	Historical	Business to be disposed	Pro forma adjustment	Pro forma
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Net sales	\$2,542,141	\$ (204,997)	\$ 88,455 [B]	\$2,425,599
Expenses:				
Cost of sales	1,718,703	(101,442)	88,455 [B]	1,705,716
Research and development	567,402	(35,616)	-	531,786
Marketing, general and administrative	419,678	(46,339)	-	373,339
	-----	-----	-----	-----
	2,705,783	(183,397)	88,455	2,610,841
	-----	-----	-----	-----
Operating loss	(163,642)	(21,600)	-	(185,242)
Litigation settlement	(11,500)	-	-	(11,500)
Interest income and other, net	34,207	(4,419)	-	29,788
Interest expense	(66,494)	-	-	(66,494)
	-----	-----	-----	-----
Loss before income taxes and equity in joint venture	(207,429)	(26,019)	-	(233,448)
Benefit for income taxes	(91,878)	(8,807)	-	(100,685)
	-----	-----	-----	-----
Loss before equity in joint venture	(115,551)	(17,212)	-	(132,763)
Equity in net income of joint venture	11,591	-	-	11,591
	-----	-----	-----	-----
Net loss	\$ (103,960)	\$ (17,212)	\$ -	\$ (121,172)
	=====	=====	=====	=====
Net loss per common share:				
Basic	\$ (0.72)			\$ (0.84)
	=====			=====
Diluted	\$ (0.72)			\$ (0.84)
	=====			=====
Shares used in per share calculation:				
Basic	143,668			143,668
	=====			=====
Diluted	143,668			143,668
	=====			=====

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Notes to Pro Forma Condensed Consolidated Financial Statements

1. Basis of Presentation

The following unaudited pro forma condensed consolidated financial statements present financial information for the Company giving effect to the sale of Vantis, which was consummated on June 15, 1999. The unaudited pro forma condensed consolidated balance sheet as of March 28, 1999 is presented as if the sale had occurred as of that date. The unaudited pro forma condensed consolidated statements of operations for the three month period ended March 28, 1999 and for the fiscal year ended December 27, 1998 are presented as if the sale had occurred at the beginning of the earliest period presented.

2. Unaudited Pro Forma Consolidated Financial Adjustments

[A] Reflects the sale of the Company's wholly owned subsidiary, to Lattice Semiconductor Corporation ("Lattice") for total cash proceeds of \$500,080,000 net of \$62,172,000, which represents Vantis' cash and short-term investment balance as of June 15, 1999. Included in pro forma retained earnings at March 28, 1999 is the resulting estimated gain to be recognized on the sale net of compensation expense recorded in connection with options to purchase AMD Stock previously issued to Vantis employees applicable income taxes and as if the sale occurred on March 28, 1999. The estimated gain on disposition will be recorded in the second quarter of fiscal 1999. The actual gain amount will be determined based on the excess of proceeds received over the actual carrying value of the Vantis net assets as of June 15, 1999 less direct costs

associated with the sale. Pursuant to Article 11 of Regulation S-X, the preliminary gain to be recognized on the disposition transaction has been excluded from the pro forma condensed consolidated statement of operations for the quarter ended March 28, 1999 and the fiscal year ended December 27, 1998 due to its non-recurring nature.

[B] Subsequent to the Vantis sale, the Company will continue to provide services to Vantis pursuant to various re-negotiated service contracts. According to the service contracts, the Company will continue to provide the wafer fabrication, assembly, test, mark, pack and administrative services to Vantis. The wafer fabrication and assembly, test, mark and pack service agreements will continue to September 2003 and the administrative service agreements will expire between six and 15 months after the closing date. The pro forma adjustments to the condensed consolidated statement of operations for the quarter ended March 28, 1999 and the fiscal year ended December 27, 1998 reflect the sales to Vantis and the related expenses pursuant to the aforementioned service contracts. These intercompany transactions were previously eliminated for purpose of the Company's historical consolidated financial statements.

[C] The pro forma adjustment to deferred income taxes in the condensed consolidated balance sheet as of March 28, 1999 is based on the Company's actual effective tax rate of 36.7%.

(c) Exhibits

Number -----	Exhibit -----
99	Press release dated June 15, 1999

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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.

Date: June 30, 1999 By: /s/ Francis P. Barton

Francis P. Barton
Senior Vice President, Chief Financial Officer

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Exhibit Index

Number -----	Exhibit -----
99	Press release dated June 15, 1999.

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[AMD Letterhead]

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

AMD ANNOUNCES COMPLETION OF SALE OF VANTIS

SUNNYVALE, CA-JUNE 15, 1999 - Advanced Micro Devices Inc. (NYSE: AMD) today announced the completion of the sale of Vantis Corporation, a wholly owned subsidiary of AMD, to Lattice Semiconductor Corporation (NASDAQ: LSCC). The parties signed the definitive purchase agreement for the sale of Vantis Corporation to Lattice on April 21, 1999. AMD received approximately \$500,000,000 in cash from Lattice as consideration for the sale, subject to certain adjustments.

About AMD

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

AMD is a trademark of Advanced Micro Devices, Inc.