
**UNITED STATES
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

April 12, 2006
Date of Report (Date of earliest event reported)

ADVANCED MICRO DEVICES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

001-07882
(Commission File Number)

94-1692300
(IRS Employer Identification Number)

One AMD Place
P.O. Box 3453
Sunnyvale, California 94088-3453
(Address of principal executive offices) (Zip Code)

(408) 749-4000
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition**Item 7.01. Regulation FD Disclosure**

The information in this Report, including the Exhibit 99.1 attached hereto, is furnished pursuant to Item 2.02 and Item 7.01 of this Form 8-K. Consequently, it is not deemed “filed” for the purposes of Section 18 of the Securities and Exchange Act of 1934, or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Exchange Act or Securities Act of 1933 if such subsequent filing specifically references this Form 8-K.

On April 12, 2006, Advanced Micro Devices, Inc. (the “Company”) announced its results of operations and financial position as of and for fiscal quarter ended March 26, 2006 in a press release that is attached hereto as Exhibit 99.1.

The Company’s earnings release contains non-GAAP financial measures. Pursuant to the requirements of Regulation G, the Company has provided reconciliations within the press release of the non-GAAP financial measures to the most directly comparable GAAP financial measures.

EBITDA is presented in the earnings release. In the earnings release for the quarter ended March 26, 2006, EBITDA was determined by adjusting net income (loss) for interest expense, income tax, depreciation and amortization. In previous quarters, EBITDA was determined by adjusting net income (loss) for interest income, interest expense, income tax, depreciation and amortization. In the earnings release prior periods have been restated to conform to the presentation of the current quarter. Although EBITDA is not a GAAP financial measure, it is calculated and communicated by the Company because management believes it is of interest to investors and lenders in relation to its overall capital structure and its ability to borrow additional funds.

The Company’s calculation of EBITDA may or may not be consistent with the calculation of this measure by other companies in the same industry. Investors should not view EBITDA as an alternative to the GAAP measures of net income as a measure of performance, or cash flows from operating, investing and financing activities as a measure of liquidity. In addition, EBITDA does not take into account changes in certain assets and liabilities as well as interest and income taxes that can affect cash flows. Management does not intend the presentation of EBITDA to be considered in isolation or as a substitute for results prepared in accordance with GAAP.

For the fourth quarter for 2005, the Company has also presented non-GAAP pro forma financial information to exclude the results of operations of its Memory Products segment and Spansion Inc. (formerly Spansion LLC), its former majority-owned subsidiary which completed its initial public offering (IPO) on December 21, 2005, as well as the non-cash charge on disposition of equity interest in Spansion Inc. As a result of the IPO, the Company’s financial results of operations for the fourth quarter of 2005 include Spansion’s results only through December 20, 2005. Moreover, the Company’s ownership in Spansion was reduced from 60 percent to approximately 37.9 percent and therefore the Company no longer consolidates Spansion’s results of operations in the Company’s financial results, but instead utilizes the equity method of accounting to reflect its proportionate share of Spansion’s net income (loss). AMD has provided a non-GAAP statement of operations for the fourth quarter of 2005 that excludes Spansion and the Memory Products segment results of operations to allow a comparison to the GAAP statement of operations for the quarter ended March 26, 2006. Management believes this presentation will aid investors by presenting the company’s current and historical results in a form that will be more consistent with the presentation of future operating results. The Company has provided reconciliation within the press release to reconcile the non-GAAP financial data to the most directly comparable GAAP financials.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press Release dated April 12, 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ADVANCED MICRO DEVICES, INC.

Date: April 12, 2006

By: _____ /s/ Robert J. Rivet

Robert J. Rivet
Executive Vice President and
Chief Financial Officer

News Release

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AMD REPORTS FIRST QUARTER RESULTS

– First Quarter EPS of \$0.38 Driven by Record Sales of
AMD Opteron™ Processors and Record Gross Margin –

SUNNYVALE, Calif. — April 12, 2006 — AMD (NYSE: AMD) today reported sales of \$1.33 billion, operating income of \$259 million, and net income of \$185 million, or \$0.38 per share for the quarter ended March 26, 2006. These results include a stock-based compensation expense of \$15 million due to the implementation of SFAS 123(R) and an expense of \$20 million associated with the partial redemption of senior notes.

In the first quarter of 2005, excluding the Memory Products segment¹, AMD reported sales of \$780 million and operating income of \$64 million. In the fourth quarter of 2005, AMD reported sales of \$1.35 billion and operating income of \$268 million.

	Q1-06	Q4-05	Q1-05	Change	
				Q1-06 vs Q4-05	Q1-06 vs Q1-05
Net Sales (billions)	\$1.33	\$1.35	\$0.78	(1.5)%	70.5%
Operating Income (millions)	\$ 259	\$ 268	\$ 64	(3.4)%	304.7%
Gross Margin (percent)	58.5%	57.3%	52.7%	1.2%	5.8%

“AMD had another great quarter,” said Robert J. Rivet, AMD’s chief financial officer. “Building on our positive momentum, we believe we once again gained dollar market share based on strong customer demand for AMD64 single and multi-core processors. We expanded our global customer base in the quarter, achieved record AMD Opteron processor sales, increased our average selling price (ASP), and realized year-over-year sales growth of 71 percent. Our manufacturing strategy execution was excellent and our technology transitions remain on track, with 65nm production shipments expected in the second half of 2006.

¹ As a result of Spansion Inc.’s initial public offering (IPO) in December 2005, comparison of first quarter consolidated financial results to previous periods do not correlate directly. Therefore, all prior quarter comparisons in this release exclude the results of the Memory Products segment.

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“We also continued to execute against our plans to improve our balance sheet. We had a successful equity offering, reduced debt and lowered our debt-to-capital ratio to 12 percent².”

First quarter gross margin increased to a record 58.5 percent, compared to 57.3 percent in the fourth quarter of 2005. The increase was largely due to product mix improvement, higher desktop and mobile ASPs, and manufacturing efficiencies. Operating income was \$259 million in the first quarter, up from \$64 million in the first quarter of 2005 and down slightly from \$268 million in the fourth quarter of 2005.

Solid first quarter sales were driven by ASP improvements from the prior quarter and increasing customer adoption of AMD’s server, mobile and desktop offerings in the commercial segment. Record AMD Opteron processor sales were driven, in particular, by strong demand for dual-core processors for servers and workstations. Shipments of AMD Turion 64™ mobile processors also increased quarter-on-quarter. Geographically, processor sales were especially strong in Greater China, Latin America, Russia and South Asia.

ADDITIONAL HIGHLIGHTS

- *FORTUNE* magazine ranked AMD as a Top 10 “Most Admired Company” for Innovation in 2005 and the leader in the category of innovation among semiconductor companies in 2005.
- The AMD64 platform has earned more than 200 global industry awards. In the first quarter, AMD added 26 awards, including: 2005 Reader’s Choice Award for Best Processor Architecture from Tom’s Hardware for the AMD Athlon™ 64 X2 processor and Best Server Processor of 2005 from In-Stat MDR for the Dual-Core AMD Opteron processor.
- More than 50 percent of the top 500 of the *Forbes* Global 2000 companies or their subsidiaries use AMD64 processor-based systems. Recent additions include China State Power, Continental AG, Enbridge, Inc., Fiat, Marathon Oil Corporation, Mitsubishi UFJ Financial Group, Mohawk Industries, Inc., New York Times Company and the Philadelphia Stock Exchange, amongst others.

² Debt-to-Capital ratio is calculated as follows: Total Debt (Long-term debt and capital lease obligations including current portion) divided by Total Capital (Total Debt plus Minority Interest plus Total Stockholders Equity).

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- As planned, Fab 36 commenced shipments of AMD64 processors at the end of March and the fab is already demonstrating mature yields.
 - Customers and partners worldwide continue to expand the depth and breadth of their AMD64 commercial product offerings.
 - HP, IBM and Sun Microsystems incorporated AMD's newest AMD Dual-Core Opteron™ processors into their server offerings.
 - Lenovo and AMD broadened their global relationship with the worldwide launch of a new line of commercial client PCs from Lenovo. These new AMD64 offerings build on the considerable success AMD and Lenovo have shared in China during the past two years.
 - Supermicro Computer, Inc, Tyan Computer Corporation and Uniwide Technologies, Inc. joined AMD's Validated Server Program (VSP) which ensures solution providers have direct access to qualified, reliable, stable and well-supported AMD64 server solutions.
 - The AMD Commercial Systems Channel Program now includes more than 20,000 channel sales and technical representatives worldwide.
 - AMD broadened its family of product offerings in the quarter, launching five Dual-Core AMD Opteron processors, two AMD Turion 64 processors, the AMD Athlon 64 FX-60 dual-core processor, and three AMD Sempron™ processors for mobile and desktop computing.
 - AMD's standards-based and collaborative approach to technology development continued with the release of AMD's open I/O virtualization technology specification through royalty-free licenses.

CURRENT OUTLOOK

AMD's outlook statements are based on current expectations. The following statements are forward looking, and actual results could differ materially depending on market conditions.

AMD expects second quarter sales to be flat to slightly down seasonally from the first quarter of 2006. If achieved, this would approximate a 65 percent increase from comparable sales in the second quarter of 2005.

AMD TELECONFERENCE

AMD will hold a conference call for the financial community at 2:30 p.m. US PDT today to discuss first quarter financial results. AMD will provide a real-time

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audio broadcast of the teleconference on the Investor Relations page of its Web site at www.amd.com. The webcast will be available for 10 days after the conference call.

ABOUT AMD

Advanced Micro Devices (NYSE: AMD) is a leading global provider of innovative microprocessor solutions for computing, communications and consumer electronics markets. Founded in 1969, AMD is dedicated to delivering superior computing solutions based on customer needs that empower users worldwide. For more information visit www.amd.com.

CAUTIONARY STATEMENT

This release contains forward-looking statements concerning future periods of 2006, 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 uncertainties that could cause actual results to differ materially from the company's current expectations. Risks include the possibility that global business and economic conditions will worsen, resulting in lower than currently expected sales in the second quarter of 2006; that Intel Corporation's pricing, marketing programs, product bundling, new product introductions or other activities targeting the company's microprocessor business will prevent attainment of the company's current microprocessor sales plans; that demand for computers and, in turn, demand for the company's microprocessors will be lower than currently expected; that adoption of AMD64 products by OEMs will not continue to occur as expected; that the company may not achieve its current product and technology introduction schedules; that the company will not be able to raise sufficient capital to enable it to establish leading-edge capacity to maintain its market leadership positions; that the company will not be able to obtain sufficient manufacturing capacity or components to meet demand for its products; that solutions providers will not provide the infrastructure to support the company's AMD64 technology in a timely fashion; and that unfavorable results of operation of Spansion will adversely impact the company's results of operations.

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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 Annual Report on Form 10-K for the year ended December 25, 2005.

AMD, the AMD Arrow logo, AMD Athlon, AMD Opteron, AMD Sempron, AMD Turion, and combinations thereof are trademarks of Advanced Micro Devices, Inc. Spansion is a trademark of Spansion, Inc. Other names used are for identification purposes only and may be trademarks of their respective owners.

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

	Quarter Ended		
	Mar. 26, 2006 <u>(Unaudited)</u>	Dec. 25, 2005 <u>(Unaudited)</u>	Mar. 27, 2005 <u>(Unaudited)</u>
Net sales	\$1,332,158	\$1,838,276	\$1,226,628
Cost of sales (includes stock-based compensation expense under SFAS 123(R) of \$1,789 for Q1 FY'06; \$0 for Q4 FY'05 and \$0 for Q1 FY'05)	553,340	986,148	807,449
Gross margin	778,818	852,128	419,179
Gross margin %	58.5%	46.4%	34.2%
Research and development (includes stock-based compensation expense under SFAS 123(R) of \$4,094 for Q1 FY'06; \$0 for Q4 FY'05 and \$0 for Q1 FY'05)	264,176	329,301	253,122
Marketing, general and administrative (includes stock-based compensation expense under SFAS 123(R) of \$9,162 for Q1 FY'06; \$0 for Q4 FY'05 and \$0 for Q1 FY'05)	256,042	317,111	211,714
Operating income (loss)	258,600	205,716	(45,657)
Interest income	28,162	13,562	6,885
Interest expense	(23,247)	(24,447)	(24,245)
Other income (expense), net	(19,128)	(13,117)	(2,911)
Income (loss) before minority interest, loss on dilution of equity interest in Spansion Inc., equity in net income (loss) of Spansion Inc. and income taxes	244,387	181,714	(65,928)
Minority interest of consolidated subsidiaries	(6,347)	19,166	46,853
Loss on dilution of equity interest in Spansion Inc.	—	(109,681)	—
Equity in net income (loss) of Spansion Inc.	(18,243)	3,105	—
Provision (benefit) for income taxes	35,273	(1,284)	(1,652)
Net income (loss)	<u>\$ 184,524</u>	<u>\$ 95,588</u>	<u>\$ (17,423)</u>
Net income (loss) per common share			
Basic	\$ 0.40	\$ 0.23	\$ (0.04)
Diluted	<u>\$ 0.38</u>	<u>\$ 0.21</u>	<u>\$ (0.04)</u>
Shares used in per share calculation			
Basic	464,080	412,498	393,077
Diluted	495,326	452,323	393,077

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

	Mar. 26, 2006 (Unaudited)	Dec. 25, 2005*
Assets		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 2,632,663	\$ 1,794,766
Accounts receivable, net	819,963	805,531
Inventories	337,216	388,631
Prepaid expenses and other current assets	322,031	477,302
Deferred income taxes	104,980	92,606
Total current assets	4,216,853	3,558,836
Property, plant and equipment, net	2,874,887	2,701,000
Net investment in Spansion Inc.	700,329	721,342
Other assets	259,976	306,601
Total Assets	\$ 8,052,045	\$ 7,287,779
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	847,180	855,834
Accrued compensation and benefits	258,791	226,874
Accrued liabilities	384,345	388,998
Restructuring accruals	18,615	18,615
Income taxes payable	33,871	3,326
Deferred income on shipments to distributors	194,940	141,898
Current portion of long-term debt and capital lease obligations	42,408	43,224
Other current liabilities	168,374	143,192
Total current liabilities	1,948,524	1,821,961
Deferred income taxes	104,980	92,606
Long-term debt and capital lease obligations	615,874	1,327,065
Other long-term liabilities	428,074	459,322
Minority interest in consolidated subsidiaries	244,672	234,988
Stockholders' equity:		
Capital stock:		
Common stock, par value	4,832	4,355
Capital in excess of par value	3,869,620	2,710,168
Retained earnings	658,262	473,678
Accumulated other comprehensive income	177,207	163,636
Total stockholders' equity	4,709,921	3,351,837
Total Liabilities and Stockholders' Equity	\$ 8,052,045	\$ 7,287,779

* Derived from the December 25, 2005 audited financial statements of Advanced Micro Devices, Inc.

Advanced Micro Devices, Inc.
SELECTED CORPORATE DATA
(Unaudited)
(Millions except headcount and percentages)

	Quarter Ended		
	Mar. 26, 2006	Dec. 25, 2005	Mar. 27, 2005
Segment Information (6)			
Computation Products (2)			
Net sales	\$ 1,299	\$ 1,307	\$ 750
Operating income	284	287	82
Embedded Products (3)			
Net sales	38	41	30
Operating loss	(11)	(15)	(14)
All Other (4)			
Net sales	(5)	3	0
Operating loss	(14)	(4)	(4)
Subtotal (excluding Memory Products segment)			
Net sales	1,332	1,351	780
Operating income	259	268	64
Memory Products (5)			
Net sales	—	487	447
Operating loss	—	(62)	(110)
Total AMD			
Net sales	1,332	1,838	1,227
Operating income (loss)	259	206	(46)
Other Data (AMD excluding Memory Products segment)			
Gross margin %	58.5%	57.3%	52.7%
Research and development expenses	\$ 264	\$ 256	\$ 183
Marketing, general and administrative expenses	\$ 256	\$ 250	\$ 163
Depreciation & amortization	\$ 174	\$ 153	\$ 187
Capital additions	\$ 310	\$ 250	\$ 450
Headcount	10,246	9,860	8,615
International sales %	69.5%	70.0%	70.4%
EBITDA (1)	\$ 417	\$ 396	\$ 338

(1) RECONCILIATION OF NET INCOME (LOSS) TO EBITDA*

Net income (loss)	\$185	\$ 96	\$ (17)
Depreciation and amortization	174	277	333
Interest expense	23	24	24
Provision (benefit) for income taxes	35	(1)	(2)
EBITDA	\$417	\$396	\$338

* Starting Q106, the Company defines EBITDA as net income (loss) adjusted for interest expense, tax, depreciation and amortization. Prior period information has been restated to conform to current period presentation.

(2) Computation Products segment includes PC processors and Chipsets.

(3) Embedded Products segment, formerly known as Personal Connectivity Solution Products, includes Embedded Processors and Products for global commercial and consumer markets.

(4) The All Other category includes certain operating expenses and credits that are not allocated to the operating segments and, starting Q305, includes Personal Internet Communicator (PIC) products.

(5) Memory Products segment includes Flash memory products of AMD and Spansion. For Q405, the results of the Memory Products segment are included only through December 20, 2005. From December 21, 2005, the date which Spansion Inc. closed its IPO, through December 25, 2005, in Q405 and for Q106, AMD used the equity method of accounting to reflect its proportionate share of Spansion's net income (loss).

(6) Starting Q405, the Company has allocated bonus and profit sharing expenses to the segments. Prior period information has been restated to conform to current period presentation.

Advanced Micro Devices, Inc.

RECONCILIATION OF NON GAAP PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS TO GAAP CONSOLIDATED STATEMENT OF OPERATIONS FOR THE QUARTER ENDED DECEMBER 25, 2005 (Note A)

COMPARED TO GAAP CONSOLIDATED STATEMENT OF OPERATIONS FOR THE QUARTER ENDED MARCH 26, 2006

(Thousands except per share amounts)

	Quarter Ended					Quarter Ended Mar. 26, 2006 (Unaudited) (GAAP)
	Dec. 25, 2005 (Unaudited) (GAAP)	Reconciliation Adjustments	Dec. 25, 2005 (pro-forma non-GAAP) (Note B)	Reconciliation Adjustments	Dec. 25, 2005 (pro-forma non-GAAP) (Note C)	
Net sales	\$1,838,276	\$ —	\$1,838,276	\$ (487,200)(2)	\$1,351,076	\$ 1,332,158
Cost of sales	986,148	—	986,148	(409,000)(2)	577,148	553,340
Gross margin	852,128	—	852,128	—	773,928	778,818
Gross margin %	46.4%	—	46.4%	—	57.3%	58.5%
Research and development	329,301	—	329,301	(73,000)(2)	256,301	264,176
Marketing, general and administrative	317,111	—	317,111	(67,600)(2)	249,511	256,042
Operating income	205,716	—	205,716	—	268,116	258,600
Interest income	13,562	—	13,562	(664)(3)	12,898	28,162
Interest expense	(24,447)	—	(24,447)	5,185(3)	(19,262)	(23,247)
Other income (expense), net	(13,117)	—	(13,117)	—	(13,117)	(19,128)
Income before minority interest, loss on dilution of equity interest in Spansion Inc., equity in net income (loss) of Spansion Inc., net impact of Memory Products segment and Spansion IPO and income taxes	181,714	—	181,714	—	248,635	244,387
Minority interest of consolidated subsidiaries	19,166	—	19,166	(24,698)(4)	(5,532)	(6,347)
Loss on dilution of equity interest in Spansion Inc.	(109,681)	109,681(1)	—	—	—	—
Equity in net income (loss) of Spansion Inc.	3,105	—	3,105	(3,105)(5)	—	(18,243)
Net impact of Memory Products segment and Spansion IPO	—	—	—	(39,109)(7)	(39,109)	—
Provision (benefit) for income taxes	(1,284)	—	(1,284)	9(6)	(1,275)	35,273
Net income	\$ 95,588	—	\$ 205,269	—	\$ 205,269	\$ 184,524
Net income per common share						
Basic	\$ 0.23	—	\$ 0.50	—	\$ 0.50	\$ 0.40
Diluted	\$ 0.21	—	\$ 0.45	—	\$ 0.45	\$ 0.38
Shares used in per share calculation						
Basic	412,498	—	412,498	—	412,498	464,080
Diluted	452,323	—	473,709	—	473,709	495,326

Note A: As a result of Spansion Inc.'s initial public offering (IPO) closing on December 21, 2005, AMD's financial results of operations for the quarter ended December 25, 2005, include Spansion's financial results of operations as a consolidated subsidiary only through December 20, 2005. AMD has provided a non-GAAP statement of operations for the fourth quarter of 2005 that excludes Spansion and the Memory Products segment results of operations to allow a comparison to the GAAP statement of operations for the quarter ended March 26, 2006. Management believes this presentation will aid investors by presenting the company's current and historical results in a form that will be more consistent with the presentation of future operating results.

Note B: Non-GAAP pro-forma consolidated statement of operations with adjustment for loss on dilution of equity interest in Spansion Inc. For details see note (1) below.

Note C: Non-GAAP pro-forma consolidated statement of operations with adjustments for loss on dilution of equity interest in Spansion Inc. and the exclusion of the Memory Products segment and Spansion results for the quarter ended December 25, 2005. For details see notes (2) through (7) below.

Notes to the Reconciliation Adjustments:

- Excludes the non-cash loss on disposition of the Company's ownership interest in Spansion from 60 percent to 37.9 percent as a result of Spansion's initial public offering.
- Excludes the Memory Products segment results and reclassifies them to "Net impact of Memory Products segment and Spansion IPO".
- Excludes Spansion's results and reclassifies them to "Net impact of Memory Products segment and Spansion IPO".
- Excludes Fujitsu's 40% minority interest share in AMD's earnings relating to Spansion up to December 20, 2005 and reclassifies it to "Net impact of Memory Products segment and Spansion IPO".
- Excludes AMD's 37.9% equity income share of Spansion's net income from December 21, 2005 to December 25, 2005 and reclassifies it to "Net impact of Memory Products segment and Spansion IPO".
- Excludes Spansion's results and reclassifies them to "Net impact of Memory Products segment and Spansion IPO".
- Net impact of all adjustments from (2) to (6) above.