
**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

December 16, 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 1.01 Entry into a Material Definitive Agreement.**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On December 16, 2006, Advanced Micro Devices, Inc. (the "*Company*") and Dr. Hector de J. Ruiz, the Company's Chairman of the Board of Directors and Chief Executive Officer entered into an amendment to the employment agreement (the "*Amendment*") between the Company and Dr. Ruiz which amends the employment agreement with Dr. Ruiz dated January 31, 2002, as amended effective January 1, 2005 and as amended effective July 1, 2005 (the "*Employment Agreement*"). Pursuant to the Amendment, the Company will make a lump sum payment to Dr. Ruiz as soon as practicable following the effective date of the Amendment in exchange for his agreement to waive and release any claims to specified separation benefits relating to relocation in the future.

A copy of the Amendment is attached hereto as Exhibit 10.1 and incorporated herein by reference. The foregoing description of the Amendment is qualified in its entirety by reference to the full text of this agreement.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On December 18, 2006, the Company's Board of Directors approved a change to the Company's fiscal year end to the last Saturday of December from the last Sunday of December. The change will be effective commencing in fiscal year 2007. Because the change in fiscal year end represents only one day, a report regarding the transition period is not required.

ITEM 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 10.1 | Amendment to Employment Agreement and Waiver between Advanced Micro Devices, Inc. and Hector Ruiz. |

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.

Date: December 20, 2006

ADVANCED MICRO DEVICES, INC.

By: /s/ Faina Medzonsky

Name: Faina Medzonsky

Title: Assistant General Counsel and Assistant Secretary

EXHIBIT INDEX

Exhibit No.

Description

10.1

Amendment to Employment Agreement and Waiver between Advanced Micro Devices, Inc. and Hector Ruiz.

AMENDMENT TO EMPLOYMENT AGREEMENT AND WAIVER

This agreement and waiver (the "**Amendment**") between Advanced Micro Devices, Inc. ("**AMD**"), and you, Hector Ruiz, is made as of December 16, 2006 (the "**Effective Date**") and, to the extent provided herein, amends the Employment Agreement between Advanced Micro Devices, Inc. and you dated January 31, 2002 as amended effective January 1, 2005 and as amended effective July 1, 2005 (the "**Employment Agreement**") governing your service with AMD.

1. Amendment. You and AMD agree to the following amendments to the Employment Agreement:

Sections 10(a)(vi), 10(b)(v), 10(e)(ii)(D) and 10(f)(ii)(D) of the Employment Agreement are hereby deleted in their entirety and each subsequent subsection shall be renumbered accordingly.

2. Acknowledgement of Relocation Benefit. You hereby acknowledge that in lieu of paying your Relocation Benefit (as defined in the Employment Agreement) to you pursuant to the foregoing sections of the Employment Agreement, AMD has agreed to pay to you an amount equal to the Relocation Benefit in a single lump sum as soon as practicable following the Effective Date.

3. Waiver and Release. You acknowledge and agree that following the payment to you under Section 2 above you hereby waive, relinquish and give up any and all additional right, title or interest that you may have in or to the Relocation Benefit. You hereby relieve AMD of all of its obligations to you under the Employment Agreement with respect to the Relocation Benefit. In addition, you hereby release, waive and forever discharge AMD and each of its affiliates, from all claims which you may have ever had, now have, or hereafter can, shall or may have against AMD and each of its affiliates arising out of the Relocation Benefit. You hereby acknowledge that you have been advised of and are familiar with the provisions of California Civil Code Section 1542, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Being aware of said code section, you hereby expressly waive any rights you may have thereunder, as well as under any other statutes or common law principles of similar effect.

You represent and warrant that you have read this Amendment, have had adequate time to consider it, have either consulted with an attorney prior to executing this Amendment or have chosen of your own free will to execute this Amendment without such

consultation, understand the meaning and application of this Amendment and the rights and obligations of the parties hereunder and have signed this letter knowingly, voluntarily and of your own free will with the intent of being bound by it.

4. No Other Changes. Except as provided in this Amendment to the Employment Agreement, the Employment Agreement shall remain in full force and effect.

The parties hereto have executed this Amendment on this date of December 16, 2006.

ADVANCED MICRO DEVICES, INC.

/s/ Bruce Clafin

Bruce Clafin

Chairman Compensation Committee of
Advanced Micro Devices, Inc.

/s/ Hector de J. Ruiz

Hector de J. Ruiz, Ph.D.

Chairman and Chief Executive Officer