FORM 10-K

ADVANCED MICRO DEVICES INC - amd

Filed: March 07, 1994 (period: December 26, 1993)

Annual report which provides a comprehensive overview of the company for the past year

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(MARK ONE)

/X/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934.

FOR THE FISCAL YEAR ENDED DECEMBER 26, 1993

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM
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COMMISSION FILE NUMBER 1-7882
ADVANCED MICRO DEVICES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	94-1692300
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)
ONE AMD PLACE SUNNYVALE, CALIFORNIA	94088-3453
(Address of principal executive offices)	(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

(TITLE OF EACH CLASS)	(NAME OF EACH EXCHANGE ON WHICH REGISTERED)
$.01 PAR VALUE COMMON STOCK	NEW YORK STOCK EXCHANGE
PREFERRED STOCK PURCHASE RIGHTS	NEW YORK STOCK EXCHANGE
DEPOSITARY CONVERTIBLE EXCHANGEABLE PREFERRED SHARES	NEW YORK STOCK EXCHANGE

Securities registered pursuant to Section 12(g) of the Act:
NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. /X/

Aggregate market value of the voting stock held by nonaffiliates as of February 28, 1994.

$1,980,075,847

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.
92,627,503 SHARES AS OF FEBRUARY 28, 1994.

DOCUMENTS INCORPORATED BY REFERENCE

(1) Portions of the Annual Report to Shareholders for the fiscal year ended December 26, 1993, are incorporated into Parts I, II and IV hereof.

(2) Portions of the Proxy Statement dated on or before March 27, 1994, for the Annual Meeting of Stockholders to be held on April 27, 1994 are incorporated

into Part III hereof.

PART I

ITEM 1. BUSINESS

GENERAL

Advanced Micro Devices, Inc. was incorporated under the laws of the state of Delaware on May 1, 1969. The mailing address of its executive offices is One AMD Place, P.O. Box 3453, Sunnyvale, California 94088-3453, and its telephone number is (408) 732-2400. Unless otherwise indicated, the terms "Advanced Micro Devices," the "Corporation" and "AMD" in this report refer to Advanced Micro Devices, Inc. and its subsidiaries.

The Corporation designs, develops, manufactures and markets complex monolithic integrated circuits for use by manufacturers of a broad range of electronic equipment and systems.

PRODUCTS

The Corporation's products are primarily standard or catalog items or are made from designs based on such items, as opposed to custom circuits designed for a single customer. While a substantial portion of AMD's products are still standard or catalog items, many of the recently developed devices are designed for specific applications such as telecommunications, personal computers, engineering workstations, optical disk memory or local area networks. As a service to major customers, the Corporation modifies portions of these application-specific devices to meet specific customer needs. The resulting "semi-standard" devices are produced in significant volumes for particular customers.

The Corporation began as an alternate-source manufacturer of integrated circuits originally developed by other suppliers and has gradually shifted its emphasis to proprietary products (i.e. products resulting from the Corporation's design or technology innovations). Over the past five years, the Corporation has made a significant research and development investment which has contributed toward its leadership in manufacturing and process technology within the integrated circuit industry. The Corporation has focused its future product development activities on the three areas of its business: X86 and other microprocessors and related peripheral chips for personal computers, applications solutions products, and programmable logic and non-volatile memory devices. Personal computer (PC) products include microprocessors and related peripheral chips used in computers. Applications solutions products are products which are either proprietary to AMD or have a limited supplier base, are targeted at specialized markets, and typically require substantial applications interface between AMD and its customers. AMD's applications solutions products are focused on networks, voice/data communications (WORLD NETWORK(Registered Trademark)), and on computer peripherals, computer interfaces and mass storage. Those programmable logic devices (PLDs) and memory devices that are high-volume commodity products are typically produced by more than one manufacturer, subject to intense competition, and broadly applicable across a wide customer base. Since a substantial portion of the Corporation's products are utilized in personal computers and related peripherals, the Corporation's future growth is closely tied to the performance of the PC industry.

Integrated circuits have generally been manufactured with either bipolar or metal-oxide semiconductor (MOS) process technologies. Historically, bipolar was the technology of choice where the highest speed or analog precision was needed, and MOS offered higher levels of integration and lower power consumption than bipolar. Advances in complementary metal-oxide semiconductor (CMOS) technology are yielding bipolar performance with the density and power advantages of MOS technology. Consequently, the Corporation is focusing process development on advanced CMOS technology to support its designated product areas. By the end of 1993, over two-thirds of the Corporation's total sales were derived from CMOS products.

Microprocessors

X86 Microprocessors. A microprocessor is the central processing unit (CPU) of a computer. A CPU microprocessor processes system data and controls input/output, peripheral and memory devices. A CPU microprocessor may also be used in connection with other microprocessors such as microcontrollers which are

embedded microprocessors contained in peripherals or other coprocessors which perform certain functions such as arithmetic calculations. The iAPX architecture, originally developed by Intel Corporation, has been the leading architecture for personal computer microprocessors. AMD's strategy has been to serve as an alternative source for iAPX microprocessors, introducing products at comparable prices to competitive products, but with additional customer-driven features. The Corporation in 1993 entered into a license agreement with Microsoft(Registered Trademark), the personal computer industry's leading supplier of operation systems software, pursuant to which the Microsoft(Registered Trademark) Windows(Trademark) compatible logo now appears on AMD's microprocessor packaging and advertising indicating that the Corporation's product is compatible with such software. This approach is also representative of the computer industry's shift from an emphasis on hardware compatibility to software compatibility.

The PC market is currently divided into laptop, personal information devices, desktop and portable varieties, and AMD plays a significant role in such arenas. The Corporation has developed the Am386(Registered Trademark) microprocessor, which is designed to meet the specifications of the Intel 80386 microprocessor. The Am386 family of microprocessors accounted for approximately seventeen percent (17%) of the Corporation's 1993 revenues. The Corporation believes that its success with the Am386 family has been largely due to its competitive features and pricing coupled with customers' demand for a reasonably priced second source. As is often the case in the semiconductor industry, the average selling price of the Am386 has experienced significant downward pressure as it approaches the end of its product life cycle. Most computer manufacturers have made a transition from the 386 to the 486 family of microprocessors.

The Corporation now offers a Am486(Trademark) family of products. The Corporation began shipping Am486DX products in the second quarter of 1993, and began volume shipment of its Am486SX products in 1994. The Corporation's 486DX and 486SX products are the subject of microcode litigations with Intel Corporation. (For more information see Item 3, Legal Proceedings, Numbers 2-8). The Corporation is currently in the process of developing additional Am486 products. It is anticipated that development of such 486 products will be completed by the end of 1994.

The Corporation is currently developing its next generation of CPU microprocessor products known as the K series, based on superscalar RISC type architecture. The K series products will be compatible with software such as Microsoft(Registered Trademark) Windows(Trademark) currently compatible with the X86 CPU microprocessors. The Corporation anticipates that the development of the first K series products will be completed sometime in late 1994. The Corporation currently offers a family of RISC microprocessors for embedded control applications discussed below.

The future outlook for the Corporation's microprocessor products is highly dependent on the timing of new product introductions, the outcome of its various litigation matters with Intel, and other microprocessor market conditions.

Applications Solutions Products

Computer Systems, Interfaces and Mass Storage. The Corporation offers a range of products which are utilized in a variety of computer systems. Computer systems include a peripheral chip which is a special-purpose component that works with central processing units, managing selected input/output or other system functions. Other systems components control disk drives, keyboards and printers. Through the use of communication peripherals, computers can operate in networks and communicate locally and over long distances.

Many of these systems require a high-performance microprocessor for embedded control. The Corporation's proprietary Am29000(Trademark) family of RISC microprocessors is used extensively by a wide range of customers for embedded control applications. Examples of these applications include high-performance laser printer controllers, high-resolution graphics controllers, communications controllers, and accelerator cards. Many manufacturers, such as Motorola, Intel, IDT, National Semiconductor and Texas Instruments offer RISC-based microprocessors which compete with the Am29000 family in certain applications. The Corporation expects that the RISC microprocessor market will continue to grow.

The Corporation also supplies a range of products specially designed to add additional functions, improve performance and reduce costs in computer peripheral, interface or mass storage applications. These are generally special-purpose products which are optimized for a specific application and are frequently proprietary products of the Corporation or in the case of selected large customers, products which have been tailored for that customer.

Networks and Voice/Data Communications. The Corporation provides a wide variety of products for a broad spectrum of connectivity solutions. These include applications in central office switches, PBX equipment, voice/data terminals, and different performance classes of Local Area Networks (LANs) used to connect workstations and personal computers. In addition to providing the integrated circuits for these applications, the Corporation also provides various forms of hardware evaluation tools, development software and interface software. AMD continues to be a major supplier of Ethernet LAN devices for workstation applications. During 1993, the Corporation introduced several Ethernet products designed for use on Personal Computer motherboards and add-in cards. AMD also is a principal supplier for chip sets to support the 100-megabit-per-second Fiber Distributed Data Interface (FDDI) local area network standard which is primarily used to connect high performance workstations and servers. The Corporation has also developed, in cooperation with systems manufacturers, a family of devices for the 10Base-T standard, which allows transmission of data using Ethernet protocols on twisted-pair wiring, rather than on the more expensive coaxial cable.

The Subscriber Line Interface Circuit (SLIC) and the Subscriber Line Audio-Processing Circuit (SLAC(Trademark)), co-invented and manufactured by the Corporation, are an integral part of one of the leading designs for digital telephone switching equipment. The SLIC connects the user's telephone wire to the telephone company's digital switching equipment. The SLAC is a coder/decoder which converts analog voice signals to a digital format and back. The Corporation enjoys its continued success with these products in the European market, and more recently has seen increased demand from nations committed to upgrading their telecommunications infrastructure.

High-Volume Commodity Products

Programmable Logic Devices (PLDs). The Corporation is a leading supplier of high-speed, field-programmable integrated circuits. PLDs generally afford a user increased design flexibility relative to standard logic devices. The initial design time and design cost in customizing a programmable device is significantly less than designing a custom integrated circuit or customizing a gate array logic device. The Corporation's Programmable Array Logic (PAL(Registered Trademark)) architecture was invented by Monolithic Memories, Inc. (MMI), which was acquired by the Corporation in 1987, and AMD's PAL devices continue to comprise a large share of the worldwide market for field-programmable logic devices. These devices combine off-the-shelf availability, ease of use and the low cost of standard products with a capability for semi-custom design, making them attractive to a broad range of users. The Corporation's PLDs are generally manufactured with transistor-to-transistor logic (TTL) designs in bipolar technology for low-density, high-speed devices, and CMOS for complex architecture, high-density and low-power devices. In the past several years, the Corporation has utilized CMOS technology for lower power and more complex architectures.

Programmable devices have generally been manufactured using bipolar technology to provide users with high-speed products. The Corporation offers several products using CMOS technology and has continued to expand its product portfolio in this area.

Non-Volatile/Volatile Memories. Memory components are used to store computer programs and data entered during system operation. There are two types of memory storage capability, volatile and non-volatile. Volatile memories include Dynamic and Static Random Access Memories (DRAMs and SRAMs). Non-volatile memories retain data when system power is shut off, while volatile memories do not. Non-volatile memories include Erasable Programmable Read-Only Memories (EPROMs) and the new generation Flash Memory. The Corporation's memory products are primarily non-volatile memories used in a wide range of applications such as PCs, workstations, peripherals, instrumentation, PBX equipment, avionics and a variety of other equipment where programmed data storage is needed. The Corporation now has a complete family of

CMOS EPROM devices from 64K (64,000 bits) to 4 megabits (4,000,000 bits) in density. AMD generally offers the highest performance at each density of any standard EPROM supplier.

The Corporation has developed a family of Flash EPROMs to address the emerging market for PC memory cards, solid-state disks, cellular communications and networking applications. Flash Memory is a potential alternative to bulky and relatively slow hard-disk drives for PCs because it is smaller, faster and can store data almost indefinitely, yet can be erased, read and programmed efficiently. The Corporation is developing a family of Flash EPROMs to address the demand for PC memory cards, solid-state disks, cellular communications and networking applications.

The Corporation's joint venture with Fujitsu Limited (Fujitsu) will allow it to take advantage of expected growth in Flash Memory sales. Under the joint venture, AMD and Fujitsu will jointly manufacture EPROMs and Flash Memory. (See discussion of Joint Venture with Fujitsu Limited below).

Joint Venture with Fujitsu Limited. In 1993, AMD and Fujitsu entered into various agreements for a comprehensive collaboration covering joint development, manufacturing and sales of integrated circuits and formed a Joint Venture, Fujitsu AMD Semiconductor Limited (the "Joint Venture"). Through the Joint Venture, AMD expects to further develop its strong position in EPROMs and Flash Memory. Under the Joint Venture, the two companies are cooperating in building and operating an $800 million wafer fabrication facility in Aizu-Wakamatsu, Japan to produce non-volatile memory devices such as EPROMs and Flash Memories. The percentage of the equity of the Joint Venture owned by the Corporation and Fujitsu are 49.95% and 50.05%, respectively (the "Ownership Percentage"). Currently, the primary mission of the Joint Venture is the production of Flash Memory devices. Each company will contribute toward funding and supporting the Joint Venture in proportion to its Ownership Percentage. In 1993, AMD contributed approximately $2 million to the Joint Venture and it anticipates it will make additional contributions in 1994 of approximately $135 million. AMD is expected to contribute approximately one-half of its share of funding in cash as equity investment, and guarantee third party loans made to the Joint Venture for the remaining one-half. Accordingly, each company is obligated to invest up to approximately $200 million as equity in the Joint Venture. As the forecasted Joint Venture costs and funding commitments are denominated in Yen, the dollar amounts involved are subject to change due to fluctuations in exchange rates. The agreements provide that the Joint Venture will borrow funds required for capital investment and working capital purposes which are in excess of the participants' equity contributions. Each participant is obligated to guarantee a portion of such borrowings proportionate to its Ownership Percentage. To the extent that such borrowings cannot be made on the strength of a participant's guarantee, the participant is obligated to make direct cash loans to the Joint Venture.

The ability of the Corporation to sell products produced by the Joint Venture into certain territories, including the United Kingdom and Japan, is limited under the terms of the Joint Venture agreement. AMD and Fujitsu will not independently produce EPROM and Flash Memory products with geometries of one-half (0.5) micron and smaller outside of the Joint Venture and thus will not compete with the Joint Venture in such products. Also under the agreement, Fujitsu acquired a minority equity position in AMD and will continue to increase its position over five (5) years. AMD has acquired a minority equity position in Fujitsu. The respective equity investments will be less than five percent of the common stock of each company.

The new facility is expected to begin volume production in 1995, and will utilize eight-inch wafers and process technologies capable of producing products with geometries of one-half (0.5) micron and smaller. In connection with the Joint Venture, the Corporation and Fujitsu have entered into various joint development, cross-license and investment arrangements. Accordingly, AMD and Fujitsu will provide their product designs and process and manufacturing technologies to the Joint Venture. In addition, both companies will collaborate in developing manufacturing processes and designing integrated circuits for the Joint Venture. The right of each company to use the licensed intellectual property of the other with respect to certain products is limited to certain geographic areas. Consequently, AMD's ability to sell certain products incorporating Fujitsu intellectual property, whether or not produced by the Joint Venture, is also limited in certain territories, including the United Kingdom and Japan.

MARKETING AND SALES

Advanced Micro Devices markets and sells its products primarily to original equipment manufacturers of computation and communication equipment. AMD's products are sold under the AMD(Registered Trademark) trademark. The Corporation recently entered into an agreement with Compaq Computer Corporation (Compaq) under which the Corporation will supply Compaq with microprocessor products; however, the agreement does not require Compaq to purchase microprocessor products from the Corporation. The Corporation sells to a broad base of customers; no single customer accounted for more than ten percent (10%) of sales during the fiscal year ended December 26, 1993. Through its principal facilities in Santa Clara County, California, and field offices throughout the United States and abroad (primarily Europe and the Asia-Pacific Basin) the Corporation employs a direct sales force. The Corporation also sells its products through third-party distributors and independent representatives in both domestic and international markets pursuant to nonexclusive agreements. The distributors also sell products manufactured by AMD's competitors, including those products for which the Corporation is an alternate source.

Distributors typically maintain an inventory of AMD's products. The Corporation, pursuant to its agreements with the distributors, employs procedures which provide protection to the distributors for their inventory of Advanced Micro Devices' products against price reductions as well as products that are slow moving or have been discontinued by the Corporation. These agreements, which may be cancelled by either party on a specified notice, generally contain a provision for the return of AMD's products to the Corporation in the event the agreement with the distributor is terminated. (See Note 1 of Notes to Consolidated Financial Statements contained in the 1993 Annual Report to Stockholders.)

Advanced Micro Devices has established sales subsidiaries that have offices in Belgium, Canada, China, France, Germany, Hong Kong, Italy, Japan, Korea, Singapore, Sweden, Switzerland, Taiwan, and the United Kingdom. (See Note 9 of Notes to Consolidated Financial Statements contained in the 1993 Annual Report to Stockholders.) The international sales force also works with independent sales representatives and distributors in approximately 30 countries, including, those where Advanced Micro Devices has sales subsidiaries. The Corporation's international sales operations entail political and economic risks including expropriation, currency controls, exchange fluctuations, changes in freight rates, and changes in rates and exemptions for taxes and tariffs. The Corporation has not experienced any material adverse effects associated with such risks.

BACKLOG

Since Advanced Micro Devices manufactures and markets a standard line of products, a significant portion of its sales are made from inventory on a current basis. Sales are made primarily pursuant to (1) purchase orders for current delivery of standard items, or (2) agreements covering purchases over a period of time, which are frequently subject to revision and cancellation. Generally, in light of current industry practice and experience, the Corporation does not believe that such agreements provide reliable backlog figures.

COMPETITION

Numerous firms are engaged in the manufacture and sale of integrated circuits competitive with those of the Corporation. Some of these firms have resources greater than those of the Corporation and do not depend upon integrated circuits as their principal source of revenue. There is also significant captive production by certain large users of circuits such as manufacturers of computers, telecommunications equipment and consumer electronics products.

The industry typically experiences rapid technological advances together with substantial price reductions in maturing products. After a product is introduced, prices normally decrease over time as production efficiency and competition increase, and a successive generation of products is developed and introduced for sale.

According to Dataquest, an industry research firm, during 1993, the Corporation was the fifth-largest independent U.S. manufacturer of integrated circuits, and the thirteenth largest worldwide (excluding IBM), ranked according to sales to unaffiliated customers. Advanced Micro Devices competes for integrated circuit market share with Texas Instruments, Motorola, National Semiconductor, Intel, North American Philips, and with several prominent Japanese firms. These firms include Nippon Electric Co., Hitachi, Toshiba, Fujitsu, Matsushita and Mitsubishi, who are making active efforts to increase their respective and collective worldwide market shares. (For more information concerning Fujitsu, see section Joint Venture with Fujitsu Limited above.)

All of the above-mentioned competitors are either substantially larger in both gross sales and in total assets than Advanced Micro Devices or are part of larger corporate enterprises to whose resources, financial and other, the competitors have access. In addition to the above, many other companies dedicated to only one or two process technologies and product types compete with the Corporation in those technologies and product types.

RESEARCH AND DEVELOPMENT

In keeping with its objective of increasing emphasis on the development of proprietary products while maintaining its role as a high-volume producer of popular designs, Advanced Micro Devices endeavors to manufacture products utilizing advanced technology which is consistently reproducible in an industry where the technology is complex and subject to rapid change. The Corporation directs its research and development efforts towards the advancement of wafer processing technology and the design of new circuits utilizing consistently reproducible advanced technologies. (For information concerning these advances see section Process Technology and Manufacturing below.) The Corporation emphasizes research and development efficiency improvements through the use of computer-aided design workstations and complementary circuit design software.

The semiconductor industry is subject to rapid changes in technology and requires a high level of capital spending and extensive research and development programs to maintain the state of the art. The Corporation's expenses for research and development in 1991, 1992 and 1993, were $213,765,000, $227,860,000, and $262,802,000, respectively. Such expenses were 17.4%, 15.0% and 16.0% of sales in 1991, 1992 and 1993, respectively. Advanced Micro Devices' research and development expenses are charged to operations as incurred. Most of the research and development personnel are integrated into the engineering staff.

PROCESS TECHNOLOGY AND MANUFACTURING

Monolithic integrated circuits are manufactured from a circuit layout separated into layers that are produced on photomasks (working plates). The actual production of the integrated circuit includes wafer fabrication, wafer sort, assembly and final test.

The semiconductor industry is increasingly process-based, meaning that the advance of semiconductor technology requires the ability to develop new design and manufacturing processes. The process technologies generally utilized in the manufacture of integrated circuits are bipolar and metal-oxide semiconductor (MOS). CMOS products require less power than circuits built with other processes, such as bipolar or N-MOS (N-channel MOS). In addition, CMOS technology allows for a much broader circuit design capability than NMOS or bipolar and thus CMOS designs are displacing both NMOS and bipolar product designs. The advances and advantages of CMOS technology have created an increased demand for products manufactured with CMOS processes. During 1993, over two-thirds of the Corporation's total sales were derived from CMOS products.

With advances in CMOS processing technology and the continued erosion of demand for products manufactured with bipolar technology, the Corporation has significantly streamlined its wafer fabrication capacity by restructuring its manufacturing capabilities from an emphasis on bipolar process technology to an emphasis on CMOS process technology. The Corporation is primarily a CMOS manufacturer and has achieved cost-effective production in its Submicron Development Center (SDC) which was completed in 1991 and continues to be improved to incorporate more advanced technology. Am386 microprocessors have

been produced using 0.8-micron CMOS technology, and the vast majority of AMD's manufacturing capacity is now sub-micron CMOS. In 1993, the Corporation began to prepare the SDC for the anticipated demand for its Am486 microprocessor family and its 5-volt Flash Memory through the investment of additional funds in 1993, bringing the total investment in the SDC to more than $360 million in 1993, and it is estimated to reach approximately $460 million in 1994.

AMD has developed different base processes that are optimized for logic, memory and programmable logic designs. Having process expertise which is reproducible across different product designs allows AMD to bring new and improved designs quickly into production. The Corporation's capital commitment to improvements in process technology has led to reductions in feature size and defect densities, which in turn result in the higher transistor count, speed, functionality and power efficiency of AMD's integrated circuits. In 1993, the Corporation continued building development versions of 0.7-micron triple-layer metal logic products and memory devices with 0.5-micron feature sizes, and researched patterning methods that will eventually produce 0.25-micron feature sizes. In 1993, the Corporation also began shipment of 0.7-micron triple-layer metal logic products (Am486). In addition, 0.5 micron feature size logic and memory devices are in the final stages of development. Research is also being carried out on process and patterning methods to produce 0.35-micron and 0.25-micron feature size devices.

Product design and development and wafer fabrication activities are currently conducted at Advanced Micro Devices' facilities in California and in Texas. A subsidiary of Sony Corporation manufactures bipolar products for the Corporation in San Antonio, Texas, using equipment owned by the Corporation. Nearly all product assembly and final testing is performed at the Corporation's manufacturing facilities in Penang, Malaysia; Singapore; and Bangkok, Thailand, or by subcontractors in Asia. A limited amount of testing of products destined for delivery in Europe and Asia is performed at the Corporation's facilities in Basingstoke, England.

Foreign manufacture entails political and economic risks, including political instability, expropriation, currency controls and fluctuations, changes in freight rates and in interest rates, and exemptions for taxes and tariffs. For example, if the Corporation were not able to assemble and test its products abroad, or if air transportation between the United States and these facilities were disrupted, there could be a material adverse effect on the Corporation's operations. The Corporation has not experienced any material adverse effects associated with such risks.

In July 1993, the Corporation commenced construction of its 700,000 square foot submicron semiconductor manufacturing facility in Austin, Texas (FAB 25). The Corporation estimates that the cost of this facility will be approximately $1 billion when fully equipped. The Corporation anticipates the facility will commence volume production in 1995. The Corporation has also recently entered in to an agreement with Digital Equipment Corporation (DEC(Registered Trademark)) under which DEC will provide a foundry in Queensferry, Scotland, for production of the Corporation's Am486 products; however, under the terms of such arrangement both parties have certain rights to terminate this relationship earlier, in the event of adverse developments in the Corporation's litigations with Intel. DEC will produce wafers for the Corporation in the Queensferry foundry utilizing an adaptation of DEC's 0.68-micron process technology.

A major portion of the Corporation's current effort in both process technology and circuit design is directed toward the development of large scale integration products for microprocessor, programmable logic and memory applications. The Corporation has entered into a strategic alliance with Hewlett-Packard Corporation to collaborate on the development of advanced process technology that will enable the Corporation to produce microprocessors and logic devices with 0.35 micron CMOS logic technology. The Corporation anticipates the technology will be developed by the end of 1995 and that the production of such products will commence sometime in 1996. The Corporation is also placing emphasis on the development of CMOS non-volatile memories, programmable logic and VLSI (Very Large Scale Integration) logic products and specialized circuits for the telecommunications market. (For information concerning product development refer to the section entitled Products above.)

Quality Assurance. The Corporation's long-established quality program has allowed it to achieve one of the highest quality and reliability levels in the industry. This program is led by top management through an

Executive Quality Board comprised of senior executives. The Corporation's Total Quality Management (TQM) Program is actuated by Market Driven Quality (MDQ) principles and implemented at all levels within the Corporation. TQM and MDQ principles are applied through team empowerment, and business process technology and manufacturing qualification. The Corporation's proprietary product management methodology starts with detailed analysis of the requirements of developing and supporting a new product, as well as extensive product simulation before production to assure that the finished product meets specifications free of defects. The program uses statistical process control techniques and involves all aspects of the manufacture of AMD products. The Corporation has also implemented leading international quality system standards, has been certified to ISO-9000 standards in its manufacturing operations in Asia, and will soon have a wafer fabrication facility ISO certified. All of the Corporation's facilities follow uniform quality policies set by the Corporation's corporate quality organizations in Sunnyvale, California and in Austin, Texas.

Materials and Energy. The principal raw materials used by the Corporation in the manufacture of its products are silicon wafers, processing chemicals and gases, ceramic and plastic packages, and some precious metals. Certain of the raw materials used in the manufacture of circuits are available from a limited number of suppliers in the United States and elsewhere. For example, for several types of the integrated circuit packages that are purchased by Advanced Micro Devices, as well as by the majority of other companies in the semiconductor industry, the principal suppliers are Japanese companies. The Corporation does not generally depend on long-term fixed supply contracts with its suppliers. However, shortages could occur in various essential materials due to interruption of supply or increased demand in the industry. If Advanced Micro Devices were unable to procure certain of such materials from any source, it would be required to reduce its manufacturing operations. To date, the Corporation has experienced no significant difficulty in obtaining the necessary raw materials. The Corporation's operations also depend upon a continuing adequate supply of electricity, natural gas and water.

Environmental Regulations. To the Corporation's knowledge, compliance with federal, state and local regulatory provisions enacted or adopted for protection of the environment has had no material effect upon the capital expenditures, earnings or competitive position of Advanced Micro Devices. (See also Item 3, Legal Proceedings, Number 1.)

INTELLECTUAL PROPERTY AND LICENSING

The Corporation and its subsidiaries have been granted 746 United States patents, and approximately 305 patent applications are pending in the United States. Where appropriate, the Corporation has filed corresponding applications in foreign jurisdictions. The Corporation expects to file future patent applications in both the United States and abroad on significant inventions which may be made by its employees or consultants. Advanced Micro Devices plans to protect its innovations by various means, including litigation where appropriate, and patents and mask work registrations, even though patent and mask work registration protection may not be essential to maintain the Corporation's market position. (See Microprocessors discussed above concerning the Microsoft license.)

As is common in the semiconductor industry, from time to time Advanced Micro Devices has been notified that it may be infringing patents issued to others. Such claims are referred to counsel for evaluation and resolution. While patent owners in such instances generally express a willingness to grant a license, the Corporation cannot presently estimate the dollar amount, if any, that might be involved in such disputes. No assurance can be given that all necessary licenses can be obtained on satisfactory terms, nor that litigation may always be avoided. (See also Item 3, Legal Proceedings, Numbers 2-8.)

Under a technology exchange agreement and patent cross-license agreement with Intel Corporation, the Corporation manufactures various iAPX products, including the 8051 single-chip microcontroller and the 8086, 8088, 80186, 80286, 80386 and 80486 microprocessors and the 80287, a math co-processor. Certain rights and obligations under the agreements with Intel are currently the subject of litigation between AMD and Intel. (See Item 3, Legal Proceedings, Numbers 2-8).

The Corporation has entered into numerous cross-licensing and technology exchange agreements under which it both transfers and receives technology and intellectual property rights. Such arrangements include

licenses between the Corporation and Hewlett-Packard Company and Fujitsu Limited. (See information under sections Joint Venture with Fujitsu Limited and Process Technology and Manufacturing above.)

EMPLOYEES

Attracting and retaining competent employees and motivating them to meet corporate objectives are essential elements of maintaining profitability in the intensely competitive semiconductor industry where such personnel are in high demand. Since its inception in 1969, Advanced Micro Devices has implemented policies designed to create a favorable working environment for its employees. For example, the Corporation makes available stock option and stock purchase plans, pays special bonuses and maintains a profit-sharing program for some or all employees, depending upon the plan or program. (See Note 10 of Notes to Consolidated Financial Statements contained in the 1994 Annual Report to Stockholders.) Like other semiconductor manufacturers, at times the Corporation experiences difficulty in hiring and retaining experienced personnel. The Corporation intends to utilize whatever forms of compensation, benefits and other activities are necessary and cost effective in order to continue to attract and retain the quality of personnel required for its business.

On December 26, 1993, Advanced Micro Devices and its subsidiaries employed approximately 12,060 employees. Management considers its employee relations to be very good. Direct communication among all employees and management is encouraged. No employees of Advanced Micro Devices are represented by a collective bargaining agent.

ITEM 2. PROPERTIES

The Corporation's principal engineering, manufacturing, warehouse and administrative facilities comprise approximately 2 million square feet and are located in Santa Clara County, California and in Austin, Texas. (See Item 1, Process Technology and Manufacturing and Item 7, Management's Discussion). Over 1.2 million square feet of this space is in buildings owned by the Corporation. Of these properties, approximately 264,300 square feet is subject to a mortgage with a remaining term of up to fourteen years.

In 1992, the Corporation entered into certain operating leases and an arrangement for the purchase of certain property containing a building with approximately 318,000 square feet, located on 45.6 acres of land in Sunnyvale, California (One AMD Place). The Corporation intends to utilize One AMD Place for its corporate sales, marketing and administrative offices upon completion of alterations to the building in 1994. This arrangement provides the Corporation with the option to purchase One AMD Place during the lease term, and at the end of the lease term the Corporation is obligated to either purchase One AMD Place or arrange for the sale of One AMD Place to a third party with a guarantee of residual value to the seller of One AMD Place. In 1993, the Corporation entered into a lease agreement for approximately 175,000 square feet located adjacent to One AMD Place to be used in connection with One AMD Place.

The Corporation also owns or leases facilities containing approximately 718,300 square feet for its operations in Malaysia, Singapore and Thailand. (See Item 1, Process Technology and Manufacturing and Item 7, Management's Discussion). Of the entire worldwide facilities owned or leased by the Corporation nearly 947,300 square feet are currently vacant, of which approximately 487,000 are currently under improvement or construction. The Corporation holds 74 undeveloped acres of land in the Republic of Ireland, approximately 8 acres were sold in 1993. The Corporation also has an equity interest in 61 acres of land in Albuquerque, New Mexico.

The Corporation maintains 35 sales offices in North America and 18 sales offices in Asia and Europe for its direct sales force. These offices are located in cities in major electronics markets where concentrations of Advanced Micro Devices' customers are located.

Leases covering the Corporation's facilities expire over terms of generally 1 to 20 years. The Corporation anticipates no difficulty in either retaining occupancy of any of its facilities through lease renewals prior to expiration or through month-to-month occupancy, or replacing them with equivalent facilities. (See Note 12 of Notes to Consolidated Financial Statements contained in the 1993 Annual Report to Stockholders.)

ITEM 3. LEGAL PROCEEDINGS

1. Environmental Matters. Since 1981, the Corporation has discovered, investigated and begun remediation of three sites where releases from underground chemical tanks at its facilities in Santa Clara County, California adversely affected the groundwater. There is no indication, however, that any public drinking water supplies have been affected. The chemicals released into the groundwater were commonly in use in the semiconductor industry in the wafer fabrication process prior to 1979. At least one of the released chemicals (which is no longer used by the Corporation) has been identified as a probable carcinogen.

In 1991, the Corporation received four Final Site Clean-up Requirements Orders from the California Regional Water Quality Control Board, San Francisco Bay Region (RWQCB) relating to the three sites. One of the sites (Final Site Clean-up Requirements Order No. 91-102) includes clean-up of groundwater contamination from TRW Microwave, Inc. (TRW), Philips Semiconductor (formerly Signetics Corporation) and the Corporation which the RWQCB claims merged. The Corporation is proceeding jointly with Philips and TRW to clean-up the merged contamination and the parties are contributing to the clean-up equally. Another of the sites (Final Site Clean-up Requirements Order Nos. 91-139 and 91-140) includes clean-up of groundwater contamination from National Semiconductor Corporation, the Corporation and others, which the RWQCB claims merged. National Semiconductor Corporation and the Corporation have been named in the orders as primarily responsible and have commenced clean-up efforts in accordance with their respective orders. However, there has been no allocation of responsibility for the groundwater contamination. The third site (Final Site Clean-up Requirements Order No. 91-101) is primarily the responsibility of the Corporation.

In each instance mentioned above, the Corporation conducted appropriate programs of remedial action that involved soil removal, installation of monitoring and extraction wells and water treatment systems, disposal of inoperative tank systems, and repair and alterations to existing facilities. The final clean-up plan includes continued groundwater monitoring, extraction and treatment and, in one instance, soil vapor extraction. Federal and State governmental agencies have approved the final clean-up plans being implemented. The Corporation has not yet determined to what extent the costs of such remedial actions will be covered by insurance. The three sites are on the National Priorities List (Superfund).

If the Corporation fails to satisfy federal compliance requirements or inadequately performs the compliance measures, the government (a) can bring an action to enforce compliance, or (b) can undertake the desired response actions itself and later bring an action to recover its costs and penalties, up to three times the costs of clean-up activities, if appropriate. It is expected that these matters will not have a material adverse effect on the financial condition or results of operations of the Corporation.

In addition, homeowners residing in the vicinity of two of the Superfund sites filed a class action lawsuit against the Corporation, TRW and Signetics in the Superior Court of Santa Clara County, California (Case No. 716064). The class action suit alleged that groundwater contamination caused by the defendants lowered property values and that the plaintiff class suffered emotional distress and fear. In May 1993, the action was settled and the complaint was dismissed with prejudice in July 1993.

2. AMD/Intel Technology Agreement Arbitration. A 1982 technology exchange agreement (the "1982 Agreement") between AMD and Intel Corporation has been the subject of a dispute which was submitted to Arbitration through the Superior Court of Santa Clara County, California and the matter is now at the California Supreme Court on appeal. The dispute centers around issues relating to whether Intel breached its agreement with AMD and whether that breach injured AMD, as well as the remedies available for such a breach to AMD.

In February 1992, the Arbitrator awarded AMD several remedies including the following: a permanent, royalty-free, nonexclusive, nontransferable worldwide right to all Intel copyrights, patents, trade secrets and mask work rights, if any, contained in the then-current version of AMD's Am80386 family of microprocessors; and a two-year extension, until December 31, 1997, of the copyright and patent rights granted to AMD. Intel appealed this decision as it relates to the technology award. On May 22, 1992, the Superior Court in Santa Clara County confirmed the Arbitrator's award and entered judgment in the Corporation's favor on June 1, 1992. Intel appealed the decision confirming the Arbitrator's award in state court. On June 4, 1993, the

California Court of Appeal affirmed in all respects the Arbitrator's determinations that Intel breached the 1982 Agreement, however, the Court of Appeal held that the arbitrator exceeded his powers in awarding to AMD a license to Intel intellectual property, if any, in AMD's Am386 microprocessor and in extending the 1976 patent and copyright agreement between AMD and Intel (the "1976 Agreement") by two years. As a result, the Court of Appeal ordered the lower court to correct the award to remove these rights and then confirm the award as so corrected.

On September 2, 1993, the California Supreme Court granted the Corporation's petition for review of the California Court of Appeal decision that the Arbitrator exceeded his authority. The Corporation has requested that the California Supreme Court affirm the judgment confirming the Arbitrator's award to the Corporation, which includes the right to the Intel 386 microcode.

If the California Supreme Court affirms the judgment confirming the Arbitrator's award, the Corporation would assert an additional defense against Intel's intellectual property claims in the 386 and 486 Microcode Litigations (discussed below) which could preclude Intel from continuing to pursue any damage or intellectual property claims regarding the Am386. If the Supreme Court does not affirm the judgment it could: (i) decide to remand the matter for a new Arbitration proceeding either on the merits or solely on the issue of relief including the damages due to the Corporation, or (ii) order no further proceedings which would foreclose the possibility of AMD collecting additional monetary damages through the Arbitration and/or potentially impact AMD's ability to use the Arbitration Award as a defense in the 386 or 486 Microcode Litigations discussed below. The California Supreme Court is expected to decide the case by the end of 1994.

The Corporation believes it has the right to use Intel technology to manufacture and sell AMD's microprocessor products based on a variety of factors including: (i) the 1982 Agreement, (ii) the Arbitrator's award in the Arbitration which is pending review by the California Supreme Court and (iii) the 1976 Agreement. An unfavorable decision by the California Supreme Court could materially affect other AMD/Intel Microcode Litigations discussed herein. The AMD/Intel Litigations involve multiple interrelated and complex issues of fact and law. Therefore, the ultimate outcome of the AMD/Intel Litigations cannot presently be determined. Accordingly, no provision for any liability that may result upon the adjudication of the AMD/Intel Litigations has been made in the Corporation's financial statements.

3. 287 Microcode Litigation. (Case No. C-90-20237, N. D. Cal.) On April 23, 1990, Intel Corporation filed an action against the Corporation in the U.S. District Court, Northern District of California, seeking an injunction and damages with respect to the Corporation's 80C287, a math coprocessor designed to function with the 80286. Intel's suit alleges several causes of action, including infringement of Intel copyright on the Intel microcode used in its 287 math coprocessor. In June 1992, a jury determined that the Corporation did not have the right to use Intel microcode in the 80C287. On December 2, 1992, the court denied the Corporation's request for declaratory relief to the effect it has the right, under the 1976 Agreement with Intel to distribute products containing Intel microcode. The Corporation filed a motion on February 1, 1993, for a new trial based upon the discovery by AMD of evidence improperly withheld by Intel at the time of trial.

In April, 1993, the court granted AMD a new trial on the issue of whether the 1976 Agreement with Intel Corporation granted AMD a license to use Intel microcode in its products. The ruling vacated both an earlier jury verdict holding that the 1976 Agreement did not cover the rights to microcode contained in the Intel 80287 math coprocessor and the December 2, 1992 ruling (discussed above). A new trial commenced in January, 1994 and a decision is expected in either the first or second quarter of 1994.

The impact of the ultimate outcome of the 287 Microcode Litigation is highly uncertain and dependent upon the scope and breadth of the final decision in the case. A decision of broad scope could not only result in a damages award but also impact the Corporation's ability to continue to ship and produce its Am486DX product or other microprocessor products adjudicated to contain any copyrighted Intel microcode. The Corporation's inability to ship product could have a material adverse impact on the Corporation's trends in results of operations and financial condition. The outcome of the 287 litigation could also materially impact the outcomes in the other AMD/Intel Microcode Litigations discussed herein. The AMD/Intel Litigations involve multiple interrelated and complex issues of fact and law. Therefore, the ultimate outcome of the AMD/Intel Litigations cannot presently be determined. Accordingly, no provision for any liability that may

result upon the adjudication of the AMD/Intel Litigations has been made in the Corporation's financial statements.

4. 386 Microcode Litigation. (Case No. A-91-CA-800, W.D. Texas and Case No. C-92-20039, N.D. Cal.) On October 9, 1991, Intel Corporation filed an action against the Corporation in the U.S. District Court for the Western District of Texas (Case No. A-91-CA-800, W.D. Texas), alleging the separate existence and copyrightability of the logic programming in a microprocessor and characterizing that logic as a "control program," and further alleging that the Corporation violated copyrights on this material and on the Intel microcode contained in the Am386 microprocessor. This action has been transferred to the U.S. District Court, Northern District of California (Case No. C-92-20039, N.D. Cal.). The complaint in this action asserts claims for copyright infringement of what Intel describes as: (1) its 386 microprocessor microcode program and revised programs, (2) its control program stored in a 386 microprocessor programmable logic array and (3) Intel In-Circuit Emulation (ICE) microcode. The complaint seeks damages and injunctive relief arising out of the Corporation's development, manufacture and sale of its Am386 microprocessors and seeks a declaratory judgment as to the Intel-AMD license agreements (1976 and 1982 Agreements). The monetary relief sought by Intel is unspecified. The Corporation has answered and counterclaimed seeking declaratory relief.

The Corporation believes that Intel's microcode copyright claims are substantively the same as claims made in the 287 Microcode Litigation (Case No. C-90-20237, N.D. Cal.) (discussed above). Intel has also asserted that federal law prevents the Corporation from asserting as a defense the intellectual property rights that were awarded in the Intel Arbitration (discussed above). Intel has made this claim both in its appeal of the Arbitration decision and in the '386 Microcode Litigation. On October 29, 1992, the court in the '386 Microcode Litigation granted the Corporation's motion to stay further proceedings pending resolution of the state court Arbitration appeal.

On December 28, 1993, the U.S. Court of Appeals for the Ninth Circuit reversed the stay order and the case was remanded for further proceedings. The Corporation will file a petition for writ of certiorari in the Supreme Court of the United States. If the Ninth Circuit decision is not reversed or modified, this action will proceed. In any event, the Corporation expects Intel will argue that the Arbitration is not a defense in this action.

As discussed above, in the 287 Microcode Litigation, the ultimate outcome of the 287 Microcode Litigation could materially impact the outcome in the 386 Microcode Litigation and thus affect the Corporation's ability to produce Am386 products.

An unfavorable final decision in the 386 Microcode Litigation could result in a material monetary damages award to Intel and/or preclude the Corporation from continuing to produce the Am386 and any other microprocessors which are adjudicated to contain any copyrighted Intel microcode, either or both of which could have a material adverse impact on the Corporation's trends in results of operations and financial condition. The AMD/Intel Litigations involve multiple interrelated and complex issues of fact and law. Therefore, the ultimate outcome of the AMD/Intel Litigations cannot presently be determined. Accordingly, no provision for any liability that may result upon the adjudication of the AMD/Intel Litigations has been made in the Corporation's financial statements.

5. 486 Microcode Litigation. (Case No. C-93-20301 PVT, N.D. Cal). On April 28, 1993 Intel Corporation filed an action against AMD in the U.S. District Court, Northern District of California, seeking an injunction and damages with respect to the Corporation's Am486 microprocessor. The suit alleges several causes of action, including infringement of various Intel copyrighted computer programs.

Intel's Fourth Amended Complaint was filed on November 2, 1993. The Fourth Amended Complaint seeks damages and injunctive relief based on: (1) AMD's alleged copying and distribution of 486 "Processor Microcode Programs" and "Control Programs" and (2) AMD's alleged copying of 486 "Processor Microcode" as an intermediate step in creating proprietary microcode for the AMD version of the 486. The Fourth Amended Complaint also seeks a declaratory judgment that (1) AMD has induced third party copyright infringement through encouraging third parties to import Am486-based products ("Third Party

Inducement Claim"); (2) AMD's license rights to Intel microcode expire as of December 31, 1995 ("License Expiration Claim"); (3) that AMD's license rights to Intel microcode do not extend to In-Circuit Emulation (ICE) microcode ("ICE Claim"); and (4) that AMD is not licensed to authorize third parties to manufacture products containing copies of Intel microcode ("Have Made Claim"). Intel's Fourth Amended Complaint further seeks damages and injunctive relief based on AMD's alleged copying and distribution of Intel's "386 Processor Microcode Program" in AMD's 486SX microprocessor. The Corporation answered the complaint in January, 1994.

On December 1, 1993, Intel moved for partial summary judgment on its claim for copyright infringement of Intel's 486 ICE microcode. This motion was heard on March 1, 1994. The Court requested further briefing from the parties, and indicated its intention to rule on the motion after the briefing is completed on March 9, 1994.

By order dated December 21, 1993, the Court granted the Corporation's motion to stay Intel's claim that AMD's 486SX infringes Intel copyrights on its 386 microcode. In light of the Ninth Circuit decision discussed above in the 386 Microcode Litigation reversing the Court's order staying the case, the stay order in this action may be vacated and/or appealed and the litigation concerning this claim may proceed.

AMD believes that the microcode copyright infringement claims made by Intel in the 486 Microcode Litigation are substantively the same as claims: (i) made in the 287 Microcode Litigation with regard to the Intel microcode, discussed above and (ii) made in the 386 Microcode Litigation with regard to AMD's rights to utilize the so-called Intel microcode, "control programs" and ICE microcode. Intel has also made the following two new allegations not contained in either the 386 or 287 Microcode Litigations: (i) despite any rights AMD may have to copy the Intel microcode, those rights do not extend to foundry rights and thus AMD cannot use foundries to manufacture the Am486 product with Intel microcode and (ii) AMD's rights to Intel copyrights terminate on December 31, 1995.

As discussed above, in the 287 Microcode Litigation, the ultimate outcome of the 287 Microcode Litigation could materially impact the outcome in the 486 Microcode Litigation. The outcomes in the 287 or the 486 Microcode Litigations could affect the Corporation's ability to continue to ship and produce its Am486DX products and thus have an immediate, material adverse impact on the Corporation's trends in results of operations and financial condition. The AMD/Intel Litigations involve multiple interrelated and complex issues of fact and law. Therefore, the ultimate outcome of the AMD/Intel Litigations cannot presently be determined. Accordingly, no provision for any liability that may result upon the adjudication of the AMD/Intel Litigations has been made in the Corporation's financial statements.

6. Intel Antitrust Case. On August 28, 1991, the Corporation filed an antitrust complaint against Intel Corporation in the U.S. District Court for the Northern District of California (Case No. C-91-20541-JW-EAI), alleging that Intel engaged in a series of unlawful acts designed to secure and maintain a monopoly in iAPX microprocessor chips. The complaint alleges that Intel illegally coerced customers to purchase Intel chips through selective allocation of Intel products and tying availability of the 80386 to purchases of other products from Intel, and that Intel filed baseless lawsuits against AMD in order to eliminate AMD as a competitor and intimidate AMD customers. The complaint requests significant monetary damages (which may be trebled), and an injunction requiring Intel to license the 80386 and 80486 to AMD, or other appropriate relief. On December 17, 1991, the Court dismissed certain of AMD's claims relating to Intel's past practices on statute of limitations grounds. Intel has filed a motion for partial summary judgment on one of AMD's remaining claims for relief, and the hearing on this motion is scheduled for March 4, 1994. The current trial date is October 3,1994.

7. Intel Business Interference Case. On November 12, 1992, the Corporation filed a proceeding against Intel Corporation in the Superior Court of Santa Clara County, California (Case No. 726343), for tortious interference with prospective economic advantage, violation of California's Unfair Competition Act, breach of contract and declaratory relief arising out of Intel's efforts to require licensees of an Intel patent to pay royalties if they purchased 386 and 486 microprocessors from suppliers of those parts other than Intel. The patent involved, referred to as the Crawford '338 patent, covers various aspects of how the Intel 386 microprocessor, the 486 microprocessor and future X86 processors manage memory and how these

microprocessors generate memory pages and page tables when combined with external memory and multi-tasking software such as Microsoft(Registered Trademark) Windows(Trademark), OS/2(Registered Trademark) or UNIX(Registered Trademark). The action was subsequently removed to the Federal District Court where AMD amended its complaint to include causes of action for violation of the Lanham Act and a declaration of patent invalidity and unenforceability. The complaint alleges that Intel is demanding royalties for the use of the Intel patents from the Corporation's customers, without informing the Corporation's customers that the Corporation's license arrangement with Intel protects the Corporation's customers from an Intel patent infringement lawsuit. No royalties for the license are charged to customers who purchase these microprocessors from Intel.

8. International Trade Commission Proceeding. The United States International Trade Commission Proceeding (the "ITC Proceeding") (Investigation No. 337-TA-352) was filed by Intel Corporation on May 7, 1993, against two respondents, Twinhead International and its U.S. subsidiary, Twinhead Corporation. Twinhead is a Taiwan-based manufacturer which is a customer of both AMD and Intel. Twinhead purchases microprocessors from AMD and Intel, and incorporates these microprocessors into computers sold by Twinhead. Intel claims that the respondents induce computer end-users to infringe on what is known as the Crawford '338 patent when the computers containing AMD microprocessors are used with multi-tasking software such as Windows, Unix or OS/2. Intel seeks a permanent exclusion order from entry into the United States of certain Twinhead personal computers and an order directing Twinhead to cease and desist from demonstrating, testing or otherwise using such computers in the United States.

AMD's dispute with Intel in the Intel Business Interference Case (Case No. C-92-20789, N.D. Cal) (discussed above) requests a declaration that the Crawford '338 patent is invalid; accordingly, AMD intervened in the ITC Proceeding as a real party in interest by filing a motion with the ITC to intervene on the side of the respondents. On July 2, 1993, the ITC granted AMD's motion to intervene in the ITC Proceeding on the side of respondents and to participate fully in all proceedings as a party.

The Corporation has vigorously contested the relief Intel seeks. A hearing date before an administrative law judge has been set for May 2, 1994. Any decision by an administrative judge would then be confirmed or not be confirmed by the International Trade Commission (ITC).

On February 4, 1994, the Corporation filed a motion to suspend immediately and thereafter to terminate the ITC proceeding on the ground that Intel is collaterally estopped from pursuing the relief it seeks by reason of a judgment soon to be entered in favor of Cyrix Corporation, also an intervenor in the ITC Proceeding, and against Intel in a lawsuit involving the Crawford 338 patent trial in Texas federal court. Intel opposed the motion, and filed a motion of its own requesting that the ITC proceeding be suspended, not terminated, pending appellate review of the Cyrix Judgment. On February 22, 1994, ITC Administrative Law Judge Sidney Harris granted AMD's motion to suspend, and indicated his intent to terminate the ITC Proceeding upon entry of the judgment in the Texas federal court as AMD has requested. Judge Harris denied Intel's motion to suspend the ITC Proceeding until its appeal of the judgment in favor of Cyrix has been resolved.

An unfavorable outcome before the ITC could have an adverse effect on the Corporation's ability to sell microprocessors to Twinhead and other computer manufacturers in Taiwan and potentially, other countries. An unfavorable outcome could have a material adverse impact on the Corporation's trends in results of operations and financial condition.

9. In Re Advanced Micro Devices Securities Litigation. Between September 8 and September 10, 1993, five class actions were filed, purportedly on behalf of purchasers of the Corporation's stock, alleging that the Corporation and various of its officers and directors violated Sections 10(b) and 20(a) of the Securities and Exchange Act of 1934, 15 U.S.C. sec.sec. 78j(b) and 78t(a), respectively, and Rule 10b-5 promulgated thereunder, 17 C.F.R. sec. 240.10b-5, by issuing allegedly false and misleading statements about the Corporation's development of its 486SX personal computer microprocessor products, and the extent to which that development process included access to Intel's 386 microcode. Some or all of the complaints alleged that the Corporation's conduct also constituted fraud, negligent misrepresentation and violations of the California Corporations Code.

By order dated October 13, 1993, these five cases, as well as any subsequently filed cases, were consolidated under the caption "In Re Advanced Micro Devices Securities Litigation", with the lead case for the consolidated actions being Samuel Sinay v. Advanced Micro Devices, Inc., et al., (No. C-93-20662-JW, N.D. Cal). A consolidated amended class action complaint was filed on December 3, 1993, containing all the claims described above and an additional allegation that the Corporation made false and misleading statements about its revenues and earnings during the third quarter of its 1993 fiscal year. The amended complaint seeks damages in an unspecified amount. On January 14, 1994, the Company filed a motion to dismiss various claims in the amended and consolidated class action complaint. The motion to dismiss is currently scheduled for hearing on March 25, 1994. The Company has responded to initial document requests and interrogatories, but has not yet produced documents. No depositions have been taken. This case is in the early stage of discovery. The Corporation believes that the ultimate outcome of this litigation will not have a material adverse effect upon the financial condition or trends in results of operations of the Corporation.

10. George A. Bilunka, et al. v. Sanders, et al. (93-20727JW, N.D. Cal.). On September 30, 1993, an AMD shareholder, George A. Bilunka, purported to commence an action derivatively on the Corporation's behalf against all of the Corporation's directors and certain of the Corporation's officers. The Corporation is named as a nominal defendant. This purported derivative action essentially alleges that the individual defendants breached their fiduciary duties to the Corporation by causing, or permitting, the Corporation to make allegedly false and misleading statements about the Corporation's development of its 486SX personal computer microprocessor products, and the extent to which that development process included access to Intel's 386 microcode. The action alleges that a pre-suit demand on the Corporation's Board of Directors would have been futile because of alleged director involvement. Damages are sought against the individual defendants in an unspecified amount.

On November 10, 1993, the Corporation, as nominal defendant, filed a motion to dismiss the action for failure to make a demand upon the Corporation's Board of Directors. The plaintiff then filed an amended derivative complaint on December 17, 1993. The Corporation has again moved to dismiss the complaint. The motion was heard on February 4, 1994, and on March 1, 1994 the Court denied the motion. The Corporation believes that the ultimate outcome of this litigation will not have a material adverse effect upon the financial condition or trends in results of operations of the Corporation.

11. SEC Investigation. The Securities and Exchange Commission (SEC) has notified the Corporation that it is conducting an informal investigation of the Corporation into the Corporation's disclosures about the development of its Am486SX products. The Corporation is cooperating fully with the SEC.

12. Other Matters. The Corporation is a defendant or plaintiff in various other actions which arose in the normal course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the financial condition or overall trends in the results of operations of the Corporation.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

EXECUTIVE OFFICERS OF THE REGISTRANT

NAME	AGE	POSITION	HELD SINCE
W. J. Sanders III	57	Chairman of the Board and Chief Executive Officer	1969
Anthony B. Holbrook	54	Vice Chairman of the Board and Chief Technical Officer. Mr. Holbrook was President from 1986 to 1990, Executive Vice President from 1982 to 1986, and concurrently was Chief Operating Officer from 1982 until 1989.	1989
Richard Previte	59	Director, President and Chief Operating Officer. Mr. Previte became Chief Operating Officer in 1989 and President in 1990. Mr. Previte was Chief Financial Officer and Treasurer from 1969 to 1989.	1989
Marvin D. Burkett	51	Senior Vice President, Chief Administrative Officer and Secretary; Chief Financial Officer and Treasurer. Mr. Burkett was Controller from 1972 until 1989.	1989
Larry R. Carter	50	Vice President and Corporate Controller. Mr. Carter was, from August 1989 until June 1992, Chief Financial Officer of VLSI Technology, Inc. and prior to that he was Vice President and Controller, MOS Group, at Motorola, Inc.	1992
Gene Conner	50	Senior Vice President, Operations. Mr. Conner joined the Corporation in 1969, and was elected an executive officer in 1981.	1987
Stanley Winvick	54	Senior Vice President, Human Resources.	1980
Stephen Zelencik	59	Senior Vice President and Chief Marketing Executive. Mr. Zelencik joined the Corporation in 1970.	1979

There is no family relationship between any executive officers of the Corporation.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

The information regarding market price range, dividend information and number of holders of Common Stock of Advanced Micro Devices appearing under the caption "Supplemental Financial Data" on pages 30 and 31 of the Corporation's 1993 Annual Report to Stockholders is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

The information regarding selected financial data for the fiscal years 1989 through 1993 under the caption "Financial Summary" on pages 30 and 31 of the Corporation's 1993 Annual Report to Stockholders is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The information appearing under the caption "Management's Discussion and Analysis of Results of Operations and Financial Condition" on pages 14 through 16 of the Corporation's 1993 Annual Report to Stockholders is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Advanced Micro Devices' consolidated financial statements at December 29, 1991, December 27, 1992, and at December 26, 1993, and for each of the three fiscal years in the period ended December 26, 1993, and the report of independent auditors thereon, and the unaudited quarterly financial data of Advanced Micro Devices for the two-year period ended December 26, 1993, on pages 17 through 29 of the Corporation's 1993 Annual Report to Stockholders are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information appearing at the end of Part I under the caption "Executive Officers of the Registrant" and under the captions "Proposal No. 1-Election of Directors" and "Compliance with Section 16(a) of the Securities Exchange Act of 1934" in the Corporation's Proxy Statement to be mailed to Stockholders on or before March 27, 1994 is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information under the paragraphs entitled "Directors Fees and Expenses" under the caption "Committees and Meetings of the Board of Directors", and the information under the captions "Executive Compensation" (not including the performance graph on page 12), "Material Compensation Agreements", "Change in Control Arrangements" and "Compensation Committee Interlocks and Insider Participation" in the Corporation's Proxy Statement to be mailed to Stockholders on or before March 27, 1994, is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information appearing under the captions "Principal Stockholders" and "Stock Ownership Table" in the Corporation's Proxy Statement to be mailed to Stockholders on or before March 27, 1994 is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information appearing under the caption "Transactions with Management" in the Corporation's Proxy Statement to be mailed to Stockholders on or before March 27, 1994 is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial Statements

The financial statements listed in the accompanying Index to Consolidated Financial Statements and Financial Statement Schedules Covered by Report of Independent Auditors are filed or incorporated by reference as part of this annual report. The following is a list of such Financial Statements:

2. Financial Statement Schedules

The financial statement schedules listed in the accompanying Index to Consolidated Financial Statements and Financial Statement Schedules Covered by Report of Independent Auditors are filed or incorporated by reference as part of this annual report. The following is a list of such Financial Statement Schedules:

3. EXHIBITS

The exhibits listed in the accompanying Index to Exhibits are filed or incorporated by reference as part of this annual report. The following is a list of such Exhibits:

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS
3.1	Certificate of Incorporation, as amended, filed as Exhibit 3.1 to the Corporation's Annual Report on Form 10-K for the fiscal period ended December 27, 1987, is hereby incorporated by reference.
3.2	Certificate of Designations for Convertible Exchangeable Preferred Shares, filed as Exhibit 3.2 to the Corporation's Annual Report on Form 10-K for the fiscal year ended March 27, 1987, is hereby incorporated by reference.
3.3	Certificate of Designations for Series A Junior Participating Preferred Stock, filed as Exhibit 3.3 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1989, is hereby incorporated by reference.
3.4	By-Laws, as amended, filed as Exhibit 3.4 to the Corporations Annual Report on Form 10-K for the fiscal year ended December 27, 1992, is hereby incorporated by reference.
4.1	Deposit Agreement with respect to the $30 Convertible Exchangeable Preferred Shares, filed as Exhibit 4.3 to the Corporation's Annual Report on Form 10-K for the fiscal year ended March 29, 1987, is hereby incorporated by reference.
4.2	Indenture with respect to the 6% Convertible Subordinated Debentures due in 2012, filed as Exhibit 4.4 to the Corporation's Annual Report on Form 10-K for the fiscal year ended March 29, 1987, is hereby incorporated by reference.
4.3	The Corporation hereby agrees to file on request of the Commission a copy of all instruments not otherwise filed with respect to long-term debt of the Corporation or any of its subsidiaries for which the total amount of securities authorized under such instruments does not exceed 10% of the total assets of the Corporation and its subsidiaries on a consolidated basis.
4.4	Rights Agreement between the Corporation and Bank of America N.T. & S.A., filed as Exhibit 4.1 to the Corporation's Current Report on Form 8-K dated February 7, 1990, is hereby incorporated by reference.
*10.1	AMD 1982 Stock Option Plan, as amended.
*10.2	AMD 1986 Stock Option Plan, as amended.
*10.3	AMD 1992 Stock Incentive Plan, as amended.
*10.4	AMD 1980 Stock Appreciation Rights Plan, as amended.
*10.5	AMD 1986 Stock Appreciation Rights Plan, as amended.
*10.6	MMI 1975 Stock Option Plan, as amended, filed as Exhibit 10.6 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 29, 1991, is hereby incorporated by reference.
*10.7	MMI 1981 Incentive Stock Option Plan, as amended.
*10.8	Forms of Stock Option Agreements, filed as Exhibit 10.8 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 29, 1991, is hereby incorporated by reference.
*10.9	Form of Limited Stock Appreciation Rights Agreement, filed as Exhibit 4.11 to the Corporation's Registration Statement on Form S-8 (No. 33-26266) is hereby incorporated by reference.

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS
*10.10	AMD 1987 Restricted Stock Award Plan, as amended.
*10.11	Forms of Restricted Stock Agreements, filed as Exhibit 10.11 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 29, 1991, is hereby incorporated by reference.
*10.12	Resolution of Board of Directors on September 9, 1981, regarding acceleration of vesting of all outstanding stock options and associated limited stock appreciation rights held by officers under certain circumstances, filed as Exhibit 10.10 to the Corporation's Annual Report on Form 10-K for fiscal year ended March 31, 1985, is hereby incorporated by reference.
*10.13(a)	Employment Agreement dated July 1, 1991, between the Corporation and W. J. Sanders III, filed as Exhibit 10.1 to the Corporation's Form 8-K dated September 3, 1991, is hereby incorporated by reference.
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**10.27(b)	Technology Cross-License Agreement between the Corporation and Fujitsu Limited.
**10.27(c)	AMD Investment Agreement between the Corporation and Fujitsu Limited.
**10.27(d)	Fujitsu Investment Agreement between the Corporation and Fujitsu Limited.
**10.27(e)	Joint Venture License Agreement between the Corporation and Fujitsu Limited.
**10.27(f)	Joint Development Agreement between the Corporation and Fujitsu Limited.
10.28	Credit Agreement dated as of January 4, 1993, among Advanced Micro Devices, Inc., Bank of America National Trust and Savings Association as Agent, The First National Bank of Boston as Co-Agent, filed as Exhibit 10.27 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 27, 1992, is hereby incorporated by reference.
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*10.33	Forms of Stock Option Agreements to the 1992 Stock Incentive Plan, filed as Exhibit 4.3 to the Corporation's Registration Statement on Form S-8 (No. 33-46577) is hereby incorporated by reference.
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11.1	Statement re computation of per share earnings.
13.	1993 Annual Report to Stockholders which has been incorporated by reference into Parts I, II and IV of this annual report. To the extent filed, refer to the front page hereinabove.
22.	List of AMD subsidiaries.
24.	Consent of Independent Auditors, refer to page F-2 hereinabove.
25.	Power of Attorney.

The Corporation will furnish a copy of any exhibit on request and payment of the Corporation's reasonable expenses of furnishing such exhibit.

* Management contracts and compensatory plans or arrangements required to be filed as an Exhibit to comply with Item 14(a)(3).

** Confidential treatment has been requested as to certain portions of these Exhibits.

(b) Reports on Form 8-K.

1. A current Report on Form 8-K dated January 27, 1994, was filed announcing an agreement with Compaq Computer Corporation.

2. A current Report on Form 8-K dated February 10, 1994, was filed announcing an agreement with Digital Equipment Corporation.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ADVANCED MICRO DEVICES, INC.
Registrant

March 1, 1994

By: /s/ MARVIN D. BURKETT
Marvin D. Burkett
Senior Vice President, Chief Administrative Officer and Secretary; Chief Financial Officer and Treasurer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons, on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ W. J. SANDERS III* (W. J.Sanders III)	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 1, 1994
/s/ ANTHONY B. HOLBROOK* (Anthony B. Holbrook)	Vice Chairman of the Board and Chief Technical Officer	March 1, 1994
/s/ RICHARD PREVITE* (Richard Previte)	Director, President and Chief Operating Officer	March 1, 1994
/s/ CHARLES M. BLALACK* (Charles M. Blalack)	Director	March 1, 1994
/s/ R. GENE BROWN* (R. Gene Brown)	Director	March 1, 1994
/s/ JOE L. ROBY* (Joe L. Roby)	Director	March 1, 1994
/s/ MARVIN D. BURKETT (Marvin D. Burkett)	Senior Vice President, Chief Administrative Officer and Secretary; Chief Financial Officer and Treasurer (Principal Financial Officer)	March 1, 1994
/s/ LARRY R. CARTER (Larry R. Carter)	Vice President and Corporate Controller (Principal Accounting Officer)	March 1, 1994

* By: MARVIN D. BURKETT
(Marvin D. Burkett, Attorney-in-Fact)

ADVANCED MICRO DEVICES, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND FINANCIAL STATEMENT SCHEDULES
COVERED BY REPORT OF INDEPENDENT AUDITORS

ITEM 14(A)(1) AND (2)

The information under the following captions, which is included in the Corporation's 1993 Annual Report to Stockholders, a copy of which is attached hereto as Exhibit 13, is incorporated herein by reference:

All other schedules have been omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedules, or because the information required is included in the consolidated financial statements or notes thereto. With the exception of the information incorporated by reference into Parts I, II and IV of this Form 10-K, the 1993, Annual Report to Stockholders is not to be deemed filed as part of this report.

CONSENT OF ERNST & YOUNG, INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Advanced Micro Devices, Inc. of our report dated January 6, 1994, included in the 1993 Annual Report to Stockholders of Advanced Micro Devices, Inc.

Our audits also included the financial statement schedules of Advanced Micro Devices, Inc. listed in Item 14(a). These schedules are the responsibility of the Corporation's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 33-12011) pertaining to Depositary Convertible Exchangeable Preferred Shares, in the Registration Statement on Form S-4 (No. 33-15015) pertaining to shares issued in connection with the acquisition of Monolithic Memories, Inc. (MMI), in the Registration Statement on Form S-8 (No. 33-16060) pertaining to options granted under the MMI stock option plans, the Registration Statement on Form S-8 (No. 33-16095) pertaining to the 1987 Restricted Stock Award Plan of Advanced Micro Devices Inc., in the Registration Statement on Form S-8 (No. 33-39747) pertaining to the 1991 Stock Purchase Plan of Advanced Micro Devices, Inc., in the Registration Statements on Form S-8 (Nos. 2-70376, 2-80148, 2-93392, 33-10319, 33-26266, 33-36596 and 33-46578) pertaining to the Stock Option and Stock Appreciation Rights Plans of the Corporation, and in the Registration Statement on Form S-8 (No. 33-46577) pertaining to the 1992 Stock Incentive Plan of Advanced Micro Devices, Inc., and in the related prospectuses, of our report dated January 6, 1994, with respect to the consolidated financial statements incorporated herein by reference, and our report included in the preceding paragraph with respect to the consolidated financial statement schedules included in this Annual Report (Form 10-K) of Advanced Micro Devices, Inc.

ERNST & YOUNG

March 3, 1994
San Jose, California

SCHEDULE I

ADVANCED MICRO DEVICES, INC.

MARKETABLE SECURITIES

YEAR ENDED DECEMBER 26, 1993
(THOUSANDS)

SHORT-TERM MARKETABLE SECURITIES: (A)	
Certificates of Deposit	$368,016
Commercial Paper	34,645
Treasury Notes	25,114
Total Short-Term Marketable Securities	$427,775

(A) Stated at cost which approximates market. No individual security or group of securities of an issuer exceeds 2 percent of total assets.

SCHEDULE II

ADVANCED MICRO DEVICES, INC.

AMOUNTS RECEIVABLE FROM OFFICERS AND EMPLOYEES

YEARS ENDED DECEMBER 29, 1991, DECEMBER 27, 1992 AND DECEMBER 26, 1993

	BALANCE RECEIVABLE AT BEGINNING OF PERIOD	ADDITIONS	COLLECTIONS	BALANCE RECEIVABLE AT CLOSE OF PERIOD	
				CURRENT ASSETS	NONCURRENT ASSETS
YEAR ENDED DECEMBER 29, 1991:					
Amounts Receivable from Employees:					
Robert R. Krueger..... (1)	$ 310,500	$ --	$ --	$ --	$310,500
Barry Pomeroy..... (2)	--	110,000	--	--	110,000
Total.....	$ 310,500	$ 110,000	$ --	$ --	$420,500
YEAR ENDED DECEMBER 27, 1992:					
Amounts Receivable from Officers:					
Larry R. Carter..... (3)	$ --	$ 120,000	$ --	$40,000	$ 80,000
Amounts Receivable from Employees:					
Robert R. Krueger..... (1)	$ 310,500	$ --	$ (55,000)	$ --	$255,500
Barry Pomeroy..... (2)	110,000	--	--	--	110,000
	$ 420,500	$ --	$ (55,000)	$ --	$365,500
Total.....	$ 420,500	$ 120,000	$ (55,000)	$40,000	$445,500
YEAR ENDED DECEMBER 26, 1993:					
Amounts Receivable from Officers:					
Larry R. Carter..... (3)	$ 120,000	$ --	$ (40,000)	$40,000	$ 40,000
Amounts Receivable from Employees:					
Robert R. Krueger..... (1)	$ 255,500	$ --	$ (70,000)	$ --	$185,500
Barry Pomeroy..... (2)	110,000	110,000	(110,000)	--(4)	110,000
	$ 365,500	$ 110,000	$ (180,000)	$ --	$295,500
Total.....	$ 485,500	$ 110,000	$ (220,000)	$40,000	$335,500

- ---

(1) Promissory note secured by real property bearing interest at the rate of 8.74 percent per year due in July/1995.

(2) Non-interest bearing promissory note secured by real property paid off in quarter 4/1993.

(3) Non-interest bearing, non-secured loan to be paid in three equal installments of $40,000 due in July/1993, 1994 and 1995.

(4) Non-secured, interest bearing loan at the rate of 4.0 percent due in February/1996.

SCHEDULE V

ADVANCED MICRO DEVICES, INC.

PROPERTY, PLANT AND EQUIPMENT

YEARS ENDED DECEMBER 29, 1991, DECEMBER 27, 1992 AND DECEMBER 26, 1993
(THOUSANDS)

	BALANCE BEGINNING OF PERIOD	ADDITIONS AT COST	SALES/ RETIREMENTS	TRANSFERS	BALANCE END OF PERIOD
YEAR ENDED DECEMBER 29, 1991:					
Land	$ 22,168	$ 24	$ --	$ --	$ 22,192
Buildings and leasehold improvements	380,323	11,679	(388)	11,349	402,963
Equipment	1,009,052	66,238	(54,594)	42,582	1,063,278
Construction in progress	37,783	59,261	(908)	(53,931)	42,205
	$1,449,326	$ 137,202	$ (55,890)	$ --	$1,530,638
YEAR ENDED DECEMBER 27, 1992:					
Land	$ 22,192	$ --	$ --	$ --	$ 22,192
Buildings and leasehold improvements	402,963	19,415	(7,911)	7,622	422,089
Equipment	1,063,278	134,412	(60,330)	25,198	1,162,558
Construction in progress	42,205	68,237	(96)	(32,820)	77,526
	$1,530,638	$ 222,064	$ (68,337)	$ --	$1,684,365
YEAR ENDED DECEMBER 26, 1993:					
Land	$ 22,192	$ 1,637	$ --	$ 2,443	$ 26,272
Buildings and leasehold improvements	422,089	5,880	(84)	16,414	444,299
Equipment	1,162,558	71,681	(74,099)	175,111	1,335,251
Construction in progress	77,526	308,983	--	(193,968)	192,541
	$1,684,365	$ 388,181	$ (74,183)	$ --	$1,998,363

The annual provisions for depreciation and amortization have been computed principally in accordance with the following estimated useful lives:

Buildings	26 years
Equipment	3 to 5 years
Leasehold improvements	Lesser of 5 years or life of lease

SCHEDULE VI

ADVANCED MICRO DEVICES, INC.

ACCUMULATED DEPRECIATION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

YEARS ENDED DECEMBER 29, 1991, DECEMBER 27, 1992 AND DECEMBER 26, 1993
(THOUSANDS)

	BALANCE BEGINNING OF PERIOD	ADDITIONS CHARGED TO OPERATIONS	OTHER(1)	SALES/ RETIREMENTS	BALANCE END OF PERIOD
YEAR ENDED DECEMBER 29, 1991:					
Buildings and leasehold improvements	$ 129,869	$ 43,891	$ (4)	$ (384)	$ 173,372
Equipment	672,440	112,044	672	(54,230)	730,926
Construction in progress	--	--	--	--	--
	$ 802,309	$155,935	$668	$ (54,614)	$ 904,298
YEAR ENDED DECEMBER 27, 1992:					
Buildings and leasehold improvements	$ 173,372	$ 42,498	$ --	$ (6,937)	$ 208,933
Equipment	730,926	109,815	222	(58,814)	782,149
Construction in progress	--	--	--	--	--
	$ 904,298	$152,313	$222	$ (65,751)	$ 991,082
YEAR ENDED DECEMBER 26, 1993:					
Buildings and leasehold improvements	$ 208,933	$ 38,661	$ --	$ (18)	$ 247,576
Equipment	782,149	136,406	366	(72,460)	846,461
Construction in progress	--	--	--	--	--
	$ 991,082	$175,067	$366	$ (72,478)	$1,094,037

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(1) Provision for write-down to net realizable value.

SCHEDULE VIII

ADVANCED MICRO DEVICES, INC.

VALUATION AND QUALIFYING ACCOUNTS

YEARS ENDED DECEMBER 29, 1991, DECEMBER 27, 1992 AND DECEMBER 26, 1993
(THOUSANDS)

	BALANCE BEGINNING OF PERIOD	ADDITIONS CHARGED TO OPERATIONS	DEDUCTIONS(1)	BALANCE END OF PERIOD
Allowance for doubtful accounts:				
YEARS ENDED:				
December 29, 1991	$ 4,905	$ 1,582	$ --	$ 6,487
December 27, 1992	6,487	986	(794)	6,679
December 26, 1993	6,679	1,540	(727)	7,492

- ---

(1) Accounts (written off) recovered, net.

SCHEDULE X

ADVANCED MICRO DEVICES, INC.

SUPPLEMENTARY OPERATIONS STATEMENT INFORMATION

YEARS ENDED DECEMBER 29, 1991, DECEMBER 27, 1992 AND DECEMBER 26, 1993
(THOUSANDS)

	CHARGED TO COSTS AND EXPENSES		
	1991	1992	1993
Maintenance and repairs.....	$ 58,097	$ 69,004	$ 76,124

All other information is either not material or included in the consolidated financial statements, notes thereto, or other schedules.

ADVANCED MICRO DEVICES, INC.

INDEX TO EXHIBITS
(ITEM 14(A)(3))

EXHIBIT NUMBER	DESCRIPTION
3.1	Certificate of Incorporation, as amended, filed as Exhibit 3.1 to the Corporation's Annual Report on Form 10-K for the fiscal period ended December 27, 1987, is hereby incorporated by reference.
3.2	Certificate of Designations for Convertible Exchangeable Preferred Shares, filed as Exhibit 3.2 to the Corporation's Annual Report on Form 10-K for the fiscal year ended March 27, 1987, is hereby incorporated by reference.
3.3	Certificate of Designations for Series A Junior Participating Preferred Stock, filed as Exhibit 3.3 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1989, is hereby incorporated by reference.
3.4	By-Laws, as amended, filed as Exhibit 3.4 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 27, 1992, is hereby incorporated by reference.
4.1	Deposit Agreement with respect to the $30 Convertible Exchangeable Preferred Shares, filed as Exhibit 4.3 to the Corporation's Annual Report on Form 10-K for the fiscal year ended March 29, 1987, is hereby incorporated by reference.
4.2	Indenture with respect to the 6% Convertible Subordinated Debentures due in 2012, filed as Exhibit 4.4 to the Corporation's Annual Report on Form 10-K for the fiscal year ended March 29, 1987, is hereby incorporated by reference.
4.3	The Corporation hereby agrees to file on request of the Commission a copy of all instruments not otherwise filed with respect to long-term debt of the Corporation or any of its subsidiaries for which the total amount of securities authorized under such instruments does not exceed 10% of the total assets of the Corporation and its subsidiaries on a consolidated basis.
4.4	Rights Agreement between the Corporation and Bank of America N.T. & S.A., filed as Exhibit 4.1 to the Corporation's Current Report on Form 8-K dated February 7, 1990, is hereby incorporated by reference.
*10.1	AMD 1982 Stock Option Plan, as amended.
*10.2	AMD 1986 Stock Option Plan, as amended.
*10.3	AMD 1992 Stock Incentive Plan, as amended.
*10.4	AMD 1980 Stock Appreciation Rights Plan, as amended.
*10.5	AMD 1986 Stock Appreciation Rights Plan.
*10.6	MMI 1975 Stock Option Plan, as amended, filed as Exhibit 10.6 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 29, 1991, is hereby incorporated by reference.
*10.7	MMI 1981 Incentive Stock Option Plan, as amended.
*10.8	Forms of Stock Option Agreements, filed as Exhibit 10.8 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 29, 1991, is hereby incorporated by reference.
*10.9	Form of Limited Stock Appreciation Rights Agreement, filed as Exhibit 4.11 to the Corporation's Registration Statement on Form S-8 (No. 33-26266) is hereby incorporated by reference.
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** Confidential treatment has been requested as to certain portions of these Exhibits.

EXHIBIT 10.1

ADVANCED MICRO DEVICES, INC.
1982 STOCK OPTION PLAN

1. PURPOSE

(a) The purpose of the Plan is to provide a means whereby selected eligible employees of Advanced Micro Devices, Inc., and its subsidiaries (hereinafter called the "Company") may be given an opportunity to purchase the $0.01 par value Common Stock of the Company (the "Common Stock"). The word "subsidiary" or "parent" as used in this Plan, means a subsidiary or parent corporation as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended. The Internal Revenue Code of 1954, as amended to date and as it may be amended from time to time, is referred to herein as the "Code".

(b) The Company, by means of the Plan, seeks to retain the services of its current key employees, and to secure and retain the services of new key employees necessary for the continued improvement of operation.

2. STOCK OPTIONS

Stock options granted pursuant to the Plan may, at the discretion of the Board, be granted either as Incentive Stock Options ("ISO") or as Nonstatutory Stock Options ("NSO"). An ISO shall mean an option described in section 422A(b) of the

Code. A NSO shall mean an option not described in Sections 422(b), 422A(b), 423(b) or 424(b) of the Code. No option may be granted alternatively as an ISO and as a NSO.

3. ADMINISTRATION

(a) The Board of Directors (the "Board"), whose authority shall be plenary, shall administer the Plan and may delegate part or all of its administrative powers with respect to part or all of the Plan pursuant to Section 3(d); provided, however, that the Board of Directors shall delegate administration of the Plan to the extent required by Section 3(e).

(b) The Board or its delegate shall have the power, subject to and within the limits of the express provisions of the Plan:

(1) To grant Options and Rights pursuant to the Plan.

(2) To determine from time to time which of the eligible persons shall be granted Options or Rights under the Plan, the number of Shares for which each Option or Right shall be granted, the term of each granted Option or Right and the time or times during the term of each Option or Right within which all or portions of each Option or Right may be exercised,

(which at the discretion of the Board or its delegate may be accelerated).

(3) To grant Options and/or Rights in exchange for cancellation of Options and/or Rights granted earlier at different exercise prices, provided, however, nothing contained herein shall empower the Board or its delegate to grant an ISO under conditions or pursuant to terms that are inconsistent with the requirements of Section 422 of the Code.

(4) To prescribe the terms and provisions of each Option and/or Right granted (which need not be identical) and the form of written instrument that shall constitute the Option and/or Right agreement.

(5) To take appropriate action to amend any Option and/or Right hereunder, including to cause any Option granted hereunder to cease to be an ISO, provided that no such action may be taken by the Board or its delegate without the written consent of the affected Participant.

(c) The Board or its delegate shall also have the power, subject to and within the limits of the express provisions of this Plan:

(1) To construe and interpret the Plan and Options and Rights granted under the Plan, and to establish, amend and revoke rules and regulations for administration of the Plan. The Board or its delegate, in the exercise of this power, shall generally determine all questions of policy and expediency that may arise and may correct any defect, omission or inconsistency in the Plan or in any Option or Right agreement in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(2) Generally, to exercise such powers and to perform such acts as are deemed necessary or expedient to promote the best interests of the Company.

(d) The Board of Directors may, by resolution, delegate administration of the Plan (including, without limitation, the Board's powers under Sections 3(b) and (c) above), under either or both of the following:

(1) with respect to the participation of or granting of Options or Rights to an employee who is not subject to Section 16 of the Exchange Act, to a committee of one or more members of the Board of Directors, whether or not such members of the Board of Directors are Disinterested Directors;

(2) with respect to matters other than the selection for participation in the Plan, substantive decisions concerning the timing, pricing, amount or other material term of an Option or Right, to a committee of one or more members of the Board of Directors, whether or not such members of the Board of Directors are Disinterested Directors, or to one or more officers of the Company.

(e) Unless each member of the Board is a Disinterested Director, the Board shall, by resolution, delegate administration of the Plan with respect to the participation in the Plan of employees who are subject to Section 16 of the Exchange Act, including its powers to select such employees for participation in the Plan, to make substantive decisions concerning the timing, pricing, amount or any other material term of an Option or Right, to a committee of two or more Disinterested Directors. Any committee to which administration of the Plan is so delegated pursuant to this Section 3(e) may also administer the Plan with respect to an employee described in Section 3(d)(1) above.

(f) Except as required by Section 3(e) above, the Board shall have complete discretion to determine the composition, structure, form, term and operations of any committee established to administer the Plan. If administration is delegated to a committee, unless the Board

otherwise provides, the committee shall have, with respect to the administration of the Plan, all of the powers and discretion theretofore possessed by the Board and delegable to such committee, subject to any constraints which may be adopted by the Board from time to time and which are not inconsistent with the provisions of the Plan. The Board, at any time, may revest in the Board any of its administrative powers under the Plan, except under circumstances where a committee is required to administer the Plan under Section 3(e) above.

(g) The determinations of the Board or its delegate shall be conclusive and binding on all persons having any interest in this Plan or in any awards granted hereunder.

(h) The term "Disinterested Director" shall mean a member of the Board of Directors of the Company who has not, during the one year prior to service as an administrator of the Plan, or during such service, been granted or awarded equity securities of the Company pursuant to this Plan or any other plan of the Company or any of its Affiliates (except for automatic grants of options to Outside Directors pursuant to Section 8 of the 1992 Stock Incentive Plan).

4. SHARES SUBJECT TO PLAN AND TO OPTIONS

(a) Subject to the provisions of Section 10 (relating to adjustments upon changes in stock), the stock which may be

sold pursuant to options granted under the Plan shall not exceed in the aggregate 8,500,000 shares of the Company's authorized Common Stock and may be unissued shares or reacquired shares or shares bought on the market for the purposes of issuance under the Plan. If any options granted under the Plan shall for any reason terminate or expire without having been exercised in full, the stock not purchased under such options shall be available again for the purposes of the Plan.

(b) The aggregate fair market value of the stock (determined at the time of the grant of the option) for which any employee may be granted ISO's in any calendar year under all plans of the Company and its parent and subsidiary shall not exceed $100,000 plus any unused limit carryover (as defined in the Code) to such year or any other maximum aggregate fair market value to be established in the future under the Code. Should it be determined that any ISO granted under the Plan inadvertently exceeds such maximum, such ISO grant shall be deemed to be a grant of a NSO to the extent, but only to the extent, of such excess.

5. ELIGIBILITY

Options may be granted only to full or part time employees of the Company and/or of any parent or subsidiary. Directors of the Company who are not also employees of the Company shall not be eligible for the benefits of the Plan. No ISO may be granted to a person who, at the time of grant,

owns stock possessing more than 10% of the total combined voting power of the Company or of its parent or any subsidiary unless the option price is at least 110% of the fair market value of the stock subject to the option and the term of the option does not exceed five (5) years from the date such ISO is granted. Any employee may hold more than one option at any time.

6. TERMS OF OPTION AGREEMENT

Each option agreement shall be in such form and shall contain such terms and conditions as the Board or its delegate from time to time shall deem appropriate, subject to the following limitations:

(a) The term of any ISO shall not be greater than ten (10) years from the date it was granted.

(b) The purchase price of each option shall be no less than the fair market value of the stock subject to the option on the date the option is granted.

(c) An option by its terms shall not be transferable otherwise than by will or by the laws of descent and distribution and may be exercisable during the lifetime of the option holder only by the option holder.

(d) An option (the "New Option") which is designated by the Board or its delegate, as the case may be, as an ISO by its terms shall not be exercisable, notwithstanding that such may be vested in whole or in part, with respect to all or any part of the Shares subject thereto while there is outstanding any other ISO, granted to the optionee prior to the grant of the New Option, to purchase Common Stock in the Company or in a corporation that is, at the time of granting of the New Option, to purchase Common Stock in the Company or in a corporation that is, at the time of granting of the New Option, a Parent or Subsidiary of the Company, or in a predecessor corporation of any such corporations. For purposes of the preceding sentence, an ISO shall be treated as "outstanding" until such option is exercised in full or expires by reason of the lapse of time.

(e) Upon the termination of a Participant's employment, his rights to exercise an option then held by him shall be only as follows:

DEATH OR DISABILITY: If a Participant's employment is terminated by death or disability, he or his estate as the case may be, shall have the right for a period of twelve (12) months following the date of death or disability, or for

such longer period as the Board or its delegate may fix, to exercise the option to the extent the Participant was entitled to exercise such option on the date of his death or disability, or to the extent otherwise specified by the Board or its delegate, which may so specify, at a time that is subsequent to the date of his death or disability, provided the actual date of exercise is in no event after the expiration date of the term of the option. A Participant's estate shall mean his legal representative or any person who acquires the right to exercise an option by reason of the Participant's death or disability.

MISCONDUCT: If a Participant is determined by the Board or its delegate (as defined in Section 3 hereinabove) to have committed an act of theft, embezzlement, fraud, dishonesty, a breach of fiduciary duty to the Company (or affiliate), or deliberate disregard of the rules of the Company (or affiliate) which resulted in loss, damage or injury to the Company (or affiliate) or if a Participant makes any unauthorized disclosure of any of the trade secrets or confidential information of the Company (or affiliate), engages in any conduct which constitutes unfair competition with the Company (or affiliate),

induces any customer of the Company (or affiliate) to break any contract with the Company (or affiliate) or induces any principal for whom the Company (or affiliate) acts as agent to terminate such agency relationship, neither the Participant nor his estate shall be entitled to exercise any option with respect to any shares whatsoever after termination of employment, whether or not after termination of employment, the Participant may receive payment from the Company (or affiliate) for vacation pay, for services rendered prior to termination, for services for the day on which termination occurs, for salary in lieu of notice, or for other benefits. In making such determination, the Board or its delegate shall give the Participant an opportunity to present to the Board or its delegate (as defined in Section 3 hereinabove) evidence on his behalf. For the purpose of this paragraph, of this subsection 6(e), termination of employment shall be deemed to occur when the Company (or affiliate) dispatches notice or advice to Participant that his employment is terminated.

OTHER REASONS: If a Participant's employment is terminated for any reason other than those

mentioned above under "Death or Disability" or "Misconduct", he or his estate may, within three (3) months following such termination, or within such longer period as the Board may fix, exercise the option to the extent such option was exercisable by the Participant on the date of termination of his employment, or to the extent otherwise specified by the Board, which may so specify at a time that is subsequent to the date of the termination of his employment, provided the date of the exercise is in no event after the expiration of the term of the option.

DIVORCE: If an Option or any portion thereof is transferred pursuant to a qualified domestic relations order to a former spouse who is neither a director nor an employee of the Company or any of its Affiliates, the former spouse shall have the right for the period of twelve months following the date of transfer, or such other period as the Board or its delegate may fix, to exercise the Option to the extent the Participant was entitled to exercise such option on the date of transfer. Unless otherwise specified in the option agreement or by court order, the date of transfer shall be the date the qualified domestic relations order is executed.

(f) Options may also contain such other provisions, which shall not be inconsistent with any of the foregoing terms, as the Board or its delegate shall deem appropriate. No option, however, nor anything contained in the Plan, shall confer upon any employee any right to continue in the employ of the Company (or affiliate) nor limit in any way the right of the Company (or affiliate) to terminate his employment at any time.

(g) If any Participant's employment is terminated by the Company for any reason other than for Misconduct or, if applicable, by Constructive Termination, within one year after a Change of Control has occurred, then all Options held by such Participant shall become fully vested for exercise upon the date of termination, irrespective of the vesting provisions of the Participant's option agreement.

The term "Change of Control" shall mean a change of control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), or in response to any other form or report to the Securities and Exchange Commission or any stock

exchange on which the Company's shares are listed which requires the reporting of a change of control. In addition, a Change of Control shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing more than 20% of the combined voting power of the Company's then outstanding securities; or (ii) in any two-year period, individuals who were members of the Board of Directors (the "Board") at the beginning of such period plus each new director whose election or nomination for election was approved by at least two-thirds of the directors in office immediately prior to such election or nomination, cease for any reason to constitute at least a majority of the Board; or (iii) a majority of the members of the Board in office prior to the happening of any event and who are still in office after such event, determines in its sole discretion within one year after such event, that as a result of such event there has been a Change of Control.

Notwithstanding the foregoing definition, "Change of Control" shall exclude the acquisition of securities representing more than 20% of the combined voting power of the Company by the Company, any of its wholly-owned subsidiaries, or any trustee or other fiduciary holding

securities of the Company under an employee benefit plan now or hereafter established by the Company. As used herein, the term "beneficial owner" shall have the same meaning as under Section 13(d) of the Exchange Act and related case law.

The term "Constructive Termination" shall mean a resignation by a Participant who has been elected by the Company's Board of Directors as a corporate officer of the Company, due to diminution or adverse change in the circumstances of such Participant's employment with the Company, as determined in good faith by the Participant, including, without limitation, reporting relationships, job description, duties, responsibilities, compensation, perquisites, office or location of employment. Constructive Termination shall be communicated by written notice to the Company, and such termination shall be deemed to occur on the date such notice is delivered to the Company.

7. STOCK APPRECIATION RIGHTS

A Stock Appreciation Right ("SAR") also may be granted with respect to all or some of the stock covered by any option (the "Related Option"). Either a General SAR, or a Limited SAR or both a General SAR and a Limited SAR may be granted with respect to the same Related Option. Upon the exercise of

a SAR, the Related Option will cease to be exercisable to the extent of the stock with respect to which the SAR is exercised. Upon the Exercise or termination of the Related Option the SAR that relates thereto will cease to be exercisable. All terms and conditions pertaining to any SAR shall be governed by the provisions of the 1980 Stock Appreciation Rights Plan of the Company, as amended, provided, however, that SARs which are granted with respect to a Related Option that is an ISO shall contain such terms and conditions as may from time to time be necessary pursuant to applicable provisions of the Code and Treasury Department regulations to permit such Related Option to qualify as an ISO.

8. PAYMENTS AND LOANS UPON EXERCISE

(a) The purchase price of stock sold pursuant to an option shall be paid either in full in cash or by certified check at the time the option is exercised or pursuant to any deferred payment arrangement that the Board of Directors in its discretion may approve.

(b) The Company may make loans or guarantee loans made by an appropriate financial institution to individual optionees, including officers, on such terms as may be approved by the Board of Directors for the purpose of financing the exercise of options granted under the Plan and the payment of any taxes that may be due by reason of such exercise.

(c) In addition, if and to the extent authorized by the Board of Directors, optionees may make all or any portion of any payment due to the Company upon exercise of an option by delivery of any property (including securities of the Company) other than cash, so long as such property constitutes valid consideration for the stock under applicable law.

(d) Where, in the opinion of counsel to the Company, the Company has or will have an obligation to withhold taxes relating to the exercise of any stock option, the Board or its delegate may in its discretion require that such tax obligation be satisfied in a manner satisfactory to the Company before shares deliverable pursuant to the exercise of such option are transferred to the option holder. An option holder may make a Withholding Election, to pay required minimum withholding taxes by the withholding of shares from the total number of shares deliverable pursuant to the exercise of the option or by delivering a sufficient number of previously acquired shares to the Company and may elect to have additional taxes paid by the delivery of previously acquired shares, in each case in accordance with procedures established by the Board or its delegate. Previously owned shares delivered in payment of such taxes must have been held at least six months prior to the exercise date, or may be subject to such other conditions as the Board or its delegate may require. The value of shares withheld or delivered shall be the fair market value of such shares on the date the exercise becomes taxable. Such Withholding Election shall be

subject to the approval of the Board or its delegate, and must be made pursuant to rules established by the Board or its delegate.

9. USE OF PROCEED FROM STOCK

Proceeds from the sale of stock pursuant to options granted under the Plan shall be used for general corporate purposes.

10. ADJUSTMENT OF AND CHANGES IN THE STOCK

In the event that the shares of Common Stock of the Company, as presently constituted, shall be changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation (whether by reason of merger, consolidation, recapitalization, reclassification, split-up, combination of shares, or otherwise), or if the number of shares of Common Stock of the Company shall be increased through the payment of a stock dividend, then there shall be substituted for or added to each share of Common Stock of the Company theretofore appropriated or thereafter subject or which may become subject to an option under the Plan, the number and kind of shares of stock or other securities into which each outstanding share of Common Stock of the Company shall be so changed, or for which each such share shall be exchanged, or to which each such share shall be entitled, as the case may be. Outstanding options shall also be amended as to price and other terms if necessary

to reflect the foregoing events. In the event there shall be any other change in the number or kind of the outstanding shares of Common Stock of the Company, or of any stock or other securities into which such Common Stock shall have changed, or for which it shall have been exchanged, then if the Board of Directors shall, in its sole discretion, determine that such change equitably requires an adjustment in any option theretofore granted or which may be granted under the Plan, such adjustment shall be made in accordance with such determination. No right to purchase fractional shares shall result from any adjustment in options pursuant to this Section 10. In case of any such adjustment, the shares subject to the option shall be rounded down to the nearest whole share. Notice of any adjustment shall be given by the Company to each holder of any option which shall have been so adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all purposes of the Plan.

11. AMENDMENT OF THE PLAN

The Board of Directors, at any time, and from time to time, may amend the Plan, subject to the limitation, however, that, except as provided in Section 10 (relating to adjustments upon changes in stock), no amendment shall be effective unless approved, within twelve (12) months before or after the date of such amendment's adoption, by the vote or

written consent of a majority of the outstanding shares of the Company entitled to vote, where such amendment will:

a) increase the number of shares reserved for options under the Plan;
b) materially increase the benefits accruing to Participants under the Plan; or
c) materially modify the requirements of Section 5 as to eligibility for participation in the Plan.

It is expressly contemplated that the Board may amend the Plan in any respect necessary to provide the Company's employees with the maximum benefits provided or to be provided under Section 422A of the Code and the regulations promulgated thereunder relating to employee incentive stock options and/or to bring the Plan or options granted under it into compliance therewith.

Rights and obligations under any option granted before any amendment of the Plan shall not be altered or impaired by amendment of the Plan, except with the consent, which may be obtained in any manner that the Board or its delegate deems appropriate, of the person to whom the option was granted.

12. TERMINATION OR SUSPENSION OF THE PLAN

The Board of Directors at any time may suspend or terminate the Plan. The Plan, unless sooner terminated, shall terminate at the end of ten (10) years from the date the Plan

is adopted by the Board of Directors or approved by the stockholders of the Company, whichever is earlier. An option may not be granted under the Plan while the Plan is suspended or after it is terminated.

Rights and obligations under any option granted while the Plan is in effect shall not be altered or impaired by suspension or termination of the Plan, except with the consent of the person to whom the option was granted, which may be obtained in any manner that the Board or its delegate deems appropriate.

13. LISTING, QUALIFICATION OR APPROVAL OF STOCK; APPROVAL OF OPTIONS

All options granted under the Plan are subject to the requirement that if at any time the Board of Directors shall determine in its discretion that the listing or qualification of the shares of stock subject thereto on any securities exchange or under any applicable law, or the consent or approval of any governmental regulatory body or the Shareholders of the Company, is necessary or desirable as a condition of or in connection with the issuance of shares under the option, the option may not be exercised in whole or in part unless such listing, qualification, consent or approval shall have been effected or obtained free of any condition not acceptable to the Board of Directors.

14. BINDING EFFECT OF CONDITIONS

The conditions and stipulations hereinabove contained or in any option granted pursuant to the Plan shall be and constitute a covenant running with all the shares of the Company owned by the Participant at any time, directly or indirectly whether the same have been issued or not, and those shares of the Company owned by the Participant shall not be sold, assigned or transferred by any person save and except in accordance with the terms and conditions herein provided, and the Participant shall agree to use his best efforts to cause the officers of the Company to refuse to record on the books of the Company any assignments or transfer made or attempted to be made except as provided in the Plan and to cause said officers to refuse to cancel old certificates or to issue to deliver new certificates therefore where the purchaser or assignee has acquired certificates for the stock represented thereby, except strictly in accordance with the provisions of this Plan.

15. EFFECTIVE DATE OF THE PLAN

The Plan shall become effective as determined by the Board but no options granted under it shall be exercisable until the Plan has been approved by the vote or written consent of the holders of a majority of the outstanding shares of the Company entitled to vote.

16. MISCELLANEOUS

The use of any masculine pronoun or similar term is intended to be without legal significance as to gender.

The term "Board or its delegate" as used herein refers to the Board of Directors of the Company or its delegate as set forth in Section 3(c) hereinabove.

Nothing in this Plan or in any option agreement shall confer on an employee any right to continue in the employ of the Company or any subsidiary, or shall interfere with or restrict the rights of the Company or any subsidiary, which are hereby expressly reserved, to discharge an employee at any time, with or without cause, or to adjust the compensation of any employee.

EXHIBIT 10.2

ADVANCED MICRO DEVICES, INC.
1986 STOCK OPTION PLAN

1. PURPOSE

(a) The purpose of the Plan is to provide a means whereby selected eligible employees of Advanced Micro Devices, Inc., and its subsidiaries (hereinafter called the "Company") may be given an opportunity to purchase the $0.01 par value Common Stock of the Company (the "Common Stock"). The word "subsidiary" or "parent," as used in this Plan, means a subsidiary or parent corporation as defined in Section 425(f) of the Internal Revenue Code of 1954, as amended. The Internal Revenue Code of 1954, as amended to date and as it may be amended from time to time, is referred to herein as the "Code".

(b) The Company, by means of the Plan, seeks to retain the services of current key employees, and to secure and retain the services of new key employees necessary for the continued improvement of operations.

2. STOCK OPTIONS

Stock Options granted pursuant to the Plan may, at the discretion of the Board, be granted either as Incentive Stock Options ("ISO") or as Nonstatutory Stock Options ("NSO"). An ISO shall mean an option described in section 422A(b) of the Code. A NSO shall mean an option not described in Sections

422(b), 422A(b), 423(b) or 424(b) of the Code. No option may be granted alternatively as an ISO and as a NSO.

3. ADMINISTRATION

(a) The Board of Directors (the "Board"), whose authority shall be plenary, shall administer the Plan and may delegate part or all of its administrative powers with respect to part or all of the Plan pursuant to Section 3(d); provided, however, that the Board of Directors shall delegate administration of the Plan to the extent required by Section 3(e).

(b) The Board or its delegate shall have the power, subject to and within the limits of the express provisions of the Plan:

(1) To grant Options and Rights pursuant to the Plan.

(2) To determine from time to time which of the eligible persons shall be granted Options or Rights under the Plan, the number of Shares for which each Option or Right shall be granted, the term of each granted Option or Right and the time or times during the term of each Option or Right within which all or portions of each Option or Right may be exercised (which

at the discretion of the Board or its delegate may be accelerated).

(3) To grant Options and/or Rights in exchange for cancellation of Options and/or Rights granted earlier at different exercise prices, provided, however, nothing contained herein shall empower the Board or its delegate to grant an ISO under conditions or pursuant to terms that are inconsistent with the requirements of Section 422 of the Code.

(4) To prescribe the terms and provisions of each Option and/or Right granted (which need not be identical) and the form of written instrument that shall constitute the Option and/or Right agreement.

(5) To take appropriate action to amend any Option and/or Right hereunder, including to cause any Option granted hereunder to cease to be an ISO, provided that no such action may be taken by the Board or its delegate without the written consent of the affected Participant.

(c) The Board or its delegate shall also have the power, subject to and within the limits of the express provisions of this Plan:

(1) To construe and interpret the Plan and Options

and Rights granted under the Plan, and to establish, amend and revoke rules and regulations for administration of the Plan. The Board or its delegate, in the exercise of this power, shall generally determine all questions of policy and expediency that may arise and may correct any defect, omission or inconsistency in the Plan or in any Option or Right agreement in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(2) Generally, to exercise such powers and to perform such acts as are deemed necessary or expedient to promote the best interests of the Company.

(d) The Board of Directors may, by resolution, delegate administration of the Plan (including, without limitation, the Board's powers under Sections 3(b) and (c) above), under either or both of the following:

(1) with respect to the participation of or granting of Options or Rights to an employee who is not subject to Section 16 of the Exchange Act, to a committee of one or more members of the Board of Directors, whether or not such members of the Board of Directors are Disinterested Directors;

(2) with respect to matters other than the

selection for participation in the Plan, substantive decisions concerning the timing, pricing, amount or other material term of an Option or Right, to a committee of one or more members of the Board of Directors, whether or not such members of the Board of Directors are Disinterested Directors, or to one or more officers of the Company.

(e) Unless each member of the Board is a Disinterested Director, the Board shall, by resolution, delegate administration of the Plan with respect to the participation in the Plan of employees who are subject to Section 16 of the Exchange Act, including its powers to select such employees for participation in the Plan, to make substantive decisions concerning the timing, pricing, amount or any other material term of an Option or Right, to a committee of two or more Disinterested Directors. Any committee to which administration of the Plan is so delegated pursuant to this Section 3(e) may also administer the Plan with respect to an employee described in Section 3(d)(1) above.

(f) Except as required by Section 3(e) above, the Board shall have complete discretion to determine the composition, structure, form, term and operations of any committee established to administer the Plan. If administration is delegated to a committee, unless the Board otherwise provides, the committee shall have, with respect to the administration of

the Plan, all of the powers and discretion theretofore possessed by the Board and delegable to such committee, subject to any constraints which may be adopted by the Board from time to time and which are not inconsistent with the provisions of the Plan. The Board, at any time, may revest in the Board any of its administrative powers under the Plan, except under circumstances where a committee is required to administer the Plan under Section 3(e) above.

(g) The determinations of the Board or its delegate shall be conclusive and binding on all persons having any interest in this Plan or in any awards granted hereunder.

(h) The term "Disinterested Director" shall mean a member of the Board of Directors of the Company who has not, during the one year prior to service as an administrator of the Plan, or during such service, been granted or awarded equity securities of the Company pursuant to this Plan (except for automatic grants of options to Outside Directors pursuant to Section 8 of the 1992 Stock Incentive Plan) or any other plan of the Company or any of its Affiliates.

4. SHARES SUBJECT TO PLAN AND TO OPTIONS

(a) The total sum of the stock which may be sold pursuant to options granted under the Plan plus the Rights which may be exercised under the 1986 Stock Appreciation Rights

Plan shall not exceed in the aggregate one million (1,000,000) shares of the Company's authorized Common Stock. Such stock may be unissued shares or reaquired shares or shares bought on the market for the purposes of issuance under the Plan. This number of authorized shares shall take into account adjustments pursuant to Section 10, and shall include stock dividends with respect to shares previously issued pursuant to this Plan. If any options granted under the Plan shall for any reason terminate or expire without having been exercised in full, the stock not purchased under such options shall be available again for the purposes of the Plan.

(b) The aggregate fair market value of the stock (determined at the time of the grant of the option) for which any employee may be granted ISO's in any calendar year under all plans of the Company and its parent or subsidiaries shall not exceed $100,000 plus any unused limit carryover (as defined in the Code) to such year or any other maximum aggregate fair market value to be established in the future under the Code. Should it be determined that any ISO granted under the Plan inadvertently exceeds such maximum, such ISO grant shall be deemed to be a grant of a NSO to the extent, but only to the extent, of such excess.

5. ELIGIBILITY

Options may be granted only to full or part time employees of the Company and/or of any parent or subsidiary.

Members of the Board of Directors of the Company who are not also employees of the Company shall not be eligible for the benefits of the Plan. No ISO may be granted to a person who, at the time of grant, owns stock possessing more than 10% of the total combined voting power of the Company or its parent or any subsidiary unless the option price is at least 110% of the fair market value of the stock subject to the option and the term of the option does not exceed five (5) years from the date such ISO is granted. Any employee may hold more than one option at any time.

6. TERMS OF OPTION AGREEMENT

Each option agreement shall be in such form and shall contain such terms and conditions as the Board or its delegate from time to time shall deem appropriate, subject to the following limitations:

(a) The term of any ISO shall not be greater than ten (10) years from the date it was granted.

(b) The purchase price of each ISO shall be not less than the fair market value of the stock subject to the ISO on the date the ISO is granted. The purchase price of each option other than an ISO shall be established by the Board or its delegate, but shall be in no event less than fifty percent (50%) of the fair market value of the stock subject to such option on the date such option is granted.

(c) An option, by its terms shall not be transferable otherwise than by will or by the laws of descent and distribution and may be exercisable during the lifetime of the option holder only by the option holder, or by his guardian or legal representative.

(d) An option (the "New Option") which is designated by the Board or its delegate, as the case may be, as an ISO by its terms shall not be exercisable, notwithstanding that such may be vested in whole or in part, with respect to all or any part of the Shares subject thereto while there is outstanding any other ISO, granted to the optionee prior to the grant of the New Option, to purchase Common Stock in the Company or in a corporation that is, at the time of granting of the New Option, a Parent or Subsidiary of the Company, or in a predecessor corporation of any such corporations. For purposes of the preceding sentence, an ISO shall be treated as "outstanding" until such option is exercised in full or expires by reason of the lapse of time.

(e) Upon the termination of a Participant's employment, his rights to exercise an option then held by him shall be only as follows:

DEATH OR DISABILITY: If a Participant's employment is terminated by death or disability, he or his estate, as the case may be, shall have the right for a period of

twelve (12) months following the date of death or disability, or for such longer period as the Board or its delegate may fix, to exercise the option to the extent the Participant was entitled to exercise such option on the date of his death or disability, or to the extent otherwise specified by the Board or its delegate, which may so specify, at a time that is subsequent to the date of his death or disability, provided the actual date of exercise is in no event after the expiration of the term of the option. A Participant's estate shall mean his legal representative or any person who acquires the right to exercise an option by reason of the Participant's death or disability.

MISCONDUCT: If a Participant is determined by the Board or its delegate to have committed an act of theft, embezzlement, fraud, dishonesty, a breach of fiduciary duty to the Company (or affiliate), or deliberate disregard of the rules of the Company (or affiliate), or if a Participant makes any unauthorized disclosure of any of the trade secrets or confidential information of the Company (or affiliate), engages in any conduct which constitutes unfair competition with the Company (or affiliate), induces any customer of the Company (or affiliate) to break any contract with the Company (or affiliate) or induces any principal for whom the Company (or affiliate) acts as agent to terminate such agency

relationship, neither the Participant nor his estate shall be entitled to exercise any option with respect to any shares whatsoever, after termination of employment, whether or not after termination of employment, the Participant may receive payment from the Company (or affiliate) for vacation pay, for services rendered prior to termination, for services for the day on which termination occurs, for salary in lieu of notice, or for any other benefits. In making such determination, the Board or its delegate shall give the Participant an opportunity to present evidence on his behalf. For the purposes of this paragraph of this subsection 6(e), termination of employment shall be deemed to occur when the Company (or affiliate) dispatches notice or advice to Participant that his employment is terminated.

OTHER REASONS: If a Participant's employment is terminated for any reason other than those mentioned above under "Death or Disability" or "Misconduct", he or his estate may, within three (3) months following such termination, or within such longer period as the Board or its delegate may fix, exercise the option to the extent such option was exercisable by the Participant on the date of termination of his employment, or to the extent otherwise specified by the Board or its delegate, which may so specify at a time that is subsequent to the date of the termination of his employment, provided the

date of exercise is in no event after the expiration of the term of the option.

DIVORCE: If an Option or any portion thereof is transferred pursuant to a qualified domestic relations order to a former spouse who is neither a director nor an employee of the Company or any of its Affiliates, the former spouse shall have the right for the period of twelve months following the date of transfer, or such other period as the Board or its delegate may fix, to exercise the Option to the extent the Participant was entitled to exercise such option on the date of transfer. Unless otherwise specified in the option agreement or by court order, the date of transfer shall be the date the qualified domestic relations order is executed.

(f) The vesting of options may be on such terms as the Board may prescribe, and such vesting may be made automatically accelerated in the event of a change of control of the Company.

If any Participant's employment is terminated by the Company for any reason other than for Misconduct or, if applicable, by Constructive Termination, within one year after a Change of Control has occurred, then all Options held by such Participant shall become fully vested for exercise upon the date of termination, irrespective of the vesting provisions of

the Participant's option agreement.

Unless otherwise specified in an individual's option agreement, the term "Change of Control" shall mean a change of control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), or in response to any other form or report to the Securities and Exchange Commission or any stock exchange on which the Company's shares are listed which requires the reporting of a change of control. In addition, a Change of Control shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing more than 20% of the combined voting power of the Company's then outstanding securities; or (ii) in any two-year period, individuals who were members of the Board of Directors (the "Board") at the beginning of such period plus each new director whose election or nomination for election was approved by at least two-thirds of the directors in office immediately prior to such election or nomination, cease for any reason to constitute at least a majority of the Board; or (iii) a majority of the members of the Board in office prior to the happening of any event and who are still in office after such event, determines in its sole discretion within one year after such event, that as a result of such event there has been a

Change of Control.

Notwithstanding the foregoing definition, "Change of Control" shall exclude the acquisition of securities representing more than 20% of the combined voting power of the Company by the Company, any of its wholly-owned subsidiaries, or any trustee or other fiduciary holding securities of the Company under an employee benefit plan now or hereafter established by the Company. As used herein, the term "beneficial owner" shall have the same meaning as under Section 13(d) of the Exchange Act and related case law.

The term "Constructive Termination" shall mean a resignation by a Participant who has been elected by the Company's Board of Directors as a corporate officer of the Company, due to diminution or adverse change in the circumstances of such Participant's employment with the Company, as determined in good faith by the Participant, including, without limitation, reporting relationships, job description, duties, responsibilities, compensation, perquisites, office or location of employment. Constructive Termination shall be communicated by written notice to the Company, and such termination shall be deemed to occur on the date such notice is delivered to the Company.

(g) Options may also contain such other provisions, which shall not be inconsistent with any of the foregoing

terms, as the Board or its delegate shall deem appropriate. No option, however, nor anything contained in the Plan, shall confer upon any employee any right to continue in the employ of the Company (or affiliate) nor limit in any way the right of the Company (or affiliate) to terminate his employment at any time.

7. STOCK APPRECIATION RIGHTS

A Stock Appreciation Right ("SAR") also may be granted with respect to all or some of the stock covered by any option granted pursuant to the Plan (the "Related Option"). Either a General SAR, or a Limited SAR or both a General SAR and a Limited SAR may be granted with respect to the same Related Option. All terms and conditions pertaining to any SAR shall be governed by the provisions of the 1986 Stock Appreciation Rights Plan of the Company, as amended. SARs which are granted with respect to a Related Option that is an ISO shall contain such terms and conditions as may from time to time be necessary pursuant to applicable provisions of the Code and Treasury Department regulations to permit such Related Option to qualify as an ISO.

8. PAYMENTS AND LOANS UPON EXERCISE

(a) The purchase price of stock sold pursuant to an option shall be paid either in full in cash or by certified check at the time the option is exercised or pursuant to any deferred payment arrangement that the Board of Directors in its

discretion may approve.

(b) The Company may make loans or guarantee loans made by an appropriate financial institution to individual optionees, including officers, on such terms as may be approved by the Board of Directors for the purpose of financing the exercise of options granted under the Plan and the payment of any taxes that may be due by reason of such exercise.

(c) In addition, if and to the extent authorized by the Board of Directors, optionees may make all or any portion of any payment due to the Company upon exercise of an option by delivery of any property (including securities of the Company) other than cash, so long as such property constitutes valid consideration for the stock under applicable law.

(d) Where, in the opinion of counsel to the Company, the Company has or will have a legal obligation to withhold taxes relating to the exercise of any stock option, the Board or its delegate may in its discretion require that such tax obligation be satisfied in a manner satisfactory to the Company before shares deliverable pursuant to the exercise of such option are transferred to the option holder. An option holder may make a Withholding Election to pay required minimum withholding taxes by the withholding of shares from the total number of shares deliverable pursuant to the exercise of the

option or by delivering a sufficient number of previously acquired shares to the Company and may elect to have additional taxes paid by the delivery of previously acquired shares, in each case in accordance with rules and procedures established by the Board or its delegate. Previously owned shares delivered in payment for such taxes must have been owned for at least six months prior to the exercise date, or may be subject to such other conditions as the Board or its delegate may require. The value of shares withheld or delivered shall be the fair market value of such shares on the date the exercise becomes taxable. Such Withholding Election shall be subject to the approval of the Board or its delegate, and must be in compliance with rules and procedures established by the Board or its delegate.

9. USE OF PROCEED FROM STOCK

Proceeds from the sale of stock pursuant to options granted under the Plan shall be used for general corporate purposes.

10. ADJUSTMENT OF AND CHANGES IN THE STOCK

In the event that the shares of Common Stock of the Company, as presently constituted, shall be changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation (whether by reason of merger, consolidation, recapitalization, reclassification, split- up, combination of shares, or

otherwise), or if the number of shares of Common Stock of the Company shall be increased through the payment of a stock dividend, then there shall be substituted for or added to each share of the Common Stock of the Company theretofore appropriated or thereafter subject or which may become subject to an option under the Plan, the number and kind of shares of stock or other securities into which each outstanding share of Common Stock of the Company shall be so changed, or for which each such share shall be exchanged, or to which each such share shall be entitled, as the case may be. Outstanding options shall also be amended as to price and other terms if necessary to reflect the foregoing events. In the event there shall be any other change in the number or kind of the outstanding shares of Common Stock of the Company, or of any stock or other securities into which such Common Stock shall have changed, or for which it shall have been exchanged, then if the Board of Directors shall, in its sole discretion, determine that such change equitably requires an adjustment in any option theretofore granted or which may be granted under the Plan, such adjustment shall be made in accordance with such determination. No right to purchase fractional shares shall result from any adjustment in options pursuant to this Section 10. In case of any such adjustment, the shares subject to the option shall be rounded down to the nearest whole share. Notice of any adjustment shall be given by the Company to each holder of any option which shall have been so adjusted and such adjustment (whether or not such notice is given) shall be

effective and binding for all purposes of the Plan.

11. AMENDMENT OF THE PLAN

The Board of Directors, at any time, and from time to time, may amend the Plan, subject to the limitation, however, that, except as provided in Section 10 (relating to adjustments upon changes in stock), no amendment shall be effective unless approved, within twelve (12) months before or after the date of such amendment's adoption, by the vote or written consent of a majority of the outstanding shares of the Company entitled to vote, where such amendment will:

a) increase the number of shares reserved for options under the Plan;

b) materially increase the benefits accruing to Participants under the Plan; or

c) materially modify the requirements of Section 5 as to eligibility for participation in the Plan.

The Board of Directors may amend the Plan in any respect necessary to provide the Company's employees with the maximum benefits provided or to be provided under Section 422A of the Code and the regulations promulgated thereunder relating to employee incentive stock options and/or to bring the Plan or options granted under it into compliance therewith.

Rights and obligations under any option granted before any amendment of the Plan shall not be altered or impaired by amendment of the Plan, except with the consent of the person to whom the option was granted, which may be obtained in any manner deemed by the Board or its delegate to be appropriate.

12. TERMINATION OR SUSPENSION OF THE PLAN

The Board of Directors at any time may suspend or terminate the Plan. The Plan, unless sooner terminated, shall terminate at the end of ten (10) years from the date the Plan is adopted by the Board of Directors or approved by the stockholders of the Company, whichever is earlier. An option may not be granted under the Plan while the Plan is suspended or after it is terminated.

Rights and obligations under any option granted while the Plan is in effect shall not be altered or impaired by suspension or termination of the Plan, except with the consent of the person to whom the option was granted, which may be obtained in any manner that the Board or its delegate deems appropriate.

13. LISTING, QUALIFICATION OR APPROVAL OF STOCK; APPROVAL OF OPTIONS

All options granted under the Plan are subject to the requirement that if at any time the Board of Directors shall determine in its discretion that the listing or qualification

of the shares of stock subject thereto on any securities exchange or under any applicable law, or the consent or approval of any governmental regulatory body or the Shareholders of the Company, is necessary or desirable as a condition of or in connection with the issuance of shares under the option, the option may not be exercised in whole or in part unless such listing, qualification, consent or approval shall have been effected or obtained free of any condition not acceptable to the Board of Directors.

14. BINDING EFFECT OF CONDITIONS

The conditions and stipulations hereinabove contained or in any option granted pursuant to the Plan shall be and constitute a covenant running with all the shares of the Company owned by the Participant at any time, directly or indirectly whether the same have been issued or not, and those shares of the Company owned by the Participant shall not be sold, assigned or transferred by any person save and except in accordance with the terms and conditions herein provided, and the Participant shall agree to use his best efforts to cause the officers of the Company to refuse to record on the books of the Company any assignments or transfer made or attempted to be made except as provided in the Plan and to cause said officers to refuse to cancel old certificates or to issue to deliver new certificates therefore where the purchaser or assignee has acquired certificates for the stock represented thereby, except strictly in accordance with the provisions of this Plan.

15. EFFECTIVE DATE OF THE PLAN

The Plan shall become effective as determined by the Board but no options granted under it shall be exercisable until the Plan has been approved by the vote or written consent of the holders of a majority of the outstanding shares of the Company entitled to vote.

16. MISCELLANEOUS

The use of any masculine pronoun or similar term is intended to be without legal significance as to gender.

The term "Board or its delegate" as used herein refers to the Board of Directors of the Company or its delegate as set forth in Section 3(c) hereinabove.

Nothing in this Plan or in any option agreement shall confer on an employee any right to continue in the employ of the Company or any subsidiary, which are hereby expressly reserved, to discharge an employee at any time, with or without cause, or to adjust the compensation of any employee.

EXHIBIT 10.3

ADVANCED MICRO DEVICES, INC.
1992 STOCK INCENTIVE PLAN
AS AMENDED

1. PURPOSE

The purpose of this Plan is to encourage key personnel, whose long-term employment is considered essential to the Company's continued progress, to remain in the employ of the Company or its subsidiaries. By means of the Plan, the Company also seeks to attract new key employees whose future services are necessary for the continued improvement of operations. The Company intends future increases in the value of securities granted under this Plan to form part of the compensation for services to be rendered by such employees in the future.

2. DEFINITIONS

The terms defined in this Section 2 shall have the respective meanings set forth herein, unless the context otherwise requires.

(a) Affiliate: The term "Affiliate" shall mean any corporation, partnership, joint venture or other entity in which the Company holds an equity, profits or voting interest of thirty percent (30%) or more.

(b) Award Price: The term "Award Price" shall mean a price designated by the Board or its delegate and which is not less than the Fair Market Value per Share on the date the Stock Appreciation Right is granted. In the case of a General Right which is exercisable only in lieu of exercising a Related Option, unless otherwise specified in the Right Agreement, the Award Price shall be the exercise price of such Related Option.

(c) Board or its delegate: The term "Board or its delegate" shall mean the Company's Board of Directors or its delegate as set forth in Sections 3(d) and 3(e) hereinbelow.

(d) Change of Control: The term "Change of Control" shall mean a change of control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or in response to any other form or report to the Securities and Exchange Commission or any stock exchange on which the Company's shares are listed which requires the reporting of a change of control. In addition, a Change of Control shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing more than 20% of the combined voting power of the Company's then outstanding securities; or (ii) in any two-year period, individuals who were members of the Board of Directors (the "Board") at the beginning of such period plus each new director whose election or nomination for election was approved by at least two-thirds of the directors in office

immediately prior to such election or nomination, cease for any reason to constitute at least a majority of the Board; or (iii) a majority of the members of the Board in office prior to the happening of any event and who are still in office after such event, determines in its sole discretion within one year after such event, that as a result of such event there has been a Change of Control. The Board or its delegate may, at its discretion, define a Change of Control differently for purposes of any individual option agreement.

Notwithstanding the foregoing definition, "Change of Control" shall exclude the acquisition of securities representing more than 20% of the combined voting power of the Company by the Company, any of its wholly-owned subsidiaries, or any trustee or other fiduciary holding securities of the Company under an employee benefit plan now or hereafter established by the Company. As used herein, the term "beneficial owner" shall have the same meaning as under Section 13(d) of the Exchange Act and related case law.

(e) Code: The term "Code" shall mean the Internal Revenue Code of 1986, as amended to date and as it may be amended from time to time.

(f) Company: The term "Company" shall mean Advanced Micro Devices, Inc., a Delaware corporation.

(g) Constructive Termination: The term "Constructive Termination" shall mean a resignation by a Participant who has been elected by the Company's Board of Directors as a corporate officer of the Company, due to diminution or adverse change in the circumstances of such Participant's employment with the Company, as determined in good faith by the Participant, including, without limitation, reporting relationships, job description, duties, responsibilities, compensation, perquisites, office or location of employment. Constructive Termination shall be communicated by written notice to the Company, and such termination shall be deemed to occur on the date such notice is delivered to the Company.

(h) Disinterested Director: The term "Disinterested Director" shall mean a member of the Board of Directors of the Company who has not, during the one year prior to service as an administrator of the Plan, or during such service, been granted or awarded equity securities of the Company pursuant to this Plan (except for automatic grants of options to Outside Directors pursuant to Section 8 hereof) or any other plan of the Company or any of its Affiliates.

(i) Event Price per Share: The term "Event Price per Share" as used in Section 12 with respect to the exercise of a Limited Right shall mean the highest price per Share paid in connection with the event constituting a Change of Control. Any securities or property which are part or all of the consideration paid for Shares in connection with the event constituting a Change of Control shall be valued in determining the Event Price per Share at the highest of (A) the valuation placed on such securities or property by the corporation, person or other entity which paid such price or (B) the valuation placed on such securities or property by the Board of Directors.

(j) Fair Market Value per Share: The term "Fair Market Value per Share" shall mean as of any day (i) the closing price for Shares on the New York Stock Exchange as reported on the composite tape on the day as of which such determination is being made or, if there was

no sale of Shares reported on the composite tape on such day, on the most recently preceding day on which there was such a sale, or (ii) if the Shares are not listed or admitted to trading on the New York Stock Exchange on the day as of which the determination is made, the amount determined by the Board or its delegate to be the fair market value of a Share on such day.

(k) ISO: The term "ISO" shall mean a stock option described in Section 422(b) of the Code.

(l) NSO: The term "NSO" shall mean a nonstatutory stock option not described in Sections 422(b) or 423(a) of the Code.

(m) Option: The term "Option" shall mean (except as herein otherwise provided) a stock option granted under this Plan.

(n) Outside Director: The term "Outside Director" shall mean a member of the Board of Directors of the Company who is not also an employee of the Company or an Affiliate.

(o) Participant: The term "Participant" shall mean any person who holds an Option or a Stock Appreciation Right granted under this Plan.

(p) Plan: The term "Plan" shall mean this Advanced Micro Devices, Inc. 1992 Stock Incentive Plan, as amended from time to time.

(q) Shares: The term "Shares" shall mean shares of Common Stock of the Company and any shares of stock or other securities received as a result of the adjustments provided for in Section 14 of this Plan.

(r) Related Option: The term "Related Option" shall mean an Option with respect to which a Right has been granted which is exercisable only to the extent that such Option has not previously been exercised.

(s) Rights: The term "General Right" shall mean a Stock Appreciation Right granted pursuant to the provisions of Section 11 of this Plan. The term "Limited Right" shall mean a Stock Appreciation Right granted pursuant to the provisions of Section 12 of this Plan. The term "Right" shall mean any General Right or Limited Right.

(t) Stock Appreciation Right: The term "Stock Appreciation Right" shall mean a right granted under this Plan to receive, without payment to the Company, cash and/or Shares equivalent in value to the Spread as defined in Sections 11 and 12 of this Plan.

(u) Window Period: The term "Window Period" shall mean the period beginning on the third business day following the date of release for publication of the quarterly and annual summary statements of sales and earnings of the Company and ending on the twelfth business day following such date.

3. ADMINISTRATION

(a) The Board of Directors (the "Board"), whose authority shall be plenary, shall administer the Plan and may delegate part or all of its administrative powers with respect to part or all of the Plan pursuant to Section 3(d); provided, however, that the Board of Directors shall delegate administration of the Plan to the extent required by Section 3(e).

(b) Except for automatic grants of Options to Outside Directors pursuant to Section 8 hereof, the Board or its delegate shall have the power, subject to and within the limits of the express provisions of the Plan:

(1) To grant Options and Rights pursuant to the Plan.

(2) To determine from time to time which of the eligible persons shall be granted Options or Rights under the Plan, the number of Shares for which each Option or Right shall be granted, the term of each granted Option or Right and the time or times during the term of each Option or Right within which all or portions of each Option or Right may be exercised (which at the discretion of the Board or its delegate may be accelerated).

(3) With respect to persons who are not also executive officers, to grant Options and/or Rights in exchange for cancellation of Options and/or Rights granted earlier at different exercise prices; provided, however, nothing contained herein shall empower the Board or its delegate to grant an ISO under conditions or pursuant to terms that are inconsistent with the requirements of Section 422 of the Code.

(4) To prescribe the terms and provisions of each Option and/or Right granted (which need not be identical) and the form of written instrument that shall constitute the Option and/or Right agreement.

(5) To take appropriate action to amend any Option and/or Right hereunder, including to amend the vesting schedule of any outstanding Option or Right, or to cause any Option granted hereunder to cease to be an ISO, provided that no such action adverse to a Participant's interest may be taken by the Board or its delegate without the written consent of the affected Participant.

(c) The Board or its delegate shall also have the power, subject to and within the limits of the express provisions of this Plan:

(1) To construe and interpret the Plan and Options and Rights granted under the Plan, and to establish, amend and revoke rules and regulations for administration of the Plan. The Board or its delegate, in the exercise of this power, shall generally determine all questions of policy and expediency that may arise and may correct any defect, omission or inconsistency in the Plan or in any Option or Right agreement in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(2) Generally, to exercise such powers and to perform such acts as are deemed necessary or expedient to promote the best interests of the Company.

(d) The Board of Directors may, by resolution, delegate administration of the Plan (including, without limitation, the Board's powers under Sections 3(b) and (c) above), under either or both of the following:

(1) with respect to the participation of or granting of Options or Rights to an employee who is not subject to Section 16 of the Exchange Act, to a committee of one or more members of the Board of Directors, whether or not such members of the Board of Directors are Disinterested Directors;

(2) with respect to matters other than the selection for participation in the Plan, substantive decisions concerning the timing, pricing, amount or other material term of an Option or Right, to a committee of one or more members of the Board of Directors, whether or not such members of the Board of Directors are Disinterested Directors, or to one or more officers of the Company.

(e) Unless each member of the Board is a Disinterested Director, the Board shall, by resolution, delegate administration of the Plan with respect to the participation in the Plan of employees who are subject to Section 16 of the Exchange Act, including its powers to select such employees for participation in the Plan, to make substantive decisions concerning the timing, pricing, amount or any other material term of an Option or Right, to a committee of two or more Disinterested Directors. Any committee to which administration of the Plan is so delegated pursuant to this Section 3(e) may also administer the Plan with respect to an employee described in Section 3(d)(1) above.

(f) Except as required by Section 3(e) above, the Board shall have complete discretion to determine the composition, structure, form, term and operations of any committee established to administer the Plan. If administration is delegated to a committee, unless the Board otherwise provides, the committee shall have, with respect to the administration of the Plan, all of the powers and discretion theretofore possessed by the Board and delegable to such committee, subject to any constraints which may be adopted by the Board from time to time and which are not inconsistent with the provisions of the Plan. The Board at any time may revest in the Board any of its administrative powers under the Plan, except under circumstances where a committee is required to administer the Plan under Section 3(e) above.

(g) The determinations of the Board or its delegate shall be conclusive and binding on all persons having any interest in this Plan or in any awards granted hereunder.

4. SHARES SUBJECT TO PLAN

Subject to the provisions of Section 14 (relating to adjustments upon changes in stock), the Shares which may be issued pursuant to the exercise of Options or Rights granted under the Plan shall not exceed in the aggregate ninemillion three hundred fifty thousand (9,350,000) Shares of the Company's authorized Common Stock and may be unissued Shares or

reacquired Shares or Shares bought on the market for the purposes of issuance under the Plan. If any Options or Rights granted under the Plan shall for any reason be cancelled, terminate or expire without having been exercised in full, the Shares subject to such Options or Rights shall be available again for the purposes of the Plan, except for Shares subject to a Related Option which is cancelled due to the exercise for Shares of a Right related to such Option, and except for Shares subject to a Right which is cancelled due to the exercise for Shares of an Option related to such Right. Shares which are delivered or withheld from the Shares otherwise due on exercise of an Option or Right may be reused and sold pursuant to Options or Rights granted to a Participant who is not subject to Section 16 of the Exchange Act. If a Right is exercised for cash, the Shares underlying the Right or cancelled related Option, if any, shall become available again for the grant of Options or Rights to any Participant.

5. ELIGIBILITY

Options and/or Rights may be granted only to full or part-time employees of the Company and/or of any Affiliate. Outside Directors shall not be eligible for the benefits of the Plan, except as provided in Section 8 hereof. Any employee or Outside Director may hold more than one Option and Right at any time.

6. STOCK OPTIONS -- GENEREAL PROVISIONS

(a) Except for automatic grants of Options to Outside Directors under Section 8 hereof, each Option granted pursuant to the Plan may, at the discretion of the Board or its delegate, be granted either as an ISO or as an NSO. No option may be granted alternatively as an ISO and as an NSO.

(b) To the extent that the aggregate exercise price for ISOs which are exercisable for the first time by a Participant during any calendar year (under this Plan or any other plans of the Company or its Affiliates) exceeds $100,000, such options shall be treated as NSOs.

(c) No ISO may be granted to a person who, at the time of grant, owns stock possessing more than 10% of the total combined voting power of the Company or any of its Affiliates unless the exercise price is at least 110% of the Fair Market Value per Share of the stock subject to the option and the term of the option does not exceed five (5) years from the date such ISO is granted.

7. TERMS OF OPTION AGREEMENT

Except as otherwise required by the terms of Section 8 hereof, each option agreement shall be in such form and shall contain such terms and conditions as the Board or its delegate from time to time shall deem appropriate, subject to the following limitations:

(a) The term of any Option (other than an ISO) shall not be greater than ten (10) years and one day from the date it was granted. The term of any ISO shall not be greater than ten (10) years from the date it was granted.

(b) The exercise price of each Option shall be not less than the Fair Market Value per Share of the stock subject to the Option on the date the Option is granted.

(c) Unless otherwise specified in the option agreement, no Option shall be transferable otherwise than by will, pursuant to the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder, or as otherwise permitted by regulations and interpretations under Section 16 of the Exchange Act.

(d) Except as otherwise provided in paragraph (e) of this Section 7, the rights of a Participant other than an Outside Director to exercise an Option shall be limited as follows:

(1) DEATH OR DISABILITY: If a Participant's employment is terminated by Death or Disability, then the Participant or the Participant's estate, or such other person as may hold the option, as the case may be, shall have the right for a period of twelve (12) months following the date of Death or Disability, or for such other period as the Board or its delegate may fix, to exercise the Option to the extent the Participant was entitled to exercise such Option on the date of his Death or Disability, or to such extent as may otherwise be specified by the Board or its delegate (which may so specify after the date of his Death or Disability but before expiration of the Option), provided the actual date of exercise is in no event after the expiration of the term of the Option. A Participant's estate shall mean his legal representative or any person who acquires the right to exercise an Option by reason of the Participant's Death or Disability.

(2) MISCONDUCT: If a Participant is determined by the Board or its delegate to have committed an act of theft, embezzlement, fraud, dishonesty, a breach of fiduciary duty to the Company (or Affiliate), or deliberate disregard of the rules of the Company (or Affiliate), or if a Participant makes any unauthorized disclosure of any of the trade secrets or confidential information of the Company (or Affiliate), engages in any conduct which constitutes unfair competition with the Company (or Affiliate), induces any customer of the Company (or Affiliate) to break any contract with the Company (or Affiliate), or induces any principal for whom the Company (or Affiliate) acts as agent to terminate such agency relationship, neither the Participant, the Participant's estate nor such other person who may then hold the Option shall be entitled to exercise any Option with respect to any shares whatsoever, after termination of employment, whether or not after termination of employment the Participant may receive payment from the Company (or Affiliate) for vacation pay, for services rendered prior to termination, for services rendered for the day on which termination occurs, for salary in lieu of notice, or for any other benefits. In making such determination, the Board or its delegate shall give the Participant an opportunity to present to the Board or its delegate evidence on his behalf. For the purpose of this paragraph, termination of employment shall be deemed to occur on the date when the Company dispatches notice or advice to the Participant that his employment is terminated.

(3) TERMINATION FOR OTHER REASONS: If a Participant's employment is terminated for any reason other than those mentioned above under "DEATH OR DISABILITY" or "MISCONDUCT," the Participant, the Participant's estate, or such other person who may then hold the Option may, within three months following such termination, or within such longer period as the Board or its delegate may fix, exercise the Option to the extent such Option was exercisable by the Participant on the date of termination of his employment, or to the extent otherwise specified by the Board or its delegate (which may so specify after the date of the termination of his employment but before expiration of the Option) provided the date of exercise is in no event after the expiration of the term of the Option.

(4) DIVORCE: If an Option or any portion thereof is transferred pursuant to a qualified domestic relations order to a former spouse who is neither an Outside Director nor an employee of the Company or any of its Affiliates, the former spouse shall have the right for the period of twelve months following the date of transfer, or such other period as the Board or its delegate may fix, to exercise the Option to the extent the Participant was entitled to exercise such option on the date of transfer. Unless otherwise specified in the option agreement or by court order, the date of transfer shall be the date the qualified domestic relations order is executed.

(e) If any Participant's employment is terminated by the Company for any reason other than for Misconduct or, if applicable, by Constructive Termination, within one year after a Change of Control has occurred, then all Options held by such Participant shall become fully vested for exercise upon the date of termination, irrespective of the vesting provisions of the Participant's option agreement. For purposes of this subsection (e), the term "Change of Control" shall have the meaning assigned by this Plan, unless a different meaning is defined in an individual Participant's option agreement.

(f) Options may also contain such other provisions, which shall not be inconsistent with any of the foregoing terms, as the Board or its delegate shall deem appropriate.

(g) The maximum number of shares which are subject to Options granted to any individual, plus the maximum number of Rights which are not associated with a Related Option and which are granted to any individual, shall not exceed in the aggregate two million (2,000,000) shares over the full ten-year life of the Plan.

8. AUTOMATIC GRANTS TO OUTSIDE DIRECTORS

(a) On the date of adoption of this Plan by the Board, each Outside Director shall be granted an option to purchase 12,000 Shares under the Plan (the "First Option"). Thereafter, on the first business day coincident with or following each annual meeting of the Company's stockholders, each Outside Director reported as being elected shall be granted an additional option to purchase 3,000 Shares under the Plan (the "Annual Option"); provided, however, that an Outside Director who has not previously

been elected as a member of the Board of Directors of the Company shall then be granted a First Option; i.e., an option to purchase 12,000 Shares under the Plan. Further, subject to the right of any Outside Director who has not previously been elected as a member of the Board of Directors of the Company to receive a First Option, if there are insufficient Shares available under the Plan for each Outside Director to receive an Annual Option (as adjusted) in any year, the number of Shares subject to each Annual Option in such year shall equal the total number of available Shares then remaining under the Plan divided by the number of Outside Directors on such date, as rounded down to avoid fractional Shares. All Options granted to Outside Directors shall be subject to the following terms and conditions of this Section 8.

(b) Nonstatutory Options. All Options granted to Outside Directors pursuant to the Plan shall be NSOs.

(c) Exercise Price. The exercise price under each Option granted to an Outside Director shall be one hundred percent of the Fair Market Value per Share subject thereto on the date the Option is granted and shall be payable in full at the time the Option is exercised (i) in cash or by certified check, (ii) by delivery of Shares to the Company which shall have been owned for at least six months and have a Fair Market Value per Share on the date of surrender equal to the exercise price, or (iii) by delivery to the Company of a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company from sale or loan proceeds the amount required to pay the exercise price and any applicable tax withholding.

(d) Duration and Vesting of Options. Each Option granted to an Outside Director shall be for a term of ten years plus one day. Each First Option shall vest and become exercisable on July 15 of subsequent calendar years, according to the following schedule: 4,800 shares in the first calendar year following the date of grant; 3,600 shares in the second such calendar year; 2,400 shares in the third such calendar year; and 1,200 shares in the fourth such calendar year. Each Annual Option shall vest and become exercisable on July 15 of subsequent calendar years according to the following schedule: in equal installments of 1,000 shares each in the second, third and fourth calendar years following the date of grant. Any Shares acquired by an Outside Director upon exercise of an option shall not be freely transferable until six months after the date stockholder approval referred to in Section 15 hereof is obtained.

(e) Termination of Tenure on the Board. The rights to exercise an Option granted to an Outside Director shall be limited as follows:

(1) DEATH, DISABILITY OR TERMINATION: If an Outside Director's tenure on the Board is terminated for any reason, then the Outside Director or the Outside Director's estate, as the case may be, shall have the right for a period of twelve months following the date such tenure is terminated to exercise the Option to the extent the Outside Director was entitled to exercise such Option on the date the Outside Director's tenure terminated; provided the actual date of exercise is in no event after the expiration of the term of the Option. An Outside Director's "estate" shall mean the Outside Director's legal representative or any person who acquires the right to exercise an Option by reason of the Outside Director's Death or Disability.

(2) DIVORCE: If an Option or any portion thereof is transferred pursuant to a qualified domestic relations order to a former spouse who is neither an Outside

Director nor an employee of the Company or any of its Affiliates, the former spouse shall have the right for the period of twelve months following the date of transfer, or such other period as the Board or its delegate may fix, to exercise the Option to the extent the Participant was entitled to exercise such option on the date of transfer. Unless otherwise specified in the option agreement or by court order, the date of transfer shall be the date the qualified domestic relations order is executed.

(f) The automatic grants to Outside Directors pursuant to this Section 8 shall not be subject to the discretion of any person. The other provisions of this Plan shall apply to the Options granted automatically pursuant to this Section 8, except to the extent such other provisions are inconsistent with this Section 8.

9. PAYMENTS AND LOANS UPON EXERCISE OF OPTIONS

With respect to Options other than Options granted to Outside Directors pursuant to Section 8, the following provisions shall apply:

(a) The exercise price of Shares sold pursuant to an Option shall be paid either in full in cash or by certified check at the time the Option is exercised or in accordance with any deferred payment arrangement that the Board or its delegate in its discretion may approve.

(b) In addition, if and to the extent authorized by the Board or its delegate, Participants may make all or any portion of any payment due to the Company upon exercise of an Option (i) by delivery of any property (including securities of the Company) other than cash, so long as such property constitutes valid consideration for the stock under applicable law and has a fair market value on date of delivery equal to the exercise price, or (ii) by delivery to the Company of a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company from sale or loan proceeds the amount required to pay the exercise price and any applicable tax withholding. If securities of the Company are delivered in payment of the exercise price pursuant to this paragraph, such securities shall have been owned for at least six months (or such other period as the Board or its delegate may require) and have a fair market value on the date of surrender equal to the exercise price. Any securities delivered by a Participant who is subject to Section 16 of the Exchange Act must be the same class of stock as the stock to be received upon exercise of the Option.

(c) The Company may make loans or guarantee loans made by an appropriate financial institution to individual Participants, including officers, on such terms as may be approved by the Board of Directors for the purpose of financing the exercise of Options granted under the Plan and the payment of any taxes that may be due by reason of such exercise.

(d) In addition, a Participant may elect to have the Company withhold from the number of Shares otherwise issuable upon exercise of an Option, a sufficient number of Shares with an aggregate Fair Market Value per Share on the date of exercise equal to the exercise price. Any such election shall be subject to the approval of the Board or its delegate and must be made in compliance with rules and procedures established by the Board or its delegate.

10. TAX WITHHOLDING

(a) Where, in the opinion of counsel to the Company, the Company has or will have an obligation to withhold taxes relating to the exercise of any Option or Right, the Board or its delegate may in its discretion require that such tax obligation be satisfied in a manner satisfactory to the Company. In satisfying such obligation with respect to a General or Limited Right exercised for cash, the Company may withhold such taxes from any cash award. With respect to the exercise of an Option or a General Right, in whole or in part, for Shares, the Company may require the payment of such taxes before Shares deliverable pursuant to such exercise are transferred to the holder of the Option or General Right.

(b) With respect to the exercise of an Option or a General Right, in whole or in part, for Shares, a Participant may elect (a "Withholding Election") to pay his withholding tax obligation by the withholding of Shares from the total number of Shares deliverable pursuant to the exercise of such Option or General Right or by delivering to the Company a sufficient number of previously acquired Shares, and may elect to have additional taxes paid by the delivery of previously acquired shares, in each case in accordance with rules and procedures established by the Board or its delegate. Previously owned shares delivered in payment for such taxes must have been owned for at least six months prior to the exercise date, or may be subject to such other conditions as the Board or its delegate may require. The value of Shares withheld or delivered shall be the Fair Market Value per Share on the date the exercise becomes taxable. All Withholding Elections are subject to the approval of the Board or its delegate and must be made in compliance with rules and procedures established by the Board or its delegate.

11. STOCK APPRECIATION RIGHTS -- GENERAL RIGHTS

(a) The Board or its delegate shall have authority in its discretion to grant a General Right to any eligible employee. A General Right may be granted to a Participant irrespective of whether such Participant holds, is being granted, or has been previously granted an Option, a Limited Right or a General Right under the Plan. A General Right may be made exercisable without regard to the exercisability of any Option or may be made exercisable only to the extent of, and in lieu of, a Related Option. A General Right may be granted with respect to some or all of the Shares issuable pursuant to the Related Option.

(b) With respect to the exercise of any General Right for Shares by any Participant, and with respect to the exercise of a General Right for Shares or cash by a Participant who is not subject to Section 16 of the Exchange Act, the term "Spread" as used in paragraph (c) of this Section 11 shall mean an amount equal to the product computed by multiplying (i) the excess of (A) the Fair Market Value per Share on the date such General Right is exercised over (B) the Award Price by (ii) the number of Shares with respect to which such General Right is being exercised. With respect to the exercise of any General Right for cash by a Participant who is subject to Section 16 of the Exchange Act pursuant to an election made in accordance with paragraphs (c) and (d) of this Section 11, the term "Spread" as used in paragraph (c) of this Section 11 shall mean an amount equal to the product computed by multiplying (i) the excess of (A) the highest Fair Market Value per Share during a Window Period over (B) the

Award Price by (ii) the number of Shares with respect to which such General Right is being exercised. With respect to the exercise of a General Right for cash pursuant to an election made in accordance with paragraph (f) of this Section 11 by a Participant who is subject to Section 16 of the Exchange Act, the term "Spread" as used in paragraph (c) of this Section 11 shall mean an amount equal to the product computed by multiplying (i) the excess of (A) the Fair Market Value per Share on the date the election becomes effective over (B) the Award Price by (iii) the number of Shares with respect to which the General Right is being exercised.

(c) On the exercise of a General Right as provided in paragraph (g) of this Section 11, the holder thereof (subject to compliance with paragraph (d) or paragraph (f) of this Section 11, if applicable) shall be entitled at his election to receive either:

(i) a number of Shares equal to the quotient computed by dividing the Spread by the Fair Market Value per Share on the date of exercise of the General Right; provided, however, that in lieu of fractional Shares the Company shall pay cash equal to the same fraction of the Fair Market Value per Share on the date of exercise of the General Right; or

(ii) an amount in cash equal to the Spread; or

(iii) a combination of cash in the amount specified in such holder's notice of exercise, and a number of Shares calculated as provided in clause (i) of this paragraph (c), after reducing the Spread by such cash amount, plus cash in lieu of any fractional Share as provided above.

(d) This paragraph (d) shall only apply to Participants who are subject to Section 16 of the Exchange Act. Unless an election to receive cash upon the exercise of a General Right is made pursuant to paragraph (f) of this Section 11, the Board or its delegate shall have sole discretion to consent to or disapprove, in whole or in part, the election pursuant to either clause (ii) or (iii) of paragraph (c) of this Section 11 of a holder of a General Right to receive cash upon the exercise of a General Right ("Cash Election"). Such consent or disapproval may be given at any time after the Cash Election to which it relates. If the Board or its delegate shall disapprove a Cash Election, in lieu of paying the cash (or any portion thereof) specified in such Cash Election, the Board or its delegate shall determine the cash, if any, to be paid pursuant to such Cash Election and shall issue a number of Shares calculated as provided in clause (i) of paragraph (c) of this Section 11, after reducing the Spread by such cash to be paid plus cash in lieu of any fractional Share. A Cash Election may be made only (x) with respect to a General Right which has been held at least six months from the date of grant of such General Right, and (y) during a Window Period. A Cash Election made in advance of a Window Period shall be deemed to have been made and to take effect on the first day of the first Window Period occurring after such election.

(e) Notwithstanding the provision of paragraph (c) of this Section 11, if within one year after a Change of Control has occurred the employment of any Participant is terminated by the Company for any reason other than for Misconduct (or, if applicable, by Constructive Termination), then such Participant's General Right shall become fully vested on the date of

termination and may be exercised; provided, however, that with respect to a General Right held by a Participant who is subject to Section 16 of the Exchange Act, the event constituting a Change of Control shall have been subject to stockholder approval by non-insider stockholders of the Company, as determined under Rule 16(b)(3) of the Exchange Act, and if such General Right has not been outstanding for at least six months on the date of termination, then such grant shall not be exercisable until such six-month period elapses. Upon an exercise for cash, a holder of a General Right shall be entitled to receive an amount in cash equal to the Spread which, for purposes of this paragraph (e) of this Section 11, shall mean an amount equal to the product computed by multiplying (i) the excess of (A) the Fair Market Value per Share on the date such General Right is exercised over (B) the Award Price, by (ii) the number of Shares with respect to which such General Right is being exercised.

(f) An election by a Participant who is subject to Section 16 of the Exchange Act to receive cash upon the exercise of a General Right may be made without compliance with paragraph (d) of this Section 11, if such election is irrevocable and the receipt of cash pursuant to such election occurs no earlier than six months after such election is made. An election made pursuant to this paragraph (f) may be changed only by a subsequent irrevocable election to take effect no earlier than six months after the date such subsequent election is made.

(g) To exercise a General Right, the holder shall (i) give notice thereof to the Company in form satisfactory to the Board or its delegate addressed to the Secretary of the Company specifying (A) the number of Shares with respect to which such holder is exercising the General Right and (B) the amount such holder elects to receive in cash, if any, and the amount he elects to receive in Shares with respect to the exercise of the General Right; provided, however, that notice of the exercise of a General Right pursuant to paragraph (e) of this Section 11 shall only specify the number of Shares with respect to which the General Right is being exercised for cash; and (ii) if requested by the Company, deliver the Right Agreement relating to the General Right being exercised and the Option Agreement for any Related Option to the Secretary of the Company, who shall endorse thereon a notation of such exercise and return the Right Agreement and Option Agreement to the Participant. The date of exercise of a General Right which is validly exercised shall be the date on which the Company shall have received the notice referred to in the first sentence of this paragraph (g).

12. STOCK APPRECIATION RIGHTS -- LIMITED RIGHTS

(a) The Board or its delegate shall have authority in its discretion to grant a Limited Right to the holder of a Related Option. A Limited Right may be granted with respect to all or some of the Shares covered by such Related Option. A Limited Right may be granted either at the time of grant of the Related Option or at any time thereafter during its term. A Limited Right may be granted to a Participant irrespective of whether such Participant is being granted or has been granted a General Right with respect to the same Related Option. Unless specified in the Right Agreement as an Automatic Right, a Limited Right may be exercised only during a period of sixty days beginning on the date of a Change of Control; provided, however, that with respect to a Limited Right held by a Participant who is subject to Section 16 of the Exchange Act the event constituting a Change of Control shall have been subject to stockholder approval by non-insider stockholders of the Company, as determined under Rule 16(b)(3) of

the Exchange Act, and if such Limited Right has not been outstanding for at least six months on the date of the Change of Control, then the sixty-day period shall not begin until the expiration of six months from the date of grant of such Limited Right. Notwithstanding the provisions of the immediately preceding sentence, each Limited Right shall be exercisable only if and to the extent that the Related Option is exercisable. A Limited Right granted as an Automatic Right, shall be exercised automatically and only for cash, on satisfaction of conditions specified in the Right Agreement; provided that an Automatic Right held by a participant who is subject to Section 16 of the Exchange Act shall not be automatically exercised unless such Automatic Right has been outstanding for at least six months from the date of grant of such Right.

(b) The term "Spread" as used in this Section 12 with respect to the exercise of any Limited Right shall mean an amount equal to the product computed by multiplying (i) the excess of (A) either (x) the highest Fair Market Value per Share during the sixty-day period ending on the date of the Change of Control, or (y) the Event Price per Share, whichever is greater, over (B) the exercise price per Share at which the Related Option is exercisable, by (ii) the number of Shares with respect to which such Limited Right is being exercised.

(c) Upon the exercise of a Limited Right as provided in paragraph (e) of this Section 12, the holder thereof shall receive an amount in cash equal to the Spread.

(d) Notwithstanding any other provision of this Plan, no General Right which has a Related Option may be exercised for cash at any time when any Limited Right which was granted with respect to the same Related Option may be exercised.

(e) To exercise a Limited Right, the holder shall (i) give notice thereof to the Company in form satisfactory to the Board or its delegate specifying the number of Shares with respect to which such holder is exercising the Limited Right, and (ii) if requested by the Company, deliver the Right Agreement relating to the Limited Right being exercised and the Option Agreement for the Related Option to the Secretary of the Company who shall endorse thereon a notation of such exercise and return the Right Agreement and the Option Agreement to the employee. The date of exercise of a Limited Right which is validly exercised shall be deemed to be the date on which the Company shall have received the notice referred to in the first sentence of this paragraph (e).

13. STOCK APPRECIATION RIGHTS -- GENERAL PROVISIONS

(a) Either a General Right or a Limited Right, or both a General Right and a Limited Right, may be granted with respect to the same Related Option. Upon the exercise of a Right, any Related Option and any other Right granted with respect to the same Related Option shall be considered cancelled to the extent of the Shares with respect to which the Right is exercised. Upon the exercise, cancelleation or termination of any Related Option, the Right or Rights that relate thereto will cease to be exercisable to the extent of the number of Shares with respect to which the Related Option is exercised, cancelled or terminated.

(b) The Company intends that Sections 11, 12 and 13 shall comply with the requirements of Rule 16b-3 (the "Rule") under the Exchange Act during the term of this Plan. Should any provision of these Sections 11, 12 and 13 fail to comply with or be unnecessary to comply with the requirements of the Rule, the Board may amend this Plan to add to or modify the provisions of this Plan accordingly without seeking stockholder approval.

(c) Unless otherwise specified in the Right Agreement, no General or Limited Right shall be transferable except by will, by the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined in the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder, or as otherwise permitted by regulations and interpretations under Section 16 of the Exchange Act; provided, however, that the terms of a General or Limited Right granted with respect to an ISO shall comply with the requirements of the Code as necessary to maintain the status of the Related Option as an ISO including, without limitation, transferability and exercisability restrictions.

(d) A person exercising a General Right shall not be treated as having become the registered owner of any Shares issued on such exercise until such Shares are issued.

(e) Each General or Limited Right shall be on such terms and conditions not inconsistent with this Plan or the Related Option, if any, as the Board or its delegate may determine and shall be evidenced by a Right Agreement setting forth such terms and conditions executed by the Company and the holder of the General or Limited Right. A General and/or Limited Rightr granted with respect to a Related Option shall be exercisable only if and to the extent the Related Option is exercisable.

14. ADJUSTMENTS OF AND CHANGES IN THE STOCK

If there is any change in the Common Stock of the Company by reason of any stock dividend, stock split, spin-off, split up, merger, consolidation, recapitalization, reclassification, combination or exchange of shares, or any other similar corporate event, then the Board or its delegate shall make appropriate adjustments to the number of Shares of Common Stock of the Company theretofore appropriated or thereafter subject or which may become subject to an Option or Right under the Plan. Outstanding Options and Rights shall also be automatically converted as to price and other terms if necessary to reflect the foregoing events. No right to purchase fractional shares shall result from any adjustment in Options or Rights pursuant to this Section 14. In case of any such adjustment, the Shares subject to the Option or Right shall be rounded down to the nearest whole Share. Notice of any adjustment shall be given by the Company to each holder of any Option or Right which shall have been so adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all purposes of the Plan.

15. EFFECTIVE DATE OF THE PLAN

The Plan shall become effective when adopted by the Board, but no Option or Right granted under this Plan shall be exercisable until the Plan is approved in the manner prescribed

in section 16(a) of this Plan. Any amendment to the Plan shall become effective when adopted by the Board, unless specified otherwise, but no Option or Right granted under any increase in the number of shares authorized to be issued under this Plan shall be exercisable until the increase is approved in the manner prescribed in section 16(a) of this Plan. The amendments to Section 4 which pertain to shares available again for issuance to participants not subject to Section 16 of the Exchange Act shall be effective from December 27, 1993.

16. AMENDMENT OF THE PLAN

(a) The Board of Directors at any time, and from time to time, may amend the Plan, subject to the limitation, however, that, except as provided in Section 14 (relating to adjustments upon changes in stock), no amendment for which stockholder approval is required shall be effective unless such approval is obtained within the required time period. Whether stockholder approval is required shall be determined by the Board of Directors. Approval of the stockholders may be obtained, at a meeting of stockholders duly called and held, by the affirmative vote of a majority of the holders of the Company's voting stock who are present or represented by proxy and entitled to vote on the Plan, or by the written consent of the holders of a majority of the outstanding voting stock of the Company. Shares which are present at the meeting but not voted on the Plan are not counted in determining whether a majority has been obtained.

(b) It is expressly contemplated that the Board may, without seeking approval of the Company's stockholders, amend the Plan in any respect necessary to provide the Company's employees with the maximum benefits provided or to be provided under Section 422 of the Code or Section 16 of the Securities and Exchange Act of 1934 and the regulations promulgated thereunder relating to employee incentive stock options and/or to bring the Plan or Options granted under it into compliance therewith.

(c) Rights and obligations under any Option or Right granted before any amendment of the Plan shall not be altered or impaired by amendment of the Plan, except with the consent of the person who holds the Option or Right, which consent may be obtained in any manner that the Board or its delegate deems appropriate.

(d) The Board of Directors may not amend the provisions of Section 8 hereof more than once every six months, other than to comport with changes in the Code, the Employee Retirement Income Security Act, or the rules thereunder.

17. TERMINATION OR SUSPENSION OF THE PLAN

The Board of Directors at any time may suspend or terminate the Plan. The Plan, unless sooner terminated, shall terminate at the end of ten years from the date the Plan is adopted by the Board or approved by the stockholders of the Company, whichever is earlier. No Option or Right may be granted under the Plan while the Plan is suspended or after it is terminated. Rights and obligations under any Option or Right granted while the Plan is in effect, including the maximum duration and vesting provisions, shall not be altered or impaired by suspension

or termination of the Plan, except with the consent of the person who holds the Option or Right, which consent may be obtained in any manner that the Board or its delegate deems appropriate.

18. REGISTRATION, LISTING, QUALIFICATION, APPROVAL OF STOCK AND OPTIONS

All Options and Rights granted under the Plan are subject to the requirement that if at any time the Board shall determine in its discretion that the registration, listing or qualification of the shares of stock subject thereto on any securities exchange or under any applicable law, or the consent or approval by any governmental regulatory body or the stockholders of the Company, is necessary or desirable as a condition of or in connection with the issuance of shares upon exercise of the Option or Right, the Option or Right may not be exercised in whole or in part unless such registration, listing, qualification, consent or approval shall have been effected or obtained free of any condition not acceptable to the Board of Directors.

19. NO RIGHT TO EMPLOYMENT

Nothing in this Plan or in any Option or Right agreement shall be deemed to confer on any employee any right to continue in the employ of the Company or any Affiliate or to limit the rights of the Company or its Affiliates, which are hereby expressly reserved, to discharge an employee at any time, with or without cause, or to adjust the compensation of any employee.

20. MISCELLANEOUS

The use of any masculine pronoun or similar term is intended to be without legal significance as to gender.

ADVANCED MICRO DEVICES, INC.
1992 STOCK INCENTIVE PLAN

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EXHIBIT 10.4

ADVANCED MICRO DEVICES, INC.
SUNNYVALE, CALIFORNIA

1980 STOCK APPRECIATION RIGHTS PLAN

1. Purpose. The purpose of this Plan is to advance the interests of the Corporation and its stockholders by providing means by which the Corporation and its subsidiaries may remain competitive in the search for and in the motivation and retention of outstanding management personnel. The Corporation seeks to attract and retain in its employ and in the employ of its subsidiaries management personnel of training, experience and ability, and to furnish additional incentive to executives upon whose judgment, initiative and efforts the successful conduct of the business of the Corporation and its subsidiaries largely depends. It is believed that the granting of stock appreciation rights as provided herein will assist the Company in attracting and retaining employees of unusual competence and, by increasing their equity interests in the Company, will provide incentive and inducement to them to use their best efforts in the Company's behalf.

2. Definitions. The terms defined in this Section 2 shall have the respective meanings set forth herein, unless the context otherwise requires.

(a) Committee. The term "Committee" shall mean a committee to which administration of the Plan has been delegated, in whole or in part, by the Board of Directors, pursuant to Sections 3(c) or 3(d) hereof.

(b) Disinterested Director: The term "Disinterested Director" shall mean a member of the Board of Directors of the Company who has not, during the one year prior to service as an administrator of the Plan, or during such service, been granted or awarded equity securities of the Company pursuant to this Plan or any other plan of the Company or any of its affiliates, except for options granted automatically pursuant to the formula set forth in the Advanced Micro Devices, Inc. 1992 Stock Incentive Plan.

(c) 1969 Plan: The term "1969 Plan" shall mean the Corporation's 1969 Stock Option Plan as amended.

(d) 1977 Plan: The term "1977 Plan" shall mean the Corporation's 1977 Stock Option Plan as amended.

(e) 1979 Plan: The term "1979 Plan" shall mean the Corporation's 1979 Stock Option Plan as amended.

(f) 1982 Plan: The term "1982 Plan" shall mean the Corporation's 1982 Stock Option Plan as amended.

(g) Stock Option Plans: The term "Stock Option Plans" shall mean collectively the 1969 Plan, the 1977 Plan, the 1979 Plan and the 1982 Plan.

(h) Plan: The term "Plan" or this "Plan" shall mean this 1980 Stock Appreciation Rights Plan, as originally adopted, and, if amended or modified as herein provided, as so amended or modified as herein provided, as so amended or modified.

(i) Stock Appreciation Right: The term "Stock

Appreciation Right" shall mean the right to receive, without payment to the Corporation, cash and/or Shares equivalent in value to the Spread as defined in Sections 4 and 5 of this Plan.

(j) Rights: The term "General Right" shall mean a Stock Appreciation Right granted by the Committee pursuant to the provisions of Section 4 of this Plan. The term "Limited Right" shall mean a Stock Appreciation Right granted by the Committee pursuant to the provisions of Section 4 of this Plan. The term "Limited Right" shall mean a Stock Appreciation Right granted by the Committee pursuant to the provisions of Section 5 of this Plan. The term "Right" shall mean any General Right or Limited Right.

(k) Stock Option: The term "Stock Option" shall mean (except as herein otherwise provided) a stock option granted under the 1969 Plan, the 1977 Plan, 1979 Plan or the 1982 Plan.

(l) Shares: The term "Shares" shall mean shares of Common Stock of the Corporation and any shares of Stock or other securities received as a result of the adjustments provided for in Section 7 of this Plan.

(m) Optionee: The term "Optionee" shall mean any person to whom a Stock Option has been granted.

(n) Fair Market Value per Share: The term "Fair Market Value per Share" shall mean as of any day (i) the closing price for Shares on the New York Stock Exchange as reported on the Composite Tape on the day as of which such determination is being made or, if there was no sale of Shares reported on the Composite Tape on such day, on the most recently preceding day on which there was such a sale, or (ii) if the Shares are not listed or admitted to trading on the New York Stock Exchange on the day as of which the determination is being made, the amount determined by the Committee to be the fair market value of a Share on such day.

3. Administration.

(a) The Board of Directors (the "Board"), whose authority shall be plenary, shall administer the Plan and may delegate part or all of the powers designated in Section 3(b) with respect to part or all of the Plan pursuant to Section 3(c); provided, however, that the Board of Directors shall delegate administration of the Plan to the extent required by Section 3(d).

(b) The Board shall have the power, subject to and within the limits of the express provisions of the Plan:

(1) To grant Rights pursuant to the Plan.

(2) To determine from time to time which of the eligible persons shall be granted Rights under the Plan, the number of Shares for which each Right shall be granted, the term of each granted Right and the time or times during the term of each Right within which all or portions of each Right may be exercised, (which at the discretion of the Board may be accelerated).

(3) To grant Rights in exchange for cancellation of Rights granted earlier at different exercise prices.

(4) To prescribe the terms and provisions of each Right granted (which need not be identical) and the form of written instrument that shall constitute the Right

agreement.

(5) To take appropriate action to amend any Right hereunder; provided, however, that no such action may be taken by the Board without the written consent of the affected holder of the Right.

(6) To construe and interpret the Plan and Rights granted under the Plan, and to establish, amend and revoke rules and regulations for administration of the Plan. The Board, in the exercise of this power, shall generally determine all questions of policy and expediency that may arise and may correct any defect, omission or inconsistency in the Plan or in any Right agreement in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(7) Generally, to exercise such powers and to perform such acts as are deemed necessary or expedient to promote the best interests of the Company.

(c) Subject to the limits set forth below, the Board may, by resolution, delegate its administrative powers set forth in Section 3(b) above under either or both of the following:

(1) with respect to the participation of or granting of Rights to an employee who is not subject to Section 16 of the Exchange Act, to a committee of one or more members of the Board, whether or not such members of the Board are Disinterested Directors;

(2) with respect to ministerial matters, i.e., matters other than the selection for participation in the Plan and substantive decisions concerning the timing, pricing, amount or other material term of a Right, to a committee of one or more members of the Board, whether or not such members of the Board are Disinterested Directors, or to one or more officers of the Company.

(d) Unless each member of the Board is a Disinterested Director, the Board shall, by resolution, delegate administration of the Plan with respect to the participation in the Plan of employees who are subject to Section 16 of the Exchange Act, including its powers to select such employees for participation in the Plan, to make substantive decisions concerning the timing, pricing, amount or any other material term of a Right granted to such an employee, to a committee of two or more Disinterested Directors. Any committee to which administration of the Plan is so delegated may also administer the Plan with respect to an employee described in Section 3(c)(1) above.

(e) Except as required by Section 3(d) above, the Board shall have complete discretion to determine the composition, structure, form, term and operations of any committee established to administer the Plan. If administration is delegated to a committee, unless the Board otherwise provides, the committee shall have, with respect to the administration of the Plan, all of the powers and discretion theretofore possessed by the Board and delegable to such committee, subject to any constraints which may be adopted by the Board from time to time and which are not inconsistent with the provisions of the Plan. The Board at any time may revest in the Board any of its administrative powers under the Plan,

except under circumstances where a committee is required to administer the Plan under Section 3(d) above.

(f) The determinations of the Board or its delegate shall be conclusive and binding on all persons having any interest in this Plan or in any awards granted hereunder.

4. Stock Appreciation Rights - General Rights.

(a) The Committee shall have authority in its discretion to grant a General Right to the holder of any Stock Option (the "Related Option") with respect to all or some of the Shares covered by such Related Option. A General Right may be granted either at the time of grant of the Related Option or at any time thereafter during its term. A General Right may be granted to an Optionee irrespective of whether such Optionee is being granted or has been granted a Limited Right. Each General Right shall be exercisable only if and to the extent that the Related Option is exercisable. Notwithstanding the provisions of the preceding sentence, no General Right may be exercised until the expiration of six months from the date of grant of such General Right unless prior to the expiration of such six month period the holder of the General Right ceases to be an employee of the Company because of his death or physical or mental incapacity. Upon the exercise of a General Right, the Related Option shall cease to be exercisable to the extent of the Shares with respect to which such General Right is exercised, but the Related Option shall be considered to have been exercised to such extent for purposes of determining the number of Shares available for the grant of further Stock Options pursuant to the Stock Option Plans. Upon the exercise or termination of a Related Option, the General Right with respect to such Related Option shall terminate to the extent of the Shares with respect to which the Related Option is exercised or terminated.

(b) The term "Spread" as used in this Section 4 shall mean with respect to the exercise of any General Right an amount equal to the product computed by multiplying (i) the excess of (A) the Fair Market Value per Share on the date such General Right is exercised over (B) the purchase price per Share at which the Related Option is exercisable by (ii) the number of Shares with respect to which such General Right is being exercised.

(c) Upon the exercise of a General Right as provided in Paragraph (j) of this Section 4, the holder thereof, except as provided in Paragraph (d) of this Section 4, shall be entitled at his election to receive either:

(i) a number of Shares equal to the quotient computed by dividing the Spread by the Fair Market Value per Share on the date of exercise of the General Right, provided, however, that in lieu of fractional Shares the Corporation shall pay cash equal to the same fraction of the Fair Market Value per Share on the date of exercise of the General Right; or

(ii) an amount in cash equal to the Spread; or

(iii) a combination of cash in the amount specified in such holder's notice of exercise, and a number of Shares calculated as provided in Clause (i) of this

Paragraph (c), after reducing the Spread by such cash amount, plus cash in lieu of any fractional Share as provided above.

(d) Notwithstanding the provisions of Paragraph (c) of this Section 4, the Committee shall have sole discretion to consent to or disapprove, in whole or in part, the election pursuant to either Clause (ii) or (iii) of Paragraph (c) of this Section 4 of a holder of a General Right to receive cash upon the exercise of a General Right ("Cash election"). Such consent or disapproval may be given at any time after the Cash Election to which it relates. If the Committee shall disapprove a Cash Election, in lieu of paying the cash (or any portion thereof) specified in such Cash Election, the Committee shall determine the cash, if any, to be paid pursuant to such Cash Election and shall issue a number of Shares calculated as provided in Clause (i) of Paragraph (c) of this Section 4, after reducing the Spread by such cash to be paid plus cash in lieu of any fractional Share.

(e) Notwithstanding the provisions of Paragraph (c) of this Section 4, a Cash Election may be made only during the period beginning on the third business day following the date of release for publication of the quarterly and annual summary statements of sales and earnings of the Corporation and ending on the 12th business day following such date.

(f) The Corporation intends that this Section 4 shall comply with the requirements of Rule 16b-3 (the "Rule") under the Securities Exchange Act of 1934 during the term of this Plan. Should any provision of this Section 4 be unnecessary to comply with the requirements of the Rule or should any additional provisions be necessary for Section 4 to comply with the requirements of the Rule, the Board of Directors of the Corporation may amend this Plan to add to or modify the provisions of this Plan accordingly.

(g) No General Right shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a General Right, the General Right shall be exercisable only by him or his guardian or legal representative.

(h) A person exercising a General Right shall not be treated as having become the registered owner of any Shares issued on such exercise until such Shares are issued.

(i) Each General Right shall be on such terms and conditions not inconsistent with this Plan as the Committee may determine and shall be evidenced by a Right Agreement setting forth such terms and conditions executed by the Corporation and the holder of the General Right.

(j) To exercise a General Right, the holder shall (i) give written notice thereof to the Corporation in form satisfactory to the Committee addressed to the Secretary of the Corporation specifying (A) the number of Shares with respect to which he is exercising the General Right and (B) the amount he elects to receive in cash, if any, and the amount he elects to receive in Shares with respect to the exercise of the General Right; (ii) deliver to the Corporation such written representations, warranties and covenants as the Corporation may require under Section 8 of this Plan; and (iii) if requested by the Corporation, deliver the Right Agreement relating to the

General Right being exercised and the Option Agreement for the Related Option to the Secretary of the Corporation who shall endorse thereon a notation of such exercise and return the Right Agreement and the Option Agreement to the Optionee. The date of exercise of a General Right which is validly exercised shall be deemed to be the date on which the Corporation shall have received the instruments referred to in the first sentence of this Paragraph (j).

5. Stock Appreciation Rights - Limited Rights.

(a) The Committee shall have authority in its discretion to grant a Limited Right to the Holder of any Stock Option (the "Related Option") granted under the Stock Option Plans with respect to all or some of the Shares covered by such Related Option. A Limited Right may be granted either at the time of grant of the Related Option or at any time thereafter during its term. A Limited Right may be granted to an Optionee irrespective of whether such Optionee is being granted or has been granted a General Right. A Limited Right may be exercised only during the period beginning on the first day following the date of expiration of any Offer (as that term is defined in Paragraph (b) of this Section 5) for Shares and ending on the thirtieth day following such date. Each Limited Right shall be exercisable only if and to the extent that the Related Option is exercisable. Notwithstanding the provisions of the two immediately preceding sentences, no Limited Right may be exercised until the expiration of six months from the date of grant of such Limited Right. Upon the exercise of a Limited Right, the Related Option shall cease to be exercisable to the extent of the number of Shares with respect to which such Limited Right is exercised, but such Related Option shall be considered to have been exercised to such extent for purposes of determining the number of shares available for the grant of further Stock Options pursuant to the Stock Option Plans. Upon the exercise or termination of a Related Option, the Limited Right with respect to such Related Option shall terminate to the extent of the number of Shares with respect to which the Related Option is exercised or terminated.

(b) The term "Offer" as used in this Section 5 shall mean any tender offer or exchange offer for Shares, other than one made by the Company, provided that the corporation, person or other entity making the offer acquires Shares pursuant to such offer and following expiration or termination of the offer the offeror owns 25% of the outstanding Shares.

(c) The term "Offer Price per Share" as used in this Section 5 with respect to the exercise of any Limited Right shall mean the highest price per Share paid in any Offer which Offer is in effect at any time during the period beginning on the sixtieth day prior to the date on which such Limited Right is exercised and ending on the date on which such Limited Right is exercised. Any securities or property which are part or all of the consideration paid for Shares in the Offer shall be valued in determining the Offer Price per Share at the higher of (A) the valuation placed on such securities or property by the corporation, person or other entity making such Offer or (B) the valuation placed on such securities or property by the

Committee.

(d) The term "Spread" as used in this Section 5 with respect to the exercise of any Limited Right shall mean an amount equal to the product computed by multiplying (i) the excess of (A) the Offer Price per Share over (B) the purchase price per Share at which the Related Option is exercisable, by (ii) the number of Shares with respect to which such Limited Right is being exercised.

(e) Upon the exercise of a Limited Right as provided in Paragraph (j) of this Section 5, the holder thereof shall receive an amount in cash equal to the Spread.

(f) Notwithstanding any other provision of this Plan, no General Right may be exercised at a time when any Limited Right held by the holder of such General Right may be exercised.

(g) The Corporation intends that this Section 5 shall comply with the requirements of the Rule during the term of this Plan. Should any provision of this Section 5 be unnecessary to comply with the requirements of the Rule or should any additional provisions be necessary for this Section 5 to comply with the requirements of the Rule, the Board of Directors of the Corporation may amend this Plan to add or to modify the provisions of this Plan accordingly.

(h) No Limited Right shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a Limited Right, the Limited Right shall be exercisable only by him or his guardian or legal representative.

(i) Each Limited Right shall be on such terms and conditions not inconsistent with the Plan as the Committee may determine and shall be evidenced by a Right Agreement setting forth such terms and conditions executed by the Corporation and the holder of the Limited Right.

(j) To exercise a Limited Right, the holder shall (i) give written notice thereof to the Corporation in form satisfactory to the Committee addressed to the Secretary of the Corporation specifying the number of Shares with respect to which he is exercising the Limited Right, and (ii) if requested by the Corporation, deliver the Right Agreement relating to the Limited Right being exercised and the Option Agreement for a Related Option to the Secretary of the Corporation who shall endorse thereon a notation of such exercise and return the Right Agreement and the Option Agreement to the employee. The date of exercise of a Limited Right which is validly exercised shall be deemed to be the date on which the Corporation shall have received the instruments referred to in the first sentence of this Paragraph (j).

6. Effectiveness and Term of the Plan.

(a) This Plan shall become effective on the date on which it is approved by the holders of outstanding shares of Common Stock of the Corporation constituting a majority of such shares present in person or represented by proxy and entitled to vote at a meeting of stockholders of the Corporation duly called and held.

(b) Unless previously terminated in accordance with Section 9 of this Plan, this Plan shall terminate on the close of business on January 25, 1992, after which no Rights shall be

granted under this Plan. Such termination shall not affect any Stock Options or Rights granted prior to such termination.

7. Certain Adjustments.

(a) In the event that the Company shall pay a stock dividend in, or split-up, combine, reclassify or substitute other securities for, its outstanding Shares, the Committee shall forthwith take such action, if any, as is consistent with the provisions of this Plan and as in its judgment shall be necessary to preserve to the holders of Rights such rights as are substantially proportionate to the rights held by them immediately prior to such event under such Rights. Any adjustment may provide for the elimination of any fractional Shares which might otherwise become subject to a Right.

(b) In case the Corporation is merged or consolidated with another corporation and the Corporation is not the surviving corporation, or all or substantially all of the assets of the Corporation are transferred to another corporation, such action shall be taken, if any, which in the judgment of the Committee is necessary to substitute for Shares covered by any outstanding Right the type of securities or property of the corporation surviving such merger or consolidation or acquiring such assets which are issuable by reason of such merger, consolidation or transfer to the holders of the shares of Common Stock of the Corporation.

(c) Notwithstanding and in addition to the provisions of this Plan, the Committee shall have the authority to provide in any Right Agreement, either at the time of grant or by amendment, that, upon the date of a determination by the Committee that within six months next succeeding the date of such determination there is a reasonable possibility a public market for the Shares may cease to exist, or such Shares may fail to remain qualified for listing on the New York Stock Exchange, any General or Limited Right related thereto shall become fully exercisable as to all Shares subject thereto; provided, however, that except in the case of the death or physical or mental incapacity of the Right holder, no Right shall be exercisable prior to the expiration of six months following (i) the date of the grant of the Related Option, or (ii) the date on which the Right was granted, whichever is later.

(d) In addition to the authority conferred to the Committee in (c) hereinabove, the Committee shall also have the authority to modify or otherwise amend any Right Agreement as it deems necessary or appropriate, provided that the holder of the Right subject to any such Right Agreement to be modified or amended shall have consented thereto.

8. Compliance with Law.

(a) Each employee, to permit the Corporation to comply with the Securities Act of 1933, as amended (the "Act"), and any applicable blue sky or state securities laws, shall represent in writing to the Company at the time of grant of a Right and at the time of the issuance of any Shares thereunder that he does not contemplate and shall not make any transfer of any Shares to be acquired under Rights except in compliance with

the Act, and he shall enter into such agreements and make such other representations as, in the opinion of counsel to the Corporation, shall be sufficient to enable the Corporation legally to issue the Shares. Certificates representing Shares to be acquired under Rights shall bear such legends as counsel for the Corporation may indicate are necessary or appropriate to accomplish the purposes of Paragraphs (a) and (b) of this Section 8.

(b) If at any time the Committee shall determine that the listing, registration or qualification of the Shares subject to any Right upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory authority, is necessary or desirable as a condition of, or in connection with, the granting of, or issuance of Shares under, such Right, such Shares shall not be issued unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

(c) Where in the opinion of counsel to the Company, the Company has or will have an obligation to withhold taxes relating to the exercise of a Right, a Participant may elect (a "Withholding Election") to pay his required minimum withholding tax obligation by the withholding of Shares from the total number of Shares deliverable pursuant to the exercise of a Right in whole or in part for Shares, or by delivering to the Company a sufficient number of previously acquired Shares, and may elect to have additional taxes paid by the delivery of previously acquired shares, in each case in accordance with rules and procedures established by the Board or its delegate. Previously owned shares delivered in payment for such taxes must have been owned for at least six months prior to the exercise date, or may be subject to such other conditions as the Board or its delegate may require. The value of Shares withheld or delivered shall be the Fair Market Value per Share on the date the exercise becomes taxable. All Withholding Elections are subject to the approval of the Board or its delegate and must be made in compliance with rules and procedures established by the Board or its delegate.

9. Amendment of the Plan. The Board of Directors of the Corporation (i) may at any time and from time to time modify or amend this Plan in any respect, except that without shareholder approval no such modification or amendment may increase the maximum number of Shares as to which Rights may be granted, or otherwise materially increase the benefits accruing to participants under this Plan, and (ii) may at any time terminate this Plan. The termination or any modification or amendment of this Plan shall not, without the consent of any Optionee or holder of Rights involved, affect his rights under a Stock Option or Right previously granted to him.

10. No Obligations. Neither this Plan nor the grant of any Right shall confer any right on any employee to remain in the employ of the Corporation or any subsidiary or restrict the right of the Corporation or any subsidiary to terminate his employment.

EXHIBIT 10.5

ADVANCED MICRO DEVICES, INC.
1986 STOCK APPRECIATION RIGHTS PLAN

1. Purpose. The purpose of this Plan is to advance the interests of Advanced Micro Devices, Inc. ("the Corporation") and its stockholders by providing means by which the Corporation and its subsidiaries may remain competitive in the search for and in the motivation and retention of outstanding management personnel. The Corporation seeks to attract and retain in its employ and in the employ of its subsidiaries management personnel of training, experience and ability, and to furnish additional incentive to executives upon whose judgment, initiative and efforts the successful conduct of the business of the Corporation and its subsidiaries largely depends. It is believed that the granting of stock appreciation rights as provided herein will assist the Company in attracting and retaining employees of unusual competence and, by increasing their equity interests in the Corporation, will provide incentive and inducement to them to use their best efforts in the Corporation's behalf.

2. Definitions. The terms defined in this Section 2 shall have the respective meanings set forth herein, unless the context otherwise requires.

(a) Award Price: The term "Award Price" shall mean a price designated by the Board or its delegate and which is not less than fifty percent (50%) of the Fair Market Value per Share on the date the Stock Appreciation Right is granted. In the case of a General Right which is exercisable only in lieu of exercising a Related Option, unless otherwise specified in the Right Agreement the Award Price shall be the purchase price of such Related Option.

(b) Board or its delegate: The term "Board or its delegate" shall mean the Corporation's Board of Directors or its delegate as set forth in Section 3(c) hereinbelow.

(c) Disinterested Director: The term "Disinterested Director" shall mean a member of the Board of Directors of the Company who has not, during the one year prior to service as an administrator of the Plan, or during such service, been granted or awarded equity securities of the Company pursuant to this Plan or any other plan of the Company or any of its affiliates, except for options granted automatically pursuant to the formula set forth in the Advanced Micro Devices, Inc. 1992 Stock Incentive Plan.

(d) Fair Market Value per Share: The term "Fair Market Value per Share" shall mean as of any day (i) the closing price for Shares on the New York Stock Exchange as reported on the Composite Tape on the day as of which such determination is being made or, if there was no sale of Shares reported on the Composite Tape on such day, on the most recently preceding day on which there was such a sale, or (ii) if the Shares are not listed or admitted to trading on the New York Stock Exchange on the day as of which the determination is made, the amount determined by the Board or its

delegate to be the fair market value of a Share on such day.

(e) 1986 Plan: The term "1986 Plan" shall mean the Corporation's 1986 Stock Option Plan as amended.

(f) Optionee: The term "Optionee" shall mean any person eligible to receive a Stock Option or a Stock Appreciation Right.

(g) Plan: The term "Plan" or this "Plan" shall mean this 1986 Stock Appreciation Rights Plan, as originally adopted, and, if amended or modified as herein provided, as so amended or modified.

(h) Shares: The term "Shares" shall mean shares of Common Stock of the Corporation and any shares of stock or other securities received as a result of the adjustments provided for in Section 9 of this Plan.

(i) Stock Appreciation Right: The term "Stock Appreciation Right" shall mean the right to receive, without payment to the Corporation, cash and/or Shares equivalent in value to the Spread as defined in Sections 6 and 7 of this Plan.

(j) Stock Option: The term "Stock Option" shall mean (except as herein otherwise provided) a stock option granted under the 1986 Plan.

(k) Stock Option Plans: The term "Stock Option Plan" shall mean the 1986 Plan.

(l) Related Option: The term "Related Option" shall mean an option, if any, with respect to which a Right has been granted.

(m) Rights: The term "General Right" shall mean a Stock Appreciation Right granted by the Board or its delegate pursuant to the provisions of Section 6 of this Plan. The term "Limited Right" shall mean a Stock Appreciation Right granted by the Board or its delegate pursuant to the provisions of Section 7 of this Plan. The term "Right" shall mean any General Right or Limited Right.

3. Administration

(a) The Board of Directors (the "Board"), whose authority shall be plenary, shall administer the Plan and may delegate part or all of the powers designated in Section 3(b) with respect to part or all of the Plan pursuant to Section 3(c); provided, however, that the Board of Directors shall delegate administration of the Plan to the extent required by Section 3(d).

(b) The Board shall have the power, subject to and within the limits of the express provisions of the Plan:

(1) To grant Rights pursuant to the Plan.

(2) To determine from time to time which of the eligible persons shall be granted Rights under the Plan, the number of Shares for which each Right shall be granted, the term of each

granted Right and the time or times during the term of each Right within which all or portions of each Right may be exercised, (which at the discretion of the Board may be accelerated).

(3) To grant Rights in exchange for cancellation of Rights granted earlier at different exercise prices.

(4) To prescribe the terms and provisions of each Right granted (which need not be identical) and the form of written instrument that shall constitute the Right agreement.

(5) To take appropriate action to amend any Right hereunder; provided, however, that no such action may be taken by the Board without the written consent of the affected holder of the Right.

(6) To construe and interpret the Plan and Rights granted under the Plan, and to establish, amend and revoke rules and regulations for administration of the Plan. The Board, in the exercise of this power, shall generally determine all questions of policy and expediency that may arise and may correct any defect, omission or inconsistency in the Plan or in any Right agreement in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(7) Generally, to exercise such powers and to perform such acts as are deemed necessary or expedient to promote the best interests of the Company.

(c) Subject to the limits set forth below, the Board may, by resolution, delegate its administrative powers set forth in Section 3(b) above under either or both of the following:

(1) with respect to the participation of or granting of Rights to an employee who is not subject to Section 16 of the Exchange Act, to a committee of one or more members of the Board, whether or not such members of the Board are Disinterested Directors;

(2) with respect to ministerial matters, i.e., matters other than the selection for participation in the Plan and substantive decisions concerning the timing, pricing, amount or other material term of a Right, to a committee of one or more members of the Board, whether or not such members of the Board are Disinterested Directors, or to one or more officers of the Company.

(d) Unless each member of the Board is a Disinterested Director, the Board shall, by resolution, delegate administration of the Plan with respect to the participation in the Plan of employees who are subject to Section 16 of the Exchange Act, including its powers to select such employees for participation in the Plan, to make substantive decisions concerning the timing, pricing, amount or any other material term of a Right granted to such an employee, to a committee of two or more Disinterested Directors. Any committee to which administration of the Plan is so delegated may also administer the Plan with respect to an employee

described in Section 3(c)(1) above.

(e) Except as required by Section 3(d) above, the Board shall have complete discretion to determine the composition, structure, form, term and operations of any committee established to administer the Plan. If administration is delegated to a committee, unless the Board otherwise provides, the committee shall have, with respect to the administration of the Plan, all of the powers and discretion theretofore possessed by the Board and delegable to such committee, subject to any constraints which may be adopted by the Board from time to time and which are not inconsistent with the provisions of the Plan. The Board at any time may revest in the Board any of its administrative powers under the Plan, except under circumstances where a committee is required to administer the Plan under Section 3(d) above.

(f) The determinations of the Board or its delegate shall be conclusive and binding on all persons having any interest in this Plan or in any awards granted hereunder.

4. Shares Subject to Plan and to Options.

(a) The total sum of the Shares with respect to which Rights may be exercised under the Plan plus the Shares which may be sold pursuant to options granted under the 1986 Stock Option Plan shall not exceed in the aggregate one million (1,000,000) shares of the Corporation's authorized Common Stock. This number of authorized Rights and options shall take into account adjustments pursuant to Section 9, and shall include stock dividends with respect to shares previously issued pursuant to this Plan. If any Rights granted under the Plan shall for any reason terminate or expire without having been exercised in full, the stock not purchased under such options shall be available again for the purposes of the Plan.

(b) On the exercise of any General Right a Related Option shall be considered to have been exercised to the extent such General Right is exercised for the purpose of determining the number of shares and Rights available for the grant of further stock options or Rights pursuant to the Plan. On the exercise of a General Right, a Related Option, if any, shall cease to be exercisable to the extent of the Shares with respect to which such General Right is exercised, but such Related Option shall be considered to have been exercised to such extent for purposes of determining the number of Shares available for the grant of further Stock Options pursuant to the Stock Option Plan.

5. Eligibility. Rights may be granted only to full or part time employees of the Corporation and/or of any parent or subsidiary. Members of the Board of Directors of the Corporation who are not also employees of the Corporation shall not be eligible for the benefits of the Plan. Any employee may hold more than one Right at any time.

6. Stock Appreciation Rights - General Rights.

(a) The Board or its delegate shall have authority in its discretion to grant a General Right to any eligible employee. A General Right may be granted to an Optionee irrespective of whether such Optionee holds, is being granted, or has been granted an option under any Stock Option Plan of the Corporation. A General Right may be granted to an Optionee irrespective of whether such Optionee holds, is being granted, or has been granted a Limited or General Right. A General Right may be made exercisable without regard to the exercisability of any option. On the exercise or termination of a Related Option, the General Right with respect to such Related Option shall terminate to the extent of the number of Shares with respect to which the Related Option is exercised or terminated.

(b) With respect to the exercise of any General Right for Shares, the term "Spread" as used in this Section 6 shall mean an amount equal to the product computed by multiplying (i) the excess of (A) the Fair Market Value per Share on the date such General Right is exercised over (B) the Award Price by (ii) the number of Shares with respect to which such General Right is being exercised. With respect to the exercise of any General Right for cash, the term "Spread" as used in this Section 6 shall mean an amount equal to the product computed by multiplying (i) the excess of (A) the highest Fair Market Value per Share during the period described in paragraph (e) of this Section 6 over (B) the Award Price by (ii) the number of Shares with respect to which such General Right is being exercised.

(c) On the exercise of a General Right as provided in Paragraph (j) of this Section 6, the holder thereof, except as provided in Paragraph (d) of this Section 6, shall be entitled at his election to receive either:

(i) a number of Shares equal to the quotient computed by dividing the Spread by the Fair Market Value per Share on the date of exercise of the General Right, provided, however, that in lieu of fractional Shares the Corporation shall pay cash equal to the same fraction of the Fair Market Value per Share on the date of exercise of the General Right; or

(ii) an amount in cash equal to the Spread; or

(iii) a combination of cash in the amount specified in such holder's notice of exercise, and a number of Shares calculated as provided in Clause (i) of this Paragraph (c), after reducing the Spread by such cash amount, plus cash in lieu of any fractional Share as provided above.

(d) Notwithstanding the provisions of Paragraph (c) of this Section 6, the Board or its delegate shall have sole discretion to consent to or disapprove, in whole or in part, the election pursuant to either Clause (ii) or (iii) of Paragraph (c) of this Section 6 of a holder of a General Right to receive cash upon the exercise of a General Right ("Cash election"). Such consent or disapproval may be given at any time after the Cash Election to which it relates. If the Board or its delegate shall disapprove a

Cash Election, in lieu of paying the cash (or any portion thereof) specified in such Cash Election, the Board or its delegate shall determine the cash, if any, to be paid pursuant to such Cash Election and shall issue a number of Shares calculated as provided in Clause (i) of Paragraph (c) of this Section 6, after reducing the Spread by such cash to be paid plus cash in lieu of any fractional Share.

(e) Notwithstanding the provisions of Paragraph (c) of this Section 6, a Cash Election may be made only during the period beginning on the third business day following the date of release for publication of the quarterly and annual summary statements of sales and earnings of the Corporation and ending on the 12th business day following such date.

(f) The Corporation intends that this Section 6 shall comply with the requirements of Rule 16b-3 (the "Rule") under the Securities Exchange Act of 1934 during the term of this Plan. Should any provision of this Section 6 be unnecessary to comply with the requirements of the Rule, the Board of Directors of the Corporation may amend this Plan to add to or modify the provisions of this Plan accordingly.

(g) No General Right shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a General Right, the General Right shall be exercisable only by him or his guardian or legal representative.

(h) A person exercising a General Right shall not be treated as having become the registered owner of any Shares issued on such exercise until such Shares are issued.

(i) Each General Right shall be on such terms and conditions not inconsistent with this Plan as the Board or its delegate may determine and shall be evidenced by Right Agreement setting forth such terms and conditions executed by the Corporation and the holder of the General Right.

(j) To exercise a General Right, the holder shall (i) give notice thereof to the Corporation in form satisfactory to the Board or its delegate addressed to the Secretary of the Corporation specifying (A) the number of Shares with respect to which he is exercising the General Right and (B) the amount he elects to receive in cash, if any, and the amount he elects to receive in Shares with respect to the exercise of the General Right; (ii) deliver to the Corporation such written representations, warranties and covenants as the Corporation may require under Section 10 of this Plan; and (iii) if requested by the Corporation, deliver the Right Agreement relating to the General Right being exercised and the Option Agreement for the Related Option to the Secretary of the Corporation who shall endorse thereon a notation of such exercise and return the Right Agreement and the Option Agreement to the Optionee. The date of exercise of a General Right which is validly exercised shall be the date on which the Corporation shall have received the notice referred to in the first sentence of this Paragraph (j).

7. Stock Appreciation Rights - Limited Rights.

(a) The Board or its delegate shall have authority in its discretion to grant a Limited Right to the Holder of any Stock Option (the "Related Option") granted under the Stock Option Plans with respect to all or some of the Shares covered by such Related Option. A Limited Right may be granted either at the time of grant of the Related Option or at any time thereafter during its term. A Limited Right may be granted to an Optionee irrespective of whether such Optionee is being granted or has been granted a General Right. A Limited Right may be exercised only during the period beginning on the first day following the date of expiration of any Offer (as that term is defined in Paragraph (b) of this Section 7) for Shares and ending on the thirtieth day following such date. Each Limited Right shall be exercisable for not more than the number of Shares that the Related Option is exercisable. Notwithstanding the provisions of the two immediately preceding sentences, no Limited Right may be exercised until the expiration of six months from the date of grant of such Limited Right. On the exercise of a Limited Right, the Related Option shall cease to be exercisable to the extent of the number of Shares with respect to which such Limited Right is exercised, but such Related Option shall be considered to have been exercised to such extent for purposes of determining the number of shares available for the grant of further Stock Options pursuant to the Stock Option Plans. Upon the exercise or termination of a Related Option, the Limited Right with respect to such Related Option shall terminate to the extent of the number of Shares with respect to which the Related Option is exercised or terminated.

(b) The term "Offer" as used in this Section 7 shall mean any tender offer or exchange offer for Shares, other than one made by the Corporation, provided that the corporation, person or other entity making the offer acquires Shares pursuant to such offer and following expiration or termination of the Offer the offeror owns 25% or more of the outstanding Shares.

(c) The term "Offer Price per Share" as used in this Section 7 with respect to the exercise of any Limited Right shall mean the highest price per Share paid in any Offer which Offer is in effect at any time during the period beginning on the sixtieth day prior to the date on which such Limited Right is exercised and ending on the date on which such Limited Right is exercised. Any securities or property which are part or all of the consideration paid for Shares in the Offer shall be valued in determining the Offer Price per Share at the higher of (A) the valuation placed on such securities or property by the corporation, person or other entity making such Offer or (B) the valuation placed on such securities or property by the Board or its delegate.

(d) The term "Spread" as used in this Section 7 with respect to the exercise of any Limited Right shall mean an amount equal to the product computed by multiplying (i) the excess of (A) the Offer Price per Share over (B) the Award Price per Share at which the Related Option is exercisable, by (ii) the number of Shares with respect to which such Limited Right is being exercised.

(e) Upon the exercise of a Limited Right as provided in Paragraph (j) of this Section 7, the holder thereof shall receive an amount in cash equal to the Spread.

(f) Notwithstanding any other provision of this Plan, no General Right may be exercised at a time when any Limited Right held by the holder of such General Right may be exercised.

(g) The Corporation intends that this Section 7 shall comply with the requirements of Rule 16b-3 (the "Rule") under the Securities Exchange Act of 1934 during the term of this Plan. Should any provision of this Section 7 be unnecessary to comply with the requirements of the Rule or should any additional provisions be necessary for this Section 7 to comply with the requirements of the Rule, the Board of Directors of the Corporation may amend this Plan to add or to modify the provisions of this Plan accordingly.

(h) No Limited Right shall be transferable except by will or by the laws of descent and distribution. During the life of a holder of a Limited Right, the Limited Right shall be exercisable only by him or his guardian or legal representative.

(i) Each Limited Right shall be on such terms and conditions not inconsistent with the Plan as the Board or its delegate may determine and shall be evidenced by a Right Agreement setting forth such terms and conditions executed by the Corporation and the holder of the Limited Right.

(j) To exercise a Limited Right, the holder shall (i) give notice thereof to the Corporation in form satisfactory to the Board or its delegate specifying the number of Shares with respect to which he is exercising the Limited Right, and (ii) if requested by the Corporation, deliver the Right Agreement relating to the Limited Right being exercised and the Option Agreement for a Related Option to the Secretary of the Corporation who shall endorse thereon a notation of such exercise and return the Right Agreement and the Option Agreement to the employee. The date of exercise of a Limited Right which is validly exercised shall be deemed to be the date on which the Corporation shall have received the notice referred to in the first sentence of this Paragraph (j).

8. Effectiveness and Term of the Plan.

(a) No Right granted under this Plan shall be exercisable until the Plan is approved by the holders of outstanding shares of Common Stock of the Corporation constituting a majority of such shares present in person or represented by proxy and entitled to vote at a meeting of shareholders of the Corporation duly called and held.

(b) Unless previously terminated in accordance with Section 11 of this Plan, this Plan shall terminate on the close of business on June 10, 1996, after which no Rights shall be granted under this Plan. Such termination shall not affect any Stock Options or Rights granted prior to such termination.

9. Certain Adjustments.

(a) In the event that the Corporation shall pay a stock dividend in, or split-up, combine, reclassify or substitute other securities for, its outstanding Shares, the Board or its delegate shall forthwith take such action, if any, as is consistent with the provisions of this Plan and as in its judgment shall be necessary to preserve to the holders of Rights such rights as are substantially proportionate to the rights held by them immediately prior to such an event. Any adjustment may provide for the elimination of any fractional Shares which might otherwise become subject to a Right.

(b) In case the Corporation is merged or consolidated with another corporation and the Corporation is not the surviving corporation, or all or substantially all of the assets of the Corporation are transferred to another corporation, such action shall be taken, if any, which in the judgment of the Board of Directors is necessary to substitute for Shares covered by any outstanding Right the type of securities or property of the corporation surviving such merger or consolidation or acquiring such assets which are issuable by reason of such merger, consolidation or transfer to the holders of the shares of Common Stock of the Corporation.

(c) Notwithstanding and in addition to the provisions of this Plan, the Board or its delegate shall have the authority to provide in any Right Agreement, either at the time of grant or by amendment, that, upon the date of a determination by the Board of Directors that within six months next succeeding the date of such determination there is a reasonable possibility a public market for the Shares may cease to exist, or such Shares may fail to remain qualified for listing on the New York Stock Exchange, any General or Limited Right related thereto shall become fully exercisable as to all Shares subject thereto; provided, however, that except in the case of the death or physical or mental incapacity of the Right holder, no Right shall be exercisable prior to the expiration of six months following (i) the date of the grant of the Related Option, or (ii) the date on which the Right was granted, whichever is later.

(d) In addition to the authority conferred to the Board or its delegate in (c) hereinabove, the Board or its delegate shall also have the authority to modify or otherwise amend any Right Agreement as it deems necessary or appropriate, provided that the holder of the Right subject to any such Right Agreement to be modified or amended shall have consented thereto.

10. Compliance with Law.

(a) Each employee, to permit the Corporation to comply with the Securities Act of 1933, as amended (the "Act"), and any applicable blue sky or state securities laws, may be required by the Corporation to represent in writing to the Corporation at the time of grant of a Right and at the time of the issuance of any Shares thereunder that he does not contemplate and shall not make

any transfer of any Shares to be acquired under Rights except in compliance with the Act, and he shall enter into such agreements and make such other representations as, in the opinion of counsel to the Corporation, shall be sufficient to enable the Corporation legally to issue the Shares. Certificates representing Shares to be acquired under Rights shall bear such legends as counsel for the Corporation may indicate are necessary or appropriate to accomplish the purposes of Paragraphs (a) and (b) of this Section 10.

(b) If at any time the Board of Directors shall determine that the listing, registration or qualification of the Shares subject to any Right upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory authority, is necessary or desirable as a condition of, or in connection with, the granting of, or issuance of Shares under, such Right, such Shares shall not be issued unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board of Directors.

(c) Where in the opinion of counsel to the Company, the Company has or will have an obligation to withhold taxes relating to the exercise of a Right, a Participant may elect (a "Withholding Election") to pay his required minimum withholding tax obligation by the withholding of Shares from the total number of Shares deliverable pursuant to the exercise of a Right in whole or in part for Shares, or by delivering to the Company a sufficient number of previously acquired Shares, and may elect to have additional taxes paid by the delivery of previously acquired shares, in each case in accordance with rules and procedures established by the Board or its delegate. Previously owned shares delivered in payment for such taxes must have been owned for at least six months prior to the exercise date, or may be subject to such other conditions as the Board or its delegate may require. The value of Shares withheld or delivered shall be the Fair Market Value per Share on the date the exercise becomes taxable. All Withholding Elections are subject to the approval of the Board or its delegate and must be made in compliance with rules and procedures established by the Board or its delegate.

11. Amendment of the Plan. The Board of Directors at any time and from time to time, may amend the Plan, subject to the limitation that, except as provided in Section 9 (relating to adjustments upon changes in stock), no amendment shall be effective unless approved within twelve (12) months before or after the date of such amendment's adoption, by the vote or written consent of a majority of the outstanding shares of the Company/Corporation entitled to vote, where such amendment will:

(a) increase the number of Rights which may be exercised under the Plan;

(b) materially increase the benefits accruing to participants under the Plan; or

(c) materially modify the requirements of Section 5 as to eligibility for participation in the Plan.

It is expressly contemplated that the Board may amend the Plan in any respect necessary to provide the Company's employees with the maximum benefits provided or to be provided under Section 422A of the Code and the regulations promulgated thereunder relating to employee incentive stock options and/or to bring the Plan or Rights granted under it into compliance therewith.

Rights and obligations under any Right granted before any amendment of the Plan shall not be altered or impaired by amendment of the Plan, except with the consent, which may be obtained in any manner deemed by the Board or its delegate to be appropriate, of the person to whom the Right was granted.

12. No Obligations. Neither this Plan nor the grant of any Right shall confer any right on any employee to remain in the employ of the Corporation or any subsidiary or restrict the right of the Corporation or any subsidiary to terminate his employment.

EXHIBIT 10.7

MONOLITHIC MEMORIES, INC.

1981 INCENTIVE STOCK OPTION PLAN

1. Purposes of the Plan. The purposes of this Stock Option Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to the Employees of the Company and to promote the success of the Company's business.

Options granted hereunder may be either Incentive Stock Options or Nonstatutory Stock Options, at the discretion of the Board and as reflected in the terms of the written option agreement.

2. Definitions. As used herein, the following definitions shall apply:

(a) "Board" shall mean the Committee, if one has been established, or the Board of Directors of the Company, if no Committee is appointed.

(b) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(c) "Committee" shall mean the Board, and if such is appointed by the Board in accordance with Section 4(a) of the Plan, any Committee to which part or all of the Board's authority is delegated.

(d) "Common Stock" shall mean the Common Stock of the Company.

(e) "Company" shall mean Advanced Micro Devices, Inc., a Delaware corporation.

(f) "Continuous Status as an Employee" shall mean the absence of any interruption or termination of service as an Employee. Continuous Status as an Employee shall not be considered interrupted in the case of sick leave, military leave, or any other leave of absence approved by the Board.

(g) "Employee" shall mean any person, including officers and directors, employed by the Company or any Parent or Subsidiary of the Company. The payment of directors' fees by the Company shall not be sufficient to constitute "employment" by the Company.

(h) "Incentive Stock Option" shall mean an option intended to qualify as an incentive stock option within the meaning of Section 422A of the Code.

(i) "Nonstatutory Stock Option" shall mean an Option not

intended to qualify as an Incentive Stock Option.

(j) "Option" shall mean a stock option granted pursuant to the Plan.

(k) "Optioned Stock" shall mean the Common Stock subject to an option.

(l) "Optionee" shall mean an Employee who receives an Option.

(m) "Parent" shall mean a "parent corporation", whether now or hereafter existing, as defined in Section 425 (e) of the Code.

(n) "Plan" shall mean this 1981 Incentive Stock Option Plan.

(o) "Share" shall mean a share of the Common Stock, as adjusted in accordance with Section 11 of the Plan.

(p) "Subsidiary" shall mean a "subsidiary corporation," whether now or hereafter existing, as defined in Section 425(f) of the Code.

3. Stock Subject to the Plan. Subject to the provisions of Section 11 of the Plan, the maximum aggregate number of shares which may be optioned and sold under the Plan is 4,620,000 shares of Common Stock. The Shares may be authorized, but unissued, or reacquired Common Stock.

If an Option should expire or become unexercisable for any reason without having been exercised in full, the unpurchased shares which were subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan.

4. Administration.

(a) The Board of Directors (the "Board"), whose authority shall be plenary, shall administer the Plan and may delegate part or all of its administrative powers with respect to part or all of the Plan pursuant to Section 4(d); provided, however, that the Board of directors shall delegate administration of the Plan to the extent required by Section 4(e).

(b) The Board or its delegate shall have the power, subject to and within the limits of the express provisions of the Plan:

(1) To make any determination under this Plan in execution of its responsibilities.

(2) To determine from time to time the term of each granted Option or Right and the time or times during the term of each Option or Right within which all or portions of each Option or Right may be exercised (which at the discretion of the Board or its

delegate may be accelerated).

(3) To grant Options and/or Rights in exchange for cancellation of Options and/or Rights granted earlier at different exercise prices, provided, however, nothing contained herein shall empower the Board or its delegate to grant an ISO under conditions or pursuant to terms that are inconsistent with the requirements of Section 422 of the Code.

(4) To prescribe the terms and provisions of each Option and/or Right granted (which need not be identical) and the form of written instrument that shall constitute the Option and/or Right agreement.

(5) To take appropriate action to amend any Option and/or Right hereunder, including to cause any Option granted hereunder to cease to be an ISO, provided that no such action may be taken by the Board or its delegate without the written consent of the affected Participant.

(c) The Board or its delegate shall also have the power, subject to and within the limits of the express provisions of this Plan:

(1) To construe and interpret the Plan and Options and Rights granted under the Plan, and to establish, amend and revoke rules and regulations for administration of the Plan. The Board or its delegate, in the exercise of this power, shall generally determine all questions of policy and expediency that may arise and may correct any defect, omission or inconsistency in the Plan or in any Option or Right agreement in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(2) Generally, to exercise such powers and to perform such acts as are deemed necessary or expedient to promote the best interests of the Company.

(d) The Board of Directors may, by resolution, delegate administration of the Plan (including, without limitation, the Board's powers under Sections 4(b) and (c) above), under either or both of the following:

(1) with respect to the participation of or granting of Options or Rights to an employee who is not subject to Section 16 of the Exchange Act, to a committee of one or more members of the Board of Directors, whether or not such members of the Board of Directors are Disinterested Directors;

(2) with respect to matters other than the selection for participation in the Plan, substantive decisions concerning the timing, pricing, amount or other material term of an Option or Right, to a committee of one or more members of the Board of Directors, whether or not such members of the Board of Directors are Disinterested Directors, or to one or more officers of the Company.

(e) Unless each member of the Board is a Disinterested Director, the Board shall, by resolution, delegate administration of the Plan with respect to the participation in the Plan of employees who are subject to Section 16 of the Exchange Act, including its powers to select such employees for participation in the Plan, to make substantive decisions concerning the timing, pricing, amount or any other material term of an Option or Right, to a committee of two or more Disinterested Directors. Any committee to which administration of the Plan is so delegated pursuant to this Section 4(e) may also administer the Plan with respect to an employee described in Section 4(d)(1) above.

(f) Except as required by Section 3(e) above, the Board shall have complete discretion to determine the composition, structure, form, term and operations of any committee established to administer the Plan. If administration is delegated to a committee, unless the Board otherwise provides, the committee shall have, with respect to the administration of the Plan, all of the powers and discretion theretofore possessed by the Board and delegable to such committee, subject to any constraints which may be adopted by the Board from time to time and which are not inconsistent with the provisions of the Plan. The Board, at any time, may revest in the Board any of its administrative powers under the Plan, except under circumstances where a committee is required to administer the Plan under Section 3(e) above.

(g) The determinations of the Board or its delegate shall be conclusive and binding on all persons having any interest in this Plan or in any awards granted hereunder.

(h) The term "Disinterested Director" shall mean a member of the Board of Directors of the Company who has not, during the one year prior to service as an administrator of the Plan, or during such service, been granted or awarded equity securities of the Company pursuant to this Plan (except for automatic grants of options to Outside Directors pursuant to Section 8) of the 1992 Stock Incentive Plan or any other plan of the Company or any of its Affiliates.

5. Eligibility.

(a) Options may be granted only to Employees. An Employee who has been granted an Option may, if he is otherwise eligible, be granted an additional Option or Options.

(b) No Incentive Stock Option may be granted to an Employee which, when aggregated with all other incentive stock options granted to such Employee by the Company or any Parent or Subsidiary, would result in Shares having an aggregate fair market value (determined for each Share as of the date of grant of the Option covering such Share) in excess of $100,000 becoming first available upon exercise of one or more Incentive Stock Option during any calendar year.

(c) Section 5(b) of the Plan shall apply only to an

Incentive Stock Option evidenced by an "Incentive Stock Option Agreement" which sets forth the intention of the Company and the Optionee that such Option shall qualify as an Incentive Stock Option. Section 5(b) of the Plan shall not apply to any Option evidenced by a "Nonstatutory Stock Option Agreement" which sets forth the intention of the Company and the Optionee that such Option shall be a Nonstatutory Stock Option.

(d) The Plan shall not confer upon any Optionee any right with respect to continuation of employment by the Company, nor shall it interfere in any way with his right or the Company's right to terminate his employment at any time.

6. Term of Plan. The Plan shall become effective upon the earlier to occur of its adoption by the Board or its approval by vote of the holders of a majority of the outstanding shares of the Company entitled to vote on the adoption of the Plan. It shall continue in effect for a term of ten (10) years unless sooner terminated under Section 13 of the Plan.

7. Term of Option. The term of each Incentive Stock Option shall be ten (10) years from the date of grant thereof or such shorter term as may be provided in the Stock Option Agreement. The term of each Option that is not an Incentive Stock Option shall be ten (10) years and one (1) day from the date of grant thereof or such shorter term as may be provided in the Stock Option Agreement. However, in the case of an Option granted to an Optionee who, at the time the Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, (a) if the Option is an Incentive Stock Option, the term of the Option shall be five (5) years from the date of grant thereof or such shorter time as may be provided in the Stock Option Agreement, or (b) if the Option is not an Incentive Stock Option, the term of the Option shall be five (5) years and one (1) day from the date of grant thereof or such shorter term as may be provided in the Stock Option Agreement.

8. Option Price and Consideration.

(a) The per Share purchase price of the Shares to be issued pursuant to exercise of an Incentive Stock Option shall be such price as is determined by the Board, but shall in no event be less than the fair market value per Share on the date of grant of the Incentive Stock Option. The per Share purchase price of the Shares to be issued pursuant to exercise of a Nonstatutory Stock Option shall be such price as is determined by the Board, but shall be in no event be less than the fair market value per Share on the date of grant of the Nonstatutory Stock Option or the date the price is amended, whichever is lower.

(b) The fair market value shall be determined by the Board in its discretion; provided, however, that where there is a public market for the Common Stock, the fair market value per Share shall be the mean of the bid and asked prices of the Common Stock for the date of grant, as reported in the Wall Street Journal, or,

in the event the Common Stock is listed on a stock exchange or on the National Association of Securities Dealers Automated Quotation (NASDAQ) National Market System, the fair market value per Share shall be the closing price on the exchange on the date of grant of the Option, as reported in the Wall Street Journal.

(c) The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Board and may consist entirely of cash, check, promissory note, other Shares of Common Stock of the Company having a fair market value on the date of surrender equal to the aggregate exercise price of the Shares as to which said option shall be exercised, or any combination of such methods of payment, or such other consideration and method of payment for the issuance of Shares to the extent permitted by the Delaware General Corporation Law.

9. Exercise of Option.

(a) Procedure for Exercise; Rights as a Shareholder. Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Board, including performance criteria with respect to the Company and/or the Optionee, and as shall be permissible under the terms of the Plan; provided, however, that an Incentive Stock Option granted prior to January 1, 1987 shall not be exercisable while there is outstanding any Incentive Stock Option which was granted, before the granting of such Incentive Stock Option, to the same Optionee to purchase stock of the Company, or any Parent or Subsidiary, or any predecessor corporation of such corporation. For purposes of this provision, an Incentive Stock Option shall be treated as outstanding until such option is exercised in full or expires by reason of lapse of time.

An Option may not be exercised for a fraction of a Share.

An Option shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Option by the person entitled to exercise the Option and full payment for the Shares with respect to which the Option is exercised has been received by the Company. Full payment may, as authorized by the Board, consist of any consideration and method of payment allowable under Section 8(c) of the Plan. Until the Company receives written notice of such exercise and full payment for the Shares, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Optioned Stock, and no adjustment will be made for a dividend or other right for which the record date is prior to the date the Company receives such notice and such payment, except as provided in Section 11 of the Plan.

Exercise of an Option in any manner shall result in a decrease in the number of Shares which thereafter may be available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(b) Termination of Status as an Employee. If an Employee ceases to serve as an Employee, he may, but only within thirty (30) days (or such other period of time as determined by the Board or its delegate, and not extending beyond the original maximum term of the option) after the date he ceases to be an Employee of the Company, exercise his Option to the extent that he was entitled to exercise it at the date of such termination. To the extent that he was not entitled to exercise the Option at the date of such termination, or if he does not exercise such Option (which he was entitled to exercise) within the time specified herein, the Option shall terminate.

(c) Death of Optionee. In the event of the death of an Optionee:

(i) during the term of the Option who is at the time of his death an Employee of the Company and who shall have been in Continuous Status as an Employee since the date of grant of the Option, the Option may be exercised, at any time within six (6) months following the date of death, by the Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent of the right to exercise that would have accrued had the Optionee continued living and remained in Continuous Status as an Employee six months after the date of death; or

(ii) within one (1) month after the termination of Continuous Status as an Employee, the Option may be exercised, at any time within six (6) months following the date of death, by the Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent of the right to exercise that had accrued at the date of termination.

(d) Divorce: If an Option or any portion thereof is transferred pursuant to a qualified domestic relations order to a former spouse who is neither a director nor an employee of the Company or any of its Affiliates, the former spouse shall have the right for the period of twelve months following the date of transfer, or such other period as the Board or its delegate may fix, to exercise the Option to the extent the Participant was entitled to exercise such option on the date of transfer. Unless otherwise specified in the option agreement or by court order, the date of transfer shall be the date the qualified domestic relations order is executed.

(e) Withholding Taxes. Where in the opinion of counsel to the Company, the Company has or will have an obligation to withhold taxes relating to the exercise of any stock option, the Board or its delegate may in its discretion require that such tax obligation be satisfied in a manner satisfactory to the Company before shares deliverable pursuant to the exercise of such option are transferred to the option holder. An option holder may make a Withholding Election, to pay required minimum withholding taxes by the withholding of shares from the total number of shares deliverable pursuant to the exercise of the option or by delivering

a sufficient number of previously acquired shares, in each case in accordance with rules and procedures established by the Board or its delegate. Previously owned shares delivered in payment for such taxes must have been owned for at least six months prior to the exercise date, or may be subject to such other conditions as the Board or its delegate may require. The value of shares withheld or delivered shall be the fair market value of such shares on the date the exercise becomes taxable. Such Withholding Election shall be subject to the approval of the Board or its delegate, and must be in compliance with rules and procedures established by the Board or its delegate.

(f) The vesting of options may be on such terms as the Board may prescribe, and such vesting may be made automatically accelerated in the event of a change of control of the Company.

If any Participant's employment is terminated by the Company for any reason other than for Misconduct or, if applicable, by Constructive Termination, within one year after a Change of Control has occurred, then all Options held by such Participant shall become fully vested for exercise upon the date of termination, irrespective of the vesting provisions of the Participant's option agreement.

Unless otherwise specified in an individual's option agreement, the term "Change of Control" shall mean a change of control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), or in response to any other form or report to the Securities and Exchange Commission or any stock exchange on which the Company's shares are listed which requires the reporting of a change of control. In addition, a Change of Control shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing more than 20% of the combined voting power of the Company's then outstanding securities; or (ii) in any two-year period, individual who were members of the Board of Directors (the "Board") at the beginning of such period plus each new director whose election or nomination for election was approved by at least two-thirds of the directors in office immediately prior to such election or nomination, cease for any reason to constitute at least a majority of the Board; or (iii) a majority of the members of the Board in office prior to the happening of any event and who are still in office after such event, determines in its sole discretion within one year after such event, that as a result of such event there has been a Change of Control.

Notwithstanding the foregoing definition, "Change of Control" shall exclude the acquisition of securities representing more than 20% of the combined voting power of the Company by the Company, any of its wholly-owned subsidiaries, or any trustee or other fiduciary holding securities of the Company under an employee benefit plan now or hereafter established by the Company. As used

herein, the term "beneficial owner" shall have the same meaning as under Section 13(d) of the Exchange Act and related case law.

The term "Constructive Termination" shall mean a resignation by a Participant who has been elected by the Company's Board of Directors as a corporate officer of the Company, due to diminution or adverse change in the circumstances of such Participant's employment with the company, as determined in good faith by the Participant, including, without limitation, reporting relationships, job description, duties, responsibilities, compensation, perquisites, office or location of employment. Constructive Termination shall be communicated by written notice to the Company, and such termination shall be deemed to occur on the date such notice is delivered to the Company.

10. Non-Transferability of Options. The Option may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Optionee, only by the Optionee.

11. Adjustments Upon Changes in Capitalization or Merger. Subject to any required action by the shareholders of the Company, the number of shares of Common Stock covered by each outstanding Option, and the number of shares of Common Stock which have been authorized for issuance under the Plan but as to which no Options have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Option, as well as the price per share of Common Stock covered by each such outstanding Option, shall be proportionately adjusted for any increase or decrease in the number of issued shares of Common Stock resulting from a stock split, stock dividend, combination or reclassification of the Common Stock, or any other increase or decrease in the number of issued shares of Common Stock effected without receipt of consideration by the Company; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares of Common Stock subject to an Option.

In the event of the proposed dissolution or liquidation of the Company, or in the event of a proposed sale of substantially all of the assets of the Company, or the merger of the Company with or into another corporation, the Option will terminate unless otherwise provided by the Board. The Board may, in the exercise of its sole discretion in such instances, declare that any option shall terminate as of a date fixed by the Board and give each Optionee the right to exercise his Option as to all or any part of the Optioned Stock including Shares as to which the Option would not otherwise be exercisable.

12. Time of Granting Options. The date of grant of an Option shall, for all purposes, be the date on which the Board makes the determination granting such Option. Notice of the determination shall be given to each Employee to whom an Option is so granted within a reasonable time after the date of such grant.

13. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may amend or terminate the Plan from time to time in such respects as the Board may deem advisable; provided that, the following revisions or amendments shall require approval of the shareholders of the Company:

(1) any increase in the number of Shares subject to the Plan, other than in connection with an adjustment under Section 11 of the Plan;

(2) any change in the destination of or the class of employees eligible to the granted Options; or

(3) any material increase in the benefits accruing to participants under the Plan.

(b) Effect of Amendment or Termination. Any such amendment or termination of the Plan shall not affect Options already granted and such Options shall remain in full force and effect as if this Plan had not been amended or terminated, unless mutually agreed otherwise between the Optionee and the Board, which agreement must be in writing and signed by the Optionee and the Company.

14. Conditions Upon Issuance of Shares. Shares shall not be issued with respect to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Shares pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the Shares may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an Option, the Company may require the person exercising such Option to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned relevant provisions of law.

15. Reservation of Shares. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the

Plan.

Inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

16. Option Agreement. Options shall be evidenced by written option agreements in such form as the Board shall approve.

17. Shareholder Approval.

(a) Any amendment of the Plan requiring shareholder approval shall be obtained either at a duly held shareholders' meeting or by written consent. If such shareholder approval is obtained at a duly held shareholders' meeting, it must be obtained by the affirmative vote of the holders of a majority of the outstanding shares of the Company, or if such shareholder approval is obtained by written consent, it must be obtained by the unanimous written consent of all shareholders of the Company; provided, however, that approval at a meeting or by written consent may be obtained by a lesser degree of shareholder approval if the Board determines, in its discretion after consultation with the Company's legal counsel, that such a lesser degree of shareholder approval will comply with all applicable laws and will not adversely affect the qualification of the Plan under Section 422A of the Code.

(b) Any required approval of the shareholders of the Company obtained shall be solicited substantially in accordance with Sections 14(a) of the Exchange Act and the rules and regulations promulgated thereunder.

18. Information to Optionees. The Company shall provide to each Optionee, during the period for which such Optionee has one or more Options outstanding, copies of all annual reports and other information which are provided to all shareholders of the Company. The Company shall not be required to provide such information if the issuance of Options under the Plan is limited to key employees whose duties in connection with the Company assure their access to equivalent information.

EXHIBIT 10.10

ADVANCED MICRO DEVICES, INC.

1987 RESTRICTED STOCK AWARD PLAN

1. PURPOSES OF THE PLAN.

The Advanced Micro Devices, Inc. 1987 Restricted Stock Award Plan (the "Plan") is intended to attract and retain employees of Advanced Micro Devices, Inc. (the "Corporation) and its subsidiaries who are and will be contributing to the success of the business; to motivate and reward outstanding employees who have made significant contributions to the success of the Corporation and encourage them to continue to give their best efforts to its future success; to provide competitive incentive compensation opportunities; and to further opportunities for stock ownership by such employees in order to increase their proprietary interest in the Corporation. Accordingly, the Corporation may, from time to time, grant to selected employees awards of shares of the Corporation's $0.01 par value Common Stock ("Common Stock") subject to the terms and conditions hereinafter provided. Common Stock awarded subject to such terms and conditions is hereinafter referred to as "Restricted Stock".

2. ADMINISTRATION.

(a) The Board of Directors (the "Board") whose authority shall be plenary, shall administer the Plan and may delegate part or all of its administrative powers with respect to part or all of the Plan pursuant to subsection 2(c) of the Plan, provided, however, that the Board of Directors shall delegate administration of the Plan to the extent required by Section 2(d).

(b) Subject to the terms, provisions and conditions of this Plan as set forth herein, the Board or its delegate shall have sole discretion and authority:

(1) to select the employee directors, officers and other employees to be awarded Restricted Stock pursuant to Section 5 (it being understood that more than one award may be granted to the same person), and in connection therewith:

(i) to determine the number of shares to be awarded each recipient;

(ii) to determine the period of restriction applicable to each award;

(iii) to determine the time or times when awards may be granted and any additional terms and conditions which may be placed on receiving such award;

(iv) to determine the amount and type of consideration to be provided by the recipient, which may include the rendering of service as an employee of AMD or any of its subsidiaries but shall not include any payment in the form of cash;

(v) to take appropriate action to amend the terms or conditions of any award granted to an employee under the Plan; provided that no such action may be taken by the Board or its delegate without the written consent of the affected participant;

(2) to prescribe the form of agreement, legend or other instruments evidencing any awards granted under this Plan;

(3) to amend the Plan as provided in Section 8 and;

(4) to construe and interpret the provisions of the Plan and the terms and conditions of the awards granted under the Plan and to establish, amend and revoke rules and regulations for carrying out the Plan as the Board or its delegate may deem appropriate. In the exercise of this power, the Board or its delegate shall generally determine all questions of policy and expediency that may arise and may correct any defect, omission or inconsistency in the Plan or in any agreement evidencing any award granted under this Plan in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(c) The Board of Directors may, by resolution, delegate administration of the Plan (including, without limitation, the Board's powers under subsection 2(b) above), under either or both of the following:

(1) with respect to the participation of or awarding shares to an employee who is not subject to Section 16 of the Exchange Act, to a committee of one or more members of the Board of Directors, whether or not such members of the Board of Directors are Disinterested Directors.

(2) with respect to matters other than the selection for participation in the Plan, substantive decisions concerning the timing, pricing, amount or other material term of an award, to a committee of one or more members of the Board of Directors, whether or not such members of the Board of Directors are Disinterested Directors, or to one or more officers of the Company.

(d) Unless each member of the Board is a Disinterested Director, the Board shall, by resolution, delegate administration of the Plan with respect to the participation in the Plan of employees who are subject to Section 16 of the Exchange Act, including its powers to select such employees for participation in the Plan, to make substantive decisions concerning the timing, pricing, amount or any other material term of an award, to a

committee of two or more Disinterested Directors. Any committee to which administration of the Plan is so delegated pursuant to this Section 2(d) may also administer the Plan with respect to an employee described in Section 2(c)(1) above.

(e) Except as required by Section 2(d) above, the Board shall have complete discretion to determine the composition, structure, form, term and operations of any committee established to administer the Plan. If administration is delegated to a committee, unless the Board otherwise provides, the committee shall have, with respect to the administration of the Plan, all of the powers and discretion theretofore possessed by the Board and delegable to such committee, subject to any constraints which may be adopted by the Board from time to time and which are not inconsistent with the provisions of the Plan. The Board at any time may revest in the Board any of its administrative powers under the Plan, except under circumstances where a committee is required to administer the Plan under Section 2(d) above.

(f) The determinations of the Board or its delegate shall be conclusive and binding on all persons having any interest in this Plan or in any awards granted hereunder.

(g) The term "Disinterested Director" shall mean a member of the Board of Directors of the Company who has not, during the one year prior to service as an administrator of the Plan, or during such service, been granted or awarded equity securities of the Company pursuant to this Plan or any other plan of the Company or any of its Affiliates (except for automatic grants of options to Outside Directors pursuant to Section 8 of the 1992 Stock Incentive Plan).

3. STOCK SUBJECT TO THE PLAN.

The aggregate number of shares of Common Stock which may be awarded under the Plan shall not exceed Two Million (2,000,000) shares. Shares to be awarded under this Plan shall be made available, at the discretion of the Board of Directors, either from the authorized but unissued shares of Common Stock of the Corporation or from shares of Common Stock reacquired by the Corporation including shares purchased in the open market for the purpose of issuance under the Plan. If any shares of common Stock awarded under the Plan are reacquired by the Corporation in accordance with Section 6(c) of the Plan, such shares shall again become available for use under the Plan and shall be regarded as not having been previously awarded.

4. ELIGIBILITY.

Restricted Stock shall be awarded by the Board or its delegate only to employees of the Corporation or of a subsidiary of the Corporation. The term "employees" shall include officers as well as other employees of the Corporation and its subsidiaries and shall include directors who are also employees of the Corporation or of a subsidiary of the Corporation.

5. AWARDS.

(a) The Board or its delegate shall have the authority to award Restricted Stock to employ directors, officers and other employees.

(b) Common Stock awarded to employees pursuant to this Section 5 shall be subject to the restrictions on transfer and other conditions specified in Section 6. The Board or its delegate, in its sole discretion, shall determine the terms or conditions under which such restrictions on transfer shall lapse. Such terms or conditions may include attainment of performance goals, passage of time, a change of control of the Corporation or such other terms or conditions as the Board or its delegate may deem appropriate. Subject to Section 8, the Board or its delegate may accelerate the lapse of restrictions or otherwise waive any terms or conditions of an award when it finds that such an acceleration or waiver would be in the best interest of the Corporation.

(c) The Board or its delegate, in its sole discretion, shall determine the terms or conditions under which, during the Restriction Period (defined in Section 6), shares still subject to restriction shall be forfeited by an employee. Such terms or conditions may include, but are not limited to, termination of service.

(d) During the Restriction Period, recipients of awards of restricted stock under this Section 5 shall be entitled to the rights incident to such shares described in Section 6.

(e) Where in the opinion of counsel to the Corporation, the Corporation has or will have an obligation to withhold taxes relating to any restricted stock award, the Board or its delegate may in its discretion require that such tax obligation be satisfied in a manner satisfactory to the Corporation before shares deliverable pursuant to the award are transferred to the award holder. An award holder may make an election to pay such tax by the withholding of shares from the total number of shares deliverable pursuant to the terms of the award or by delivering a sufficient number of previously acquired shares to the Corporation (the "Withholding Election"), and may elect to have additional taxes paid by the delivery of previously acquired shares in accordance with rules and procedures established by the Board or its delegate. Previously owned shares delivered in payment for such taxes must have been for at least six months prior to the owned exercise date, or may be subject to such other conditions as the Board or its delegate may require. The value of shares withheld or delivered shall be the fair market value of such shares on the date the award becomes taxable (the "Tax Date"). Such Withholding Election shall be subject to the approval of the Board or its delegate, and must be in compliance with rules and procedures established by the Board or its delegate. An award holder who elects under Section 83(b) of the Internal Revenue Code to be taxed at the time shares are issued subject to restrictions

may not elect to have a portion of those shares withheld, but may elect to deliver previously acquired shares which are not subject to restrictions. In the event that the award holder fails to satisfy his withholding obligation in a timely manner and according to the rules established by the Board or its delegate, the Corporation shall withhold a sufficient number of shares or sufficient cash, from whatever source available, to satisfy the tax withholding obligation.

(f) No employee or other person shall have any claim or right to be granted shares of Restricted Stock under this Section 5.

6. RESTRICTIONS AND RIGHTS.

The shares of Common Stock awarded pursuant to the Plan shall be subject to the following restrictions and conditions and shall entitle the holder thereof to the following rights:

(a) During the Restriction Period, the participant will not be permitted to sell, pledge, assign or otherwise transfer Restricted Stock awarded under this Plan. The Restriction Period is the period between the date the shares are awarded and the date on which all restrictions and conditions are waived.

(b) Except as provided in Section 6(a), the participant shall have with respect to the Restricted Stock all of the rights of a stockholder of the Corporation, including the right to vote the shares and receive dividends and other distributions.

(c) All shares of Restricted Stock which are forfeited by a participant pursuant to the provisions of this Plan or any agreement required hereunder will be re-acquired by the Corporation.

(d) Notwithstanding the other provisions of this Section 6, the Board or its delegate may adopt rules which would permit a gift by a participant of Restricted Stock to a spouse, lineal descendant or legal dependent or to a trust whose beneficiary or beneficiaries shall be either such a person or persons or the participant; provided that any restrictions on further transfer and any requirement of continued service shall continue to apply to the Restricted Stock in the hands of the donee.

(e) Any attempt to dispose of Restricted Stock in a manner contrary to the restrictions shall be void and ineffective.

(f) Nothing in this Section 6 shall preclude a participant from exchanging any Restricted Stock for any other shares of Common Stock that are similarly restricted.

7. AGREEMENTS AND CERTIFICATES.

(a) Each recipient of an award under this Plan shall execute an agreement or other instrument evidencing the award and shall deliver a fully executed copy thereof to the Corporation.

(b) Each participant shall be issued a certificate in respect of shares of Restricted Stock awarded under the Plan. Such certificate shall be registered in the name of the participant, and shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to such award.

(c) All certificates for shares of Restricted Stock delivered under this Plan shall be subject to such stop transfer orders and other restrictions as the Board or its delegate may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange on which the Common Stock is then listed, and any applicable federal or state securities law. The Board or its delegate may cause a legend or legends to be placed on any such certificates to make appropriate reference to such restrictions.

(d) The Board or its delegate may adopt rules which provide that the stock certificates evidencing shares of Restricted Stock may be held in custody by a third party fiduciary, or that the Corporation may itself hold such shares in custody until the restrictions thereon shall have lapsed and may require, as a condition of any award, that the participant shall have delivered a stock power endorsed in blank relating to the stock covered by such award.

(e) Notwithstanding any other provision of this Plan, the Board or its delegate may make awards under the Plan, pursuant to which the certificate representing shares of Common Stock: (i) will only be issued under an agreement that imposes restrictions and conditions on the issuance of such certificate, and (ii) when issued will bear no restrictive legends and will be freely transferable. In such cases the participant shall, notwithstanding the provisions of Section 6(b) of this Plan, not have any of the rights of a stockholder of the Corporation with respect to any shares of Restricted Stock for which no certificate has been issued.

8. AMENDMENT OF THE PLAN.

The Board or its delegate may amend the Plan at any time, provided that, unless approved by the stockholders within twelve months before or after the adoption of the amendment, no amendment shall:

(i) materially increase the maximum number of shares of Common Stock which are available for awards under the Plan (other than to prevent dilution as provided for in Section 10(a));

(ii) materially increase the benefits accruing to participants under the Plan;

(iii) materially modify the requirements as to eligibility for participation in the Plan;

(iv) extend the period during which awards may be granted under the Plan beyond June 9, 1997, or

(v) impair the rights of any participant under any then outstanding award, except in accordance with the Plan or any applicable agreement or applicable law or with the written consent of the participant.

9. TERMINATION OR SUSPENSION OF THE PLAN.

(a) The Board of Directors at any time may suspend or terminate the Plan. Unless terminated sooner, the Plan shall automatically terminate on June 9, 1997. Common Stock may not be awarded pursuant to this Plan while the Plan is suspended or after it is terminated.

(b) Rights and obligations under any award granted while the Plan is in effect shall not be impaired by suspension or termination of the Plan, except with the consent of the person to whom the award was granted, which may be obtained in any manner that the Board or its delegate deems appropriate.

10. MISCELLANEOUS.

(a) In the event that the number of outstanding shares of Common Stock of the Corporation shall be changed by reason of split-ups or combinations of shares, any merger, consolidation, reorganization or recapitalization, stock dividends or other capital adjustments, the number of shares for which awards of restricted stock may be granted under this Plan shall be appropriately adjusted as determined by the Board of Directors so as to reflect such change.

(b) Neither the Plan nor any action taken hereunder shall be construed as giving any participant, recipient, employee or other person any right to be retained in the employ of the Corporation or any subsidiary or as restricting the rights of the Corporation or any subsidiary, which are expressly reserved, to discharge an employee at any time, with or without cause, or to adjust the compensation of any employee.

(c) Income realized as a result of an award of Restricted Stock shall not be included in the participant's earnings for the purpose of any benefit plan in which the participant may be enrolled or for which the participant may become eligible unless otherwise specifically provided for in such plan.

(d) The terms "subsidiary" as used herein shall mean any corporation fifty percent or more of the outstanding voting stock or voting power of which is owned directly or indirectly by the Corporation.

(e) The term "Board or its delegate" as used herein refers to the Board of Directors of the Corporation or any committee or committees to which it delegates any of its administrative powers

under this Plan pursuant to Section 2(c) or any officers or other persons to whom it may properly delegate any such powers pursuant to Section 2(c).

11. EFFECTIVE DATE.

(a) This Plan shall be submitted to the stockholders of the Corporation at the Annual Meeting in 1987, and, if approved by the stockholders, shall become effective June 10, 1987.

(b) No shares of Common Stock awarded pursuant to this Plan may be sold, transferred, pledged or assigned unless or until the Plan has been approved by the stockholders of the Corporation.

EXHIBIT 10.27(a)

JOINT VENTURE AGREEMENT

BETWEEN

ADVANCED MICRO DEVICES, INC.

AND

FUJITSU LIMITED

Confidential portions of this document have been deleted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

JOINT VENTURE AGREEMENT

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JOINT VENTURE AGREEMENT

Joint Venture Agreement ("Agreement") dated as of March 30, 1993, by and between ADVANCED MICRO DEVICES, INC. ("AMD"), a Delaware corporation having its principal place of business at 901 Thompson Place, Sunnyvale, California 94088-3453, U.S.A., and FUJITSU LIMITED ("Fujitsu"), a Japanese corporation having its registered place of business at 1015 Kamikodanaka, Nakahara-ku, Kawasaki-shi, Kanagawa-ken 211, Japan.

INTRODUCTION

A. AMD is engaged in the manufacture and sale of integrated circuit devices and has a wide and rich experience in this field of industry.

B. Fujitsu is also engaged in the manufacture and sale of integrated circuit devices and has a wide and rich experience in this field of industry.

C. AMD and Fujitsu desire to form a company with limited liability (kabushiki kaisha) under the laws of Japan ("JV") for the purpose of manufacturing certain integrated circuit devices, such as certain densities of erasable programmable read only memory ("EPROM") and flash memory ("Flash Memory") as more specifically defined by this Agreement.

D. AMD and Fujitsu desire to collaborate in developing certain process technologies and designs to be utilized in connection with such EPROM and Flash Memory.

E. AMD and Fujitsu desire to license to JV and to cross-license to each other certain technologies which are necessary

for JV to manufacture such integrated circuit devices.

ACCORDINGLY, in consideration of the foregoing premises and the covenants contained herein, the parties agree as follows:

Article 1. DEFINITIONS.

For the purpose of this Agreement, the following terms shall have the meanings hereinafter set forth:

Section 1.1 "AMD INVESTMENT AGREEMENT" shall have the meaning set forth in Section 5.E.

Section 1.2 "APPLICABLE LAW" shall mean, with respect to a party, any domestic or foreign, federal, state or local statute, law, ordinance, rule, administrative interpretation, regulation, order, writ, injunction, directive, judgment, decree or other requirement of any Governmental Authority applicable to such party or its properties, business or assets.

Section 1.3 "ARTICLES OF INCORPORATION" shall mean articles of incorporation of JV written in the Japanese language and attached hereto as Exhibit A-1, as amended from time to time. For the convenience of the parties an English translation of the Articles of Incorporation is attached hereto as Exhibit A-2.

Section 1.4 "ASSOCIATED AGREEMENTS" shall have the meaning ascribed to such term in Article 5.

Section 1.5 "BOARD OF DIRECTORS" shall mean the board of directors of JV as from time to time constituted pursuant to the terms of this Agreement.

Section 1.6 "BUSINESS PLAN" shall mean a business plan of JV agreed to in writing by both parties hereto, as from time to

time amended by a resolution of the Board of Directors.

Section 1.7 "COMBINED FINANCIAL CONTRIBUTION" shall mean, with respect to a party, the sum of (i) capital contributions made by such party pursuant to Section 2.4, (ii) loans to JV guaranteed by such party pursuant to Sections 4.1.C. and 4.1.D. and (iii) loans made directly to, or otherwise arranged by, such party pursuant to Section 4.1.E.

Section 1.8 "CONFIDENTIAL INFORMATION" shall mean any trade secrets, know-how, data, formulas, processes, intellectual property or other information, tangible or intangible, of one party that becomes known by the other party.

Section 1.9 "EFFECTIVE DATE" shall mean the latest to occur of (a) the date of this Agreement, (b) the date on which all requisite Governmental Approvals have been obtained, or (c) the first date on which all of the Associated Agreements, other than the Joint Venture License Agreement, are in effect.

Section 1.10 "EPROM" or "Electrically Programmable Read Only Memory" shall mean a non-volatile semiconductor memory device incorporating floating gate structure cells, which device is electrically programmable and erasable by using ultraviolet light. The device mainly consists of such floating gate structure cells with auxiliary logic circuits, if any, when such logic circuits are used solely for memory operation or interface to other products. OTPROM or One Time PROM, which is a certain non-volatile semiconductor device incorporating the same chip as EPROM and packaged without transparent windows for ultraviolet light, shall be included in the definition of EPROM.

Section 1.11 "FLASH MEMORY" shall mean a non-volatile semiconductor memory device incorporating floating gate structure cells, which device is programmable and erasable by electrically

injecting and electrically discharging electric charges into and from floating gates. The device mainly consists of such floating gate structure cells, with auxiliary logic circuits, if any, when such logic circuits are used solely for memory operation or interface to other products.

Section 1.12 "FUJITSU INVESTMENT AGREEMENT" shall have the meaning set forth in Section 5.D.

Section 1.13 "GOVERNMENTAL APPROVALS" means all approvals, consents, authorizations and similar actions from all Governmental Authorities that the parties agree are desirable in order to consummate the transactions contemplated hereunder or under any of the Associated Agreements.

Section 1.14 "GOVERNMENTAL AUTHORITY" shall mean any foreign, domestic, federal, territorial, state or local governmental authority, quasi-governmental authority, court, government or self-regulatory organization, commission, tribunal, organization or any regulatory, administrative or other agency, or any political or other subdivision, department or branch of any of the foregoing.

Section 1.15 "INDEPENDENT ACCOUNTING FIRM" shall mean a certified public accountant at audit firm qualified under the Japanese Certified Public Accountants Act, Law No. 103, 1948, as amended.

Section 1.16 "INVESTMENT AGREEMENTS" shall have the meaning set forth in Section 5.E.

Section 1.17 "JOINT DEVELOPMENT AGREEMENT" shall have the meaning set forth in Section 5.A.

Section 1.18 "JOINT VENTURE LICENSE AGREEMENT" shall have the meaning set forth in Section 5.C.

Section 1.19 "JV PRODUCT" shall mean any product listed as a JV Product in the Joint Development Agreement, or so designated by the Board of Directors.

Section 1.20 "LAND LEASE" shall have the meaning set forth in Section 4.2.A.

Section 1.21 "NONDISCLOSURE AGREEMENTS" shall mean the Nondisclosure Agreements between Fujitsu and AMD dated March 12, 1992 and July 20, 1992 and the Confidentiality Agreement between Fujitsu and AMD dated October 16, 1992.

Section 1.22 "PERCENTAGE INTEREST" shall mean with respect to a party, the percentage of JV's issued and outstanding shares held by such party.

Section 1.23 "REGULATIONS OF THE BOARD OF DIRECTORS" shall have the meaning set forth in Section 3.4.F.

Section 1.24 "TECHNOLOGY CROSS-LICENSE AGREEMENT" shall have the meaning set forth in Section 5.B.

Article 2. INCORPORATION.

Section 2.1 Formation of JV. Promptly following the Effective Date, the parties shall form JV in Japan for the purpose of the production, marketing and sale of JV Products.

Section 2.2 The Name of JV. The name of JV shall be as set forth in the Articles of Incorporation in Japanese and "Fujitsu AMD Semiconductor Limited" in English. Fujitsu shall file a temporary application for registration to reserve JV's Japanese

name in Japan.

Section 2.3 Articles of Incorporation. The Articles of Incorporation are hereby incorporated herein and made a part hereof. In the event of any ambiguity or conflict arising between the terms and conditions of this Agreement and those of the Articles of Incorporation, to the extent legally permissible, the terms and conditions of this Agreement shall prevail.

Section 2.4 Capital Contributions.

A. As soon as practicable following the Effective Date, each party shall purchase shares of common stock of JV as follows:

Party	Number of Shares	Consideration
Fujitsu	1,001	Y50,050,000
AMD	999	Y49,950,000

B. Pursuant to a separate schedule to be agreed between the parties, the parties shall make additional capital contributions to JV until the parties' aggregate capital contributions reach Y40,000,000,000, and JV shall issue additional shares reflecting such contributions. Additional contributions shall be made by the parties in cash, in proportion to their respective Percentage Interests.

C. The authorized capital of JV shall initially be Y400,000,000, to be represented by 8,000 shares of common stock with a par value of Y50,000 each. Thereafter, the authorized capital of JV shall be increased from time to time in accordance with a schedule to be agreed upon between the parties. As specified in the Business Plan, the maximum authorized capital of JV shall be Y40,000,000,000, to be represented by 800,000 shares of such common stock.

D. Unless otherwise agreed by both parties, Fujitsu shall hold 50.05%, and AMD 49.95%, of the issued and outstanding shares of JV. In the event that new shares of JV are issued, each of the parties shall have the right to purchase such shares in an amount that is proportionate to its respective Percentage Interest.

Section 2.5 Reimbursement of Incorporation Expenses. JV shall reimburse Fujitsu for expenses incurred directly by Fujitsu in connection with the incorporation of JV to the extent permitted under the laws of Japan.

Article 3. MANAGEMENT OF JV.

Section 3.1 Meetings and Resolutions of Shareholders.

A. Each party, in its capacity as a shareholder, shall have the right from time to time to call a meeting of the shareholders.

B. The quorum required for a meeting of the shareholders shall be shareholders representing, in person or by proxy, not less than two thirds (2/3) of the total number of issued and outstanding shares of JV.

C. Unless otherwise required by the laws of Japan or otherwise explicitly provided herein, no shareholders' resolutions shall be effective unless adopted by the affirmative votes of shareholders holding a majority of the shares present at a meeting of the shareholders.

D. Resolutions with respect to the following matters shall be adopted by the affirmative vote of shareholders [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of the issued and outstanding

shares of JV:

(1) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

(2) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

E. Interpreters may attend meetings of shareholders upon the request of either party.

Section 3.2 Election of Directors and Statutory Auditors.

A. JV shall be administered by a Board of Directors composed of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] directors, [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] directors of whom shall be nominated by AMD, and [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of whom shall be [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of whom shall be nominated by Fujitsu.

B. If a vacancy occurs on the Board of Directors, a new director shall be nominated by the party that nominated the director whose office has been vacated, and an election to fill such vacancy shall be held at a shareholders' meeting to be called without delay.

C. JV shall have two (2) statutory auditors (kansayaku), [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. The full-time statutory auditor (jookin kansayaku) shall be the statutory auditor nominated by Fujitsu.

D. The parties agree to exercise their respective voting rights as shareholders of JV so as to ensure that the persons nominated as directors and statutory auditors by the parties are elected.

E. Each individual nominated by one party as a director or statutory auditor shall be subject to the reasonable approval of the other party.

Section 3.3 Representative Directors and Directors with Titles.

A. JV shall have a chairman and a vice chairman, each of whom shall be a representative director. The chairman shall be nominated by Fujitsu and the vice chairman by AMD.

B. Two full-time standing directors (jookin torishimariyaku) shall be elected from among the directors nominated by Fujitsu. The Board of Directors shall determine whether such full-time standing directors shall be representative directors and/or directors with titles such as president, executive vice president, executive director or managing director.

C. Each of the parties shall cause the directors it has nominated to exercise their voting rights as members of the Board of Directors so as to effect the election of the chairman, vice chairman, representative directors and directors with titles in accordance with Sections 3.3.A. and B. above.

Section 3.4 Meetings and Resolutions of the Board of Directors.

A. A regular meeting of the Board of Directors shall be held once each calendar quarter.

B. The chairman, the vice chairman, or any two directors acting together shall have the right to call, from time to time, a special meeting of the Board of Directors.

C. The quorum required for a meeting of the Board of Directors shall be two thirds (2/3) of all the directors of JV.

D. Resolutions of the Board of Directors shall be adopted by the affirmative vote of a majority of the members of the Board of Directors present at a meeting, except as provided in Section 3.4.E. below.

E. Resolutions with respect to the following matters shall be adopted by the affirmative vote of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of the entire Board of Directors:

(1) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

(2) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

(3) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

(4) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]

(5) Approval of:

a. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION];

b. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION];

c. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION];

d. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION];

e. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION];

f. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION];

g. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION];

h. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION];

(6) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

(7) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

(8) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

(9) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

(10) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

(11) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

F. Following the formation of JV, the Board of Directors shall adopt Regulations of the Board of Directors written in the Japanese language, in the form of Exhibit B-1 hereto (the "Regulations of the Board of Directors"). For the convenience of the parties, an English translation of such Regulations is attached hereto as Exhibit B-2.

G. When any issue cannot be resolved by the Board of Directors at two consecutive meetings, the managements of AMD and of Fujitsu (Electronic Devices Group, or its successor) shall consult with each other in a good faith attempt to resolve such issue.

H. Interpreters may attend meetings of the Board of Directors upon the request of either party.

Section 3.5 Statement of Policy.

A. The business and affairs of JV shall be carried on and conducted in a sound, prudent and constructive manner for the purpose of building a successful and financially strong JV corporation.

B. The day-to-day operations of JV shall be managed by the full-time standing directors nominated and elected under Section 3.3.B. above. Such operations shall be conducted in accordance with this Agreement, the Business Plan and the operating and capital budgets approved by the Board of Directors.

Section 3.6 Manufacturing Activity. JV shall construct a semiconductor wafer fabrication facility capable of mass production with eight-inch wafer line, and shall manufacture JV Products in accordance with the Business Plan.

Section 3.7 [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Section 3.8 Accounting and Reporting Obligations.

A. JV's fiscal year shall be the twelve (12) month period ending on March 31. Japanese accounting principles shall be adopted.

B. JV shall provide the following reports and statements to the parties in English and Japanese within the time periods set forth below:

(i) Within twenty (20) days after the closing of each month, a report on booking and billing monthly results, balance sheet, profit and loss statement, cash flow, head count and business operations.

(ii) Within thirty (30) days after the closing of each quarter, a report on booking and billing quarterly results, balance sheet, profit and loss statement, cash flow, head count, financial change and business operations.

(iii) Within three (3) months after the end of each fiscal year, a report on booking and billing annual results, balance sheet, profit and loss statement, cash flow, inventory of major properties, head count, shareholders' equity, business operation, and annual proposals governing appropriation of profits or covering losses.

C. The parties agree that JV shall designate Fujitsu's Independent Accounting Firm, as approved by Fujitsu's shareholders, as the Independent Accounting Firm of JV, unless otherwise determined by the affirmative vote of shareholders holding not less than two-thirds (2/3) of the issued and

outstanding shares of JV.

D. The annual accounting report of JV shall be audited at the expense of JV by its Independent Accounting Firm in accordance with the laws of Japan.

E. Each party shall, upon reasonable written notice to JV and to the other party, have access to JV's books, records, procedures, employees and similar sources of data and information concerning JV's financial operations.

F. Upon reasonable written notice to JV and the other party, but not more often than once every twelve (12) months, each party shall have a right to perform a special audit of JV by independent outside auditors, at that party's own cost. In addition, upon such reasonable notice each party shall have the right to perform or have performed, at that party's own cost, such audits as are necessary to meet such party's financial reporting obligations.

G. The JV shall provide to each party full access to the books and records of JV, and shall provide to each party the accounting information such party requires to comply with its own financial reporting requirements, provided that any cost involved in providing such information shall be paid by the requesting party.

H. The JV shall have the right, and each party hereto shall have the right to compel JV, to have independent outside auditors, upon reasonable written notice to the other party and not more than once each twelve (12) months, at JV's cost, examine the books and records of the other party for the purpose of auditing the calculation of sales proceeds or any amounts due to JV.

Article 4. RIGHTS AND OBLIGATIONS OF THE PARTIES.

Section 4.1 Financing.

A. Except as otherwise explicitly agreed, the parties shall bear equal responsibility for financing JV.

B. Both parties recognize that, in addition to the capital contributions made pursuant to Section 2.4 above, JV will need additional sums for working capital and for long term capital, which shall be borrowed by JV pursuant to arrangements to be made by the parties.

C. Until JV becomes self-financing, the parties shall guarantee third-party loans made to JV in proportion to their respective Percentage Interests.

D. Both parties shall use their best efforts to arrange for JV to receive loans from Japanese government-related financial institutions for JV's long-term capital. Such loans shall be guaranteed by the parties in proportion to their respective Percentage Interests.

E. In the event that JV is unable to secure necessary financing, the parties themselves shall advance the necessary funds to JV, each party lending that portion of the required amount which is proportionate to such party's Percentage Interest. Each party may arrange third-party financing, with or without such party's guaranty, in lieu of any such advance.

Section 4.2 Land Lease.

A. JV shall construct its semiconductor wafer fabrication facility on land to be leased from Fujitsu pursuant to a 30-year lease (the "Land Lease"), which lease may be renewed

for additional terms in accordance with Japan's Land and House Leasing Act of 1991, as amended, and the terms and conditions of such lease agreement.

B. (i) If all, or substantially all, of the assets of JV are to be offered for sale (whether in connection with a dissolution of JV or otherwise) Fujitsu shall have the right to purchase JV's fabrication facility at a price equal to the book value of such facility, as determined by JV's Independent Accounting Firm as of the close of the preceding quarter, and shall be given written notice of such intended sale not less than one hundred and twenty (120) days prior to any such offering for sale. Fujitsu shall either exercise or decline to exercise such right, by a written statement delivered within one hundred and twenty (120) days following the receipt of such notice. Failure to deliver such notice within such period shall be considered a declination by Fujitsu. If Fujitsu declines to exercise such right to purchase, it will consent to the assignment of JV's interest under the Land Lease to the purchaser of such assets.

(ii) AMD will take all action necessary to assure that if it transfers shares of JV to any person or entity other than Fujitsu or a wholly-owned subsidiary of Fujitsu, the transferee shall agree in writing that Fujitsu shall be entitled to exercise a right of first refusal to acquire all, but not less than all, of the JV shares to be so transferred, at the purchase price at which the transferee intends to sell such shares. AMD agrees to review with Fujitsu the precise language to be incorporated in appropriate documentation under the circumstances, in an effort to perfect such statement of rights to Fujitsu's reasonable satisfaction. Such documentation will include a provision that if Fujitsu declines to acquire such shares: (x) the seller shall be entitled to sell such shares at the reported price, but not less than the reported price, within ninety (90) days after the end of the period within which Fujitsu

may exercise its right to acquire such shares, (y) Fujitsu will consent to the assignment of JV's interest under the Land Lease, and (z) Fujitsu shall give such consents as may be required to continue to operate the facility; provided, however, that Fujitsu will not be required to incur any expense or obligation in order to carry out the provisions of this sentence.

Section 4.3 Transfer of Shares; Right of First Refusal.

A. Except as otherwise explicitly provided in Section 4.2 or 7.5, no share or any interest therein in JV shall be validly sold, transferred or otherwise disposed of for consideration or otherwise, and no purported transferee shall be recognized as a shareholder of JV for any purpose whatsoever unless such transfer is in accordance with this Section 4.3.

B. Neither party shall pledge or otherwise encumber any of its shares or any interest therein in JV at any time without the prior written consent of the other party.

C. Neither party shall sell or transfer any shares in JV for a period of five (5) years following the Effective Date. In the event that either party (the "Selling Party") desires to sell or transfer its shares in JV following such five (5)-year period, it shall first offer to sell the shares to the other party (the "Nonselling Party") and, upon the request of such Nonselling Party, to any third party designated by such Nonselling Party, at a price equal to the lower of (i) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] or (ii) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. No owner of JV shares may sell or transfer less than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of its shares in JV.

D. (i) A Nonselling Party to which an offer is made pursuant to Section 4.3.C. above and/or any third party designated by such Nonselling Party, shall have one hundred and twenty (120) days from the date of receipt of the offer, during which period such Nonselling Party shall have reasonable access to JV's books and records, within which to accept such offer.

(ii) In the event that the Nonselling Party and/or its designee do not accept the offer to purchase all of the Selling Party's shares, the Selling Party may, within ninety (90) days following the expiration of such one hundred and twenty (120) day period, seek the Board of Directors' approval, by not less than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] votes, of a sale or transfer of its shares to a specified third party; provided, however, that in the event that a sale or transfer to such third party is proposed on terms less favorable to the Selling Party than the terms of the offer made pursuant to Section 4.3.C. above, the Nonselling Party and/or a third party designated by such Nonselling Party shall have the right to purchase the shares on such less favorable terms, which right may be exercised by notice to the Selling Party within fourteen (14) days following the date on which such sale or transfer is proposed to the Board of Directors.

(iii) In the event that the Nonselling Party and/or its designee elects to purchase the Selling Party's shares pursuant to Section 4.3.D. (i) or (ii), payment shall be made within sixty (60) days of such election.

E. It shall be a condition to any sale or transfer to any third party other than a third party designated by the Nonselling Party that such third party upon request of the Nonselling Party shall become a party to this Agreement, the Joint Development Agreement, the Joint Venture License Agreement

and/or any other agreements, and assume such obligations reasonably deemed by the Nonselling Party to be necessary in light of the identity and nature of the new shareholder.

F. In the event that either party transfers its shares in JV pursuant to this Section 4.3, the Nonselling Party shall have the right to terminate this Agreement and/or either or both of the Investment Agreements.

G. All offers and acceptances pursuant to this Section 4.3 shall be made by written notice to the other party.

Section 4.4 Transfer of Fujitsu Employees. Fujitsu shall have the right to designate Fujitsu employees to be transferred to JV and to determine when such transferred employees shall return to Fujitsu. AMD acknowledges and agrees that JV shall accept and release such employees in accordance with Fujitsu's instructions. It is understood that any retirement allowance payments made to such employees will be prorated between JV and Fujitsu based on total years of service.

Section 4.5 Transfer and Assignment of AMD Employees. AMD may transfer or assign its personnel to JV [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], subject to the approval of the full-time standing directors, such approval not to be unreasonably withheld. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Section 4.6 Confidentiality.

A. Except as expressly authorized by the other party, each party agrees not to disclose, use or permit the disclosure or use by others of any Confidential Information unless and to the extent such Confidential Information (i) is not marked or designated in writing as confidential and is provided for a

purpose that reasonably contemplates disclosure to or use by others, (ii) becomes a matter of public knowledge through no action or inaction of the party receiving the Confidential Information, (iii) was in the receiving party's possession before receipt from the party providing such Confidential Information, (iv) is rightfully received by the receiving party from a third party without any duty of confidentiality, (v) is disclosed to a third party by the party providing the Confidential Information without a duty of confidentiality on the third party, (vi) is disclosed by the receiving party despite the exercise of the same degree of care used by the receiving party to safeguard its own similar Confidential Information, but the receiving party shall take all necessary action to prevent any further disclosure, (vii) is disclosed with the prior written approval of the party providing such Confidential Information, or (viii) is independently developed by the receiving party without any use of the other party's Confidential Information. Information shall not be deemed to be available to the general public for the purpose of the exclusion (ii) above with respect to each party (x) merely because it is embraced by more general information in the prior possession of recipient or others, or (y) merely because it is expressed in public literature in general terms not specifically in accordance with the Confidential Information.

B. In furtherance, and not in limitation of the foregoing Section 4.6.A., each party agrees to do the following with respect to any such Confidential Information: (i) exercise the same degree of care to safeguard the confidentiality of, and prevent the unauthorized use of, such information as that party exercises to safeguard the confidentiality of its own Confidential Information; (ii) restrict disclosure of such information to those of its employees and agents who have a "need to know", and (iii) instruct and require such employees, sublicensees, and agents to maintain the confidentiality of such information and not to use such Confidential Information except

as expressly permitted herein. Each party further agrees not to remove or destroy any proprietary or confidential legends or markings placed upon any documentation or other materials.

C. The foregoing confidentiality obligation shall also apply to the contents of this Agreement.

D. The obligations under this Section 4.6 shall not prevent the parties from disclosing the Confidential Information or terms of this Agreement to any Governmental Authority as required by law (provided that the party intending to make such disclosure in such circumstances has given the other party prompt notice prior to making such disclosure so that the other party may seek a protective order or other appropriate remedy prior to such disclosure and cooperates fully with such other party in seeking such order or remedy).

E. Notwithstanding anything else contained herein, either party may disclose the catalog specifications generated under Section 5.3(a) of the Joint Development Agreement to its potential customers.

F. The obligations under this Section 4.6 shall apply with respect to any Confidential Information for a period of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] years from the date of disclosure of such Confidential Information to the other party, unless with respect to any particular Confidential Information the providing party in good faith notifies the receiving party that a longer period shall apply, in which case the obligations under this Section 4.6 with respect to such Confidential Information shall apply for such longer period.

Article 5. ASSOCIATED AGREEMENTS.

The following associated agreements (the "Associated Agreements") shall be entered into on or prior to the Effective Date; provided, however, that the Joint Venture License Agreement only shall be entered into as soon after the Effective Date as is reasonably practicable:

A. A Joint Development Agreement between AMD and Fujitsu dated as of March 1993 providing for the joint development of integrated circuit devices (the "Joint Development Agreement").

B. A Technology Cross-License Agreement between AMD and Fujitsu dated as of March 1993 providing for the cross-licensing of certain of the parties' respective proprietary semiconductor related intellectual property rights (the "Technology Cross-License Agreement").

C. A Joint Venture License Agreement among AMD, Fujitsu and JV dated as of March 1993 (or promptly thereafter) providing for the license by the parties to JV of certain proprietary technologies and sublicensable technologies necessary for manufacturing JV Products (the "Joint Venture License Agreement").

D. An Investment Agreement between AMD and Fujitsu dated as of March 1993 providing for the purchase of stock in AMD by Fujitsu (the "Fujitsu Investment Agreement").

E. An Investment Agreement between Fujitsu and AMD dated as of March 1993 providing for the purchase of stock in Fujitsu by AMD (the "AMD Investment Agreement," collectively with the Fujitsu Investment Agreement, the "Investment Agreements").

F. Those certain letters from AMD to Fujitsu, signed by both parties and dated as of March 1993, setting forth the parties' agreement as to certain matters including the Governmental Approvals referenced in Section 1.13 of this Agreement.

Article 6. REPRESENTATIONS AND WARRANTIES

Section 6.1 Representations and Warranties of Fujitsu. Fujitsu hereby represents and warrants to AMD, as of the date hereof and as of the Effective Date, as follows:

A. Corporate Organization; Etc. Fujitsu is a corporation duly organized and validly existing under the laws of Japan.

B. Authorization; Etc. Fujitsu has full corporate power and authority to enter into this Agreement and those of the Associated Agreements to which it is a party and to carry out the transactions contemplated hereby and thereby. Fujitsu has taken all action required by law, its articles of incorporation or otherwise to authorize the execution and delivery of this Agreement and those of the Associated Agreements to which it is a party. Each of this Agreement and the Associated Agreements to which it is a party is or will be the valid and binding obligation of Fujitsu, subject to receipt of necessary Governmental Approvals, enforceable in accordance with its respective terms, except that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights and the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

C. No Violation. Neither the execution and delivery by Fujitsu of this Agreement and those of the Associated Agreements to which it is a party, nor the consummation of the transactions contemplated hereby and thereby, will (i) conflict with or result in a breach of any provision of Fujitsu's articles of incorporation, (ii) conflict with or result in the breach of any term, condition or provision of, or constitute a default under, or give rise to any right of termination, cancellation or acceleration with respect to, or result in the creation of any lien, charge or encumbrance upon any property or assets of Fujitsu pursuant to, or otherwise require the consent of any person under, any agreement or obligation to which Fujitsu is a party or by which any of its properties or assets may be bound, or (iii) violate or conflict with any Applicable Law applicable to Fujitsu or any of its properties or assets, subject to obtaining the requisite Governmental Approvals.

D. Consents and Approvals of Governmental Authorities. Except for the Governmental Approvals, no consent, approval or authorization of, or declaration, filing or registration with, any Governmental Authority is required to be obtained by Fujitsu in connection with the execution, delivery and performance of this Agreement and those of the Associated Agreements to which it is a party, and the consummation of the transactions contemplated hereby and thereby.

E. Regulatory Applications. The information provided by Fujitsu for use in the applications for the Governmental Approvals will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

Section 6.2 Representations and Warranties of AMD. AMD hereby represents and warrants to Fujitsu, as of the date hereof

and as of the Effective Date, as follows:

A. Corporate Organization; Etc. AMD is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

B. Authorization; Etc. AMD has full corporate power and authority to enter into this Agreement and those of the Associated Agreements to which it is a party and to carry out the transactions contemplated hereby and thereby. AMD has taken all actions required by law, its certificate of incorporation and bylaws or otherwise to authorize the execution and delivery of this Agreement and those of the Associated Agreements to which it is a party. Each of the Associated Agreements to which it is a party and this Agreement is or will be the valid and binding obligation of AMD, subject to receipt of necessary Governmental Approvals, enforceable in accordance with their respective terms, except that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights and the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

C. No Violation. Neither the execution and delivery by AMD of this Agreement and those of the Associated Agreements to which it is a party, nor the consummation of the transactions contemplated hereby and thereby, will (i) conflict with or result in a breach of any provision of the certificate of incorporation or bylaws of AMD, (ii) conflict with or result in the breach of any term, condition or provision of, or constitute a default under, or give rise to any right of termination, cancellation or acceleration with respect to, or result in the creation of any lien, charge or encumbrance upon any property or assets of AMD

pursuant to, or otherwise require the consent of any person under, any agreement or obligation to which AMD is a party or by which any of its properties or assets may be bound, or (iii) violate or conflict with any Applicable Law applicable to AMD or any of its properties or assets, subject to obtaining the requisite Governmental Approvals.

D. Consents and Approvals of Governmental Authorities. Except for the Governmental Approvals, no consent, approval or authorization of, or declaration, filing or registration with, any Governmental Authority is required to be obtained by AMD in connection with the execution, delivery and performance of this Agreement and those of the Associated Agreements to which it is a party and the consummation of the transactions contemplated hereby and thereby.

E. Regulatory Applications. The information provided by AMD for use in the applications for the Governmental Approvals will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

Article 7. TERM AND TERMINATION.

Section 7.1 Effective Date. This Agreement shall come into force on the Effective Date. If the Effective Date does not occur within one (1) year of the date hereof, unless otherwise agreed by the parties, either party may terminate this Agreement effective upon written notice to the other party.

Section 7.2 Term. The term of this Agreement shall continue for so long as JV remains in existence, unless earlier terminated by mutual agreement of the parties or as provided herein.

Section 7.3 Triggering Events. The occurrence of any of the following events shall constitute a triggering event ("Triggering Event") hereunder on the part of the party with respect to which such event occurs ("Triggering Party"); and each party shall inform the other party in writing of the occurrence of any Triggering Event when known to such party.

A. A material breach of this Agreement, the AMD Investment Agreement, the Fujitsu Investment Agreement, the Joint Development Agreement or the Joint Venture License Agreement by the Triggering Party, or a material misrepresentation by the Triggering Party with respect to any condition, warranty, representation or agreement contained in this Agreement, the AMD Investment Agreement, the Fujitsu Investment Agreement, the Joint Development Agreement or the Joint Venture License Agreement is not cured within ninety (90) days after the Triggering Party receives written notice thereof from the non-Triggering Party; provided that failure by either party to comply with the terms of Section 4.1.E. shall not be considered a material default until the earlier of (a) an aggregate of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] months of delay, or (b) the non-complying party is in default of a payment obligation that allows creditors to accelerate the maturity date of indebtedness in an amount in excess of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of such party's shareholders' equity.

B. A Triggering Party becomes the subject of a voluntary or involuntary petition in bankruptcy or any proceeding relating to insolvency, or composition for the benefit of creditors, which petition or proceeding is not dismissed within sixty (60) days after filing.

C. A Triggering Party assigns all or substantially all of the assets of its semiconductor business to any third party, or incurs in one transaction or series of related transactions a change in ownership of more than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of its capital stock.

D. A third party (other than a bank, insurance company or other financial or investment company or institution) acquires a greater than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] ownership interest in a Triggering Party and either a seat on the board of directors or a position of management in such party where such acquisition of ownership and management position or seat on the board of directors in such Triggering Party is judged by the non-Triggering Party after careful consideration to be detrimental.

E. The Percentage Interest of the Triggering Party falls to one third (1/3), or less.

F. A change occurs in the management of the Triggering Party as a result of a proxy solicitation contest, which change is judged by the non-Triggering Party after careful consideration to be detrimental to the affairs of JV.

Section 7.4. Causes of Dissolution.

JV shall be dissolved if:

A. A Triggering Event has occurred and the non-Triggering Party elects to dissolve JV as provided in Section 7.5.A.(ii)

B. The parties mutually agree to dissolve JV.

Section 7.5. Election of Non-Triggering Party.

A. Upon the occurrence of a Triggering Event, the non-Triggering Party shall have the right:

(i) to acquire the Triggering Party's shares of JV at a price equal to the lesser of (a) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] or (b) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION];

(ii) to dissolve JV;
(iii) to terminate this Agreement;
(iv) to terminate either or both of the Investment Agreements; and/or

(v) to pursue any other right or remedy available to it.

B. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

C. The non-Triggering Party may exercise its rights pursuant to Section 7.5.A. and/or Section 7.5.B. at any time within one hundred and eighty (180) days after becoming aware of a Triggering Event.

Section 7.6 Noncompetition; Nonsolicitation. If either party sells its shares in JV within ten (10) years after the Effective Date, whether pursuant to Section 4.3 or Section 7.5.A., for a period of two (2) years following such sale, such party shall be precluded from (a) manufacturing any EPROM or Flash Memory device that is or may be competitive with JV and is manufactured using wafer processes with geometries of 0.5 micron or less and that embodies, incorporates or is subject

to any intellectual property right owned by the other party or developed pursuant to the Joint Development Agreement or the Joint Venture License Agreement, or (b) employing, soliciting for employment or recommending for employment any person employed by JV (excluding employees transferred to JV from either Fujitsu or AMD who return to the party that transferred him or her). So long as a party holds shares in JV, except as otherwise agreed by the parties, such party shall be prohibited from (x) manufacturing any EPROM or Flash Memory device that is or may be competitive with JV and is manufactured using wafer processes with geometries of 0.5 micron or less, or (y) employing, soliciting for employment or recommending for employment any person employed by JV (excluding employees transferred to JV from either Fujitsu or AMD who return to the party that transferred him or her). Notwithstanding the foregoing, if either party sells its shares in JV, whether pursuant to Section 4.3 or Section 7.5.A., such party shall be entitled to continue to receive JV Products from JV and to sell JV Products to the extent necessary in order to fulfill such party's commitments pursuant to purchase orders issued by such party's customers and accepted by such party prior to the date on which such party ceased to be a shareholder.

Section 7.7. Name. In the event that either party sells its shares in JV, whether pursuant to Section 4.3 or Section 7.5.A., the name of JV shall promptly be amended to eliminate any reference to such party.

Section 7.8. Rights Under Associated Agreements. The rights and obligations of any Triggering Party under any of the Associated Agreements, and any other agreements ancillary to JV's operation, shall be specified in those agreements.

Article 8. MISCELLANEOUS.

Section 8.1. Force Majeure. Neither party shall be liable for failure to perform, in whole or in material part, its obligations under this Agreement or any Associated Agreement if such failure is caused by any event or condition not existing as of the date of this Agreement and not reasonably within the control of the affected party, including without limitation, by fire, flood, typhoon, earthquake, explosion, strikes, labor troubles or other industrial disturbances, unavoidable accidents, war (declared or undeclared), acts of terrorism, sabotage, embargoes, blockage, acts of Governmental Authorities, riots, insurrections, or any other cause beyond the control of the parties; provided, that the affected party promptly notifies the other party of the occurrence of the event of force majeure and takes all reasonable steps necessary to resume performance of its obligations so interfered with.

Section 8.2. Assignment. Neither this Agreement nor any of the rights and obligations created hereunder may be assigned, transferred, pledged, or otherwise encumbered or disposed of, in whole or in part, whether voluntary or by operation of law, or otherwise, by either party without the prior written consent of the other party; provided, however, that each party may assign its rights to acquire and hold shares in JV to a wholly-owned subsidiary of such party so long as such assignee remains wholly-owned, directly or indirectly, by such party. No such assignment shall relieve the assigning party of any of its obligations hereunder. This Agreement and the Associated Agreements shall inure to the benefit of and be binding upon the parties' permitted successors and assigns.

Section 8.3. Survival. If a party sells all of its shares in JV, or if JV is dissolved, or if this Agreement is terminated, the obligations hereunder of each party to the other and to JV

will terminate, except that the obligations of the parties pursuant to Sections 2.5 ("Reimbursement of Incorporation Expenses"), 4.2.B. ("Land Lease"), 4.3 ("Transfer of Shares; Right of First Refusal"), 7.6 ("Noncompetition; Nonsolicitation"), 8.3 ("Survival"), 8.4 ("Notices"), 8.6 ("Arbitration"), 8.7 ("Entire Agreement"), 8.8 ("Modification"), 8.11 ("No Waiver"), 8.12 ("Governing Law"), 8.13 ("Language"), 8.15 ("No Third Party Beneficiaries"), and Article 6 ("Representations and Warranties") shall survive indefinitely the termination of this Agreement. The obligations of the parties pursuant to Section 4.6 ("Confidentiality") shall survive as provided in Section 4.6.F.

Section 8.4. Notices. All notices and communications required, made or permitted hereunder shall be in writing and shall be delivered by hand or by messenger, or by recognized courier service (with written receipt confirming delivery), or by postage prepaid, return receipt requested, registered or certified airmail, addressed:

If to AMD:

Advanced Micro Devices, Inc.
915 De Guigne Drive
Sunnyvale, CA 94086, USA
Attn: Mr. Gene Conner
Senior Vice President,
Operations

with a copy to:
Thomas W. Armstrong, Esq.
Vice President, General
Counsel and Secretary

If to Fujitsu:

Fujitsu Limited
Furukawa Sogo Building
6-1, Marunouchi 2-chome
Chiyoda-ku, Tokyo 100, Japan
Attn: Mr. Hirohiko Kondo
General Manager
Electronic Devices
Marketing Division

with a copy to:
Fujitsu Limited
Marunouchi Center Bldg.
6-1, Marunouchi 1-chome
Chiyoda-ku, Tokyo 100, Japan
Attn: Mr. Gen Iseki
General Manager
Legal Division

Each such notice or other communication shall for all purposes hereunder be treated as effective or as having been given as follows: (i) if delivered in person, when delivered, (ii) if sent by airmail, at the earlier of its receipt or at 5 p.m. local time of the recipient, on the seventh day after deposit in a regularly maintained receptacle for the deposit of airmail, and (iii) if sent by a recognized courier service, on the date shown in the written confirmation of delivery issued by such delivery service. Either party may change the address(es) and/or addressee(s) to whom notice may be given by giving notice pursuant to this section at least seven (7) days prior to the date the change becomes effective.

Section 8.5. Export Control. Without in any way limiting the provisions of this Agreement, each of the parties agrees that no products procured from or technical information disclosed by the other party or JV under this Agreement are intended to or shall be exported or re-exported, directly or indirectly, to any destination restricted or prohibited by Applicable Law without necessary authorization by the Governmental Authorities.

Section 8.6. Arbitration.

A. Any and all disputes arising under or affecting this Agreement shall be resolved exclusively by confidential arbitration pursuant to the rules of the Japan Commercial Arbitration Association in Tokyo, Japan, or such other location as may be agreed between the parties; provided, however, that the arbitrators shall be empowered to hold hearings at other locations within and without Japan. Each of the parties shall designate one arbitrator and the two arbitrators so designated shall select the third arbitrator. Arbitration proceedings shall be conducted in English with simultaneous translation into Japanese. Among the remedies available to them, the arbitrators shall be authorized to order the specific performance of provisions of this Agreement and of the Associated Agreements. The judgment upon award of the arbitrators shall be final and binding and may be enforced in any court of competent jurisdiction including any court of competent jurisdiction in the United States or Japan, and each of the parties hereto unconditionally submits to the jurisdiction of such court for the purpose of any proceeding seeking such enforcement. Subject only to the provisions of Applicable Law, the procedure described in this Section 8.6 shall be the exclusive means of resolving disputes arising under or affecting this Agreement.

B. All papers, documents or evidence, whether written or oral, filed with or presented to the panel of arbitrators shall be deemed by the parties and by the arbitrators to be Confidential Information. No party or arbitrator shall disclose in whole or in part to any other person any Confidential Information submitted in connection with the arbitration proceedings, except to the extent reasonably necessary to assist counsel in the arbitration or preparation for arbitration of the dispute. Confidential Information may be disclosed (i) to attorneys, (ii) to parties, and (iii) to outside experts

requested by either party's counsel to furnish technical or expert services or to give testimony at the arbitration proceedings, subject, in the case of such experts, to execution of a legally binding written statement that such expert is fully familiar with the terms of this Section, agrees to comply with the confidentiality terms of this Section, and will not use any Confidential Information disclosed to such expert for personal or business advantage.

Section 8.7. Entire Agreement. This Agreement, the Associated Agreements and the exhibits hereto and thereto, embody the entire agreement and understanding between the parties with respect to the subject matter hereof, superseding, as of the Effective Date, all previous and contemporaneous communications, representations, agreements and understandings, whether written or oral, in existence on the date this Agreement is executed, including without limitation that certain Memorandum of Understanding between Fujitsu and AMD dated July 13, 1992 and the Nondisclosure Agreements. Neither party has relied upon any representation or warranty of the other party except as expressly set forth herein or in the Associated Agreements.

Section 8.8. Modification. This Agreement and the surviving provisions thereof may not be modified or amended, in whole or part, except by a writing executed by duly authorized representatives of both parties.

Section 8.9. Announcement. The parties may announce the existence of the parties' relationship and this Agreement at a time to be mutually determined. Neither party shall unreasonably withhold its consent to a time proposed by the other party.

Section 8.10. Severability. If any term or provision of this Agreement shall be determined to be invalid or unenforceable under Applicable Law, such provision shall be deemed severed from

this Agreement, and a reasonable valid provision to be mutually agreed upon shall be substituted. In the event that no reasonable valid provision can be so substituted, the remaining provisions of this Agreement shall remain in full force and effect, and shall be construed and interpreted in a manner that corresponds as far as possible with the intentions of the parties as expressed in this Agreement.

Section 8.11. No Waiver. Except to the extent that a party hereto may have otherwise agreed in writing, no waiver by that party of any condition of this Agreement or breach by the other party of any of its obligations or representations hereunder shall be deemed to be a waiver of any other condition or subsequent or prior breach of the same or any other obligation or representation by the other party, nor shall any forbearance by the first party to seek a remedy for any noncompliance or breach by the other party be deemed to be a waiver by the first party of its rights and remedies with respect to such noncompliance or breach.

Section 8.12. Governing Law. The validity, construction, performance and enforceability of this Agreement shall be governed in all respects by the laws of Japan.

Section 8.13. Language. This Agreement, and the exhibits and schedules hereto, except for the Articles of Incorporation and the Regulations of the Board of Directors, are in the English language, which language shall be controlling in all respects. The Articles of Incorporation and the Regulations of the Board of Directors are in the Japanese language, which language shall be controlling in all respects.

Section 8.14. No Agency. This Agreement shall not constitute an appointment of either party as the legal representative or agent of the other party, nor shall either

party have any right or authority to assume, create or incur in any manner any obligation or other liability of any kind, express or implied, against, in the name or on behalf of, the other party. Nothing herein or in the transactions contemplated by this Agreement shall be construed as, or deemed to be, the formation of a partnership by or among the parties hereto.

Section 8.15. No Third Party Beneficiaries. No provisions of this Agreement or any of the Associated Agreements are intended to, or shall be construed to, confer upon or give to any person other than the parties hereto and thereto, any rights, remedies or other benefits under or by reason of this Agreement or any Associated Agreement.

Section 8.16. Headings. The section and other headings contained in this Agreement are for convenience of reference only and shall not be deemed to be a part of this Agreement or to affect the meaning or interpretation of this Agreement.

Section 8.17. Construction and Reference. Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. Unless otherwise specified, all references in this Agreement to Sections are deemed references to be corresponding Sections in this Agreement, and all references in this Agreement to Exhibits are references to the corresponding Exhibits attached to this Agreement.

Section 8.18. Governmental Approvals. Each of the parties shall use its reasonable best efforts to obtain all Governmental Approvals and shall cooperate with the other in good faith.

Section 8.19. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and

all of which shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives on the date set forth above.

ADVANCED MICRO DEVICES, INC.	FUJITSU LIMITED
/s/ W.J. SANDERS III	/s/ TADASHI SEKIZAWA
By: W.J. Sanders III	By: Tadashi Sekizawa
Title: Chairman and CEO	Title: President
Date: March 18, 1993	Date: March 30, 1993

EXHIBITS

EXHIBIT A-1
Articles of Incorporation
(Japanese language)

EXHIBIT A-2
Articles of Incorporation
(English translation)

EXHIBIT B-1
Regulations of the Board of Directors (Japanese language)

EXHIBIT B-2
Regulations of the Board of Directors (English translation)

Exhibit 10.27(a)

SUBSTITUTE EXHIBIT A-1

Exhibit A-1 to the Joint Venture Agreement is a Japanese language document. The registrant represents that Exhibit A-2 to the Joint Venuture Agreement constitutes a fair and accurate English translation of Exhibit A-1.

ADVANCED MICRO DEVICES, INC.

By: /s/ MARVIN D. BURKETT

Marvin D. Burkett
Its: Senior Vice President
Chief Administrative Officer
and Secretary, Chief Financial
Officer and Treasurer

EXHIBIT A-2

10-K Exhibit 10.27(a)

(TRANSLATION)

ARTICLES OF INCORPORATION

OF

FUJITSU AMD SEMICONDUCTOR K.K.

Chapter 1 General Provisions

Article 1 (Name)

The name of the Company shall be Fujitsu AMD Semiconductor Kabushiki Kaisha in Japanese and Fujitsu AMD Semiconductor Limited in English.

Article 2 (Object)

The object of the Company shall be to engage in the following businesses:

(1) Manufacture and sales of semiconductor integrated circuits

(2) All business incidental to or associated with the preceding Item

Article 3 (Location of Head Office)

The Company shall have its head office in Kawasaki-shi, Kanagawa-ken.

Article 4 (Method of Public Notice)

Public notice of the Company shall be made in the Official Gazette (Kampo).

Chapter 2 Shares

Article 5 (Number of Authorized Shares)

The total number of shares authorized to be issued by the Company shall be eight thousand (8,000).

Article 6 (Par Value)

All shares to be issued by the Company shall be par value common stock. The par value of each share shall be fifty thousand yen (#50,000).

Article 7 (Kinds of Share Certificates)

Kinds of share certificates to be issued by the Company shall be determined by the Board of Directors.

Article 8 (Restriction on Transfer of Shares)

Transfer of shares of the Company shall be subject to the approval of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of the entire Board of Directors.

Article 9 (Pre-emptive Right)

1. The shareholders shall have the pre-emptive right to subscribe to new shares if new shares are issued.

2. The pre-emptive right in the preceding Paragraph shall not be transferable separately from shares.

Article 10 (Registration of Transfer of Shares, etc.)

Procedures of registration of transfer of shares, registration or cancellation of a pledge, registration or cancellation of a trust, re-issuance of share certificates or other matters relating to shares of the Company shall be determined by the Board of Directors.

Article 11 (Registration of Shareholders, etc.)

Shareholders, pledgees, trustees or their statutory representatives shall notify the Company of their names, addresses and seal impressions (specimen signature in case of a foreigner with the custom of signature), or of any change to the foregoing.

Article 12 (Record Date and Suspension of Entry to Register of Shareholders)

1. The shareholders whose names are registered in the register of shareholders at the end of each business term shall be deemed to have the voting rights at the ordinary general meeting of shareholders for such business term.

2. If necessity arises, the Company may, in accordance with a resolution of the Board of Directors and after giving public notice, set up a record date, whereby the shareholders or pledgees who are registered at the record date shall have such rights.

3. In addition to the preceding Paragraphs and if necessity arises, the Company may, in accordance with a resolution of the Board of Directors and after giving public notice, suspend entry to the register of shareholders for a certain period not exceeding three (3) months.

Chapter 3 General Meeting of Shareholders

Article 13 (Convocation)

1. An ordinary general meeting of shareholders shall be convened within three (3) months after the end of each business term, and an extraordinary general meeting of shareholders may be convened from time to time if necessity arises.

2. Meetings of Shareholders shall be convened by the Chairman or the Vice Chairman in accordance with resolutions of the Board of Directors.

Article 14 (Place)

Meetings of Shareholders shall be held in the area where the head office of the Company is located or at any other place if agreed in writing by all shareholders.

Article 15 (Presiding Officer)

The Director-Chairman shall be the presiding officer of a general meeting of shareholders. In the event that the Director-Chairman is unable to perform his or her duties, Director-Vice Chairman shall act in his or her place.

Article 16 (Notice)

1. Notice calling a general meeting of shareholders shall be dispatched to each shareholder at least one month before the day set for such meeting. The notice shall contain date, time, place and agenda for the meeting.

2. The notice shall be prepared both in Japanese and English and shall be dispatched to the registered address of each

shareholder by registered mail. In case of shareholders not residing in Japan, the notice shall be dispatched by registered airmail.

3. The notice period provided for in Paragraph 1 may be shortened to the period provided in the Commercial Code, if all shareholders agree in writing.

Article 17 (Quorum)

The quorum of general meetings of shareholders shall be attendance of shareholders having in total two thirds or more of the total issued and outstanding common shares.

Article 18 (Ordinary Resolutions)

Except as otherwise provided in laws or in Article 19 of these Articles of Incorporation, resolutions at a general meeting of shareholders shall be adopted by a majority of the voting shares represented by the shareholders present.

Article 19 (Special Resolutions)

The following resolutions shall be made by the vote of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] the total issued and outstanding common shares.

(1) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]

(2) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]

Article 20 (Proxy)

An individual acting as a proxy for a shareholder shall, on a meeting-by-meeting basis, file a proxy with the Company.

Chapter 4 Directors and Board of Directors

Article 21 (Number of Directors)

1. The Company shall have [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] Directors.

2. In case of vacancy caused by resignation or otherwise, an extraordinary general meeting shall be promptly convened in accordance with Articles 13 and 16 of these Articles of Incorporation to fill the vacancy.

Article 22 (Election)

1. The Directors shall be elected at a general meeting of shareholders under Article 19 of these Articles of Incorporation.

2. The Directors shall not be elected by a method of cumulative voting.

Article 23 (Term of Office)

1. The term of office of a Director shall expire at the close of the ordinary general meeting of shareholders covering the last business term within one (1) year after his or her assumption of office.

2. The term of office of a Director elected to fill a vacancy shall be the remainder of the term of office of his or her predecessor; and provided further that the term of office of a newly added Director shall be the remainder of the term of office of the other Directors.

Article 24 (Remuneration)

Remuneration of the Directors shall be determined by a resolution of shareholders at a general meeting of shareholders.

Article 25 (Representative Directors and Directors with Special Title)

1. The Company shall, by a resolution of the Board of Directors, elect one (1) Chairman and one (1) Vice Chairman from among the Directors. In case of necessity of business, the Company may have a President, Vice President(s), Executive Managing Director(s) or Managing Director(s).

2. The Chairman and Vice Chairman shall be Representative Directors. The Board of Directors may appoint one or more Representative Directors from among the Directors with special title provided for in the preceding Paragraph.

3. Representative Directors shall represent the Company and execute the Company's business in accordance with resolutions of the Board of Directors. Director-Chairman shall have the exclusive authority to operate day-to-day business, and may delegate such authority to a full-time standing (Jokin) Director provided for in the following Paragraph.

4. Except for Director-Chairman and Director-Vice Chairman, all Directors with special title are elected from among the full-time standing Directors.

Article 26 (Person to Convene)

The Director-Chairman, Director-Vice Chairman or two (2) Directors may convene a meeting of the Board of Directors.

Article 27 (Presiding Officer)

The Director-Chairman shall be the presiding officer of a meeting of the Board of Directors. If the Director-Chairman is unable to perform his or her duties, Director-Vice Chairman shall act in his or her place.

Article 28 (Notice)

1. Notice calling a meeting of the Board of Directors shall be dispatched to each Director at least two (2) weeks before the date set for such meeting. The notice shall contain date, time, place and agenda for the meeting.

2. The notice shall be prepared both in Japanese and English and shall be dispatched by registered mail. In case of Directors not residing in Japan, the notice shall be dispatched by registered airmail.

3. The notice period provided for in Paragraph 1 may be shortened or dispensed with, if all Directors agree in writing.

Article 29 (Place)

Meetings of the Board of Directors shall be held in the area where the head office of the Company is located or at any other place if agreed in writing by all Directors.

Article 30 (Resolutions)

1. Except as provided for by law or by the Articles of Incorporation, the matters relating to the Board of Directors shall be governed by the Regulations of the Board of Directors.

2. Resolutions of the Board shall be adopted by a majority vote of the Directors present at a meeting at which two-thirds or more of all Directors are present.

Chapter 5 Statutory Auditors

Article 31 (Number of Statutory Auditors)

The Company shall have two (2) Statutory Auditors.

Article 32 (Election)

The Statutory Auditors shall be elected by a resolution of shareholders at a general meeting of shareholders in accordance with Article 19 of these Articles of Incorporation.

Article 33 (Term of Office)

1. The term of office of a Statutory Auditor shall expire at the close of the ordinary general meeting of shareholders covering the last business term within two (2) years after his or her assumption of office.

2. The term of office of a Statutory Auditor elected to fill a vacancy shall be the remainder of the term of office of his or her predecessor.

Article 34 (Full-time Standing Statutory Auditor)

The Statutory Auditors shall elect from among themselves a full-time standing (Jokin) Statutory Auditor.

Article 35 (Remuneration)

Remuneration of the Statutory Auditors shall be determined by a resolution of shareholders at a general meeting of shareholders.

Chapter 6 Accounting

Article 36 (Business Term)

The business term of the Company shall commence on April 1 of each year and shall end on March 31 of the following year.

Article 37 (Dividends)

Dividends shall be paid to the shareholders and registered pledgees entered in the register of shareholders as of the closing date of each business term of the Company.

Chapter 7 Supplementary Provisions

Article 38 (The total number of Shares to be Issued at Time of Incorporation)

The total number of shares which the Company shall issue at the time of the incorporation shall be two thousand (2,000), and all such shares shall be common shares with par value. The issue price per share of the above-mentioned shares shall be fifty thousand yen ($50,000 Yen).

Article 39 (First Business Term)

The first business term of the Company shall, notwithstanding Article 36 of these Articles of Incorporation, commence on the date of incorporation of the Company and shall end on March 31, 1994.

Article 40 (Initial Term of Office of Directors and Statutory Auditors)

The term of office of the initial Directors and Statutory Auditors shall, notwithstanding Articles 23 and 33 of these Articles of Incorporation, expire at the close of the ordinary general meeting of shareholders covering the last business term within one (1) year after their assumption of office.

Article 41 (Name and Address of Promoter)

The name and address of the promoter and the number of shares subscribed for by the promoter are as follows:

Name and Address of Promoter	Number of Share
Hirohiko Kondo 2-16-1 Tamanawa, Kamakura-shi Kanagawa, Japan	1

In order to certify the incorporation of Fujitsu AMD Semiconductor K.K., these Articles of Incorporation have been prepared and the promoter has affixed his seal hereto.

, 1993

Promoter: Hirohiko Kondo

SUBSTITUTE EXHIBIT B-1

Exhibit B-1 to the Joint Venture Agreement is a Japanese language document. The registrant represents that Exhibit B-2 to the Joint Venture Agreement constitutes a fair and accurate English translation of Exhibit B-1.

ADVANCED MICRO DEVICES, INC.

By: /s/ MARVIN D. BURKETT

Marvin D. Burkett
Its: Senior Vice President, Chief Administrative Officer and Secretary, Chief Financial Officer and Treasurer

EXHIBIT B-2

10-K Exhibit 10.27(a)

(TRANSLATION)

FUJITSU AMD SEMICONDUCTOR LIMITED
REGULATIONS OF THE BOARD OF DIRECTORS

As effective on ,1993

(Purpose)

Article 1.

Except as provided for by laws and ordinances or the Articles of Incorporation, the matters relating to the Board of Directors shall be governed by these Regulations.

(Composition)
Article 2.

The Board of Directors shall consist of all the Directors.

(Representative Directors and Directors with Titles)
Article 3.

1. A Chairman and a Vice Chairman, each of whom shall be a Representative Director, shall be elected from among the Directors.

2. Two Full-time Standing Directors (Jookin Torishimariyaku) shall be elected from among the Directors.

3. One or more additional Representative Directors may be elected from among the Full-time Standing Directors.

(Person to Convene)
Article 4.

A meeting of the Board of Directors may be convened by the Chairman, the Vice-Chairman, or any two Directors acting together.

(Presiding Officer)
Article 5.

1. The Chairman will act as the presiding officer (Gicho) of all meetings of the Board of Directors; provided that, if the office of the Chairman is vacant or the Chairman is unable to attend the meeting, the Vice Chairman will act as the presiding officer.

2. A meeting of the Board of Directors shall be presided over by the presiding officer.

3. In case the presiding officer mentioned in the foregoing Paragraph is unable to act, one of the other Directors will act in his place in accordance with the order previously fixed by a resolution of the Board of Directors.

(Kind of Meetings)
Article 6.

Meetings of the Board of Directors shall be ordinary meetings and extraordinary meetings.

(Ordinary Meetings)
Article 7.

An ordinary meeting of the Board of Directors shall be held once each quarter.

(Extraordinary Meetings)
Article 8.

1. Extraordinary meetings of the Board of Directors shall be convened whenever necessary.

2. Any Director may ask the Chairman or the Vice Chairman to convene an extraordinary meeting showing the agenda and reason to convene a meeting.

(Notices of Convocation of Meetings)
Article 9.

Notices of convocation of meetings of the Board of Directors shall be sent in the manner provided for in the Articles of Incorporation.

(Method of Resolutions)
Article 10.

Resolutions of the Board of Directors shall be adopted by the affirmative vote of a majority of the members of the Board of Directors present at a meeting where not less than two-thirds (2/3) of all Directors are present.

(Interpreters)
Article 11.

Interpreters may attend meetings of the Board of Directors upon the request of one of the Directors.

(Postponement of Meetings of Board of Directors)
Article 12.

1. If the number in attendance at a meeting of the Board of Directors properly convened is less than the number required for voting as specified in Articles 10, the presiding officer of the meeting of the Board of Directors can postpone the meeting of the Board of Directors, specifying a date at least fourteen (14) days after the date of issuance of the postponement notices specified in Paragraph 2 of this Article.

2. In the case of postponement specified in the preceding Paragraph, the presiding officer shall, within two (2) business days after the date when it was decided to postpone the meeting, issue a written notice to each Director, stating the date, time and place of reconvocation of the postponed meeting of the Board of Directors. The provisions of Article 9 shall be applicable with the necessary modifications to the notices in question. However, it shall be required that the entire text of the notices in question must be transmitted by telegram simultaneously to each Director.

(Minutes of Meetings)
Article 13.

Outlines of the deliberations of meetings of the Board of Directors as well as their results shall be recorded in minutes of meetings in both Japanese and English. The presiding officer and all the Directors who attended each meeting shall affix their signatures or their names and seals to them, and they shall be retained by the Company.

EXHIBIT 10.27(b)

TECHNOLOGY CROSS-LICENSE AGREEMENT

Confidential portions of this document have been deleted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

TECHNOLOGY CROSS-LICENSE AGREEMENT

This Technology Cross-License Agreement (this "Agreement"), dated as of March 26, 1993, is between ADVANCED MICRO DEVICES, INC. ("AMD"), a Delaware corporation having its principal officeat 901 Thompson Place, Sunnyvale, California, 94088-3453, U.S.A., and FUJITSU LIMITED ("Fujitsu"), a Japanese corporation having its registered office at 1015 Kamikodanaka, Nakahara-ku, Kawasaki 211, Japan.

INTRODUCTION

A. Fujitsu and AMD each own or control various patent and other intellectual property rights to which the other party wishes to acquire a license.

B. Fujitsu and AMD are engaged in continuing research, development and engineering with regard to Licensed Products (as defined below).

C. Fujitsu and AMD desire to establish an amicable and mutually beneficial relationship and, more specifically, desire to grant licenses and exchange semiconductor technology in accordance with the following terms and conditions.

ACCORDINGLY, in consideration of the mutual covenants and promises contained herein, the parties hereto agree as follows:

Article 1. DEFINITIONS.

As used in this Agreement, the following terms shall have the following meanings:

Section 1.1. "Affiliate", with respect to a party, shall mean the companies affiliated with such party as specified in Attachment A hereto, which may be amended from time to time upon the agreement of the parties.

Section 1.2. "Applicable Law" shall mean, with respect to a party, any statute, law, ordinance, rule, administrative interpretation, regulation, order, writ, injunction, directive, judgment, decree or other requirement of any Governmental Authority applicable to such party or its properties, business or assets.

Section 1.3. "Auxiliary Part" shall mean input/output means, supporting means, terminal members, conductors or equivalent interconnecting members, housing means, any environmental controlling means included within such housing means or unitary with such housing means, and active and/or

passive elements unitarily or separately combined with a Semiconductor Product and any other parts, primarily usable in or for manufacturing Semiconductor Products.

Section 1.4. "Confidential Information" shall mean information or materials disclosed to a party by the other party that are identified as, or provided under circumstances indicating the information or materials are, confidential or proprietary.

Section 1.5. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Section 1.6. "Effective Date" shall mean the later to occur of (a) the date of this Agreement or (b) the date which all required Governmental Approvals have been obtained.

Section 1.7. "EPROM" or "Electrically Programmable Read Only Memory" shall mean a non-volatile semiconductor memory device incorporating floating gate structure cells, which device is electrically programmable and erasable by using ultraviolet light. The device mainly consists of such floating gate structure cells, with auxiliary logic circuits, if any, where such logic circuits are used solely for memory operation or interface to other products. OTPROM or One Time PROM, which is a certain non-volatile semiconductor device incorporating the same chip as EPROM and packaged without transparent windows for ultraviolet light, shall be included in the definition of EPROM.

Section 1.8. "Flash Memory" shall mean a non-volatile semiconductor memory device incorporating floating gate structure cells, which device is programmable and erasable by electrically injecting and electrically discharging electric charges into and from floating gates. The device mainly consists of such floating gate structure cells, with auxiliary logic circuits, if any, where such logic circuits are used solely for memory operation or interface to other products.

Section 1.9. "Governmental Approvals" shall mean all approvals, consents, authorizations and similar actions from all Governmental Authorities that the parties agree are desirable in order to consummate the transactions hereunder.

Section 1.10. "Governmental Authority" shall mean any foreign, domestic, national, federal, territorial, prefectural, state or local governmental authority, quasi-governmental authority, court, government or self-regulatory, administrative or other agency, or any political or other subdivision, department, or branch of any of the foregoing.

Section 1.11. "Incorporated Product", with respect to a party, shall mean a product, other than an NVM or a Memory Card, into which such party has incorporated NVM(s) made by or for such party or JV, or portions of such NVM(s). Without limitation, Incorporated Product shall include both (a) an

information handling system, circuit board or multichip module that incorporates such NVM(s) or (b) a Semiconductor Product that incorporates circuits of such NVM(s) with other circuits.

Section 1.12. "IPR" or "Intellectual Property Rights", (a) with respect to a party, shall mean such party's Patents, Proprietary Information and Other IPR, and (b) with respect to a third party, shall mean the equivalents of the foregoing, except that, in any case, IPR shall exclude trademarks, service marks, trade names and their equivalents, and any contraction, abbreviation, or simulation thereof.

Section 1.13. "Joint Development Agreement" shall mean the Joint Development Agreement as defined in the Joint Venture Agreement, and any amendments or modifications thereto.

Section 1.14. "Joint Venture Agreement" shall mean that certain joint venture agreement to be entered into by the parties concurrently with this Agreement, and any amendments or modifications thereto.

Section 1.15. "Joint Venture License Agreement" shall mean the Joint Venture License Agreement as defined in the Joint Venture Agreement, and any amendments or modifications thereto.

Section 1.16. "JV" shall mean Fujitsu AMD Semiconductor Limited, a Japanese corporation being formed by AMD and Fujitsu pursuant to the Joint Venture Agreement.

Section 1.17. [Intentionally omitted]

Section 1.18. "Licensed Product" shall mean any of the items described in the following clauses (a) through (c) and/or parts thereof:

(a) Semiconductive Material;

(b) Auxiliary Part; or

(c) Semiconductor Product.

Licensed Products shall include NVMs and Memory Cards, unless otherwise expressly provided herein.

Section 1.19. "Manufacturing Apparatus" shall mean any instrumentality or aggregate of instrumentalities primarily designated for use in the fabrication of Licensed Products.

Section 1.20. "Memory Card" shall mean an EPROM or Flash Memory card, module or board which consists mainly of NVM(s) and auxiliary semiconductor logic, if any, where such auxiliary semiconductor logic is used solely for memory operation or interface to other products.

Section 1.21. "Nondisclosure Agreements" shall mean the Nondisclosure Agreements between Fujitsu and AMD dated March 12, 1992 and July 20, 1992 and the Confidentiality Agreement between Fujitsu and AMD dated October 16, 1992.

Section 1.22. "Non-Semiconductor Group", with respect to a party, shall mean the party's internal group or other organization that is not the Semiconductor Group of such party. It is understood that AMD currently does not have such a Non-Semiconductor Group. Should AMD elect to form a Non-Semiconductor Group in the future, such Group shall at that time have all of the rights and privileges, subject to the obligations, of a Non-Semiconductor Group hereunder.

Section 1.23. "NVM" or "Non-Volatile Memory", with respect to a party, shall mean any EPROM or Flash Memory in wafer, die or packaged device form manufactured using wafer processes with geometries of 0.5 micron or less that embodies, incorporates or is subject to (or is manufactured through processes or methods that embody, incorporate or are subject to) IPR of the other party.

Section 1.24. "Other IPR", with respect to a party, shall mean all mask work rights and copyrights relating to software or microcode, and the equivalents of the foregoing (under the laws of any jurisdiction, including without limitation, all applications and registrations with respect thereto) that both (a) are covered, embodied, or incorporated in the materials or information deliberately provided by such party to the other party in accordance with the Joint Development Agreement or the Nondisclosure Agreements, or deliberately provided by such party to JV or by JV to such party in accordance with the Joint Venture License Agreement and (b) are wholly owned by such party or as to which, and only to the extent and subject to the conditions under which, such party has the right, as of the Effective Date or thereafter during the term of this Agreement, to grant licenses or sublicenses of the scope granted herein, without such grant resulting in the payment of royalties or other consideration to third parties (unless and until the other party undertakes to reimburse such party for any payments so made, in which case such mask work rights and copyrights and equivalents shall be included within such party's Other IPR), except for payments to a Subsidiary of such party sublicensed hereunder or payments to third parties for Other IPR developed or created by such third parties while employed by such party or any Subsidiary of such party sublicensed hereunder.

Section 1.25. "Patents", with respect to a party, shall mean all classes or types of patents, utility models, design patents and reissues, importations and confirmations thereof, and other indicia of ownership, and respective applications therefor of all countries of the world, provided such indicia of ownership or applications therefor meet both the following conditions: (a) have a filing date, or claim the benefit of a filing date, prior to the expiration or termination of this Agreement, and (b) are wholly owned by such party prior to the expiration or termination of this Agreement, or as to

which, and only to the extent and subject to the conditions under which, such party has the right, as of the Effective Date or thereafter during the term of this Agreement, to grant licenses or sublicenses of the scope granted herein, without such grant resulting in the payment of royalties or other consideration to third parties (unless and until the other party undertakes to reimburse such party for any payments so made, in which case such patents shall be included within such party's Patents), except for payments to a Subsidiary of such party sublicensed hereunder or payments to third parties for inventions made by such third parties while employed by such party or any Subsidiary of such party sublicensed hereunder.

Section 1.26. "Pilot Product", with respect to a party, shall mean (i) an NVM wafer manufactured by or for (except by the JV) such party or (ii) an NVM die or packaged device made by or for (except by the JV) such party from such NVM wafer.

Section 1.27. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Section 1.28. "Proprietary Information", with respect to a party, shall mean any trade secrets, copyrighted material (except as is otherwise provided in this Section 1.28), know-how, data, formula, processes, confidential information, or other information, tangible or otherwise, of such party that both (a) comes to the knowledge of the other party (whether or not deliberately provided by such party) in the course of performing the Joint Development Agreement or the Joint Venture License Agreement or pursuant to the Nondisclosure Agreements, and (b) is wholly owned by such party or as to which, and only to the extent and subject to the conditions under which, such party has the right, as of the Effective Date or thereafter during the term of this Agreement, to grant licenses or sublicenses of the scope granted herein, without such grant resulting in the payment of royalties or other consideration to third parties (unless and until the other party undertakes to reimburse such party for any payments so made, in which case such information shall be included within such party's Proprietary Information), except for payments to a Subsidiary of such party sublicensed hereunder or payments to third parties for Proprietary Information developed or created by such third parties while employed by such party or any Subsidiary of such party sublicensed hereunder. Proprietary Information does not include mask work rights or copyrights relating to software or microcode or the equivalents of such rights.

Section 1.29. "Semiconductor Group", with respect to a party, shall mean the internal group or other organization of such party currently having as its primary activities the research and development, making and selling of Semiconductor Products to the semiconductor merchant market, and controlling semiconductor-related IPR arising by virtue of such activities.

Section 1.29.1. The Fujitsu Semiconductor Group currently consists of (and is limited to) the Electronic Devices

Group of Fujitsu, and will consist in the future of any successor organization(s) which succeeds to the semiconductor-related research and development, making, selling and/or IPR of the Electronic Devices Group.

Section 1.29.2. The AMD Semiconductor Group currently consists of AMD in its entirety, and will consist in the future of any successor organization(s) which succeeds to the semiconductor-related research and development, making, selling and/or IPR of any current AMD operations.

Section 1.30. "Semiconductor Product" shall mean:

(a) a Semiconductive Element; or

(b) a Semiconductive Element and one or more films of conductive, semiconductive or insulating materials formed on a surface or surfaces of such Semiconductive Element, said film or films comprising one or more conductors, active or passive electrical circuit elements, or any combination thereof; or

(c) a unitary assembly consisting of one or more of the elements described in clauses (a) and/or (b) of this Section 1.30 having a fixed permanent physical relationship established therebetween; or

(d) a unitary assembly consisting primarily of (i) one or more of the elements described in clauses (a), (b) and/or (c) of this Section , and (ii) one or more film devices having a fixed permanent physical relationship established therebetween.

Semiconductor Product includes, if provided therewith as a part thereof, (i) Auxiliary Parts and (ii) additional electrical circuits constituted thereby and integrally included therein, provided that such Auxiliary Parts and additional electrical circuits are incidental to the functionality of such Semiconductor Products.

Section 1.31. "Semiconductive Element" shall mean an element consisting primarily of a body of Semiconductive Material having a plurality of electrodes associated therewith, whether or not said body consists of a single Semiconductive Material or of a multiplicity of such materials, whether or not said body has, therein and/or thereon, one or more junctions and whether or not said body includes one or more layers or other regions (constituting substantially less than the whole of said body) of a material or materials which are of a type other than Semiconductive Material, and if provided as a part thereof, said element includes passivating means thereof.

Section 1.32. "Semiconductive Material" shall mean any material whose conductivity is intermediate to that of metals and insulators at room temperature and whose conductivity increases with increasing temperature over some temperature range.

Section 1.33. "Subsidiary", with respect to a party, shall mean any corporation, partnership or other entity, more than fifty percent (50%) of whose shares or ownership interests entitled to vote for the election of directors (other than any shares whose voting rights are subject to restriction) or, in the case of a noncorporate entity, the equivalent interests, are owned or controlled by such party, directly or indirectly, now or hereafter, but such corporation, partnership or other entity shall be deemed to be a Subsidiary only for so long as such ownership or control exists.

Section 1.34. "Transitional Event" shall mean the earlier to occur of (i) termination or expiration of the Joint Venture Agreement, (ii) dissolution of the JV, or (iii) Fujitsu or AMD ceasing to be a shareholder of the JV.

Article 2. MUTUAL RELEASE.

Section 2.1. Fujitsu hereby releases, acquits and forever discharges AMD hereunder from any and all claims or liability for infringement or alleged infringement of any Fujitsu IPR by performance of acts prior to the Effective Date which, if performed on or after the Effective Date, would be acts licensed, sublicensed or immunized hereunder.

Section 2.2. AMD hereby releases, acquits and forever discharges Fujitsu hereunder from any and all claims or liability for infringement or alleged infringement of any AMD IPR by performance of acts prior to the Effective Date which, if performed on or after the Effective Date, would be acts licensed, sublicensed or immunized hereunder.

Article 3. GRANTS OF LICENSE.

Section 3.1. Fujitsu hereby grants to AMD a non-exclusive and non-transferable license under Fujitsu IPR:

(a) to make, have made (it being understood that for purposes of this Agreement the terms "make" and "have made" shall include the acts of assembling, packaging, and/or testing), use, sell, lease, or otherwise dispose of Licensed Products and Incorporated Products anywhere in the world, but excluding [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], NVMs and Memory Cards, except as otherwise specified in Attachment B; and

(b) to make, have made and use Manufacturing Apparatuses anywhere in the world, and to sell, lease, or otherwise dispose of such Manufacturing Apparatuses anywhere in the world, provided that such sale, lease or other disposition is incidental to a technology license to make Licensed Products to which such Manufacturing Apparatuses relate.

Section 3.2. AMD hereby grants to Fujitsu a non-exclusive and non-transferable license under AMD IPR:

(a) to make, have made, use, sell, lease, or otherwise dispose of Licensed Products and Incorporated Products anywhere in the world, but excluding [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], NVMs and Memory Cards, except as otherwise specified in Attachment B; and

(b) to make, have made and use Manufacturing Apparatuses anywhere in the world, and to sell, lease, or otherwise dispose of such Manufacturing Apparatuses anywhere in the world, provided that such sale, lease or other disposition is incidental to a technology license to make Licensed Products to which such Manufacturing Apparatuses relate.

Section 3.3. Fujitsu and AMD agree that upon the occurrence of a Transitional Event, whether or not it results in termination under Article 9, or upon the assumption by or on behalf of a party (including a bankruptcy trustee or representative or debtor in possession) of the rights and obligations of this Agreement in a bankruptcy or insolvency proceeding involving such party, the licenses under Sections 3.1 and 3.2, respectively, shall automatically, without further action by either party, be changed so that the licenses become licenses to make, have made, use, sell, lease or otherwise dispose of any volume of Licensed Products, including NVMs and Memory Cards, anywhere in the world not subject to the conditions of Attachment B, but excluding, in the case of Section 3.1, [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], and, in the case of Section 3.2, [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Section 3.4.

Section 3.4.1. Notwithstanding anything to the contrary in Sections 1.12 and 3.1, Articles 4 and 5, or any other provision of this Agreement:

(a) The rights, licenses and immunities granted by Fujitsu hereunder to AMD (and the definition of "IPR" included in such grant) shall exclude IPR of any Fujitsu Non-Semiconductor Group except that:

(i) Such Fujitsu Non-Semiconductor Group, at its option, may grant to the AMD Semiconductor Group a license of such Fujitsu Non-Semiconductor Group's Patents that relate to (A) processes for manufacturing Licensed Products, (B) the device structure (but not circuits) of Licensed Products, or (C) the materials comprising Licensed Products (collectively, "Semiconductor-Related"). Unless such Fujitsu Non-Semiconductor Group grants such a license to the AMD Semiconductor Group and such license is otherwise of a scope that is equivalent to that of Section 3.1, such Fujitsu Non-Semiconductor Group may not exercise the rights, licenses and immunities granted hereunder to

Fujitsu with respect to Licensed Products, except Licensed Products that are made by or for Fujitsu Semiconductor Group, a Subsidiary sublicensed hereunder, the JV or another Non-Semiconductor Group that has acquired the right (pursuant to this Section 3.4.1(a)(i)) to exercise such rights, licenses and immunities granted hereunder to Fujitsu.

(ii) If the Fujitsu Semiconductor Group provides or makes available to AMD information, material or technology in connection with activities related to the Joint Development Agreement or the Joint Venture License Agreement, and such information, material or technology embodies, incorporates or is subject to any Semiconductor-Related IPR of a Fujitsu Non-Semiconductor Group that is used by the Fujitsu Semiconductor Group, the Fujitsu Semiconductor Group shall (unless such Fujitsu Non-Semiconductor Group has granted a license of such IPR pursuant to clause (i)) arrange for a license or immunity from suit under such IPR to the AMD Semiconductor Group, provided that AMD shall pay any related reasonable license fees or royalties. Such license or immunity shall otherwise be of a scope equivalent to that of Section 3.1, but shall be no broader than the rights of the Fujitsu Semiconductor Group to such IPR.

(b) An AMD Non-Semiconductor Group may, at its option, obtain a license hereunder of the circuit Patents of the Fujitsu Semiconductor Group. Such license shall be of a scope equivalent to that of Section 3.1. If such AMD Non-Semiconductor Group obtains such a license, it shall grant back to the Fujitsu Semiconductor Group a license hereunder of such AMD Non-Semiconductor Group's circuit Patents. Such license shall otherwise be of a scope equivalent to that of Section 3.2.

Section 3.4.2. Notwithstanding anything to the contrary in Sections 1.12 and 3.2, Articles 4 and 5, or any other provision of this Agreement:

(a) The rights, licenses and immunities granted by AMD hereunder to Fujitsu (and the definition of "IPR" included in such grant) shall exclude IPR of any AMD Non-Semiconductor Group except that:

(i) Such AMD Non-Semiconductor Group, at its option, may grant to the Fujitsu Semiconductor Group a license of such AMD Non-Semiconductor Group's Semiconductor-Related Patents. Unless such AMD Non-Semiconductor Group grants such a license to the Fujitsu Semiconductor Group and such license is otherwise of a scope that is equivalent to that of Section 3.2, such AMD Non- Semiconductor Group may not exercise the rights, licenses and immunities granted hereunder to AMD with respect to Licensed Products, except Licensed Products that are made by or for AMD Semiconductor Group, a Subsidiary sublicensed hereunder, the JV or another Non-Semiconductor Group that has acquired the right (pursuant to this Section 3.4.2(a)(i)) to exercise such rights, licenses and immunities granted hereunder to AMD.

(ii) If the AMD Semiconductor Group provides or makes available to Fujitsu information, material or technology in connection with activities related to the Joint Development Agreement or the Joint Venture License Agreement, and such information, material or technology embodies, incorporates or is subject to any Semiconductor-Related IPR of an AMD Non-Semiconductor Group that is used by the AMD Semiconductor Group, the AMD Semiconductor Group shall (unless such AMD Non-Semiconductor Group has granted a license of such IPR pursuant to clause (i)) arrange for a license or immunity from suit under such IPR to the Fujitsu Semiconductor Group, provided that Fujitsu shall pay any related reasonable license fees or royalties. Such license or immunity shall otherwise be of a scope equivalent to that of Section 3.2, but shall be no broader than the rights of the AMD Semiconductor Group to such IPR.

(b) A Fujitsu Non-Semiconductor Group may, at its option, obtain a license hereunder of the circuit Patents of the AMD Semiconductor Group. Such license shall be of a scope equivalent to that of Section 3.2. If such Fujitsu Non-Semiconductor Group obtains such a license, it shall grant back to the AMD Semiconductor Group a license hereunder of such Fujitsu Non-Semiconductor Group's circuit Patents. Such license shall otherwise be of a scope equivalent to that of Section 3.1.

Section 3.5. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Section 3.6. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Article 4. IMMUNITY FOR CUSTOMERS AND USERS.

Section 4.1. Fujitsu hereby forever grants to the customers and users of Licensed Products or Incorporated Products that are sold, leased or otherwise disposed of by AMD pursuant to, and subject to the conditions of, this Agreement a worldwide, royalty-free and non-exclusive immunity from suit, damages and claims by Fujitsu under Fujitsu IPR to use, sell, lease or otherwise dispose of such Licensed Products or Incorporated Products, provided that such royalty-free immunity for such customers and users shall extend only to the use, sale, lease or other disposition of such particular Licensed Products or Incorporated Products that such customers and users obtained directly or indirectly from AMD. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. The sale, lease, or other disposition to customers and users of Licensed Products or Incorporated Products by AMD does not convey any license, by implication, estoppel, or otherwise, to such customers and users under Patent claims covering combinations of such Products with other devices or elements.

Section 4.2. AMD hereby forever grants to the customers and users of Licensed Products or Incorporated Products

that are sold, leased or otherwise disposed of by Fujitsu pursuant to, and subject to the conditions of, this Agreement a worldwide, royalty-free and non-exclusive immunity from suit, damages and claims by AMD under AMD IPR to use, sell, lease or otherwise dispose of such Licensed Products or Incorporated Product, provided that such royalty-free immunity for such customers and users shall extend only to the use, sale, lease or other disposition of such particular Licensed Products or Incorporated Products that such customers and users obtained directly or indirectly from Fujitsu. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. The sale, lease, or other disposition to customers and users of Licensed Products or Incorporated Products by Fujitsu does not convey any license, by implication, estoppel, or otherwise, to such customers and users under Patent claims covering combinations of such Products with other devices or elements.

Article 5. SUBLICENSE.

Section 5.1. Each party shall have the right to grant sublicenses of the rights, licenses and immunities granted to such party under Section 3.1 or 3.2, as well as Articles 2 and 4 and this Article 5, to a Subsidiary of such party but subject to the condition that such Subsidiary grants a license to the other party hereunder of the Patents, if any, of such Subsidiary, as follows: If such Subsidiary is subject to control by a Non-Semiconductor Group, such grant-back license (a) shall be to the Semiconductor Group of the other party and (b) shall be of Semiconductor-Related (as defined in Section 3.4.1(a)(i)) Patents. If such Subsidiary is subject to control by the Semiconductor Group, such license (a) shall be to the other party as a whole and (b) shall be of all Patents of such Subsidiary. Any such license shall otherwise be of a scope equivalent to that of Section 3.1 or 3.2 (as applicable). It is hereby stated, for confirmation purposes, that (i) it is an option, and not an obligation, for a Subsidiary to grant such a license, unless and until such Subsidiary elects to be granted a sublicense of such rights, licenses and immunities, and (ii) even without obtaining such a sublicense, a Subsidiary of a party may exercise the rights, licenses and immunities granted hereunder to the same extent as a Non-Semiconductor Group of such party that has not granted a license to the other party's Semiconductor Group under Section 3.4.1(a)(i) or 3.4.2(a)(i).

Section 5.2. If requested by a party, the other party shall cause a Subsidiary actually controlled by the Semiconductor Group of such other party to grant a license to such party under Section 5.1.

Section 5.3. If the Semiconductor Group of a party provides or makes available to the other party information, material or technology in connection with activities related to the Joint Development Agreement or the Joint Venture License Agreement, and such information, material or technology embodies, incorporates or is subject to any Semiconductor-Related (as

defined in Section 3.4.1(a)(i)) IPR of a Subsidiary of such party that is used by such Semiconductor Group, such Semiconductor Group shall (unless such Subsidiary has granted a license to such other party pursuant to Section 5.1) arrange for a license or immunity from suit under such IPR to the Semiconductor Group of such other party, provided that such other party shall pay any related reasonable license fees or royalties. Such license or immunity shall otherwise be of a scope equivalent to that of Section 3.1 or 3.2.

Section 5.4. A party shall not have the right to grant sublicenses hereunder except as provided herein.

Article 6. CONFIDENTIALITY.

Section 6.1. Except as expressly authorized by the other party (including without limitation the exercise of the rights granted to a party under this Agreement, the Joint Development Agreement and the Joint Venture License Agreement) each party agrees not to disclose, use or permit the disclosure or use by others of any Confidential Information unless and to the extent such Confidential Information (i) is not marked or designated in writing as confidential and is provided for a purpose that reasonably contemplates disclosure to or use by others, (ii) becomes a matter of public knowledge through no action or inaction of the party receiving the Confidential Information, (iii) was in the receiving party's possession before receipt from the party providing such Confidential Information, (iv) is rightfully received by the receiving party from a third party without any duty of confidentiality, (v) is disclosed to a third party by the party providing the Confidential Information without a duty of confidentiality on the third party, (vi) is disclosed by the receiving party despite the exercise of the same degree of care used by the receiving party to safeguard its own similar Confidential Information, but the receiving party shall take all necessary steps to prevent any further disclosure, (vii) is disclosed with the prior written approval of the party providing such Confidential Information, or (viii) is independently developed by the receiving party without any use of the other party's Confidential Information. Confidential Information shall not be deemed to be available to the general public for the purpose of exclusion (ii) above with respect to each party (x) merely because it is embraced by more general information in the prior possession of the receiving party or others, or (y) merely because it is expressed in public literature in general terms not specifically in accordance with the Confidential Information.

Section 6.2. In furtherance, and not in limitation of the foregoing Section 6.1, each party agrees to do the following with respect to any such Confidential Information: (i) exercise the same degree of care to safeguard the confidentiality of, and prevent the unauthorized use of, such information as that party exercises to safeguard the confidentiality of its own Confidential Information, (ii) restrict disclosure of such information to those of its

employees, agents and sublicensees who have a "need to know", and (iii) instruct and require such employees, agents and sublicensees to maintain the confidentiality of such information and not to use such information except as expressly permitted herein. Each party further agrees not to remove or destroy any proprietary or confidential legends or markings placed upon any documentation or other materials.

Section 6.3. The foregoing confidentiality obligations shall also apply to the contents of this Agreement.

Section 6.4. The obligations under this Article 6 shall not prevent the parties from disclosing the Confidential Information or terms of this Agreement to any government agency or body as required by law (provided that the party required to make such disclosure in such circumstances has given the other party prompt notice prior to making such disclosure so that the other party may seek a protective order or other appropriate remedy prior to such disclosure and cooperates fully with such other party in seeking such order or remedy).

Section 6.5. The obligations under this Article 6 shall apply with respect to any Confidential Information for a period of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] from the date of disclosure of such Confidential Information to the receiving party, unless with respect to any particular Confidential Information the providing party in good faith notifies the receiving party in writing that a longer period shall apply, in which case the obligations under this Article 6 with respect to such Confidential Information shall apply for such longer period.

Article 7. USE OF PROPRIETARY INFORMATION AND COMMINGLED TECHNOLOGY.

Section 7.1. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Section 7.2. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Article 8. WARRANTIES, LIMITATION ON LIABILITY, AND COVENANTS.

Section 8.1. Each party hereto represents and warrants to the other party that it has the right, and will continue during the term of this Agreement to have the right, to grant to or for the benefit of the other party the rights and licenses granted hereunder in accordance with the terms of this Agreement and such grant of rights and licenses does not, and will not during the term of this Agreement, conflict with the rights and obligations of such party under any other license, agreement, contract or other undertaking. Each party shall

indemnify, hold harmless and defend the other party against a breach by such party of this Section 8.1.

Section 8.2. Nothing contained in this Agreement shall be construed as:

(a) a warranty or representation by any of the parties hereto or its Subsidiaries sublicensed hereunder as to the validity or scope of any Fujitsu IPR or AMD IPR, as the case may be; or

(b) conferring upon any party hereto or its Subsidiaries sublicensed hereunder any license, right or privilege under any patents, utility models, design patents, copyrights, mask work rights or trade secrets except the licenses, rights and privileges expressly granted hereunder; or

(c) a warranty or representation that any acts licensed or sublicensed hereunder will be free from infringement of patents, utility models, design patents, copyrights, mask work rights or trade secrets other than those under which licenses, rights and privileges have been expressly granted hereunder; or

(d) an arrangement to bring or prosecute actions or suits against third parties for infringement or conferring any right to bring or prosecute actions or suits against third parties for infringement; or

(e) conferring any right to use in advertising, publicly or otherwise, any trademark, service mark, trade name or their equivalent, or any contraction, abbreviation or simulation thereof, of either party hereto or their Subsidiaries sublicensed hereunder.

Section 8.3. EXCEPT AS EXPRESSLY PROVIDED HEREIN, NEITHER PARTY HERETO MAKES ANY WARRANTIES, WHETHER EXPRESS OR OTHERWISE, CONCERNING ANY IPR, TECHNOLOGY, PRODUCTS, PROCESSES, DESIGNS, DOCUMENTS OR INFORMATION LICENSED OR OTHERWISE PROVIDED PURSUANT TO THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WARRANTIES OF FREEDOM FROM ERRORS OR DEFECTS, OR WARRANTIES OF NON-INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS, AND NEITHER PARTY SHALL BE RESPONSIBLE FOR ANY INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, HOWEVER CAUSED, ON ANY THEORY OF LIABILITY AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES ARISING IN ANY WAY OUT OF THIS AGREEMENT OR ANY IPR, TECHNOLOGY, PRODUCTS, PROCESSES, DESIGNS, DOCUMENTS OR INFORMATION LICENSED OR OTHERWISE PROVIDED PURSUANT TO THIS AGREEMENT.

Article 9. TERM AND TERMINATION.

Section 9.1. Term. This Agreement shall become effective on the Effective Date and shall, unless and until earlier terminated hereunder, remain in effect until the later to occur of (i) the tenth anniversary date of the Effective Date and

(ii) the date of a Transitional Event, at which time this Agreement shall terminate. At the request of either party, both parties shall negotiate in good faith to extend the term of this Agreement, with or without amendment to the provisions hereof.

Section 9.2. Termination. Termination of this Agreement may result from the events listed below. Each party agrees to give prompt written notice to the other party of the happening of any such event.

(a) If either party hereto defaults in the performance of any material obligation hereunder, the non-defaulting party may give written notice thereof and the parties shall discuss the problem arising from such default in good faith and seek to resolve such problem. If such default is not corrected or otherwise addressed by the defaulting party to the reasonable satisfaction of the non-defaulting party within ninety (90) days after the written notice of such default, then the non-defaulting party may, in addition to any other remedies it may have, terminate this Agreement by written notice. This Agreement shall terminate on the thirtieth (30th) day after such notice of termination.

(b) Each party hereto may terminate this Agreement, by giving written notice of termination to the other party at any time, upon or after:

(i) the filing by such other party of a petition in bankruptcy or insolvency;

(ii) any adjudication that such other party is bankrupt or insolvent;

(iii) the filing by such other party of any legal action or document seeking reorganization, readjustment or arrangement of such other party's business under any law relating to bankruptcy or insolvency;

(iv) the appointment of a receiver or bankruptcy trustee for all or substantially all of the property of such other party;

(v) the making by such other party of a general assignment for the benefit of creditors; or

(vi) the institution of any proceedings for the liquidation or winding up of such other party's business or for the termination of its corporate charter, provided, in the event such proceedings are involuntary, the proceedings are not dismissed within ninety (90) days.

(c) If at any time during the term of this Agreement, (i) a party incurs in one transaction or a series of related transactions a change in ownership of more than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of its capital stock, (ii) a party consolidates with or merges with or into another

corporation, partnership or other entity, whether or not such party is the surviving entity of such transaction, unless immediately after such consolidation or merger shareholders of such party prior to the transaction continue to own more than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of the outstanding shares of stock entitled to vote for the election of directors of such new or surviving entity, or (iii) a party sells, assigns or otherwise transfers all or substantially all of the business or assets of such party relating to its semiconductor merchant market business to a third party, the other party may terminate this Agreement upon thirty (30) days' advance written notice to such party, provided, in each case, that the terminating party must exercise such right no later than one (1) year after receiving written notice from the other party of such transaction.

Section 9.3. Effect of Termination.

(a) Except as otherwise provided in this Section 9.3, all rights and obligations of the parties hereunder shall cease upon termination or expiration of this Agreement, with the exception of the rights and obligations of the parties under Articles 2, 4, 6, 7, 8, 9 and 10 and Sections 3.3 and 3.5, which shall survive termination or expiration of this Agreement.

(b) In the event of termination of this Agreement pursuant to Section 9.1, the licenses granted by a party under Article 3 or any sublicenses granted by a party under Article 5, including the modification pursuant to Section 3.3, shall survive such termination of this Agreement with respect to any IPR licensed as of the date of such termination of this Agreement until expiration of such IPR. Should any of the events described in clauses (i) through (iii) of Section 9.2(c) ("Change of Control") occur with respect to a party during the period in which license rights are surviving pursuant to this Section 9.3(b), the other party shall have the right to exercise the rights of a Terminating Party as described in Sections 9.3(c) and (d), and the rights of the parties shall thereafter be as set forth in Sections 9.3(c) and (d) rather than this Section 9.3(b).

(c) If a party (the "Terminating Party") terminates this Agreement pursuant to Section 9.2, the licenses granted by the Terminating Party to the other party (the "Terminated Party") under Article 3, or any sublicenses granted by the Terminated Party under Article 5, shall survive such termination with respect to IPR licensed as of the date of such termination of this Agreement until expiration of such IPR, except that with respect to Patents such post-termination licenses and sublicenses shall be limited solely to (i) Incorporated Products and Licensed Products being made or have made and sold by the Terminated Party and its Subsidiaries sublicensed hereunder at the time of such termination and modifications thereof that do not add functionality ("Existing Products") and (ii) process Patents licensed at the time of such termination ("Existing Process Patents"), whether such Existing Process Patents are used in the manufacture of Existing Products

or other Incorporated Products or Licensed Products, but subject in any event to the requirements of Section 9.3(d).

(d) If a Change of Control occurs with respect to the Terminated Party, whether in connection with termination of this Agreement or thereafter:

(i) beginning on the date of such Change of Control, the licenses granted by the Terminating Party to the Terminated Party under Article 3, or any sublicenses granted by the Terminated Party under Article 5, with respect to Patents shall be limited solely to manufacture and sale of Existing Products and (notwithstanding Section 9.3 (c)(ii)) use of Existing Process Patents to make or have made only Existing Products, in each case only in the operations of the Terminated Party as such operations existed at the time of such Change of Control, and

(ii) such licenses or sublicenses shall terminate on the date of such Change of Control or five years after termination of this Agreement (whichever is later), unless (and only for so long as) the Terminating Party, its Subsidiaries sublicensed hereunder and their customers have a world-wide, royalty-free and non-exclusive immunity from suit, damages and claims under all patents and patent applications of the Terminated Party and the third party that, directly or indirectly, controls the Terminated Party relating to Licensed Products or Incorporated Products.

(e) Upon termination of this Agreement by the Terminating Party pursuant to Section 9.2, the licenses granted by the Terminated Party to the Terminating Party under Article 3, or any sublicenses granted by the Terminating Party under Article 5, shall survive such termination of this Agreement with respect to any IPR licensed as of such termination until expiration of such IPR, as if such termination had occurred as described in Sections 9.1 and 9.3(b), except that with respect to Patents such post-termination licenses and sublicenses shall be subject to the requirements of Section 9.3(f).

(f) If a Change of Control occurs with respect to the Terminating Party, whether in connection with termination of this Agreement or thereafter:

(i) beginning on the date of such Change of Control, the licenses granted by the Terminated Party to the Terminating Party under Article 3, or any sublicenses granted by the Terminating Party under Article 5, with respect to Patents shall be limited solely to manufacture and sale of Existing Products and use of Existing Process Patents to make or have made only Existing Products, in each case only in the operations of the Terminating Party as such operations existed at the time of such Change of Control, and

(ii) such licenses or sublicenses shall terminate on the date of such Change of Control or five years after termination of this Agreement (whichever is later), unless

(and only for so long as) the Terminated Party, its Subsidiaries sublicensed hereunder and their customers have a world-wide, royalty-free and non-exclusive immunity from suit, damages and claims under all patents and patent applications of the Terminating Party and the third party that, directly or indirectly, controls the Terminating Party relating to Licensed Products or Incorporated Products.

Article 10. MISCELLANEOUS.

Section 10.1. Force Majeure. Neither party shall be liable for failure to perform, in whole or in material part, its obligations under this Agreement if such failure is caused by any event or condition not existing as of the date of this Agreement and not reasonably within the control of the affected party, including, without limitation, by fire, flood, typhoon, earthquake, explosion, strikes, labor troubles or other industrial disturbances, unavoidable accidents, war (declared or undeclared), acts of terrorism, sabotage, embargoes, blockage, acts of Governmental Authorities, riots, insurrections, or any other cause beyond the control of the parties; provided, that the affected party promptly notifies the other party of the occurrence of the event of force majeure and takes all reasonable steps necessary to resume performance of its obligations so interfered with.

Section 10.2. Assignment. Neither this Agreement nor any of the rights and obligations created hereunder may be assigned, transferred, pledged, or otherwise encumbered or disposed of, in whole or in part, whether voluntary or by operation of law, or otherwise, by either party without the prior written consent of the other party. This Agreement shall inure to the benefit of and be binding upon the parties' permitted successors and assigns.

Section 10.3. Notices. All notices and communications required, permitted or made hereunder or in connection herewith shall be in writing and shall be mailed by first class, registered or certified air mail, postage prepaid, or otherwise delivered by hand or by messenger, or by recognized courier service (with written receipt confirming delivery), addressed:

(a) If to FUJITSU, to:

Mail or Hand Delivery:

FUJITSU LIMITED
1015 Kamikodanaka, Nakahara-ku
Kawasaki-shi 211, JAPAN
Attn: Masaichi Shinoda
General Manager
Business Development Division
Electronic Devices

with a copy to:

Mail or Hand Delivery:

FUJITSU LIMITED
Marunouchi Center Bldg., 6-1
Marunouchi 1-chome
Chiyoda-ku, Tokyo 100, JAPAN
Attn: Gen Iseki
General Manager, Legal Division

(b) If to AMD, to:

Mail:

Mikio Ishimaru, Esq.
Director of Technology Law
Advanced Micro Devices, Inc., MS 68
P. O. Box 3453
Sunnyvale, CA 94088-3453
U.S.A.

Hand Delivery:

3625 Peterson Way
Santa Clara, CA 95054
U.S.A.

with a copy to:

Mail:

Senior Vice President, Operations
Advanced Micro Devices, Inc.
P. O. Box 3453
Sunnyvale, CA 94088-3453
U.S.A.
Attn: Gene Conner

Hand Delivery:

915 DeGuigne Drive
Sunnyvale, CA 94086
U.S.A.

Each such notice or other communication shall for all purposes hereunder be treated as effective or as having been given as follows: (i) if delivered in person, when delivered; (ii) if sent by airmail, at the earlier of its receipt or at 5 pm, local time of the recipient, on the seventh day after deposit in a regularly maintained receptacle for the deposition of airmail; and (iii) if sent by recognized courier service, on the date shown in the written confirmation of delivery issued by such delivery service. Either party may change the address and/or addressee(s) to whom notice must be given by giving appropriate written notice at least seven (7) days prior to the date the change becomes effective.

Section 10.4 Export Control. Without in any way limiting the provisions of this Agreement, each of the parties hereto agrees that no products, items, commodities or technical data or information obtained from a party hereto nor any direct product of such technical data or information is intended to or shall be exported or reexported, directly or indirectly, to any destination restricted or prohibited by Applicable Law without necessary authorization by the Governmental Authorities, including (without limitation) the Japanese Ministry of International Trade and Industry, the United States Bureau of Export Administration (the "BEA") or other Governmental Authorities of the United States with jurisdiction with respect to export matters. Without limiting the generality of the foregoing, each party hereto agrees that it will not, without authorization from the Office of Export Licensing of the BEA, knowingly export or reexport to a destination outside of the United States General License GTDR technical data or information of United States origin subject to this Agreement, or the direct product thereof, or the product of a plant or major component of a plant that is the direct product thereof, without first providing any applicable export assurances to the exporting party.

Section 10.5. Arbitration.

(a) Any and all disputes arising under or affecting this Agreement shall be resolved exclusively by confidential arbitration pursuant to the rules of the Japan Commercial Arbitration Association in Tokyo, Japan, or such other location as may be agreed between the parties; provided, however, that the arbitrators shall be empowered to hold hearings at other locations within and without Japan. Each of the parties shall designate one arbitrator and the two arbitrators so designated shall select the third arbitrator. Arbitration proceedings shall be conducted in English with simultaneous translation into Japanese. The judgment upon award of the arbitrators shall be final and binding and may be enforced in any court of competent jurisdiction in the United States or Japan, and each of the parties hereto unconditionally submits to the jurisdiction of such court for the purpose of any proceeding seeking such enforcement. Subject only to the provision of Applicable Law, the procedure described in this Section 10.5 shall be the exclusive means of resolving disputes arising under or affecting this Agreement.

(b) All papers, documents, or evidence, whether written or oral, filed with or presented to the panel of arbitrators shall be deemed by the parties and by the arbitrators to be Confidential Information. No party or arbitrator shall disclose in whole or in part to any other person any Confidential Information submitted in connection with the arbitration proceedings, except to the extent reasonably necessary to assist counsel in the arbitration or preparation for arbitration of the dispute. Confidential Information may be disclosed (i) to attorneys, (ii) to parties, and (iii) to outside experts requested by either party's counsel to furnish technical or

expert services or to give testimony at the arbitration proceedings, subject, in the case of such experts, to execution of a legally binding written statement that such expert is fully familiar with the terms of this section, agrees to comply with the confidentiality terms of this section, and will not use any Confidential Information disclosed to such expert for personal or business advantage.

Section 10.6. Entire Agreement. This Agreement and the attachments hereto embody the entire agreement and understanding between the parties with respect to the subject matter hereof, superseding all previous communications, agreements and understandings, whether written or oral. Neither party has relied upon any representation or warranty of the other party except as expressly set forth herein.

Section 10.7. Modification. This Agreement may not be modified or amended, in whole or part, except by a writing executed by duly authorized representatives of both parties.

Section 10.8. Announcement. The parties may announce the existence of the parties' relationship and this Agreement at a time and in a form to be mutually determined. Neither party shall unreasonably withhold its consent to a time proposed by the other party.

Section 10.9. Severability. If any term or provision of this Agreement shall be determined to be invalid or unenforceable under Applicable Law, such provision shall be deemed severed from this Agreement, and a reasonable valid provision to be mutually agreed upon shall be substituted. In the event that no reasonable valid provision can be so substituted, the remaining provisions of this Agreement shall remain in full force and effect, and shall be construed and interpreted in a manner that corresponds as far as possible with the intentions of the parties as expressed in this Agreement.

Section 10.10. No Waiver. Except to the extent that a party hereto may have otherwise agreed in writing, no waiver by that party of any condition of this Agreement or breach by the other party of any of its obligations or representations hereunder shall be deemed to be a waiver of any other condition or subsequent or prior breach of the same or any other obligation or representation by the other party, nor shall any forbearance by the first party to seek a remedy for any noncompliance or breach by the other party be deemed to be a waiver by the first party of its rights and remedies with respect to such noncompliance or breach.

Section 10.11. Nature of Rights. Each party shall have the right to the other party's IPR licensed under this Agreement when created, developed or invented, regardless of whether physically delivered to such party. All rights and licenses granted under or pursuant to this Agreement by a party ("licensor party") to the other party ("licensee party") are, for purposes of Section 365(n) of the U.S. Bankruptcy Code (the "Bankruptcy Code"), licenses of "intellectual property" within

the scope of Section 101 of the Bankruptcy Code. The parties agree that the licensee party, as a licensee of such rights under this Agreement, shall retain and may fully exercise all of its rights and elections under the Bankruptcy Code. The parties further agree that, in the event of the commencement of a bankruptcy or insolvency proceeding by or against the licensor party, the licensee party shall be entitled to a complete duplicate of (and complete access to) any such intellectual property and all embodiments thereof. If not already in the licensee party's possession, the licensee party has the right to immediate delivery of such intellectual property and embodiments upon written request of the licensee party (i) upon any such commencement of bankruptcy proceedings, unless the licensor party or its representative or trustee elects to continue to perform all of its obligations under this Agreement, or (ii) if not delivered under clause (i) above, upon the rejection of this Agreement by or on behalf of the licensor party.

Section 10.12. Tangible Property. The parties agree that the tangible portion of the property delivered and to be delivered by AMD to Fujitsu is valued at [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] and by Fujitsu to AMD is valued at [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Section 10.13. Governing Law. The validity, construction, performance and enforceability of this Agreement shall be governed in all respects by the laws of the State of California, U.S.A.

Section 10.14. Language. This Agreement and the attachments hereto are in the English language, which language shall be controlling in all respects.

Section 10.15. No Agency or Partnership. This Agreement shall not constitute an appointment of either party as the legal representative or agent of the other party, nor shall either party have any right or authority to assume, create or incur in any manner any obligation or other liability of any kind, express or implied, against, in the name or on behalf of, the other party. Nothing herein or in the transactions contemplated by this Agreement shall be construed as, or deemed to be, the formation of a partnership, association, joint venture or similar entity by or among the parties hereto.

Section 10.16. Headings. The section and other headings contained in this Agreement are for convenience of reference only and shall not be deemed to be a part of this Agreement or to affect the meaning or interpretation of this Agreement.

Section 10.17. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives on the date set forth above.

ADVANCED MICRO DEVICES, INC.	FUJITSU LIMITED
/s/ Gene Conner	/s/ Hikotara Masunaga
By: Gene Conner	By: Hikotaro Masunaga
Title: Senior Vice President, Operations	Title: Managing Director

ATTACHMENT A
TO
TECHNOLOGY CROSS-LICENSE AGREEMENT

FUJITSU AFFILIATES

1. Amdahl Corporation

2. HaL Computer Corporation

3. Such other companies (in which Fujitsu has not less than a five percent (5%) stock ownership) as may be requested by Fujitsu and approved (which approval shall not be unreasonably withheld) by AMD for addition to this Attachment A.

AMD AFFILIATES

1. Such companies (in which AMD has not less than a five percent (5%) stock ownership) as may be requested by AMD and approved (which approval shall not be unreasonably withheld) by Fujitsu for addition to this Attachment A.

ATTACHMENT B
TO
TECHNOLOGY CROSS-LICENSE AGREEMENT

Each party is licensed under Section 3.1 or 3.2:

1. With regard to NVMs:

(i) Fujitsu: to sell, lease, or otherwise dispose of NVMs in the countries [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] Ireland, the United Kingdom, [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

(ii) AMD: to sell, lease, or otherwise dispose of NVMs in the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] countries in Europe (except Ireland and the United Kingdom) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

(iii) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

(iv) Each party: to assemble, package and test, [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] and to use, NVMs anywhere in the world.

2. With regard to Pilot Products:

(i) Each party: to make [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] Pilot Products, [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] and to use such Pilot Products, anywhere in the world.

(ii) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

3. With regard to Memory Cards:

(i) Each party: to make [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] and to use Memory Cards anywhere in the world.

(ii) Each party: to sell, lease or otherwise dispose of Memory Cards as provided for NVMs in 1. above or 4. below. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

4. With regard to the European Community ("EC") (and, if the European Economic Area ("EEA") Agreement comes into effect, the EEA):

Each party: commencing five years after the first commercial sale of each new NVM or Memory Card in the EC (and, if the EEA Agreement comes into effect, the EEA), and notwithstanding anything else in this

Attachment B, to sell, lease or otherwise dispose of such NVM or Memory Card anywhere in the EC (and, if the EEA Agreement comes into effect, the EEA). Notwithstanding the foregoing or anything else in this Attachment B, (i) for the first five years from such first commercial sale, each party may solicit orders, advertise, set up or appoint distributors or sales representatives, establish warehouses, and otherwise engage in active sales and marketing for such NVM or Memory Card only in the countries of the EC (and, if the EEA Agreement comes into effect, the EEA) specified for such party in 1.(i) or 1.(ii), as applicable, above, and (ii) at any time, the unsolicited sale, lease or other disposition of NVMs or Memory Cards shall be permitted between Member States of the EC (and, if the EEA Agreement comes into effect, the EEA).

TECHNOLOGY CROSS-LICENSE AGREEMENT

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EXHIBIT 10.27(c)

AMD INVESTMENT AGREEMENT

ADVANCED MICRO DEVICES, INC.

investing in

FUJITSU LIMITED

March 26, 1993

Confidential portions of this document have been deleted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

AMD INVESTMENT AGREEMENT

This AMD INVESTMENT AGREEMENT (the "Agreement") is made this 26th day of March, 1993 between FUJITSU LIMITED, a Japanese stock company or kabushiki kaisha ("FUJITSU") and ADVANCED MICRO DEVICES, INC., a Delaware corporation ("AMD").

AMD and FUJITSU have entered into a Memorandum of Understanding dated July 13, 1992 regarding (a) the formation, funding and implementation of a joint venture between AMD and FUJITSU to manufacture integrated circuits (the "Joint Venture") and (b) the purchase by each party of common stock of the other party and/or its subsidiaries.

1.1 Purchases of Fujitsu Securities. Upon the terms and conditions set forth in this Agreement, AMD shall purchase bonds and/or shares of the common stock of FUJITSU having a total price of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] (the "Fujitsu Securities"). All Fujitsu Securities shall be purchased in the open market in Japan, unless otherwise agreed between the parties. The selection between the purchase of bonds, or the purchase of equity securities such as common stock or bonds convertible into common stock, shall be initially at FUJITSU'S discretion, provided that AMD shall have the sole discretion to vary such selection to the extent necessary for the Joint Venture to be or not to be, at AMD's discretion, a "controlled foreign corporation" of AMD (within the meaning of Chapter 1, Subchapter N, Part III, Subpart F of the Internal Revenue Code of 1986, as amended), with a reasonable margin to ensure that AMD's objective is achieved. To the extent consistent with this objective, at FUJITSU's election the parties will negotiate the terms under which AMD shall purchase publicly traded bonds issued by FUJITSU

and convertible into common stock of FUJITSU, instead of purchasing common stock.

1.2 Timing of Purchase. FUJITSU shall provide written notice to AMD regarding the extent to which FUJITSU elects to exercise its option to request AMD purchase convertible bonds rather than Fujitsu common stock within ten (10) days after the Effective Date of the Joint Venture Agreement between FUJITSU and AMD. AMD shall purchase Fujitsu Securities within thirty (30) days after receipt of such notice.

1.3 Timing of Permitted Resales or Transfers. Unless AMD enters into a firm commitment to replace the FUJITSU Securities purchased under Section 1.1 with FUJITSU Securities of equal value within 30 days after disposition, the FUJITSU Securities purchased under Section 1.1 may not be resold, hypothecated or transferred except in the following manner. Up to [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of the Fujitsu Securities purchased in accordance with the Agreement may be resold or transferred at any time after [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of the consummation of such purchase. All remaining Fujitsu Securities may be resold or transferred at any time after [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of the consummation of such purchase.

1.4 Information on Issuances. FUJITSU shall, to the extent legally permissible (i) provide AMD with a statement, on December 1 of each year during the term of the Joint Venture Agreement, of the number and type of voting shares and convertible debt of FUJITSU outstanding as of a date within the preceding 45 days, and (ii) provide AMD with at least seven days advance notice

prior to the issuance of additional shares (other than shares issued pursuant to conversion of debt) which would cause the number of FUJITSU voting shares outstanding at December 31 of such year to be in excess of 110% of the number of shares specified in FUJITSU's December 1 statement to AMD.

1.5 Communications. All notices and communications required, made or permitted hereunder or in connection herewith shall be in writing and shall be delivered by hand, or by messenger, or by recognized courier service (with written receipt confirming delivery), or by postage prepaid registered or certified airmail (return receipt requested), and addressed:

(a) If to FUJITSU, to:
FUJITSU LIMITED
Furukawa Sogo Building
6-1, Marunouchi 2-chome
Chiyoda-ku, Tokyo 100, Japan
Attn: Mr. Hirohiko Kondo
General Manager
Electronic Devices Marketing Division

with a copy to
FUJITSU LIMITED
Marunouchi Center Bldg.
6-1, Marunouchi 1-chome
Chiyoda-ku, Tokyo 100, Japan
Attn: Mr. Gen Iseki
General Manager
Legal Division

(b) If to AMD, to:

(Mail)

ADVANCED MICRO DEVICES, INC.
P.O. Box 3453
Sunnyvale, CA 94088-3453
Attn: Marvin D. Burkett
Senior Vice President and
Chief Financial Officer

(Hand Delivery)

915 De Guigne Drive
Sunnyvale, CA
Attn: Marvin D. Burkett
Senior Vice President and
Chief Financial Officer

With a copy to:

(same addresses)

Attn: Thomas W. Armstrong, Esq.
Vice President, General Counsel and
Secretary

Each such notice or other communication shall for all purposes hereunder be treated as effective or as having been given as follows: (i) if delivered in person, when delivered (ii) if sent by airmail, at the earlier of its receipt or at 5 p.m. local time of the recipient, on the seventh (7th) day after deposit in a regularly maintained receptacle for the deposit of airmail, and (iii) if sent by a recognized courier service, on the date shown in the written confirmation of delivery issued by such courier service. Either party may change the address(es) and/or addressee(s) to whom notice must be given by giving notice pursuant to this section at least seven days prior to the date the change becomes effective.

1.6 Costs and Expenses. FUJITSU and AMD each shall bear their own costs and expenses of the transactions contemplated hereby.

1.7 Successors and Assigns. This Agreement shall inure to the benefit of, and be binding on, the parties hereto and their respective successors and assigns. This Agreement may not be assigned by either party without the prior written consent of the other party.

1.8 Entire Agreement; Modification. This Agreement and all exhibits hereto and other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof, and neither party shall be liable or bound to the other party in any manner by any warranties, representations or covenants except as specifically set forth herein. Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument signed by a corporate officer of the party against whom enforcement of any such amendment, waiver, discharge or termination is sought.

1.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which may be executed by fewer than all of the parties, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

1.10 Severability. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision; provided, that no such severability shall be effective if it materially changes the economic impact of this Agreement on any party.

1.11 Cooperation; Best Efforts. The parties agree to cooperate and to use their best efforts to consummate the purchase of Fujitsu Shares authorized by this Agreement. Such cooperation shall include, but not be limited to, the diligent and prompt filing and pursuit of all governmental consents, reviews or clearances required by law to be obtained by either party with respect to any or all purchases under this Agreement.

1.12 Governing Law, Language. This Agreement shall be governed in all respects by the laws of Japan. This Agreement is in the English language only, which shall be controlling in all respects. No translations, if any, of this Agreement into Japanese or any other language shall be of any force or effect in the interpretation of this Agreement as to either party hereto or in any determination of the interest of either of such parties.

1.13 Dispute Resolution.

(a) Any and all disputes arising under or affecting this Agreement or any other agreement to be executed in accordance herewith shall be resolved, except as expressly provided otherwise in such other agreement, exclusively by confidential arbitration pursuant to the rules of the Japan Commercial Arbitration Association in Tokyo, Japan, or such other location as may be agreed between the parties; provided, however, that the arbitrators shall be empowered to hold hearings at other locations within and without Japan. Each of the parties shall designate one arbitrator and the two arbitrators so designated shall select the third arbitrator. Arbitration proceedings shall be conducted in English with simultaneous translation into Japanese. Among the remedies available to them, the arbitrators shall be authorized to require specific performance of provisions of this Agreement. The judgment upon award of the arbitrators shall be final and binding and may be enforced in any court of

competent jurisdiction in the United States or Japan, and each of the parties hereto unconditionally submits to the jurisdiction of such court for the purpose of any proceeding seeking such enforcement. Subject only to the provisions of Applicable Law and, except as aforesaid, the procedure described in this Section 1.13 shall be the exclusive means of resolving disputes arising under or affecting this Agreement and all other agreements to be executed in accordance herewith.

(b) All papers, documents or evidence, whether written or oral, filed with or presented to the panel of arbitrators shall be deemed by the parties and by the arbitrators to be confidential information. No party or arbitrator shall disclose in whole or in part to any other person any confidential information submitted in connection with the arbitration proceedings, except to the extent reasonably necessary to assist counsel in the arbitration or preparation for arbitration of the dispute. Confidential information may be disclosed (i) to attorneys, (ii) to parties, and (iii) to outside experts requested by either party's counsel to furnish technical or expert services or to give testimony at the arbitration proceedings, subject, in the case of such experts, to execution of a legally binding written statement that such expert agrees to comply with the confidentiality terms of this Section, and that such expert will not use any confidential information disclosed to such expert for personal or business advantage.

1.14 Termination. If either party transfers its shares in the Joint Venture pursuant to the Joint venture Agreement, or is a Triggering Party under the Joint Venture Agreement, the other party shall have the right to terminate this Agreement. This agreement may be terminated by either party pursuant to the

rights given it under subsection 7.5.A of the Joint Venture Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officers as of the day and year first above written.

FUJITSU LIMITED

By: /s/ HIKOTARO MASUNAGA
_____
Hikotaro Masunaga

ADVANCED MICRO DEVICES, INC.

By: /s/ MARVIN D. BURKETT
_____
Marvin D. Burkett
Chief Financial Officer

AMD INVESTMENT AGREEMENT

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EXHIBIT 10.27(d)

FUJITSU INVESTMENT AGREEMENT

INVESTMENT AGREEMENT

of

FUJITSU LIMITED

investing in

ADVANCED MICRO DEVICES, INC.

March 26, 1993

Confidential portions of this document have been deleted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

FUJITSU INVESTMENT AGREEMENT

This INVESTMENT AGREEMENT (the "Agreement") is made this 26th day of March, 1993 between FUJITSU LIMITED, a Japanese stock company or kabushiki kaisha ("FUJITSU") and ADVANCED MICRO DEVICES, INC., a Delaware corporation ("AMD").

RECITALS

WHEREAS, AMD and FUJITSU have entered into a Memorandum of Understanding dated July 13, 1992 (the "MOU") regarding (a) the formation, funding and implementation of a joint venture between AMD and FUJITSU to manufacture integrated circuits and (b) the purchase by each party of common stock of the other party and/or its subsidiaries.

ARTICLE I
PURCHASES AND SALES OF AMD SHARES

1.1 Purchase of AMD Shares. Upon the terms and subject to the conditions set forth in this Agreement, FUJITSU agrees to purchase from AMD, and AMD agrees to sell to FUJITSU, up to [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] shares (the "AMD Shares") of the $.01 par value common stock of AMD (the "AMD Common Stock"); provided that FUJITSU will not be required to purchase more than five percent (5%) of the issued and outstanding shares of AMD common stock. The AMD Shares shall be purchased and sold in installments as set forth in Section 1.2 below, and the exact number of AMD Shares to be sold and purchased and the price or

prices at which such AMD Shares shall be sold and purchased shall be determined pursuant to Section 1.4 below.

1.2 Timing of Purchases. The AMD Shares shall be sold and purchased in nine (9) installments, as follows: (i) an initial sale and purchase of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] shares (the "Initial Purchase") which shall be consummated within thirty (30) business days following the Effective Date of the Joint Venture Agreement, dated March 30, 1993, between the parties ("the Joint Venture Effective Date"), as anticipated in the MOU, and (ii) eight (8) additional sales and purchases of up to [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] shares each (collectively, the "Subsequent Purchases"), to be consummated by two (2) annual purchases of such amount, the first such purchase to be consummated prior to the last business day of the sixth (6th) month following the Joint Venture Effective Date (the "First Subsequent Purchase") and the second annual purchase to be consummated prior to the last business day of the twelfth (12th) month following the Joint Venture Effective Date (the "Second Subsequent Purchase"), with the Third through Eighth Subsequent Purchases being made in the same manner as the First and Second Subsequent Purchases, i.e., prior to the last business day of the eighteenth (18th), twenty-fourth (24th), thirtieth (30th), thirty-sixth (36th), forty-second (42nd) and forty-eighth (48th) months, respectively, following the Joint Venture Effective Date. Unless the parties agree otherwise in writing, each of the purchases of AMD Shares authorized by this Agreement shall be closed at the AMD main corporate offices, currently 915 DeGuigne Drive, Sunnyvale, California, at 9:00 a.m. local time on the date designated herein for each purchase. If at the time or times scheduled for a purchase of AMD Shares FUJITSU's financial

condition is so constrained that it would, in the good faith judgement of FUJITSU, be imprudent for such purchase to be closed on the scheduled date, FUJITSU shall notify AMD not less than thirty (30) days prior to the date scheduled for such purchase. If such notice is given, the parties will negotiate in good faith to reschedule the closing in question, but the determination of the purchase price for such closing shall not be affected by any such rescheduling. Participation in such negotiations shall not affect the obligations of FUJITSU to effect the aggregate purchases of AMD Shares pursuant to this section. FUJITSU will not be in default under this Agreement, the Joint Venture Agreement, or other agreements between the parties, as a result of failing to meet the closing schedule in question, so long as the aggregate delay in meeting the original schedule for such purchases (as set forth in this section 1.2) does not exceed twelve (12) months.

1.3 Manner of Sale. The offer and sale of the AMD Shares to FUJITSU shall not be registered under Section 4(2) of the Securities Act of 1933, as amended (the "1933 Act"). The AMD Shares shall not involve a public offering, but shall be issued pursuant to an exemption under Section 4(2) of the 1933 Act. The AMD Shares when issued in accordance with this Agreement shall be deemed to be "restricted shares" within the meaning of Rule 144 under the 1933 Act, the resale of which shall comply with applicable provisions of Article II of the Agreement. The parties agree to cooperate with respect to the closing of each installment purchase and to deliver and execute all such records, documents and instruments necessary or desirable to facilitate each such sale and purchase as either party shall reasonably request.

1.4 Purchase Price(s) of AMD Shares; Limitation on Total Purchase Price and Total Number of AMD Shares. The purchase price of each installment of the AMD Shares shall be payable in United States dollars by wire transfer or otherwise as AMD shall reasonably request, and: (i) for the Initial Purchase, shall be equal to the number of AMD Shares acquired in the installment times the average of the closing sales prices of AMD common stock on the New York Stock Exchange for the sixty (60) trading days ending on the Joint Venture Effective Date, and (ii) for the First through Eighth Subsequent Purchases, the average of the closing sales prices on the New York Exchange for the sixty (60) trading days ending on the twentieth day of the month preceding the month in which the purchase is scheduled, or if the Exchange is not open for trading on such date, on the trading day preceding such date. AMD shall provide FUJITSU with a calculation of each such purchase price within three days following the end of the relevant sixty-day period. Such calculation shall be provided by facsimile, the numbers of which shall be designated by Fujitsu in advance, as well as pursuant to section 5.3 below. Notwithstanding the foregoing sentence, FUJITSU shall not be required, except in its own discretion, to pay for the AMD Shares acquired in the Initial Purchase and Subsequent Purchases a total amount in excess of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] or an amount in excess of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] in any twelve-month period. In the event the total purchase price of the AMD Shares exceeds [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] and FUJITSU elects not to pay more than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] for the AMD Shares, the

number of AMD Shares which AMD shall be required to deliver to FUJITSU shall be reduced proportionately.

1.5 Suspension of Obligation to Purchase. FUJITSU and AMD are contemporaneously executing a separate agreement providing for the purchase of Common Stock or bonds of FUJITSU by AMD. Further, FUJITSU and AMD are parties to a Joint Venture Agreement pursuant to which each party agrees to advance funds to the joint venture if the joint venture is unable to secure necessary financing. If AMD does not make any such advance when required to do so, FUJITSU's obligations to purchase shares of AMD stock pursuant to this Agreement shall be suspended until AMD makes such advances, and the purchase dates and corresponding time periods used to calculate the purchase prices as specified in sections 1.2 and 1.4 shall be extended by the number of months that Fujitsu's purchase obligation was suspended.

ARTICLE II
RESTRICTIONS ON RESALE AND VOTING OF AMD SHARES

2.1 No Rights of Registration, Repurchase, First Refusal or Redemption. FUJITSU shall have no right at any time to require AMD to register or qualify the sale of any of the AMD Shares under the 1933 Act or the securities laws of any state, country or other jurisdiction, or to include the AMD Shares under any other registration by AMD of its securities. AMD shall have no obligation to repurchase the AMD Shares or, except as provided herein, in any manner to cooperate or assist in the resale of the AMD Shares by FUJITSU to any other party. The AMD Shares shall not be subject to redemption by AMD, and AMD shall have no right or obligation, commonly known as a "right of first refusal" or "right of first offer," to acquire any of the AMD Shares either

upon the terms and conditions first agreed upon by and between FUJITSU and any other party or prior to any such agreement relating to such terms and conditions.

2.2 Restricted Nature of AMD Shares; Legend; Manner and Timing of Permitted Resales or Transfers.

(a) The AMD Shares shall be deemed to be "restricted shares" within the meaning of Rule 144 under the 1933 Act, and may not be resold, hypothecated, pledged, otherwise encumbered or transferred by FUJITSU except as provided herein. In order to assure compliance with this Agreement and with the 1933 Act and regulations thereunder, AMD before delivering to FUJITSU certificates representing the AMD Shares shall cause such certificates to be legended with the following legend to indicate the restrictions placed upon their resale or transfer:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS AS SET FORTH IN AN AGREEMENT DATED MARCH 26, 1993, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF ADVANCED MICRO DEVICES, INC., AND MAY NOT BE RESOLD PRIOR TO [DATE]*. THE SHARES REPRESENTED BY THIS CERTIFICATE ARE DEEMED TO BE RESTRICTED SHARES FOR PURPOSES OF RULE 144 UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). NO TRANSFER OF THESE SHARES MAY BE MADE EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT, UNLESS ADVANCED MICRO DEVICES HAS RECEIVED AN OPINION OF COUNSEL SATISFACTORY TO IT THAT SUCH TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE ACT.

(b) The AMD Shares shall not be resold or transferred by FUJITSU except pursuant to a valid and effective registration

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* [DATE] refers to the dates specified in 202(c), below

thereof under the 1933 Act or an exemption from registration which is available thereunder. AMD and/or its transfer agent shall have the right to require, prior to resale or transfer under any such exemption, that FUJITSU provide to AMD and for its and/or its transfer agent's benefit an opinion of counsel, in form and substance reasonably satisfactory to AMD, stating and opining that registration is not required.

(c) Except as provided in subsections (d) and (e) below, the AMD Shares may not be resold or transferred except in the following manner. Up to [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of the AMD Shares purchased in the Initial Purchase or any Subsequent Purchase may be resold or transferred at any time after [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of the consummation of such purchase. Up to an additional [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of such shares may be resold or transferred at any time after [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of the consummation of such purchase

(d) FUJITSU may tender or sell any of the AMD Shares then owned by it, without restriction under this Agreement, in the event of, and in accordance with the terms and conditions of, (i) a tender or exchange offer for shares of common stock of AMD commenced by AMD, or (ii) a tender, exchange or other offer for such shares of common stock commenced by a third party and approved by the Board of Directors of AMD.

(e) Except for the resales or other transfers permitted by subsections (c) or (d) above, FUJITSU may not

transfer any of the AMD Shares to any other person or entity including an affiliate of FUJITSU, by gift or otherwise, without the prior written consent of AMD. This restriction shall expire on the earlier of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], or [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE PARTIES

3.1 Representations and Warranties of AMD. Except as provided in Section 4.2(b) hereof, AMD does not make and shall not be required to make to FUJITSU any representations or warranties of any kind in connection with its sale of the AMD Shares, including but not limited to representations or warranties regarding the AMD Shares or the financial condition or results of operations of AMD.

3.2 Representations and Warranties of FUJITSU.

(a) Except as provided in this Section 3.2 and in Section 4.1(a) hereof, FUJITSU does not make and shall not be required to make to AMD any representations or warranties of any kind in connection with its purchases of the AMD Shares.

(b) FUJITSU represents and warrants to AMD as follows:

(i) FUJITSU is and shall be as of the closing of each of the Initial Purchase and the Subsequent Purchases an "accredited investor" within the meaning of Rule 501(a)(3) under the 1933 Act.

(ii) FUJITSU is acquiring and will acquire the AMD Shares for its own account for the purpose of investment and not with a view to or for resale in connection with any distribution thereof.

(iii) FUJITSU has such knowledge and experience in financial and business matters as to be capable of evaluating on its own the merits and risks of investment in the AMD Shares.

(iv) FUJITSU has had opportunity to ask questions of and receive answers from AMD concerning the terms and conditions of the offer and sale of the AMD Shares, and to obtain all additional information from AMD which FUJITSU deems necessary to verify the accuracy of the information contained in the following, copies of which (including all exhibits filed with or incorporated by reference therein except, at AMD's option, any exhibit with respect to which confidential treatment has been granted) FUJITSU acknowledges to have received from AMD:

(1) AMD's annual report on Form 10-K filed with the Securities and Exchange Commission (the "Commission") for its most recent fiscal year.

(2) AMD's filings with the Commission on Forms 10-Q and 8-K since the filing of its report on Form 10-K for the most recent fiscal year.

ARTICLE IV

CONDITIONS TO CLOSINGS OF PURCHASES OF AMD SHARES

4.1 Conditions to AMD's Obligations. The obligations of AMD to close the Initial Purchase and the Subsequent Purchases shall be subject to the fulfillment of the following conditions, any or all of which may be waived in writing by AMD:

(a) AMD shall have received from FUJITSU an officers' certificate dated the date of closing in substantially the form set forth in Exhibit A hereto, signed by an authorized representative of FUJITSU who is at least department manager management level ("bucho") or above.

(b) All required consents, clearances and permits of any governmental entity applicable to the purchase shall have been obtained and be in effect and not withdrawn, and all applicable waiting periods shall have expired, including but not limited to any consents or waiting periods required by the Hart-Scott-Rodino Antitrust Improvements Act and Section 5021 of the Omnibus Trade and Competitiveness Act of 1988 (50 U.S.C. App. Section 2170) and regulations issued by the Department of the Treasury thereunder.

(c) The Joint Venture Agreement shall have been executed by the parties and be in full force and effect, and no notice shall have been given by AMD to FUJITSU of any material breach of this Agreement or the Joint Venture Agreement by FUJITSU which shall not have been corrected to the reasonable satisfaction of AMD.

(d) The agreement relating to the purchase of equity of FUJITSU by AMD shall have been executed by the parties

thereto, and no notice shall have been given by AMD to FUJITSU of any material breach thereof, that shall not have been corrected to the reasonable satisfaction of AMD.

4.2 Conditions to FUJITSU's Obligations. The obligations of FUJITSU to close the Initial Purchase and the Subsequent Purchases shall be subject to the fulfillment of the following conditions, any or all of which may be waived in writing by FUJITSU:

(a) AMD shall continue to be listed on the New York Stock Exchange, NASDAQ, or the American Stock Exchange, or any successor of such exchange recognized by the U.S. Securities and Exchange Commission.

(b) FUJITSU shall have received from AMD an officers' certificate dated the date of closing in substantially the form set forth in Exhibit B hereto, signed by an authorized representative of AMD.

(c) All required consents, clearances and permits of any governmental entity applicable to the purchase shall have been obtained and be in effect and not withdrawn and all applicable waiting periods shall have expired, including but not limited to any consents or waiting periods required by the Hart-Scott-Rodino Antitrust Improvements Act and Section 5021 of the Omnibus Trade and Competitiveness Act of 1988 (50 U.S.C. App. Section 2170) and regulations issued by the Department of the Treasury thereunder.

(d) The Joint Venture Agreement shall have been executed by the parties and be in full force and effect, and no

notice shall have been given by FUJITSU to AMD of any material breach of this Agreement or the Joint Venture Agreement by AMD which shall not have been corrected to the reasonable satisfaction of FUJITSU.

(e) The agreement relating to the purchase of equity of FUJITSU by AMD shall have been executed by the parties thereto, and no notice shall have been given by FUJITSU to AMD of any material breach thereof that shall not have been corrected to the reasonable satisfaction of FUJITSU.

ARTICLE V
MISCELLANEOUS PROVISIONS

5.1 Costs and Expenses. AMD and FUJITSU each shall bear their own costs and expenses incurred with respect to this Agreement, including but not limited to the costs and expenses of each installment purchase of AMD Shares contemplated hereby.

5.2 Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns. This Agreement may not be assigned by either party without the prior written consent of the other party.

5.3 Communications. All notices and communications required, made or permitted hereunder shall be in writing and shall be delivered by hand, or by messenger, or by recognized courier service (with written receipt confirming delivery), or by postage prepaid registered or certified airmail (return receipt requested), addressed:

(a) If to FUJITSU, to:

FUJITSU LIMITED
Furukawa Sogo Bldg.
6-1, Marunouchi 2-chome
Chiyoda-ku, Tokyo 100, Japan
Attn: Hirohiko Kondo
General Manager,
Electronic Devices Marketing Division

with a copy to:
FUJITSU LIMITED
Marunouchi Center Bldg.
6-1, Marunouchi 1-chome
Chiyoda-ku, Tokyo 100, Japan
Attn: Gen Iseki
General Manager, Legal Division

(b) If to AMD, to:
(Mail)
ADVANCED MICRO DEVICES, INC.
P.O. Box 3453
Sunnyvale, CA 94088-3453
Attn: Marvin D. Burkett
Senior Vice President,
Chief Financial Officer

(Hand Delivery)
ADVANCED MICRO DEVICES, INC.
915 DeGuigne Drive
Sunnyvale, CA

With a copy to:

(same addresses as above)
Attn: Thomas W. Armstrong, Esq.
Vice President, General Counsel and
Secretary

Each such notice or other communication shall for all purposes hereunder be treated as effective or as having been given as follows: (i) if delivered in person, when delivered; (ii) if sent by airmail, at the earlier of its receipt or at 5 pm local time of the recipient, on the seventh day after deposit in a regularly maintained receptacle for the deposit of airmail; and (iii) if sent by recognized courier service, on the date shown in the written confirmation of delivery issued by such delivery service. Either party may change the addresses and/or addressees to whom notice must be given by giving notice pursuant to this section at least seven days prior to the date the change becomes effective.

5.4 Entire Agreement; Modification. This Agreement and all exhibits hereto and other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof, and neither party shall be liable or bound to the other party in any manner by any warranties, representations or covenants except as specifically set forth herein. Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument signed by a corporate officer of the party against whom enforcement of any such amendment, waiver, discharge or termination is sought.

5.5 Captions. Headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be relied upon to limit the construction of this Agreement.

5.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which may be executed by fewer than all of the parties, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

5.7 Severability. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision; provided, that no such severability shall be effective if it materially changes the economic impact of this Agreement on any party.

5.8 Governing Law, Language. This Agreement shall be governed in all respects by the laws of the United States and the State of Delaware. This Agreement is in the English language only, which shall be controlling in all respects. No translation, if any, of this Agreement into Japanese or any other language shall be of any force or effect in the interpretation of this Agreement as to either party hereto or in any determination of the intent of either of such parties.

5.9 Notice and Correction of Breach. Either party believing that the other party has materially breached this Agreement, prior to institution of any proceeding for specific performance pursuant to Section 5.10, shall give notice to the other party specifying the nature of the breach and requesting that it be corrected. If within sixty (60) days after such notice is given the accused party has not to the satisfaction of the accusing party responded and materially commenced or completed the correction of the breach asserted, the party giving

notice may take such other action permitted to it by this Agreement or in law or equity.

5.10 Dispute Resolution.

(a) Any and all disputes arising under or affecting this Agreement or any other agreement to be executed in accordance herewith shall be resolved, except as expressly provided otherwise in such other agreement, exclusively by confidential arbitration pursuant to the rules of the Japan Commercial Arbitration Association in Tokyo, Japan, or such other location as may be agreed between the parties; provided, however, that the arbitrators shall be empowered to hold hearings at other locations within and without Japan. Each of the parties shall designate one arbitrator and the two arbitrators so designated shall select the third arbitrator. Arbitration proceedings shall be conducted in English with simultaneous translation into Japanese. Among the remedies available to them, the arbitrators shall be authorized to require specific performance of provisions of this Agreement. The judgment upon award of the arbitrators shall be final and binding and may be enforced in any court of competent jurisdiction in the United States or Japan, and each of the parties hereto unconditionally submits to the jurisdiction of such court for the purpose of any proceeding seeking such enforcement. Subject only to the provisions of Applicable Law and, except as aforesaid, the procedure described in this Section 5.10 shall be the exclusive means of resolving disputes arising under or affecting this Agreement and all other agreements to be executed in accordance herewith.

(b) All papers, documents or evidence, whether written or oral, filed with or presented to the panel of arbitrators shall be deemed by the parties and by the arbitrators to be confidential information. No party or arbitrator shall

disclose in whole or in part to any other person any confidential information submitted in connection with the arbitration proceedings, except to the extent reasonably necessary to assist counsel in the arbitration or preparation for arbitration of the dispute. Confidential information may be disclosed (i) to attorneys, (ii) to parties, and (iii) to outside experts requested by either party's counsel to furnish technical or expert services or to give testimony at the arbitration proceedings, subject, in the case of such experts, to execution of a legally binding written statement that such expert agrees to comply with the confidentiality terms of this Section, and that such expert will not use any confidential information disclosed to such expert for personal or business advantage.

5.11 Termination. If either party transfers its shares in the Joint Venture pursuant to the Joint Venture Agreement, or is a Triggering Party under the Joint Venture Agreement, the other party shall have the right to terminate this Agreement. This agreement may be terminated by either party pursuant to the rights given it under subsection 7.5.A of the Joint Venture Agreement.

5.12 Cooperation; Best Efforts. The parties agree to cooperate and to use their best efforts to consummate all purchases of AMD Shares authorized by this Agreement. Such cooperation shall include, but not be limited to, the diligent and prompt filing and pursuit of all governmental consents, reviews or clearances required by law to be obtained by either party with respect to any or all of the Initial Purchase and the Subsequent Purchases.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officers as of the day and year first above written.

FUJITSU LIMITED

By /s/ HIKOTARO MASUNAGA
_____
Hikotaro Masunaga

ADVANCED MICRO DEVICES, INC.

By /S/ MARVIN D. BURKETT
_____
Marvin D. Burkett
Chief Financial Officer

EXHIBIT A

CLOSING CERTIFICATE OF OFFICERS
OF
FUJITSU LIMITED

I am the duly elected, qualified and acting _____ (bucho) of Fujitsu Limited, a Japanese stock company ("Fujitsu").

I hereby certify that, to the best of my knowledge, the representations and warranties contained in section 6.1 of the Joint Venture Agreement by and between Advanced Micro Devices, Inc. and Fujitsu, Limited, dated _____ and the representations and warranties contained in section 3.2 of the Investment Agreement of Fujitsu Limited into Advanced Micro Devices, Inc., dated _____, remain true and correct as of the date hereof.

IN WITNESS WHEREOF, I have executed this Certificate on this ___ day of _____, 199__.

EXHIBIT B

CLOSING CERTIFICATE OF OFFICERS
OF
ADVANCED MICRO DEVICES, INC.

I am the duly elected, qualified and acting _____, of Advanced Micro Devices, Inc., a Delaware corporation ("AMD").

I hereby certify that, to the best of my knowledge, the representations and warranties contained in section 6.2 of the Joint Venture Agreement by and between Advanced Micro Devices, Inc. and Fujitsu, Limited, dated _____, and the representation and warranties contained in section 3.1 of the Investment Agreement of Fujitsu Limited into Advanced Micro Devices, Inc., dated _____, remain true and correct as of the date hereof.

IN WITNESS WHEREOF, I have executed this Certificate on this ___ day of _____, 199___.

FUJITSU INVESTMENT AGREEMENT

FUJITSU LIMITED
investing in
ADVANCED MICRO DEVICES, INC.

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EXHIBIT 10.27(e)

JOINT VENTURE LICENSE AGREEMENT

Confidential portions of this document have been deleted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

JOINT VENTURE LICENSE AGREEMENT

This Joint Venture License Agreement (this "Agreement"), dated as of April 16, 1993, is among ADVANCED MICRO DEVICES, INC. ("AMD"), a Delaware corporation having its principal office at 901 Thompson Place, Sunnyvale, California 94088-3453, U.S.A., FUJITSU LIMITED ("Fujitsu"), a Japanese corporation having its registered office at 1015 Kamikodanaka, Nakahara-ku, Kawasaki 211, Japan, and FUJITSU AMD SEMICONDUCTOR LIMITED ("JV"), a Japanese corporation having its registered office at 1263 Kamikodanaka, Nakahara-ku, Kawasaki 211, Japan.

INTRODUCTION

A. Fujitsu and AMD have entered into a joint venture agreement dated March 30, 1993 (the "Joint Venture Agreement"), and other related agreements to establish JV to manufacture and supply certain integrated circuits.

B. Fujitsu is, among other things, in the business of designing, developing, manufacturing and selling semiconductor products.

C. AMD is, among other things, in the business of designing, developing, manufacturing and selling semiconductor products.

D. JV desires Fujitsu and AMD to grant to JV, and Fujitsu and AMD are willing to grant to JV, a limited license to use their respective intellectual property rights for manufacturing and supplying certain JV Products (as defined in the Joint Development Agreement), subject to the terms and conditions as hereinafter set forth.

E. JV desires to obtain from Fujitsu and AMD, and Fujitsu and AMD are willing to supply JV, certain relevant technology, technical training and support for such JV Products.

F. Fujitsu and AMD desire JV to grant to Fujitsu and AMD, and JV is willing to grant to Fujitsu and AMD, a license to use JV's intellectual property rights to make, use or sell products, subject to the terms and conditions as hereinafter set forth.

ACCORDINGLY, in consideration of the mutual covenants and promises contained herein, Fujitsu, AMD and JV agree as follows:

Article 1. DEFINITIONS.

As used in this Agreement, the following terms shall have the following meanings:

Section 1.1 The following words as used herein have the meanings defined in the Technology Cross-License Agreement between AMD and Fujitsu ("Technology Cross-License") dated as of March 1993 (except that, for purposes of this Agreement, references in Sections 1.9 and 1.25 of the Technology Cross-License to "this Agreement" shall mean this Agreement).

Definition	Technology Cross-License Section
"Affiliate"	1.1.
"Applicable Law"	1.2.
"Confidential Information"	1.4.
"EPROM" or "Electrically Programmable Read Only Memory"	1.7.
"Flash Memory"	1.8.
"Governmental Approvals"	1.9.
"Governmental Authority"	1.10.
"Incorporated Product"	1.11.
"Joint Development Agreement"	1.13.
"Memory Card"	1.20.
"Nondisclosure Agreements"	1.21.
"NVM" or "Non-Volatile Memory"	1.23.
"Other IPR"	1.24.
"Patents"	1.25.
"Pilot Product"	1.26.
"Proprietary Information"	1.28.
"Subsidiary"	1.33.
"Transitional Event"	1.34.

Section 1.2. "AMD/Fujitsu Technology" shall mean the front-end manufacturing process technology for manufacturing JV Products and the product design data for JV Products owned or developed by Fujitsu and/or AMD and provided or transferred to JV by AMD or Fujitsu in accordance with this Agreement. The major elements of AMD/Fujitsu Technology to be provided are currently anticipated as set forth in Attachment D hereto.

Section 1.3. "Effective Date" shall mean the later to occur of (a) the date of this Agreement or (b) the date on which all required Governmental Approvals have been obtained.

Section 1.4. "IPR" or "Intellectual Property Rights", (a) with respect to Fujitsu or AMD, shall have the meaning set forth in the Technology Cross-License, and (b) with respect to JV, shall mean all Patents of JV and all copyrights, mask works, trade secrets, know-how, data, formula, processes, confidential information, or other information, tangible or otherwise, that are wholly owned by JV or as to which, and only to the extent and subject to the conditions under which, JV has the right, as of the Effective Date or thereafter during the term of this Agreement, to grant licenses or sublicenses of the scope granted herein, without such grant resulting in the payment of royalties or other consideration to third parties (unless and until JV is reimbursed for any payments so made, in which case such information shall be included within IPR for any license or sublicense to the party providing the

reimbursement) except for payments to a Subsidiary of JV, if any, or payments to third parties for IPR developed or created by such third parties while employed by JV or any Subsidiary thereof.

Section 1.5. [Intentionally omitted]

Section 1.6. "JV Product" shall have the meaning set forth in Section 1.4 of the Joint Development Agreement.

Section 1.7. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]

Section 1.8. "Subject Technology IPR" shall have the meaning set forth in Section 1.6 of the Joint Development Agreement.

Section 1.9. "Tripartite IPR" shall mean IPR which, during the term of this Agreement, all of AMD, Fujitsu, and JV jointly own and/or control as a result of the joint development and design work done by all three parties hereunder.

Article 2. GRANTS OF LICENSE.

Section 2.1. Fujitsu hereby grants to JV a non-exclusive, non-transferable license under Fujitsu IPR, with no right to sublicense:

(a) to make, have made (it being understood that for purposes of this Agreement the terms "make" and "have made" shall include the acts of assembling and/or testing) and use JV Products and to use Pilot Products anywhere in the world; and

(b) to sell, lease or otherwise dispose of JV Products and Pilot Products solely in the countries specified in Attachment A.

Section 2.2. AMD hereby grants to JV a non-exclusive, non-transferable license under AMD IPR, with no right to sublicense:

(a) to make, have made and use JV Products and to use Pilot Products anywhere in the world; and

(b) to sell, lease and otherwise dispose of JV Products and Pilot Products solely in the countries specified in Attachment B.

Section 2.3. JV hereby grants to AMD and Fujitsu a non-exclusive, non-transferable, perpetual, irrevocable, [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION], worldwide license, with the right to sublicense freely, under JV IPR to make, have made, use, sell, lease or otherwise dispose of any processes, manufacturing apparatus, or products anywhere in the world.

Section 2.4. JV agrees that it shall notify AMD and Fujitsu of any significant modifications to AMD/Fujitsu Technology or JV technology.

Article 3. SUPPORT AND TRAINING.

Section 3.1. AMD and Fujitsu shall use their best efforts to provide AMD/Fujitsu Technology to JV in accordance with the schedule set forth in Attachment C hereto, as such schedule may be modified from time to time upon mutual agreement of the parties.

Section 3.2. AMD and Fujitsu agree to cooperate with each other and with JV in providing to JV the AMD/Fujitsu Technology.

Section 3.3. Either AMD or Fujitsu may, upon the consent of AMD in the case of Fujitsu or Fujitsu in the case of AMD, provide JV with new AMD/Fujitsu Technology as a replacement for previously provided AMD/Fujitsu Technology.

Section 3.4. Each of Fujitsu and AMD shall use best efforts to provide to JV without charge initial technical training or support as required in connection with the delivery of AMD/Fujitsu Technology. Such technical training shall be provided in accordance with a schedule to be mutually agreed upon by the JV and the party responsible for providing such Technology, but in any event such training or support shall last no longer than ninety (90) days from the date of the first delivery of the relevant Technology.

Section 3.5. From time to time after the provision of technical training or support contemplated by Section 3.4, JV may request and Fujitsu and/or AMD, as the case may be, may provide, additional technical training or support upon terms and conditions as agreed between or among Fujitsu and/or AMD and the JV. The responsible party as set forth in Section 3.4 above shall be responsible for such additional technical training or support.

Section 3.6. JV shall assign one or more of its employees to be responsible for receiving and managing AMD/Fujitsu Technology, and shall notify AMD and Fujitsu of the name of such employee(s) prior to the delivery of any AMD/Fujitsu Technology. When JV changes such responsible employee(s), JV shall notify Fujitsu and AMD of such change in writing without delay.

Article 4. CONSIDERATION.

Section 4.1. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Section 4.2. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Section 4.3. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] shall be payable semi-annually within sixty (60) days after the end of each half of JV's fiscal year.

On or before the date of such payment JV shall send to Fujitsu and AMD a report describing the basis for its [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] calculation. Notwithstanding Sections 4.1 and 4.2 and any other provisions hereof, no [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] shall be payable by JV to a party on JV Products if such JV Products do not embody, do not incorporate or are not otherwise subject to (or are not manufactured through processes or methods that embody, incorporate or are otherwise subject to) the IPR of such party, Subject Technology IPR, or Tripartite IPR.

Section 4.4. JV shall pay to Fujitsu and/or AMD, as the case may be, a fee for any technical training provided to JV by Fujitsu and/or AMD pursuant to Section 3.5 at a rate to be mutually agreed by the JV, Fujitsu and AMD, which shall include a fee for the services of any employees provided and all actual costs incurred by Fujitsu and/or AMD, as the case may be, in providing such training, including but not limited to, travel, hotel and per diem expenses of such employee(s) and any costs of translation and reproduction of written materials. JV shall pay such fee to Fujitsu and/or AMD, as the case may be, within thirty (30) days of the date of the invoice issued by Fujitsu or AMD.

Section 4.5. All payments made hereunder pursuant to Section 4.3 and 4.4 above shall be free and clear of all deductions, withholding taxes or other charges, except as provided in Article 5, and shall be made by JV in Japanese yen to Fujitsu or US dollars to AMD, by wire transfer to a bank account(s) designated by Fujitsu or AMD, as the case may be, unless otherwise mutually agreed upon. Any currency conversion required in connection with payment to Fujitsu or AMD, as the case may be, shall be at the rate received by JV at the time of such payment from the bank it utilizes to make such payment.

Section 4.6. Fujitsu and AMD shall each have the right, at its own expense, upon reasonable notice and at reasonable times, but not more than once each fiscal year for each party, to inspect, through an independent auditor or another person reasonably acceptable to JV, JV's records for the purpose of verifying the accuracy of JV's calculations of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]. JV shall keep records showing the JV Products sold or otherwise disposed of under the licenses granted herein and the calculation of Net Sales in sufficient detail to enable the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] payable to Fujitsu or AMD to be determined. Such records shall be maintained for a period of at least [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] after the date when payment is due by JV.

Section 4.7. In the event Fujitsu or AMD, as the case may be, is required to pay a fee to a third party pursuant to any license agreement or amendment to an existing license agreement for sublicensing such third party's intellectual property rights to JV, JV shall be responsible for such fee to the extent such fee is a separate [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] on sales by JV. Where such fee is part of a general lump sum payment, the sublicensing party and JV shall agree upon a mutually acceptable allocation of such payment.

Section 4.8. The parties have established the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] rates set forth in Sections 4.1 and 4.2 based on what they believe are commercially appropriate arm's-length [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] rates given the anticipated economic performance of JV. If the profits of JV exceed, or fall short of, those reasonably contemplated by the parties, the parties agree to make appropriate adjustments to the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] rates.

Article 5. TAXATION.

Section 5.1. If required by applicable laws, JV may withhold income tax from any payment to AMD or Fujitsu, as the case may be. In the case of such withholding, JV shall, without delay, pay the withheld tax to the appropriate tax office and furnish Fujitsu or AMD, as the case may be, with appropriate evidence of the tax payment.

Section 5.2. JV shall bear all sales, use and other governmental taxes or transaction charges imposed in any jurisdiction which arise in connection with the delivery or use of AMD/Fujitsu Technology, or the manufacture or sale of JV Products by JV hereunder.

Section 5.3. The parties agree that the tangible portion of the property delivered and to be delivered by AMD to JV is valued at [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] and by Fujitsu to JV is valued at [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Article 6. INTELLECTUAL PROPERTY RIGHTS.

Section 6.1. Except as provided in Section 6.2, all Tripartite IPR hereunder shall be jointly owned by JV, AMD and Fujitsu. None of the parties hereto may file an application for a Patent, with respect to such Tripartite IPR without the prior written consent of the other parties hereto. The parties agree to cooperate in applying for, prosecuting and maintaining any Patents as may be mutually agreed and in protecting such Tripartite IPR, and in each case, to equally divide the expenses thereof. Except for the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] payments required by Sections 4.1 and 4.2, each of Fujitsu, AMD and JV shall have the right to make, have made, use and sell products and processes using the Tripartite IPR and to license (except in case of JV, any such license to be subject to appropriate Board of Directors approval) Tripartite IPR without accounting to the other parties unless otherwise mutually agreed upon in writing, except that neither Fujitsu, AMD nor JV shall assign its ownership interest in any Tripartite IPR to a third party without the prior written consent of the other parties.

Section 6.2. Where any technology related to JV Products is developed independently by any party hereto, or by JV jointly with either Fujitsu or AMD,

without use of the Confidential Information of the other party(ies), in the course of development and design work in accordance with the terms of this Agreement, the ownership and the right to file for a Patent for such technology shall rest solely with the party(ies) developing such technology. All Other IPR and Proprietary Information in such technology shall be owned jointly by the parties, shall be considered Tripartite IPR and shall be subject to the provisions of this Agreement regarding Tripartite IPR. Pursuant to the Technology Cross-License and the Joint Development Agreement and Article 2 of this Agreement, each of Fujitsu, AMD, and JV will grant to the others a license to the IPR covering any such technology developed independently by such party and patented by such party in accordance with this Section 6.2.

Article 7. EXCHANGE OF INFORMATION AND CONFIDENTIALITY.

Section 7.1. During the term of this Agreement, Fujitsu, AMD and JV shall exchange their Confidential Information relevant to NVMs as necessary (but only to the extent as legally permitted) to enable the parties to cooperate fully in developing NVMs.

Section 7.2. Except as expressly authorized among the parties, (including, without limitation, the exercise of the rights granted to a party under this Agreement, the Technology Cross-License and the Joint Development Agreement), each party agrees not to disclose, use or permit the disclosure or use by others of any Confidential Information, unless and to the extent such Confidential Information (i) is not marked or designated in writing as confidential and is provided for a purpose that reasonably contemplates disclosure to or use any others, (ii) or becomes a matter of public knowledge through no action or inaction of the party receiving the Confidential Information, (iii) was in the receiving party's possession before receipt from the party providing such Confidential Information, (iv) is rightfully received by the receiving party from a third party without any duty of confidentiality, (v) is disclosed to a third party by the party providing the Confidential Information without a duty of confidentiality on the third party, (vi) is disclosed by the receiving party despite the exercise of the same degree of care used by the receiving party to safeguard its own similar Confidential Information, but the receiving party shall take all necessary steps to prevent any further disclosure, (vii) is disclosed with the prior written approval of the party providing such Confidential Information or (viii) is independently developed by the receiving party without any use of the other party's Confidential Information. Information shall not be deemed to be available to the general public for the purpose of exclusion (ii) above with respect to each party (x) merely because it is embraced by more general information in the prior possession of recipient or others, or (y) merely because it is expressed in public literature in general terms not specifically in accordance with the Confidential Information.

Section 7.3. In furtherance, and not in limitation of the foregoing Section 7.2, each party agrees to do the following with respect to any such Confidential Information: (i) exercise the same degree of care to safeguard the confidentiality of, and prevent the unauthorized use of, such information as that party exercises to safeguard the confidentiality of its own information, (ii) restrict disclosure of such information to those of its employees, agents and sublicensees who have a "need to know", and (iii) instruct and require such employees, agents and sublicensees to maintain the confidentiality of such information and not to use such information except as

expressly permitted herein. Each party further agrees not to remove or destroy any proprietary or confidential legends or markings placed upon any documentation or other materials.

Section 7.4. The foregoing confidentiality obligation shall also apply to the contents of this Agreement.

Section 7.5. The obligations under this Article 7 shall not prevent the parties from disclosing the Confidential Information or the terms of this Agreement to any government agency as required by law (provided that the party intending to make such disclosure in such circumstances has given prompt notice to the party providing such Confidential Information prior to making such disclosure so that such party may seek a protective order or other appropriate remedy prior to such disclosure and cooperates fully with such other party in seeking such order or remedy).

Section 7.6. The obligations under this Article 7 shall apply with respect to any Confidential Information for a period of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] from the date of disclosure of such Confidential Information to the receiving party, unless, with respect to any particular Confidential Information, the providing party in good faith notifies the receiving party that a longer period shall apply, in which case the obligations under this Article 7 with respect to such Confidential Information shall apply for such longer period.

Article 8. RESIDENCE AT JV FACILITY.

Fujitsu and/or AMD shall be permitted to have a limited number of engineers and technical personnel reside at JV's facilities at such party's own cost to enhance information exchange among Fujitsu, AMD and JV. The number of engineers, and technical personnel, shall be subject to JV's prior reasonable approval. Any JV IPR obtained or learned by such engineers, and technical personnel, during such period shall be included within the licenses granted under Section 2.3.

Article 9. THIRD PARTY CLAIM.

Section 9.1. JV shall indemnify and hold harmless AMD, Fujitsu, and their Subsidiaries from any loss or damages (including reasonable attorney's fees) arising from any and all claims or actions brought against JV, Fujitsu or AMD, based upon any JV Product sold by JV. JV shall control the defense of such claims or actions and AMD and Fujitsu shall render reasonable support to JV.

Section 9.2. Fujitsu and AMD shall indemnify and hold harmless JV from any loss or damages (including reasonable attorney's fees) arising from any and all claims or actions brought against JV based upon the AMD/Fujitsu Technology as and to the extent hereinafter provided. With respect to AMD/Fujitsu Technology that is owned jointly by AMD and Fujitsu, AMD and Fujitsu shall jointly (but not severally) indemnify JV. With respect to AMD/Fujitsu Technology that is transferred to JV and that is owned solely by either AMD or Fujitsu, such transferring party shall indemnify JV. In the

event of the joint indemnification, AMD and Fujitsu shall cooperate fully in the defense of such claims or actions and the costs and expenses (including any losses or damages (including reasonable attorney's fees)) shall be shared equally. In the event the indemnity is by either AMD or Fujitsu, such party shall control the defense of such claims or actions. The JV and the other party shall render reasonable support to the party or parties indemnifying JV hereunder.

Article 10. WARRANTIES, LIMITATION ON LIABILITY, AND COVENANTS.

Section 10.1. Each of the parties hereto represents and warrants to each other party that it has the right, and will continue during the term of this Agreement to have the right, to grant to or for the benefit of the other parties the rights and licenses granted hereunder in accordance with the terms of this Agreement and such grant of rights and licenses does not, and will not during the term of this Agreement, conflict with the rights and obligations of such party under any other license, agreement, contract or other undertaking. Each party shall indemnify, hold harmless and defend the other parties against a breach by such party of this Section 10.1.

Section 10.2. Nothing contained in this Agreement shall be construed as:

(a) a warranty or representation by any of the parties hereto or its Subsidiaries sublicensed hereunder as to the validity or scope of any JV IPR, Tripartite IPR, Fujitsu IPR or AMD IPR, as the case may be; or

(b) conferring upon any party hereto or its Subsidiaries sublicensed hereunder any license, right or privilege under any patents, utility models, design patents, copyrights, mask work rights or trade secrets except the licenses, rights and privileges expressly granted hereunder; or

(c) a warranty or representation that any acts licensed or sublicensed hereunder will be free from infringement of patents, utility models, design patents, copyrights, mask work rights or trade secrets other than those under which licenses, rights and privileges have been expressly granted hereunder; or

(d) an arrangement to bring or prosecute actions or suits against third parties for infringement or conferring any right to bring or prosecute actions or suits against third parties for infringement; or

(e) conferring any right to use in advertising, publicity or otherwise, any trademark, service mark, trade name or their equivalent, or any contraction, abbreviation or simulation thereof, of either party hereto or their Subsidiaries sublicensed hereunder.

Section 10.3. EXCEPT AS EXPRESSLY PROVIDED HEREIN, NONE OF THE PARTIES HERETO MAKES ANY WARRANTIES, WHETHER EXPRESS OR OTHERWISE, CONCERNING ANY IPR, TECHNOLOGY, PRODUCTS, PROCESSES, DESIGNS, DOCUMENTS OR INFORMATION LICENSED OR OTHERWISE PROVIDED PURSUANT TO THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR

PURPOSE, WARRANTIES OF FREEDOM FROM ERRORS OR DEFECTS, OR WARRANTIES OF NON-INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS, AND NONE OF THE PARTIES HERETO SHALL BE RESPONSIBLE FOR ANY INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, HOWEVER CAUSED, ON ANY THEORY OF LIABILITY AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES ARISING IN ANY WAY OUT OF THIS AGREEMENT OR ANY IPR, TECHNOLOGY, PRODUCTS, PROCESSES, DESIGNS, DOCUMENTS OR INFORMATION LICENSED OR OTHERWISE PROVIDED PURSUANT TO THIS AGREEMENT.

Article 11. TERM AND TERMINATION.

Section 11.1. Term. This Agreement shall become effective as of the Effective Date and, unless and until terminated hereunder, shall continue until the occurrence of a Transitional Event, at which time this Agreement shall terminate.

Section 11.2. Termination. Termination of this Agreement may result from the events listed below. Each party agrees to give prompt written notice to the other parties of the happening of any such event.

(a) If any party hereto defaults in the performance of any material obligation hereunder, a non-defaulting party may give written notice thereof and the parties shall discuss the problem arising from such default in good faith and seek to resolve such problem. If such default is not corrected or otherwise addressed by the defaulting party to the satisfaction of all of the non-defaulting parties within ninety (90) days after the written notice of such default then a non-defaulting party may, in addition to any other remedies it or they may have, terminate this Agreement by written notice. This Agreement shall terminate on the thirtieth (30th) day after such notice of termination.

(b) Any party hereto may terminate this Agreement by giving written notice of termination to the other parties at any time, upon or after:

(i) the filing by such other party of a petition in bankruptcy or insolvency;

(ii) any adjudication that such other party is bankrupt or insolvent;

(iii) the filing by such other party of any legal action or document seeking reorganization, readjustment or arrangement of such other party's business under any law relating to bankruptcy or insolvency;

(iv) the appointment of a receiver or bankruptcy trustee for all or substantially all of the property of such other party;

(v) the making by such other party of any general assignment for the benefit of creditors; or

(vi) the institution of any proceedings for the liquidation or winding up of such other party's business or for the termination of its corporate charter, provided, in the event such proceedings are involuntary, the proceedings are not dismissed within ninety (90) days.

(c) If at any time during the term of this Agreement, (i) AMD or Fujitsu incurs in one transaction or a series of related transactions a change in ownership of more than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of its capital stock, (ii) AMD or Fujitsu consolidates with or merges with or into another corporation, partnership or other entity, whether or not such party is the surviving entity of such transaction, unless immediately after such consolidation or merger, shareholders of such party prior to the transaction continue to own more than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of the outstanding shares of stock entitled to vote for the election of directors of such new or surviving entity, or (iii) AMD or Fujitsu sells, assigns or otherwise transfers all or substantially all of the business or assets of such party relating to its semiconductor merchant market business to a third party, any other party may terminate this Agreement upon thirty (30) days' advance written notice to the other parties, provided, in each case, that the terminating party must exercise such right no later than one (1) year after receiving written notice of such transaction from the affected party.

(d) In the event that a third party (other than a bank, insurance company or other financial or investment company or institution) acquires greater than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] ownership of AMD or Fujitsu and either a position on the board of directors or a position of management in such party, where such acquisition of ownership and management position or board position in such party is judged by any other party hereto after careful consideration to be detrimental to such other party, such other party may terminate this Agreement upon thirty (30) days' advance written notice to such party, provided that the terminating party must exercise such right not later than one (1) year after receiving written notice of such transaction from the affected party.

(e) AMD or Fujitsu may terminate this Agreement upon thirty (30) days' written advanced notice to the other party and JV where such other party ceases to own more than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of the issued and outstanding capital stock of JV.

(f) In the event that a change occurs in the management of AMD or Fujitsu as a result of a proxy solicitation contest, which change is judged by any other party after careful consideration to be detrimental to the affairs of JV, either of the other parties may terminate this Agreement upon thirty (30) days' written advance notice to the other parties, provided that the terminating party must exercise such right not later than one (1) year after receiving written notice of such event from the affected party.

Section 11.3. Effect of Termination.

(a) Except as otherwise provided in this Section 11.3, all rights and obligations of the parties hereunder shall cease upon termination or expiration of this Agreement, with the exception of the rights and obligations of the parties under Articles 5, 6, 7, 9, 10, 11 and 12, and Sections 2.3, 4.6, 4.7 and 4.8 which shall survive termination or expiration of this Agreement.

(b) Upon termination of this Agreement for whatever reason, (i) all IPR licensed pursuant to this Agreement prior to its termination shall continue in full force and effect, and (ii) JV, Fujitsu and AMD shall (A) jointly own all JV IPR and Tripartite IPR, (B) cooperate (if agreed by AMD and Fujitsu) in applying for, prosecuting and maintaining any Patents, and protecting such IPR developed prior to termination of this Agreement and equally dividing the expenses thereof, and (C) except as otherwise provided in Section 11.3.(c), have the unlimited right to use and to license such JV IPR and Tripartite IPR and the right to make, have made, use, reproduce, modify, distribute, sell, lease or otherwise dispose of any processes and products based upon or incorporating such IPR without restriction or accounting to the other party unless otherwise mutually agreed upon in writing, except that neither Fujitsu nor AMD shall assign its ownership interest in any such IPR to a third party without the prior written consent of the other party.

(c) [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Article 12. MISCELLANEOUS.

Section 12.1. Force Majeure. No party shall be liable for failure to perform, in whole or in material part, its obligations under this Agreement if such failure is caused by any event or condition not existing as of the date of this Agreement and not reasonably within the control of the affected party, including, without limitation, by fire, flood, typhoon, earthquake, explosion, strikes, labor troubles or other industrial disturbances, unavoidable accidents, war (declared or undeclared), acts of terrorism, sabotage, embargoes, blockage, acts of Governmental Authorities, riots, insurrections, or any other cause beyond the control of the parties; provided that the affected party promptly notifies the other parties of the occurrence of the event of force majeure and takes all reasonable steps necessary to resume performance of its obligations so interfered with.

Section 12.2. Assignment. Neither this Agreement nor any of the rights and obligations created hereunder may be assigned, transferred, pledged, or otherwise encumbered or disposed of, in whole or in part, whether voluntarily or by operation of law, or otherwise, by any party without the prior written consent of the other parties. This Agreement shall inure to the benefit of and be binding upon the parties' permitted successors and assigns.

Section 12.3. Notices. All notices and communications required, permitted or made hereunder or in connection herewith shall be in writing and shall be mailed by first class, registered or certified mail (and if overseas, by airmail), postage prepaid, or otherwise delivered by hand or by messenger, or by recognized courier service (with written receipt confirming delivery), addressed:

(a) If to FUJITSU, to:

Mail or Hand Delivery:

FUJITSU LIMITED
1015 Kamikodanaka, Nakahara-ku
Kawasaki-shi 211, JAPAN
Attn:Masaichi Shinoda
General Manager
Business Development Division
Electronic Devices

with a copy to:

Mail or Hand Delivery:

FUJITSU LIMITED
Marunouchi Center Bldg., 6-1
Marunouchi 1-chome
Chiyoda-ku, Tokyo 100, JAPAN
Attn:Gen Iseki
General Manager, Legal Division

(b) If to AMD, to:

Senior Vice President,
Operations Advanced Micro Devices, Inc.
P.O. Box 3453
Sunnyvale, CA 94088-3453
U.S.A.
Attn: Gene Conner

Mail:

Mikio Ishimaru, Esq.
Director of Technology Law
Advanced Micro Devices, Inc., MS 68
P. O. Box 3453
Sunnyvale, CA 94088-3453
U.S.A.

Hand Delivery:

3625 Peterson Way
Santa Clara, CA 95054
U.S.A.

with a copy to:

Mail:

Senior Vice President, Operations
Advanced Micro Devices, Inc.
P. O. Box 3453
Sunnyvale, CA 94088-3453
U.S.A.
Attn: Gene Conner

Hand Delivery:

915 DeGuigne Drive
Sunnyvale, CA 94086
U.S.A.

(c) If to JV:

Mail or Hand Delivery:

Fujitsu AMD Semiconductor, Limited
1015 Kamikodanaka
Nakahara-Ku
Kawasaki 211
Japan

Attn: Kimio Yanagida, President

with two copies to:

Mail or Hand Delivery:

FUJITSU LIMITED
1015 Kamikodanaka, Nakahara-ku
Kawasaki-shi 211, JAPAN
Attn:Masaichi Shinoda
General Manager
Business Development Division
Electronic Devices

with a copy to:

Mail or Hand Delivery:

FUJITSU LIMITED
Marunouchi Center Bldg., 6-1
Marunouchi 1-chome
Chiyoda-ku, Tokyo 100, JAPAN
Attn:Gen Iseki
General Manager, Legal Division

with two copies to:

Mail:

Mikio Ishimaru, Esq.
Director of Technology Law
Advanced Micro Devices, Inc., MS 68
P. O. Box 3453
Sunnyvale, CA 94088-3453
U.S.A.

Hand Delivery:

3625 Peterson Way
Santa Clara, CA 95054
U.S.A.

with a copy to:

Mail:

Senior Vice President, Operations
Advanced Micro Devices, Inc.
P. O. Box 3453
Sunnyvale, CA 94088-3453
U.S.A.
Attn: Gene Conner

Hand Delivery:

915 DeGuigne Drive
Sunnyvale, CA 94086
U.S.A.

Each such notice or other communication shall for all purposes hereunder be treated as effective or as having been given as follows: (i) if delivered in person, when delivered; (ii) if sent by mail or airmail, at the earlier of its receipt or at 5 pm, local time of the recipient, on the seventh day after deposit in a regularly maintained receptacle for the deposition of mail or airmail, as the case may be; and (iii) if sent by recognized courier service, on the date shown in the written confirmation of delivery issued by such delivery service. Either party may change the address and/or addressee(s) to whom notice must be given by giving appropriate written notice at least seven (7) days prior to the date the change becomes effective.

Section 12.4. Export Control. Without in any way limiting the provisions of this Agreement, each of the parties hereto agrees that no products, items, commodities or technical data or information obtained from a party hereto nor any direct product of such technical data or information is intended to or shall be exported or reexported, directly or indirectly, to any destination restricted or prohibited by Applicable Law without necessary authorization by the Governmental Authorities, including (without limitation) the Japanese Ministry of International Trade and Industry, the United States Bureau of Export Administration (the "BEA") or other Governmental Authorities of the United States with jurisdiction with respect to export matters. Without limiting the generality of the foregoing, each party hereto agrees that it will not, without authorization from the Office of Export Licensing of the BEA, knowingly export or reexport to a destination outside of the United States General License GTDR technical data or information of United States origin subject to this Agreement, or the direct product thereof, or the product of a plant or major component of a plant that is the direct product thereof, without first providing any applicable export assurances to the exporting party.

Section 12.5. Arbitration.

(a) Any and all disputes arising under or affecting this Agreement shall be resolved exclusively by confidential arbitration pursuant to the rules of the Japan Commercial Arbitration Association in Tokyo, Japan, or such other location agreed between the parties; provided, however, that the arbitrators shall be empowered to hold hearings at other locations within or without Japan. Fujitsu and AMD shall each designate one arbitrator and the two arbitrators so designated shall select the third arbitrator. Arbitration proceedings shall be conducted in English with simultaneous translations into Japanese. The judgment upon award of the arbitrators shall be final and binding and may be enforced in any court of competent jurisdiction in the United States or Japan, and each of the parties hereto unconditionally submits to the jurisdiction of such court for the purpose of any proceeding seeking such enforcement. Subject only to the provision of Applicable Law, the procedure described in this Section 12.5 shall be the exclusive means of resolving disputes involving AMD and arising under this Agreement.

(b) All papers, documents or evidence, whether written or oral, filed with or presented to the panel of arbitrators shall be deemed by the parties and by the arbitrators to be Confidential Information. No party or arbitrator shall disclose in whole or in part to any other person any Confidential Information submitted in connection with the arbitration proceedings, except to the extent reasonably necessary to assist counsel in the arbitration or preparation for arbitration of the dispute. Confidential Information may be disclosed (i) to attorneys, (ii) to parties, and (iii) to outside experts requested by any party's counsel to furnish technical or expert services or to give testimony at the arbitration proceedings, subject, in the case of such experts, to execution of a legally binding written statement that such expert is fully familiar with the terms of this section, that such expert agrees to comply with the confidentiality terms of this section, and that such expert will not use any Confidential Information disclosed to such expert for personal or business advantage.

Section 12.6. Entire Agreement. This Agreement, the Joint Venture Agreement, the other Associated Agreements (as defined in the Joint Venture Agreement), and the attachments and exhibits hereto and thereto, embody the entire agreement and understanding between the parties with respect to the subject matter hereof, superseding all previous and contemporaneous communications, representations, agreements and understandings, whether written or oral, including without limitation that certain Memorandum of Understanding between Fujitsu and AMD dated July 13, 1992 and the Nondisclosure Agreements. No party has relied upon any representation or warranty of any other party except as expressly set forth herein, in the Joint Venture Agreement and in the Associated Agreements.

Section 12.7. Modification. This Agreement may not be modified or amended, in whole or part, except by a writing executed by duty authorized representatives of all parties.

Section 12.8. Announcement. The parties may announce the existence of the parties' relationship and this Agreement at a time and in a form to be mutually determined. No party shall unreasonably withhold its consent to a time proposed by any other party.

Section 12.9. Severability. If any term or provision of this Agreement shall be determined to be invalid or unenforceable under Applicable Law, such provision shall be deemed severed from this Agreement, and a reasonable valid provision to be mutually agreed upon shall be substituted. In the event that no reasonable valid provision can be so substituted, the remaining provisions of this Agreement shall remain in full force and effect, and shall be construed and interpreted in a manner that corresponds as far as possible with the intentions of the parties as expressed in this Agreement.

Section 12.10. No Waiver. Except to the extent that a party hereto may have otherwise agreed in writing, no waiver by that party of any condition of this Agreement or breach by any other party of any of its obligations or representations hereunder shall be deemed to be a waiver of any other condition or subsequent or prior breach of the same or any other obligation or representation by any other party, nor shall any forbearance by the first party to seek a remedy for any noncompliance or breach by any other party be deemed to be a waiver by the first party of its rights and remedies with respect to such noncompliance or breach.

Section 12.11. Nature of Rights. Each party shall have the rights licensed under this Agreement to any other party's technology and the related IPR when created, developed or invented regardless of whether physically delivered to such party. All rights and licenses granted under or pursuant to this Agreement by a party ("licensor party") to another party ("licensee party") are, for purposes of Section 365(n) of the U.S. Bankruptcy Code (the "Bankruptcy Code"), licenses of "intellectual property" within the scope of Section 101 of the Bankruptcy Code. The parties agree that each licensee party, as a licensee of such rights under this Agreement, shall retain and may fully exercise all of its rights and elections under the Bankruptcy Code. The parties further agree that, in the event of the commencement of a bankruptcy or insolvency proceeding by or against the licensor party, each licensee party shall be entitled to a complete duplicate of (and complete access to) any such intellectual property and all embodiments thereof. If not already in the licensee party's possession, such licensee party has the right to immediate delivery of such intellectual property and embodiments upon written request of the licensee party (i) upon any such commencement of bankruptcy proceedings, unless the licensor party or its representative or trustee elects to continue to perform all of its obligations under this Agreement, or (ii) if not delivered under clause (i) above, upon the rejection of this Agreement by or on behalf of the licensor party.

Section 12.12. Tangible Property. The parties agree that the tangible portion of the property delivered and to be delivered by AMD to Fujitsu is valued at [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] and by Fujitsu to AMD is valued at [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Section 12.13. Governing Law. The validity, construction, performance and enforceability of this Agreement shall be governed in all respects by the laws of the State of California, U.S.A.

Section 12.14. Language. This Agreement, and the attachments hereto, are in the English language, which language shall be controlling in all respects.

Section 12.15. No Agency or Partnership. This Agreement shall not constitute an appointment of any party as the legal representative or agent of any other party, nor shall any party have any right or authority to assume, create or incur in any manner any obligation or other liability of any kind, express or implied, against, in the name or on behalf of, any other party. Nothing herein or in the transactions contemplated by this Agreement shall be construed as, or deemed to be, the formation of a partnership, association, joint venture, or similar entity by or among the parties hereto.

Section 12.16. Headings. The section and other headings contained in this Agreement are for convenience of reference only and shall not be deemed to be a part of this Agreement or to affect the meaning or interpretation of this Agreement.

Section 12.17. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in triplicate by their duly authorized representatives on the date set forth above.

ADVANCED MICRO DEVICES, INC.	FUJITSU LIMITED
/s/ GENE CONNER	/s/ HIKOTARO MASUNAGA
By: Gene Conner	By: Hikotaro Masunaga
Title: Senior Vice President, Operations	Title: ManagingDirector

FUJITSU AMD SEMICONDUCTOR LIMITED

/s/ K. YANAGIDA
By: KIMO YANAGIDA

Title: President

ATTACHMENT A

TO

JOINT VENTURE LICENSE AGREEMENT

[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]

ATTACHMENT B

TO

JOINT VENTURE LICENSE AGREEMENT

[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]

ATTACHMENT C

TO

JOINT VENTURE LICENSE AGREEMENT

[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]

ATTACHMENT D

TO

JOINT VENTURE LICENSE AGREEMENT

1. Process Information
   A. Basic Process Data
   B. Manufacturing Specifications
   C. Process Evaluation Data

2. Device Design Information for Each JV Product
   A. Product Specifications
   B. Design Data
   C. Device Evaluation Data

JOINT VENTURE LICENSE AGREEMENT

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EXHIBIT 10.27(f)

JOINT DEVELOPMENT AGREEMENT

JOINT DEVELOPMENT AGREEMENT

This Joint Development Agreement (this "Agreement"), dated as of March 26, 1993, is between ADVANCED MICRO DEVICES, INC. ("AMD"), a Delaware corporation having its principal office at 901 Thompson Place, Sunnyvale, California 94088-3453, U.S.A. and FUJITSU LIMITED ("Fujitsu"), a Japanese corporation having its registered office at 1015 Kamikodanaka, Nakahara-ku, Kawasaki 211, Japan.

INTRODUCTION

A. Fujitsu and AMD are entering into a joint venture agreement (the "Joint Venture Agreement") to be effective as therein provided and other related agreements to establish a new Japanese joint venture corporation, Fujitsu AMD Semiconductor Limited ("JV"), to manufacture and supply certain integrated circuits subject to certain regulatory approvals and other conditions precedent.

B. Fujitsu and AMD desire to cooperate fully to develop and transfer to the JV certain design and process technologies necessary for JV to manufacture and supply such integrated circuits.

ACCORDINGLY, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

Article 1. DEFINITIONS.

As used in this Agreement, the following terms shall have the following meanings:

Section 1.1.The following words as used herein have the meanings defined in the Technology Cross-License Agreement ("Technology Cross-License") between AMD and Fujitsu dated as of March 1993 (except that, for purposes of this Agreement, the references in Sections 1.9 and 1.25 to "this Agreement" shall mean this Agreement).

Definition	Technology Cross-License Section
"Affiliate"	1.1.
"Applicable Law"	1.2.
"Confidential Information"	1.4.
"EPROM" or "Electrically Programmable Read Only Memory"	1.7.
"Flash Memory"	1.8.
"Governmental Approvals"	1.9.
"Governmental Authority"	1.10.

"IPR" or "Intellectual Property Rights"	1.12.
"Joint Venture License Agreement"	1.15.
"Nondisclosure Agreements"	1.21.
"NVM" or "Non-Volatile Memory"	1.23.
"Other IPR"	1.24.
"Patents"	1.25.
"Proprietary Information"	1.28.
"Subsidiary"	1.33.
"Transitional Event"	1.34.

Section 1.2. "Commingled Technology" shall have the meaning given such term in Section 9.1.

Section 1.3. "Effective Date" shall mean the later to occur of (a) the date of this Agreement or (b) the date which all required Governmental Approvals have been obtained.

Section 1.4. "JV Product" shall mean an NVM designated as a JV Product pursuant to Section 2.1 herein.

Section 1.5. "Subject Technology" shall mean any technology developed by Fujitsu and/or AMD in the course of the development and design work conducted hereunder. It is understood by the parties that the Subject Technology initially will consist of NVM eight-inch diameter wafer process technologies with geometries of 0.5- micron and 0.35-micron, and device design data for the JV Products. The major elements of the Subject Technology currently anticipated are set forth in Attachment B hereto.

Section 1.6. "Subject Technology IPR" shall mean IPR that covers or protects, or is contained, embodied or incorporated in, the Subject Technology.

Article 2. GENERAL RULES FOR JOINT DEVELOPMENT.

Section 2.1. Joint Development Committee. Attachment A lists the JV Products to be developed for, and manufactured and sold by, the JV. In order to amend Attachment A to add or delete a JV Product, the parties shall establish a committee consisting of engineering managers from each party (the "Joint Development Committee") who may amend Attachment A prior to the formation of the JV and make amendment recommendations to the board of directors of the JV thereafter. The Joint Development Committee may also amend Attachment B, catalog specifications, and Attachment C, scheduling. The Joint Development Committee shall meet at the request of either party, or in the absence of such request, semi-annually. The Joint Development Committee shall agree unanimously before making any amendments or recommendations as provided above.

Section 2.2. Development Teams. In order to develop the Subject Technology, the parties shall establish as soon as practicable after the Effective Date one or more process development teams and device design teams consisting of engineers from each party. Fujitsu and AMD shall each assign a team co-leader for each team. Either party may

change its team co-leaders from time to time upon thirty (30) days' written notice to the other party.

Section 2.3. Cooperative Efforts. The parties shall fully cooperate with each other in performing such development and design work and will jointly conduct such work at the same location to the extent possible to enable Fujitsu and AMD to develop a better understanding of each other's technological culture and methodology. In the event that, during the term of this Agreement, any portion of such work is required to be performed independently by one party, such party shall provide the other party with regular progress reports on the status of such work so that the other party might join in such work and shall inform the other party of all results of such work immediately upon its completion. In the event that development or design work is performed at one party's facility or facilities, the other party may at all reasonable times visit the facility or facilities, observe the development or design work being performed, and bring back to such other party's facilities all information and results obtained in the course of such work. The major responsibilities of device design work for the initial JV Products are specified in Attachment A hereto.

Section 2.4. Settlement of Technical Differences. If the Development Teams have a difference of technical opinion in the course of development and design work hereunder, the development teams shall resolve such difference of opinion by mutual agreement with the goal of developing the best Subject Technology and achieving the best productivity of JV Products for the JV.

Section 2.5. Personnel Assignments. Fujitsu may assign personnel to Fujitsu Microelectronics, Inc. or other Subsidiaries in the United States, and AMD may assign personnel to its Subsidiaries in Japan, to carry out the activities contemplated by this Agreement. Each party shall cooperate with the other in arranging such assignments.

Article 3. TARGET SCHEDULE FOR JOINT DEVELOPMENT.

Attachment C hereto contains an initial schedule for the development of Subject Technology (the "Target Schedule"). Fujitsu and AMD agree to use their best efforts to adhere to the Target Schedule.

Article 4. PROCESS DEVELOPMENT.

Section 4.1. Development Steps for the 0.5 micron Process. The development steps for the Subject Technology related to the 0.5-micron process shall be as follows:

(a) The parties shall first compare and evaluate each unit process of both parties' existing 0.5-micron wafer process to assess their applicability to the production of JV Products at JV's facility.

(b) The parties shall then establish a target process flow for the 0.5- micron wafer process for JV (the "0.5-micron JV Process") considering the structural requirements of JV Products and, based upon the results of Section 4.1(a) and upon mutual

discussion, the parties shall decide whether any of the following can be adapted for the 0.5-micron JV process: (i) an existing unit process of either party; (ii) a modified unit process of either party; or (iii) any newly-developed unit process.

(c) In the event that (ii) or (iii) of Section 4.1(b) is selected, the parties shall discuss and decide how to perform such modification or development and at which facility the work will be performed (in case of modification, the facility having the original unit process will be selected, unless otherwise agreed by the parties).

(d) The parties shall then perform the necessary modifications and developments in accordance with Section 4.1(c).

(e) The parties shall then assemble all unit processes selected, modified and developed in accordance with Section 4.1(b) through 4.1(d) into the 0.5-micron JV Process at a mutually-agreed location or locations, conduct a test run with a JV Product or a test chip on the 0.5-micron JV Process, and evaluate the results thereof (the test run will be conducted at the site of the party designated in Attachment A, unless otherwise agreed by the parties).

(f) If a test run does not succeed, the relevant process team shall discuss the failure with the relevant device design team, apply the necessary design changes or process adjustments and repeat the test run.

(g) Once both parties have confirmed the successful completion of the 0.5-micron JV Process, the parties shall decide which party is responsible for taking the lead in transferring the confirmed Subject Technology to JV, including documentation for each unit process (in the case of Section 4.1(b) (i) or (ii), the lead party will be the party that developed the original unit process, unless otherwise agreed by the parties). A complete set of such confirmed Subject Technology in tangible form shall be kept by each party.

Section 4.2. Development Steps for the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] Process. The development steps for the Subject Technology related to the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] process shall be as follows:

(a) The parties shall establish a target process flow for the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] wafer process for JV (the "[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] JV Process") considering the structural requirements of JV Products and, based upon mutual discussion, the parties shall decide whether any of the following can be adapted to a corresponding unit process for the [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] JV Process: (i) the then-existing unit process of the 0.5-micron JV Process; (ii) a modified unit process of the 0.5-micron JV Process; (iii) a then-existing unit process of either party; (iv) a modified unit process of either party; or (v) any newly-developed unit process; and

(b) After Section 4.2(a), the parties shall proceed through Sections 4.1(c) through 4.1(g) mutatis mutandis.

Article 5. PRODUCT DEVELOPMENT.

Section 5.1. Design Methodology. The parties shall compare and evaluate both parties' existing design tools (e.g., CAD tools) and methodologies to assess their relative effectiveness for jointly designing the JV Products. If the parties agree, they will adopt an appropriate common design tool and methodology for the purpose of jointly designing the JV Products. If necessary, both parties shall jointly modify an existing design tool (including libraries) or develop a new design tool considering the features of the newly-developed 0.5-micron JV Process or [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] JV Process, as the case may be.

Section 5.2. Design Interface. The parties shall decide and adopt machine-readable interface formats of design data (circuit data, layout data and test data) for the purpose of transferring the design data to JV and sharing the design results between both parties.

Section 5.3. Design Steps of JV Products. The design steps of the JV Products shall be as follows:

(a) The parties shall develop the catalog specification of each JV Product.

(b) The parties shall develop the architectural features and functional and electrical characteristics of each JV Product. These internal detailed specifications shall be determined by taking into account the performance of the wafer sort tool and reliability assurance tool, customers' requirements, the design and evaluation tool and the final test tool.

(c) Based upon such architectural, functional and electrical characteristics, the parties shall generate and verify the circuit and physical layout pattern of the JV Product.

(d) Based upon such circuit, the parties shall generate the test specification and the test program conforming with such test specification.

(e) The parties shall conduct a test run of the JV Product on the relevant JV Process and evaluate the results thereof.

(f) If a test run does not succeed, the relevant device design team shall discuss the failure with the relevant process design team, apply the necessary design changes or process adjustments and repeat the test run.

(g) Once both parties have confirmed the successful completion of the JV Product, the parties shall decide which party is responsible for taking the lead in transferring the confirmed design data, including documentation thereof, to JV. A complete

set of such confirmed design data in tangible form shall be kept by each party. If the lead party is not the party conducting the test run described in Sections 5.3(e) and (f), the lead party shall conduct a test run on its own to ensure its ability to support the contemplated technology transfer to JV.

Article 6. DEVELOPMENT COSTS.

Each party shall bear all costs incurred by such party in the course of the development and design work contemplated by this Agreement.

Article 7. INTELLECTUAL PROPERTY RIGHTS.

Section 7.1. Pursuant to the Joint Venture License Agreement to be entered into among Fujitsu, AMD and the JV, each of Fujitsu and AMD will grant to the JV certain licenses to the technology being developed hereunder and previously existing related technology.

Section 7.2. Pursuant to the Technology Cross-License, each of Fujitsu and AMD will grant to the other certain licenses to the technology being developed hereunder and previously existing related technology.

Section 7.3. Except as provided in Section 7.4 of this Agreement, all Subject Technology IPR hereunder shall be jointly owned by Fujitsu and AMD. Neither party hereto may file an application for a Patent with respect to such Subject Technology IPR without the prior written consent of the other party. The parties agree to cooperate in applying for, prosecuting and maintaining any Patents, as may be mutually agreed and in protecting such Subject Technology IPR, and, in each case, to equally divide the expenses thereof. Each of Fujitsu and AMD shall have the right to make, have made, use and sell products and processes using the Subject Technology IPR and to license such Subject Technology IPR without restriction or accounting to the other party unless otherwise mutually agreed upon in writing, except that neither Fujitsu nor AMD shall assign its ownership interest in any Subject Technology IPR to a third party without the prior written consent of the other party.

Section 7.4. Where any technology included in the Subject Technology IPR is developed independently hereunder by either party hereto, without use of the Confidential Information of the other party, in the course of development and design work conducted in accordance with the terms of this Agreement, the ownership and the right to file for a Patent for such technology shall rest solely with the party developing such technology. All Other IPR and Propriety Information in such technology shall be owned jointly by the parties, shall be considered Subject Technology IPR and shall be subject to the provisions of this Agreement regarding jointly owned Subject Technology IPR. Pursuant to the Technology Cross-License and the Joint Venture License, each of Fujitsu and AMD will grant to the other and the JV a license to such IPR covering any such technology developed independently by such party and patented by such party in accordance with this Section 7.4.

Article 8. EXCHANGE OF INFORMATION AND CONFIDENTIALITY.

Section 8.1. During the term of this Agreement, Fujitsu and AMD shall exchange their Confidential Information relevant to NVMs as necessary (but only to the extent legally permitted) to enable the parties to cooperate fully in developing NVMs.

Section 8.2. Except as expressly authorized by the other party (including without limitation the exercise of the rights granted to a party under this Agreement, the Technology Cross-License and the Joint Venture License Agreement), each party agrees not to disclose, use or permit the disclosure or use by others of any Confidential Information unless and to the extent such Confidential Information (i) is not marked or designated in writing as confidential and is provided for a purpose that reasonably contemplates disclosure to or use by others, (ii) becomes a matter of public knowledge through no action or inaction of the party receiving the Confidential Information, (iii) was in the receiving party's possession before receipt from the party providing such Confidential Information, (iv) is rightfully received by the receiving party from a third party without any duty of confidentiality, (v) is disclosed to a third party by the party providing the Confidential Information without a duty of confidentiality on the third party, (vi) is disclosed by the receiving party despite the exercise of the same degree of care used by the receiving party to safeguard its own similar Confidential Information, but the receiving party shall take all necessary steps to prevent any further disclosure, (vii) is disclosed with the prior written approval of the party providing such Confidential Information, or (viii) is independently developed by the receiving party without any use of the other party's Confidential Information. Information shall not be deemed to be available to the general public for the purpose of exclusion (ii) above with respect to each party (x) merely because it is embraced by more general information in the prior possession of the receiving party or others, or (y) merely because it is expressed in public literature in general terms not specifically in accordance with the Confidential Information.

Section 8.3. In furtherance, and not in limitation of the foregoing Section 8.2, each party agrees to do the following with respect to any such Confidential Information: (i) exercise the same degree of care to safeguard the confidentiality of, and prevent the unauthorized use of, such information as that party exercises to safeguard the confidentiality of its own Confidential Information; (ii) restrict disclosure of such information to those of its employees, agents and sublicensees who have a "need to know"; and (iii) instruct and require such employees, agents and sublicensees to maintain the confidentiality of such information and not to use such information except as expressly permitted herein. Each party further agrees not to remove or destroy any proprietary or confidential legends or markings placed upon any documentation or other materials.

Section 8.4. The foregoing confidentiality obligations shall also apply to the contents of this Agreement.

Section 8.5. The obligations under this Article 8 shall not prevent the parties from disclosing the Confidential Information or terms of this Agreement to any government agency or body as required by law (provided that the party intending to make such disclosure in such circumstances has given the other party prompt notice prior to making such disclosure so that the other party may seek a protective order or other appropriate

remedy prior to such disclosure and cooperates fully with such other party in seeking such order or remedy).

Section 8.6. Notwithstanding anything else contained herein, either party may disclose the catalog specifications generated under Section 5.3(a) to its potential customers.

Section 8.7. The obligations under this Article 8 shall apply with respect to any Confidential Information for a period of [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] from the date of disclosure of such Confidential Information to the receiving party unless, with respect to any particular Confidential Information, the providing party in good faith notifies the receiving party that a longer period shall apply, in which case the obligations under this Article 8 with respect to such Confidential Information shall apply for such longer period.

Article 9. USE OF PROPRIETARY INFORMATION AND COMMINGLED TECHNOLOGY.

Section 9.1. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Section 9.2. [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Article 10. THIRD PARTY CLAIM.

In the event any claim or action is brought against one party based upon information received from the other party or the Subject Technology, the party against whom the claim or action is brought shall defend at its sole expense such claim or action and the other party shall render reasonable support to such party.

Article 11. WARRANTIES, LIMITATION ON LIABILITY, AND COVENANTS.

Section 11.1. Each party hereto represents and warrants to the other party that it has the right, and will continue during the term of this Agreement to have the right, to grant to or for the benefit of the other party the rights and licenses granted hereunder in accordance with the terms of this Agreement and such grant of rights and licenses does not, and will not during the term of this Agreement, conflict with the rights and obligations of such party under any other license, agreement, contract or other undertaking. Notwithstanding Article 10, each party shall indemnify, hold harmless and defend the other party against a breach by such party of this Section 11.1.

Section 11.2. Nothing contained in this Agreement shall be construed as:

(a) a warranty or representation by any of the parties hereto or its Subsidiaries sublicensed hereunder as to the validity or scope of any IPR, including Subject Technology IPR.

(b) conferring upon either party hereto or its Subsidiaries any licenses, right or privilege under any patents, utility models, design patents, copyrights, mask work rights or trade secrets except the licenses, rights and privileges expressly granted hereunder; or

(c) a warranty or representation that any acts permitted hereunder will be free from infringement of patents, utility models, design patents, copyrights, mask work rights or trade secrets other than those under which licenses, rights and privileges have been expressly granted hereunder; or

(d) an arrangement to bring or prosecute actions or suits against third parties for infringement or conferring any right to bring or prosecute actions or suits against third parties for infringement; or

(e) conferring any right to use in advertising, publicity or otherwise, any trademark, service mark, trade name or their equivalent, or any contraction, abbreviation or simulation thereof, of either party hereto or their Subsidiaries sublicensed hereunder.

Section 11.3. EXCEPT AS EXPRESSLY PROVIDED HEREIN, NEITHER PARTY MAKES ANY WARRANTIES, WHETHER EXPRESS OR OTHERWISE, CONCERNING ANY IPR, TECHNOLOGY, PRODUCTS, PROCESSES, DESIGNS, DOCUMENTS OR INFORMATION LICENSED OR OTHERWISE PROVIDED PURSUANT TO THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WARRANTIES OF FREEDOM FROM ERRORS OR DEFECTS, OR WARRANTIES OF NON-INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS, AND NEITHER PARTY SHALL BE RESPONSIBLE FOR ANY INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, HOWEVER CAUSED, ON ANY THEORY OF LIABILITY AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES ARISING IN ANY WAY OUT OF THIS AGREEMENT OR ANY TECHNOLOGY, PRODUCTS, PROCESSES, DESIGNS, DOCUMENTS OR INFORMATION LICENSED OR OTHERWISE PROVIDED PURSUANT TO THIS AGREEMENT.

Article 12. TERM AND TERMINATION.

Section 12.1. Term. This Agreement shall become effective as of the Effective Date and, unless and until terminated hereunder, shall continue until the occurrence of a Transitional Event or termination of the Joint Venture License Agreement, at which time this Agreement shall terminate.

Section 12.2. Termination. Termination of this Agreement may result from the events listed below. Each party agrees to give prompt written notice to the other party of the happening of any such event.

(a) In the event that the Joint Venture Agreement does not become effective within one year from the date hereof, either party may terminate this Agreement effective upon written notice to the other party.

(b) If any party hereto defaults in the performance of any material obligation hereunder, the non-defaulting party may give written notice thereof and the parties shall discuss the problem arising from such default in good faith and seek to resolve such problem. If such default is not corrected or otherwise addressed by the defaulting party to the satisfaction of the non-defaulting party within ninety (90) days after the written notice of such default, then the non-defaulting party may, in addition to any other remedies it may have, terminate this Agreement by written notice. This Agreement shall terminate on the thirtieth (30th) day after such notice of termination.

(c) Each party hereto may terminate this Agreement, by giving written notice of termination to the other party at any time, upon or after:

(i) the filing by such other party of a petition in bankruptcy or insolvency;

(ii) any adjudication that such other party is bankrupt or insolvent;

(iii) the filing by such other party of any legal action or document seeking reorganization, readjustment or arrangement of such other party's business under any law relating to bankruptcy or insolvency;

(iv) the appointment of a receiver or bankruptcy trustee for all or substantially all of the property of such other party;

(v) the making by such other party of any general assignment for the benefit of creditors; or

(vi) the institution of any proceedings for the liquidation or winding up of such other party's business or for the termination of its corporate charter, provided, in the event such proceedings are involuntary, the proceedings are not dismissed within ninety (90) days.

(d) If at any time during the term of this Agreement, (i) a party incurs in one transaction or a series of related transactions a change in ownership of more than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of its capital stock, (ii) a party consolidates with or merges with or into another corporation, partnership or other entity, whether or not such party is the surviving entity of such transaction, unless immediately after such consolidation or merger shareholders of such party prior to the transaction continue to own more than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of the outstanding shares of stock entitled to vote for the election of directors of such new or surviving entity, or (iii) a party sells, assigns or otherwise transfers all or substantially all of the business or assets of such party relating to its semiconductor merchant market business to a third party, the other party may terminate this Agreement upon thirty (30) days' advance written notice to such

party, provided, in each case, that the terminating party must exercise such right not later than one (1) year after receiving written notice from the other party of such transaction.

(e) In the event that a third party (other than a bank, insurance company or other financial or investment company or institution) acquires greater than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] ownership of either party and either a position on the board of directors or a position of management in such party, where such acquisition of ownership and management position or board position in such party is judged by the other party after a careful consideration to be detrimental to such other party, such other party may terminate this Agreement upon thirty (30) days' advance written notice to such party, provided that the terminating party must exercise such right not later than one (1) year after receiving written notice from the other party of such transaction.

(f) Either party hereto may terminate this Agreement upon thirty (30) days' written advance notice to the other party where such party ceases to own more than [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] of the issued and outstanding capital stock of JV.

(g) In the event that a change occurs in the management of one party as a result of a proxy solicitation contest, which change is judged by the other party after careful consideration to be detrimental to the affairs of JV, the other party may terminate this Agreement upon thirty (30) days' written advance notice to such party, provided that the terminating party must exercise such right not later than one (1) year after receiving written notice from the other party of such event.

Section 12.3. Effect of Termination.

(a) Except as provided in this Section 12.3, all rights and obligations of the parties hereunder shall cease upon termination or expiration of this Agreement, with the exception of the rights and obligations of the parties under Articles 6, 8, 9, 10, 11, 12 and 13, and Sections 7.3 and 7.4, which shall survive termination or expiration of this Agreement.

(b) Upon termination of this Agreement, Fujitsu and AMD shall (i) continue to jointly own all the jointly-owned Subject Technology IPR, (ii) if agreed to by the parties, cooperate in applying for, prosecuting and maintaining any Patents, and protecting such IPR developed prior to termination of this Agreement and equally dividing the expenses thereof, and (iii) have the unlimited right to use and to license such IPR and the right to make, have made, reproduce, modify, distribute, sell, lease or otherwise dispose of any processes and products based upon or incorporating such IPR without restriction or accounting to the other party unless otherwise mutually agreed upon in writing, except that neither Fujitsu nor AMD shall assign its ownership interest in such IPR to a third party without the prior written consent of the other party.

Article 13. MISCELLANEOUS.

Section 13.1. Force Majeure. Neither party shall be liable for failure to perform, in whole or in material part, its obligations under this Agreement if such failure is

caused by any event or condition not existing as of the date of this Agreement and not reasonably within the control of the affected party, including, without limitation, by fire, flood, typhoon, earthquake, explosion, strikes, labor troubles or other industrial disturbances, unavoidable accidents, war (declared or undeclared), acts of terrorism, sabotage, embargoes, blockage, acts of Governmental Authorities, riots, insurrections, or any other cause beyond the control of the parties; provided, that the affected party promptly notifies the other party of the occurrence of the event of force majeure and takes all reasonable steps necessary to resume performance of its obligations so interfered with.

Section 13.2. Assignment. Neither this Agreement nor any of the rights and obligations created hereunder may be assigned, transferred, pledged, or otherwise encumbered or disposed of, in whole or in part, whether voluntary or by operation of law, or otherwise, by either party without the prior written consent of the other party. This Agreement shall inure to the benefit of and be binding upon the parties' permitted successors and assigns.

Section 13.3. Notices. All notices and communications required, permitted or made hereunder or in connection herewith shall be in writing and shall be mailed by first class, registered or certified air mail, postage prepaid, or otherwise delivered by hand or by messenger, or by recognized courier service (with written receipt confirming delivery), addressed:

(a) If to FUJITSU, to:

Mail or Hand Delivery:

FUJITSU LIMITED
1015 Kamikodanaka, Nakahara-ku
Kawasaki-shi 211, JAPAN
Attn: Masaichi Shinoda
General Manager
Business Development Division
Electronic Devices

with a copy to:

Mail or Hand Delivery:

FUJITSU LIMITED
Marunouchi Center Bldg., 6-1
Marunouchi 1-chome
Chiyoda-ku, Tokyo 100, JAPAN
Attn: Gen Iseki
General Manager, Legal Division

(b) If to AMD, to:

Mail:

Senior Vice President, Operations
Advanced Micro Devices, Inc.
P. O. Box 3453
Sunnyvale, CA 94088-3453
U.S.A.
Attn: Gene Conner

Hand Delivery:

915 DeGuigne Drive
Sunnyvale, CA 94086
U.S.A.

with a copy to:

Mail:

Mikio Ishimaru, Esq.
Director of Technology Law
Advanced Micro Devices, Inc., MS 68
P. O. Box 3453
Sunnyvale, CA 94088-3453
U.S.A.

Hand Delivery:

3625 Peterson Way
Santa Clara, CA 95054
U.S.A.

Each such notice or other communication shall for all purposes hereunder be treated as effective or as having been given as follows: (i) if delivered in person, when delivered; (ii) if sent by airmail, at the earlier of its receipt or at 5 pm, local time of the recipient, on the seventh day after deposit in a regularly maintained receptacle for the deposition of airmail; and (iii) if sent by recognized courier service, on the date shown in the written confirmation of delivery issued by such delivery service. Either party may change the addresss and/or addressee(s) to whom notice must be given by giving appropriate written notice at least seven (7) days prior to the date the change becomes effective.

Section 13.4. Export Control. Without in any way limiting the provisions of this Agreement, each of the parties hereto agrees that no products, items, commodities or technical data or information obtained from a party hereto nor any direct product of such technical data or information is intended to or shall be exported or reexported, directly or indirectly, to any destination restricted or prohibited by Applicable Law without necessary authorization by the Governmental Authorities, including (without limitation) the Japanese Ministry of International Trade and Industry, the United States Bureau of Export Administration (the "BEA") or other Governmental Authorities of the United States with jurisdiction with respect to export matters. Without limiting the generality of the foregoing, each party hereto agrees that it will not, without authorization from the

Office of Export Licensing of the BEA, knowingly export or reexport to a destination outside of the United States General License GTDR technical data or information of United States origin subject to this Agreement, or the direct product thereof, or the product of a plant or major component of a plant that is the direct product thereof, without first providing any applicable export assurances to the exporting party.

Section 13.5. Arbitration.

(a) Any and all disputes arising under or affecting this Agreement shall be resolved exclusively by confidential arbitration pursuant to the rules of the Japan Commercial Arbitration Association in Tokyo, Japan, or such other location agreed between the parties; provided, however, that the arbitrators shall be empowered to hold hearings at other locations within or without Japan. Each of the parties shall designate one arbitrator and the two arbitrators so designated shall select the third arbitrator. Arbitration proceedings shall be conducted in English with simultaneous translation into Japanese. The judgment upon award of the arbitrators shall be final and binding and may be enforced in any court of competent jurisdiction in the United States or Japan, and each of the parties hereto unconditionally submits to the jurisdiction of such court for the purpose of any proceeding seeking such enforcement. Subject only to the provision of Applicable Law, the procedure described in this Section 13.5 shall be the exclusive means of resolving disputes arising under or affecting this Agreement.

(b) All papers, documents or evidence, whether written or oral, filed with or presented to the panel of arbitrators shall be deemed by the parties and by the arbitrators to be Confidential Information. No party or arbitrator shall disclose in whole or in part to any other person any Confidential Information submitted in connection with the arbitration proceedings, except to the extent reasonably necessary to assist counsel in the arbitration or preparation for arbitration of the dispute. Confidential Information may be disclosed (i) to attorneys, (ii) to parties, and (iii) to outside experts requested by either party's counsel to furnish technical or expert services or to give testimony at the arbitration proceedings, subject, in the case of such experts, to execution of a legally binding written statement that such expert is fully familiar with the terms of this section, that such expert agrees to comply with the confidentiality terms of this section, and that such expert will not use any Confidential Information disclosed to such expert for personal or business advantage.

Section 13.6. Entire Agreement. This Agreement, the Joint Venture Agreement, the other Associated Agreements (as defined in the Joint Venture Agreement), and the attachments and exhibits hereto and thereto, embody the entire agreement and understanding between the parties with respect to the subject matter hereof, superseding all previous and contemporaneous communications, representations, agreements and understandings, whether written or oral, including without limitation that certain Memorandum of Understanding between Fujitsu and AMD dated July 13, 1992 and the Nondisclosure Agreements. Neither party has relied upon any representation or warranty of the other party except as expressly set forth herein, in the Joint Venture Agreement, and in the Associated Agreements.

Section 13.7. Modification. This Agreement may not be modified or amended, in whole or part, except by a writing executed by duly authorized representatives of both parties.

Section 13.8. Announcement. The parties may announce the existence of the parties' relationship and this Agreement at a time and in a form to be mutually determined. Neither party shall unreasonably withhold its consent to a time proposed by the other party.

Section 13.9. Severability. If any term or provision of this Agreement shall be determined to be invalid or unenforceable under Applicable Law, such provision shall be deemed severed from this Agreement, and a reasonable valid provision to be mutually agreed upon shall be substituted. In the event that no reasonable valid provision can be so substituted, the remaining provisions of this Agreement shall remain in full force and effect, and shall be construed and interpreted in a manner that corresponds as far as possible with the intentions of the parties as expressed in this Agreement.

Section 13.10. No Waiver. Except to the extent that a party hereto may have otherwise agreed in writing, no waiver by that party of any condition of this Agreement or breach by the other party of any of its obligations or representations hereunder shall be deemed to be a waiver of any other condition or subsequent or prior breach of the same or any other obligation or representation by the other party, nor shall any forbearance by the first party to seek a remedy for any noncompliance or breach by the other party be deemed to be a waiver by the first party of its rights and remedies with respect to such noncompliance or breach.

Section 13.11. Governing Law. The validity, construction, performance and enforceability of this Agreement shall be governed in all respects by their laws of the State of California, U.S.A.

Section 13.12. Nature of Rights. Each party shall have the rights licensed under this Agreement to the other party's technology and related IPR when created, developed or invented, regardless of whether physically delivered to such party. All rights and licenses granted under or pursuant to this Agreement by a party ("licensor party") to the other party ("licensee party") are, for purposes of Section 365(n) of the U.S. Bankruptcy Code (the "Bankruptcy Code"), licenses of "intellectual property" within the scope of Section 101 of the Bankruptcy Code. The parties agree that the licensee party, as a licensee of such rights under this Agreement, shall retain and may fully exercise all of its rights and elections under the Bankruptcy Code. The parties further agree that, in the event of the commencement of a bankruptcy or insolvency proceeding by or against the licensor party, the licensee party shall be entitled to a complete duplicate of (and complete access to) any such intellectual property and all embodiments thereof. If not already in the licensee party's possession, the licensee party has the right to immediate delivery of such intellectual property and embodiments upon written request of the licensee party (i) upon any such commencement of bankruptcy proceedings, unless the licensor party or its representative or trustee elects to continue to perform all of its obligations under this Agreement, or (ii) if not delivered under clause (i) above, upon the rejection of this Agreement by or on behalf of the licensor party.

Section 13.13. Tangible Property. The parties agree that the tangible portion of the property delivered and to be delivered by AMD to Fujitsu is valued at [CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION] and by Fujitsu to AMD is valued at

[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION].

Section 13.14. Language. This Agreement and the attachments hereto are in the English language, which language shall be controlling in all respects.

Section 13.15. No Agency or Partnership. This Agreement shall not constitute an appointment of either party as the legal representative or agent of the other party, nor shall either party have any right or authority to assume, create or incur in any manner any obligation or other liability of any kind, express or implied, against, in the name or on behalf of, the other party. Nothing herein or in the transactions contemplated by this Agreement shall be construed as, or deemed to be, the formation of a partnership, association, joint venture or similar entity by or among the parties hereto.

Section 13.16. Headings. The section and other headings contained in this Agreement are for convenience of reference only and shall not be deemed to be a part of this Agreement or to affect the meaning or interpretation of this Agreement.

Section 13.17. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives on the date set forth above.

ADVANCED MICRO DEVICES, INC.	FUJITSU LIMITED
/s/ GENE CONNER	/s/ HIKOTARO MASUNAGA
By: Gene Conner	By: Hikotaro Masunaga
Title: Senior Vice President, Operations	Title: Managing Director

ATTACHMENT A

TO

JOINT DEVELOPMENT AGREEMENT

[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]

ATTACHMENT B

TO

JOINT DEVELOPMENT AGREEMENT

Major Items of Subject Technology

1. Process Information

   A. Basic Process Data
      a) Design rule
      b) Transistor parameters
      c) Process parameters
      d) Mask sequence, etc.

   B. Manufacturing Specifications
      a) Process flow
      b) Process conditions for each unit process, etc.

   C. Process Evaluation Data
      a) Reliability data on interconnection materials, etc.

2. Device Design Information for Each JV Product

   A. Product Specifications
      a) Catalog specification
      b) Device full specification (internal specification)
      c) Architectural information

   B. Design Data
      a) Circuits diagrams
      b) Transistor-level circuits
      c) Mask layout data
      d) Mask layout data supplemental information
      e) Test specification (wafer sort)
      f) Test program (wafer sort)

   C. Device Evaluation Data
      a) Functional test results of samples
      b) Electrical characteristics of samples
      c) Reliability data of samples
      d) Control parameters and their tolerance

ATTACHMENT C

TO

JOINT DEVELOPMENT AGREEMENT

[CONFIDENTIAL INFORMATION OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION]

JOINT DEVELOPMENT AGREEMENT

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EXHIBIT 10.30

ADVANCED MICRO DEVICES
EXECUTIVE SAVINGS PLAN

WHEREAS, ADVANCED MICRO DEVICES, INC. (the "Company") desires to establish a deferred compensation plan to provide supplemental retirement income benefits through deferrals of salary, commissions and bonuses; and

WHEREAS, it is believed that the adoption of this plan providing for deferred compensation at the election of each executive will be in the best interests of the Company;

NOW, THEREFORE, it is hereby declared as follows:

ARTICLE I
TITLE AND DEFINITIONS

1.1 - Title.

This Plan shall be known as the Advanced Micro Devices Executive Savings Plan.

1.2 - Definitions.

Whenever the following words and phrases are used in this Plan, with the first letter capitalized, they shall have the meanings specified below.

"Account" or "Accounts" shall mean a Participant's Deferral Account and/or Company Matching Account.

"Beneficiary" means the person or persons, including a trustee, personal representative or other fiduciary, last designated in writing by a Participant and filed with the Committee in accordance with procedures established by the Committee to receive the benefits specified hereunder in the event of the Participant's death. If there is no valid Beneficiary designation in effect, or if there is no surviving designated Beneficiary, then the Participant's surviving spouse shall be the Beneficiary. If there is no surviving spouse to receive any benefits payable in accordance with the preceding sentence, the duly appointed and currently acting personal representative of the Participant's estate (which shall include either the Participant's probate estate or living trust) shall be the Beneficiary. In any case where there is no such personal representative of the Participant's estate duly appointed and acting in that capacity within 90 days after the Participant's death (or such extended period as the Committee determines is reasonably necessary to allow such personal representative to be appointed, but not to exceed 180 days after the Participant's death), then Beneficiary shall mean the person or persons who can verify by affidavit

or court order to the satisfaction of the Committee that they are legally entitled to receive the benefits specified hereunder. In the event any amount is payable under the Plan to a minor, payment shall not be made to the minor, but instead be paid (a) to that person's living parent(s) to act as custodian, (b) if that person's parents are then divorced, and one parent is the sole custodial parent, to such custodial parent, or (c) if no parent of that person is then living, to a custodian selected by the Committee to hold the funds for the minor under the Uniform Transfers or Gifts to Minors Act in effect in the jurisdiction in which the minor resides. If no parent is living and the Committee decides not to select another custodian to hold the funds for the minor, then payment shall be made to the duly appointed and curr ently acting guardian of the estate for the minor or, if no guardian of the estate for the minor is duly appointed and currently acting within 60 days after the date the amount becomes payable, payment shall be deposited with the court having jurisdiction over the estate of the minor.

"Board of Directors" or "Board" shall mean the Board of Directors of the Company.

"Bonus" shall mean any incentive compensation, excluding commissions, payable to a Participant in addition to the Participant's Salary.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Committee" shall mean the Retirement Savings Plan Administrative Committee.

"Company" shall mean Advanced Micro Devices, any successor corporation and each corporation which is a member of a controlled group of corporations (within the meaning of Section 1563(a) of the Code, determined without regard to Section 1563(a)(4) and (e)(3)(C) thereof and by substituting the phrase "at least 50 percent" for the phrase "at least 80 percent" each time it appears in Section 1563(a)(1)) of which Advanced Micro Devices is a component member.

"Company Matching Account" shall mean the bookkeeping account maintained by the Committee for each Participant that is credited with an amount equal to 50% of a Participant's Salary Deferrals (subject to certain limitations) and interest pursuant to Section 4.2.

"Compensation" shall mean the Salary, commissions and Bonus that the Participant is entitled to for services rendered to the Company.

"Deferral Account" shall mean the bookkeeping account maintained by the Committee for each Participant that is credited with amounts equal to (1) the portion of the Participant's Salary and/or commissions that he elects to defer, (2) the portion of the Participant's Bonus that he elects to defer, and (3) interest pursuant to Section 4.1.

"Effective Date" shall mean August 1, 1993.

"Election Date" shall mean December 15 or such earlier date as is specified by the Committee and communicated to the Participant with at least thirty (30) days advance notice.

"Eligible Employee" shall mean each employee of the Company who is at or above the level of director.

"Fiscal Year" shall mean the fiscal year of the Company.

"Fund" or "Funds" shall mean one or more of the mutual funds or contracts selected by the Committee pursuant to Section 3.2(b).

"Initial Election Period" for an Eligible Employee shall mean the 30-day period following the later of July 31, 1993 or the date the employee becomes an Eligible Employee.

"Interest Rate" shall mean, for each Fund, an amount equal to the gross rate of gain or loss on the assets of such Fund during the month (1) reduced by administrative and investment fees charged to investors in such Fund during the month and (2) further reduced by one-twelfth (1/12th) of one percentage point.

"Loan Account" shall mean the bookkeeping account maintained by the Committee for each Participant who obtains a hardship loan from the Committee in accordance with Article VII that is credited with (1) an amount equal to the amount of the loan and (2) interest pursuant to Section 7.1(d).

"Participant" shall mean any Eligible Employee who elects to defer Compensation in accordance with Section 3.1.

"Payment Eligibility Date" shall mean the first day of the month following the end of the fiscal quarter following the fiscal quarter in which a Participant terminates employment or dies.

"Plan" shall mean the Advanced Micro Devices Executive Savings Plan set forth herein, now in effect, or as amended from time to time.

"Plan Year" shall mean the 12 consecutive month period beginning on January 1 each year, except that the first Plan Year shall be a short Plan Year beginning on August 1, 1993 and ending on December 31, 1993.

"Salary" shall mean the Participant's base pay.

"Tax Adjustment Factor" shall mean a number, determined by the Committee, which is equal to one minus the sum of (1) the highest marginal federal personal income tax rate then in effect and (2) the effective highest marginal state income tax rate in the state in which the Participant resides, net after the effect of the deduction for such state income tax for the federal income purposes.

ARTICLE II
PARTICIPATION

2.1 Participation.

An Eligible Employee shall become a Participant in the Plan by electing to defer all or a portion of his or her Compensation in accordance with Section 3.1.

ARTICLE III
DEFERRAL ELECTIONS

3.1 - Elections to Defer Compensation.

(a) General Rule. The amount of Compensation which an Eligible Employee may elect to defer is as follows:

(1) Any percentage of Salary up to 50%, provided that such Eligible Employee's Salary is not reduced to an amount less than the Social Security wage base for the plan year; plus

(2) Any percentage or dollar amount of Bonus and commissions up to 100%.

(b) Initial Election. Each Eligible Employee may elect to defer Compensation by filing with the Committee an election, on a form provided by the Committee, no later than the last day of his or her Initial Election Period. An election to defer Compensation during an Initial Election Period shall be irrevocable and shall be effective with respect to Salary and commissions earned during the first pay period beginning after the later of August 1, 1993, or

the date of the election, and to each Bonus the amount of which first becomes fixed and determinable after the date of the election.

(c) Elections other than Elections during the Initial Election Period. Any Eligible Employee who fails to elect to defer Compensation during his or her Initial Election Period may subsequently become a Participant, and any Eligible Employee who has terminated a prior Salary, commissions or Bonus deferral election may elect to again defer Salary, commissions or Bonuses or any combination thereof, by filing an appropriate election, on a form provided by the Committee, to defer Compensation. An election to defer Salary and/or commissions must be filed on or before the Election Date and will be effective for Salary and/or commissions earned during pay periods beginning after the following December 25. An election to defer a portion of each Bonus for a Fiscal Year must be filed on or before the Election Date preceding the date the Bonus first becomes fixed and determinable.

(d) Duration of Salary Deferral Election. Any Salary deferral election made under paragraph (b) or paragraph (c) of this Section 3.1 shall remain in effect, notwithstanding any change in the Participant's Salary, until changed or terminated in accordance with the terms of this paragraph (d); provided, however, that such election shall terminate for Salary or commissions paid while the Participant is not an Eligible Employee. A Participant may increase, decrease or terminate his or her Salary and/or commission deferral election, effective for Salary and/or commissions earned during pay periods beginning after any December 25, by filing a new election, in accordance with the terms of this Section 3.1, with the Committee on or before the preceding Election Date.

(e) Duration of Bonus Deferral Election. Any Bonus deferral election made under paragraph (b) or paragraph (c) of this Section 3.1 shall be irrevocable and shall apply only to the Bonus or Bonuses payable with respect to services performed during the Fiscal Year for which the election is made. For each subsequent Fiscal Year, an Eligible Employee may make a new election to defer a percentage of each of his or her Bonuses for that Fiscal Year. Such election shall be on forms provided by the Committee and shall be made on or before the Election Date of the Fiscal Year preceding the Fiscal Year in which the Bonus otherwise would be paid.

3.2 - Investment Elections.

(a) At the time of making the deferral elections described in Section 3.1, the Participant shall designate, on a form provided by the Committee, which of the types of mutual funds or contracts the Participant's Accounts will be deemed to be invested in for purposes of determining the amount of earnings to be credited to those Accounts. In making the designation pursuant to this Section 3.2, the Participant may specify that all or any 10% multiple of his or her Deferral Account or Company Matching Account be deemed to be invested in one or more of the types of mutual funds or contracts available. Effective as of the end of any calendar quarter, a Participant may change the designation made under this Section 3.2 by filing an election, on a form provided by the Committee, at least 30 days prior to the end of such quarter. If a Participant fails to elect a type of fund under this Section 3.2, he or she shall be deemed to have elected the Fund determined by the Administrator to most closely approximate a money market fund.

(b) Although the Participant may designate the type of mutual funds in paragraph (a) above, the Committee shall select from time to time, in its sole discretion, a commercially available fund or contract of each of the available types to be the Funds. The Interest Rate of each such commercially available fund or contract shall be used to determine the amount of earnings to be credited to Participants' Accounts under Article IV.

ARTICLE IV
PARTICIPANT ACCOUNTS

4.1 - Deferral Account.

The Committee shall establish and maintain a Deferral Account for each Participant under the Plan. Each Participant's Deferral Account shall be further divided into separate subaccounts ("mutual fund subaccounts"), each of which corresponds to a mutual fund or contract elected by the Participant pursuant to Section 3.2(a). A Participant's Deferral Account shall be credited as follows:

(a) As of the last day of each month, the Committee shall credit the mutual fund subaccounts of the Participant's Deferral Account with an amount equal to Salary and/or commissions deferred by the Participant during each pay period ending in that month in accordance with the Participant's election under Section 3.2(a); that is, the portion of the

Participant's deferred Salary that the Participant has elected to be deemed to be invested in a certain type of mutual fund shall be credited to the mutual fund subaccount corresponding to that mutual fund;

(b) As of the last day of the month in which the Bonus or partial Bonus would have been paid, the Committee shall credit the mutual fund subaccounts of the Participant's Deferral Account with an amount equal to the portion of the Bonus deferred by the Participant for such Plan Year in accordance with the Participant's election under Section 3.2(a); that is, the portion of the Participant's deferred Bonus that the Participant has elected to be deemed to be invested in a particular type of mutual fund shall be credited to the mutual fund subaccount corresponding to that mutual fund; and

(c) As of the last day of each month, each mutual fund subaccount of a Participant's Deferral Account shall be credited with earnings in an amount equal to that determined by multiplying the balance credited to such mutual fund subaccount as of the last day of the preceding month by the Interest Rate for the corresponding Fund selected by the Company pursuant to Section 3.2(b).

4.2 - Company Matching Account.

The Committee shall establish and maintain a Company Matching Account for each Participant under the Plan. Each Participant's Company Matching Account shall be further divided into separate mutual fund subaccounts corresponding to the type of mutual fund or contract elected by the Participant pursuant to Section 3.2(a). A Participant's Company Matching Account shall be credited as follows:

(a) As of the last day of each Plan Year, the Committee shall credit the mutual fund subaccounts of the Participant's Company Matching Account with an amount equal to 50% of the amount of the Salary deferred by the Participant during each pay period ending in that Plan Year (the "Company Matching Amount") in accordance with the Participant's election under Section 3.2(a); that is, the portion of the Company Matching Amount which the Participant elected to be deemed to be invested in a certain type of mutual fund shall be credited to the corresponding mutual fund subaccount. Notwithstanding the foregoing, in no event shall the Company Matching Amount for a Plan Year, when combined with the maximum Company Matching Contribution which the Participant could have received under the Advanced Micro Devices, Inc. Retirement Savings Plan

for the same year (assuming deferrals at the maximum permissible rate), exceed 1.5% of the Participant's Salary during such Plan Year.

(b) As of the last day of each month, each mutual fund subaccount of a Participant's Company Matching Account shall be credited with earnings in an amount equal to that determined by multiplying the balance credited to such mutual fund subaccount as of the last day of the preceding month by the Interest Rate for the corresponding Fund selected by the Company pursuant to Section 3.2(b).

ARTICLE V
VESTING

5.1 - Deferral Account.

A Participant's Deferral Account shall at all times be 100% vested.

5.2 - Company Matching Account.

A Participant's Company Matching Account shall at all times be 100% vested.

ARTICLE VI
DISTRIBUTIONS

6.1 - Amount and Time of Distribution.

Each Participant (or, in the case of his or her death, Beneficiary) shall be entitled to receive a distribution of benefits under this Plan as soon as practicable following his or her Payment Eligibility Date. The amount payable to a Participant shall be the sum of the amount credited to his or her Deferral Account and Company Matching Account as of his or her Payment Eligibility Date. No amount credited to a Participant's Loan Account established under Article VII shall be distributed to the Participant, but such amount shall instead be forfeited, as provided in paragraph 7.1(f).

6.2 - Form of Distribution.

The form of the distribution of benefits to a Participant (or his or her Beneficiary) shall be a cash lump sum payment.

6.3 - Termination of Participation

The Company reserves the unilateral right to terminate a Participant's participation at any time, and distribute all amounts due to such Participant.

ARTICLE VII
PARTICIPANT LOANS

7.1 - Hardship Loans to Participants.

(a) Subject to the approval of the Committee and guidelines promulgated by the Committee, each Participant may borrow from the Company in order to meet a financial hardship to the Participant resulting from (1) an illness or accident of the Participant or a dependent of the Participant, (2) loss of the Participant's property due to casualty or (3) other similar circumstances arising as a result of events beyond the control of the Participant. Each loan made pursuant to this Section 7.1 shall be evidenced by a note from the Participant on a form provided by the Committee. Such note shall bear interest at a rate equal to that necessary to avoid imputed interest under Sections 7872 and 1274(d) of the Code and have such other terms as the Committee shall determine.

(b) The Committee may make a loan under this Section 7.1 only if the amount of the loans outstanding does not exceed the amount required to meet the immediate financial need created by such hardship and does not exceed 65% of the combined balance of the Participant's Deferral Account and Loan Account as of the first day of the month next following the Committee's acceptance of the Participant's written application for a hardship loan.

(c) The Committee shall, upon making a loan to a Participant, establish and maintain a Loan Account for the Participant. The Committee shall debit the mutual fund subaccounts maintained under the Participant's Deferral Account on a pro-rata basis or on such other basis as the Committee deems appropriate or desirable and shall credit the Participant's Loan Account in an amount equal to the amount of the loan. The amount credited to a Participant's Loan Account shall not be deemed to be invested as directed by the Participant under Section 3.2(a) but shall be deemed to be invested in the note given to the Company by the Participant under this Section 7.1.

(d) As of the last day of each month, the Participant's Loan Account will be credited with interest for the period since the last day of the preceding month,

calculated on the balance of the Loan Account as of such date, at the rate of interest on the note as specified in paragraph (a) above.

(e) Upon any payment of principal and/or interest on a loan made pursuant to this Section 7.1, the Committee shall debit the Participant's Loan Account and shall credit the mutual fund subaccounts maintained under the Participant's Deferral Account with the amount of such payment on a pro-rata basis or on such other basis as the Committee deems appropriate or desirable.

(f) Any outstanding balance in a Participant's Loan Account on the Participant's Payment Eligibility Date shall be forfeited, and the obligation to repay the hardship loan shall be cancelled.

ARTICLE VIII
ADMINISTRATION

8.1 - Committee Action.

The Committee shall act at meetings by affirmative vote of a majority of the members of the Committee. Any action permitted to be taken at a meeting may be taken without a meeting if, prior to such action, a written consent to the action is signed by all members of the Committee and such written consent is filed with the minutes of the proceedings of the Committee. A member of the Committee shall not vote or act upon any matter which relates solely to himself or herself as a Participant. The Chairman or any other member or members of the Committee designated by the Chairman may execute any certificate or other written direction on behalf of the Committee.

8.2 - Powers and Duties of the Committee.

(a) The Committee, on behalf of the Participants and their Beneficiaries, shall enforce the Plan in accordance with its terms, shall be charged with the general administration of the Plan, and shall have all powers necessary to accomplish its purposes, including, but not by way of limitation, the following:

(1) To determine all questions relating to the eligibility of employees to participate;

(2) To select the funds or contracts to be the Funds in accordance with Section 3.2(b) hereof;

(3) To construe and interpret the terms and provisions of this Plan;

(4) To compute and certify to the amount and kind of benefits payable to Participants and their Beneficiaries;

(5) To maintain all records that may be necessary for the administration of the Plan;

(6) To provide for the disclosure of all information and the filing or provision of all reports and statements to Participants, Beneficiaries or governmental agencies as shall be required by law;

(7) To make and publish such rules for the regulation of the Plan and procedures for the administration of the Plan as are not inconsistent with the terms hereof; and

(8) To appoint a plan administrator or, any other agent, and to delegate to them such powers and duties in connection with the administration of the Plan as the Committee may from time to time prescribe.

8.3 - Construction and Interpretation.

The Committee shall have full discretion to construe and interpret the terms and provisions of this Plan, which interpretation or construction shall be final and binding on all parties, including but not limited to the Company and any Participant or Beneficiary. The Committee shall administer such terms and provisions in a uniform and nondiscriminatory manner and in full accordance with any and all laws applicable to the Plan.

8.4 - Information.

To enable the Committee to perform its functions, the Company shall supply full and timely information to the Committee on all matters relating to the Compensation of all Participants, their death or other cause of termination, and such other pertinent facts as the Committee may require.

8.5 - Compensation, Expenses and Indemnity.

(a) The members of the Committee shall serve without compensation for their services hereunder.

(b) The Committee is authorized at the expense of the Company to employ such legal counsel as it may deem advisable to assist in the performance of its duties

hereunder. Expenses and fees in connection with the administration of the Plan shall be paid by the Company.

(c) To the extent permitted by applicable state law, the Company shall indemnify and save harmless the Committee and each member thereof, the Board of Directors and any delegate of the Committee who is an employee of the Company against any and all expenses, liabilities and claims, including legal fees to defend against such liabilities and claims arising out of their discharge in good faith of responsibilities under or incident to the Plan, other than expenses and liabilities arising out of willful misconduct. This indemnity shall not preclude such further indemnities as may be available under insurance purchased by the Company or provided by the Company under any bylaw, agreement or otherwise, as such indemnities are permitted under state law.

8.6 - Quarterly Statements.

Under procedures established by the Committee, a Participant shall receive a statement with respect to such Participant's Accounts as soon as practicable following the end of each calendar quarter.

ARTICLE IX
MISCELLANEOUS

9.1 - Unsecured General Creditor.

Participants and their Beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, claims, or interest in any specific property or assets of the Company. No assets of the Company shall be held under any trust, or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all of the Company's assets shall be, and remain, the general, unpledged, unrestricted assets of the Company. The Company's obligation under the Plan shall be merely that of an unfunded and unsecured promise of the Company to pay money in the future, and the rights of the Participants and Beneficiaries shall be no greater than those of unsecured general creditors.

9.2 - Restriction Against Assignment.

The Company shall pay all amounts payable hereunder only to the person or persons designated by the Plan and not to any other person or corporation. No part of a Participant's Accounts shall be liable for the debts,

contracts, or engagements of any Participant, his or her Beneficiary, or successors in interest, nor shall a Participant's Accounts be subject to execution by levy, attachment, or garnishment or by any other legal or equitable proceeding, nor shall any such person have any right to alienate, anticipate, commute, pledge, encumber, or assign any benefits or payments hereunder in any manner whatsoever. If any Participant, Beneficiary or successor in interest is adjudicated bankrupt or purports to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any distribution or payment from the Plan, voluntarily or involuntarily, the Committee, in its discretion, may cancel such distribution or payment (or any part thereof) to or for the benefit of such Participant, Beneficiary or successor in interest in such manner as the Committee shall direct.

9.3 - Withholding.

There shall be deducted from each payment made under the Plan all taxes which are required to be withheld by the Company in respect to such payment. The Company shall have the right to reduce any payment by the amount of cash sufficient to provide the amount of said taxes.

9.4 - Amendment, Modification, Suspension or Termination.

The Company may amend, modify, suspend or terminate the Plan in whole or in part, except that no amendment, modification, suspension or termination shall reduce any amounts then allocated previously to a Participant's Accounts. In the event that this Plan is terminated, the amounts credited to a Participant's Deferral Account and Company Matching Account shall be distributed to the Participant or, in the event of his or her death, to his or her Beneficiary in a lump sum within thirty (30) days following the date of termination.

9.5 - Governing Law.

This Plan shall be construed, governed and administered in accordance with the laws of the State of California.

9.6 - Receipt or Release.

Any payment to a Participant or the Participant's Beneficiary in accordance with the provisions of the Plan shall, to the extent thereof, be in full satisfaction of all claims against the Committee and the Company. The Committee may require such Participant or Beneficiary, as a condition precedent to such payment, to execute a receipt and release to such effect.

9.7 - Headings, etc. Not Part of Agreement.

Headings and subheadings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

9.8 - Limitation on Participants' Rights.

Participation in this Plan shall not give any Eligible Employee the right to be retained in the Company's employ or any right or interest in the Plan other than as herein provided. The Company reserves the right to dismiss any Eligible Employee without any liability for any claim against the Company, except to the extent provided herein.

ARTICLE X
BENEFIT OFFSET

10.1 - Offset for Certain Benefits Payable Under Split-Dollar Life Insurance Policies.

(a) Notwithstanding anything contained herein to the contrary, any benefits payable under this Plan shall be offset by the value of benefits received by the Participants under certain life insurance policies as set forth in this Section. Participants in this Plan may own life insurance policies (the "Policies") purchased on their behalf by the Company. The exercise of ownership rights under these Policies by each Participant is, however, subject to certain conditions (set forth in a "Split-Dollar Life Insurance Agreement" between each Participant and the Company pursuant to which the Company holds a security interest on the Policy) and, if the Participant fails to meet the conditions set forth in the Split-Dollar Life Insurance Agreement, the Company may exercise its security interest in the Policy and cause the Participant to lose certain benefits under the Policy. In the event that a Participant satisfies the conditions specified in Section 4 or 5 of the Split-Dollar Life Insurance Agreement, so that the Participant or his or her beneficiary becomes entitled to exercise rights under one of those sections free from the Company's security interest, the value of those benefits shall constitute an offset to any benefits otherwise payable under this Plan. As the case may be, this offset (the "Offset Value") shall be equal to the value of benefits payable under the Split- Dollar Life Insurance Agreement, that is, the cash surrender value of the Policy or, in the case of the Participant's death, the death benefit payable to the beneficiary under the Policy as limited by the Split Dollar Agreement. The Offset Value shall then be compared to the Participant's Accounts, and the amounts credited to the Accounts shall be

reduced, but not to less than zero, by the Offset Value. This offset shall first be applied to the Participant's Company Matching Account and then to the Participant's Deferral Account.

(b) If the Policy in subsection (a) is not on the life of the Participant and the insured dies prior to distribution of benefits under this Plan, then the value of the benefits received by the Participant under the Policy will offset the Participant's Accounts under this Plan. This offset ("Offset Value") shall be equal to the amount of death benefit payable to the Participant divided by the Tax Adjustment Factor. This Offset Value shall then be compared to the Participant's Accounts, and the amounts credited to the Accounts shall be reduced, but not to be less than zero, by the Offset Value. This offset shall first be applied to the Participant's Company Matching Account and then to the Participant's Deferral Account.

IN WITNESS WHEREOF, the Company has caused this Executive Savings Plan to be executed by its duly authorized officers on this _____ day of _____, 19__.

ADVANCED MICRO DEVICES, INC.

By_____
Stanley Winvick
Senior Vice President,
Human Resources

By_____
Marvin D. Burkett
Senior Vice President
and Chief Financial Officer

EXHIBIT 10.31

SPLIT-DOLLAR LIFE INSURANCE AGREEMENT

This Agreement is entered into as of _____, 19__ by and between Advanced Micro Devices, Inc. (the "Company") and _____ ("Employee") in reference to the following facts:

1. Employee is a valued employee of _____ _____.

2. The Company has simultaneously with the execution of this Agreement caused Manufacturer's Life Insurance Company (the "Insurance Company") to issue policy number _____ (the "Policy") on the life of Employee. Employee is the owner of the Policy. The first three-month premium has been paid by the Company as of the date of this Agreement.

3. For purposes of this Agreement, the Company and its subsidiaries shall constitute the "Employer." For this purpose, a subsidiary is a corporation of which the Company owns, directly or indirectly, more than 50% of such corporation's outstanding securities. If Employee is employed by a corporation which, as a result of a sale or other corporate reorganization, ceases to be a subsidiary, such sale or other corporate reorganization shall be treated as a termination of Employee by Employer without Cause (as defined in Section 8) unless immediately following the event and without any break in employment the Employee remains employed by the Company or another corporation which is a subsidiary.

NOW THEREFORE, in consideration of the facts set forth above and the various promises and covenants set forth below, the parties to this Agreement agree as follows:

1. Ownership of Policy.

The Company acknowledges that Employee is the owner of the Policy and that Employee is entitled to exercise all of his or her ownership rights granted by the terms of the Policy, except to the extent that the power of the Employee to exercise those rights is specifically limited by this Agreement. Except as so limited, it is the expressed intention of the parties to reserve to Employee all rights in and to the Policy granted to its owner by the terms thereof, including, but not limited to, the right to change the beneficiary of that portion of the proceeds to which the Employee is entitled under Section 4 of the Agreement and the right to exercise settlement options.

2. The Company's Security Interest.

The Company's security interest in the Policy is conditioned upon its satisfactorily performing all of the covenants under this Agreement. Each period covered by any individual premium payment described in Section 3 shall be considered a discrete extension of the Company's security interest in the Policy. The Company shall not have nor exercise any right in and to the Policy which could, in any way, endanger, defeat, or impair any of the rights of Employee in the Policy, including by way of illustration any right to collect the proceeds of the Policy in excess of the amount due the Company as provided in this Agreement and in the Policy. The only rights in and to the Policy granted to the Company in this Agreement shall be limited to the Company's security interest in and to the cash value of the Policy, as defined herein, and a portion of the death benefit of the Policy as hereinafter provided (the "Security Interest"). The Company shall not assign any of its Security Interest in the Policy to anyone other than Employee.

3. Premium payments.

So long as Employee is employed by the Employer and the Company's Security Interest has not been released, the Company agrees to pay premiums under the Policy in an amount such that cumulative premiums (not counting the initial three months' premiums) received by the first of each month are at least equal to the cumulative "cost of term insurance" (as defined under the Policy) from the first anniversary through the end of the third month of coverage provided by the initial three months' premium. The premium payment shall be transmitted directly by the Company to the Insurance Company. Consistent with the preceding sentences, prior to the release of the Company's Security Interest in the Policy, Employee and the Company agree that the Company shall from time to time designate one or more individuals (the "Designee"), who may be officers of the Company, who shall be entitled to adjust the death benefit under the Policy and to administer the investments under the Policy; provided, however, that the Designee may only increase, but not decrease, the death benefit in effect on the date that the Policy is issued; provided further, that the Designee may only direct the investments under the Policies in funds offered by the Insurance Company under the Policy. During the period of time that this Agreement is in effect, Employee irrevocably agrees that all dividends paid on the Policy shall be applied to purchase from the Insurance Company additional paid up life insurance on the life of Employee.

4. Death of Employee while employed by Employer.

(a) If Employee dies prior to termination of employment with Employer and prior to his or her Security Release Date (as defined in Section 10 below), Employee's designated beneficiary

shall be entitled to receive as a death benefit an amount equal to three times the Employee's annual base salary at the time of death, subject to a maximum benefit of the lesser of (i) two million dollars ($2,000,000), or (ii) the amount of insurance approved by Insurance Company. The amount described in the preceding sentence shall be paid from the proceeds of the Policy; to the extent such amount exceeds such proceeds, the difference shall be paid from any other source that the Company may designate, which may be either another life insurance policy on the life of Employee or the general assets of the Company. To the extent that the death benefit under the Policy exceeds such amount, the balance of the death benefit shall be payable to the Company. The designation of the beneficiaries under the Policy shall be in accordance with this Section.

(b) Employee agrees that, during the period of this Agreement, Employee will obtain and provide to the Company and/or the Insurance Company the written consent of the spouse of the Employee, in the form attached hereto as Exhibit C, to any designation by Employee of anyone other than the Employee's spouse as the beneficiary to receive the benefits under this Section 4.

5. Employee's attaining his or her Security Release Date or termination of Employee's employment on account of a Qualifying Termination.

(a) By making timely payment of the premiums described in Section 3, the Company may renew its Security Interest in the Policy for the period commencing with the due date of such payment until the later of (1) the due date of the next payment described in Section 3, or (2) the date that Employee attains his or her Security Release Date or terminates employment with the Employer on account of a Qualifying Termination (either of which events described in this clause 2 is referred to herein as a "Qualifying Event"). The Company may not extend its Security Interest in the Policy under the Collateral Security Assignment Agreement attached as Exhibit A after the occurrence of a Qualifying Event. After such Qualifying Event, Employee shall be entitled to exercise all of his or her ownership rights in the Policy without any limitation and this Agreement and its accompanying Collateral Security Assignment Agreement shall no longer constitute a restriction on Employee's rights.

(b) Notwithstanding paragraph (a), the Company shall continue to have its Security Interest in the Policy, to the extent required to satisfy its withholding obligations as described in Section 12 and to recover any amounts owed by Employee as described in paragraph (c) below.

(c) Employee agrees that if, at the time of the occurrence of a Qualifying Event, Employee has any outstanding balances on any loans made by the Company to Employee, then, unless Employee

otherwise pays such outstanding balances, Employee shall cause, either by withdrawing from or borrowing on a non-recourse basis against the Policy, to be transferred to the Company, that portion of the cash value of the Policy which is equal to the sum of the outstanding balances on all such loans.

6. Termination of an Employee for a reason other than a Qualifying Termination.

If the employment of Employee with Employer is terminated prior to his or her Security Release Date for a reason other than a Qualifying Termination (as described below), Employee shall cause, either by withdrawing from or borrowing against the Policy, on a nonrecourse basis, to be transferred to the Company an amount equal to the maximum amount that may then be obtained under the Policy; provided that, the amount to be transferred to the Company shall be reduced to the extent the Employee has previously transferred to the Company an amount equal to any difference that then exists between the cash value of the Policy and the amount that may be borrowed against the Policy. In no event shall Employee's voluntary resignation prior to attaining his or her Security Release Date (as such concept is further defined below) ever constitute a Qualifying Termination, except in certain situations following a Change in Control (see Section 9).

7. Definition of a Qualifying Termination.

A Qualifying Termination is either of the following events: the termination of Employee by Employer for any reason other than "Cause," as described in Section 8; or the termination of Employee after a Change in Control under the circumstances described in Section 9(a). Both of these concepts are further defined below.

8. Qualifying Termination because Employee is terminated for a reason other than "Cause".

For purposes of this Section, "Cause" shall mean (1) an act or acts of dishonesty or moral turpitude (including but not limited to conviction of a felony) taken by Employee which materially injures or damages the Employer; (2) Employee's willful failure to substantially perform Employee's duties where such willful failure results in demonstrable material injury and damage to the Employer; (3) Employee's misrepresentation or concealment of a material fact for the purpose of securing employment with the Employer; or (4) performance by Employee which is substantially below the standard of performance which can reasonably be expected from an individual occupying Employee's position or Employee's substantially failing to meet performance objectives (such as performance objectives relating to profit) which have been previously agreed to between Employee and Employer.

9. Qualifying Termination on account of a Change in Control.

(a) A Qualifying Termination shall be treated as occurring on account of a "Change in Control" (as defined below) if within six (6) months prior to or 36 months following such Change in Control, either (1) Employee's employment with the Employer is terminated without "Cause" (as defined in Section 8) or (2) Employee terminates his or her employment with the Employer for "Good Reason" (as defined in subsection (c) below).

(b) For purposes of this Section, a "Change in Control" shall mean a change of control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), or in response to any other form or report to the Securities and Exchange Commission or any stock exchange on which the Company's shares are listed which requires the reporting of a change of control. In addition, a Change of Control shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing more than 20% of the combined voting power of the Company's then outstanding securities; or (ii) in any two-year period, individuals who were members of the Board of Directors (the "Board') at the beginning of such period plus each new director whose election or nomination for election was approved by at least two-thirds of the directors in office immediately prior to such election or nomination, cease for any reason to constitute at least a majority of the Board; or (iii) a majority of the members of the Board in office prior to the happening of any event and who are still in office after such event, determines in its sole discretion within one year after such event, that as a result of such event there has been a Change of Control. Not-withstanding the foregoing definition, "Change of Control" shall exclude the acquisition of securities representing more than 20% of the combined voting power of the Company by the Company, any of its wholly-owned subsidiaries, or any trustee or other fiduciary holding securities of the Company under an employee benefit plan now or hereafter established by the Company. As used herein, the term "beneficial owner" shall have the same meaning as under Section 13(d) of the Exchange Act and related case law.

(c) For purposes of this Section, "Good Reason" shall mean the occurrence of one of the following events without Employee's consent:

(1) An adverse and significant change in the Employee's position, duties, responsibilities, or status with the Employer, or a change in

Employee's office location to a point which is more than 30 miles from his or her office location prior to the Change in Control.

(2) A reduction by the Employer in Employee's base salary or incentive compensation opportunity not agreed to by Employee; and

(3) The taking of any action by the Employer to eliminate benefit plans without providing substitutes therefor, to reduce benefits thereunder or to substantially diminish the aggregate value of incentive awards or other fringe benefits.

(d) A termination of employment by Employee shall be for Good Reason if one of the occurrences specified in paragraph (c) shall have occurred, notwithstanding that Employee may have other reasons for terminating employment, including employment by another employer which Employee desires to accept.

10. Employee's attaining his or her Security Release Date.

(a) Employee's "Security Release Date" shall mean the later of: (i) the date which is two years following the date on which the Company receives from Employee a completed notice in the form attached hereto as Exhibit B or (ii) the date specified in such notice as the Security Release Date; provided that Employee continues to be employed by Employer until such date. Employee's Security Release Date may be changed to a later date by a subsequent election, but no more than twice, and may not be accelerated.

(b) Employee shall attain his or her Security Release Date upon becoming disabled while employed by the Employer. Employee shall be considered "disabled" at the time that the Administrator (as defined in Section 13(a) below) determines, based upon competent medical advice, that an Employee is incapable of rendering substantial services to the Employer by reason of mental or physical disability.

(c) The Company's Security Interest in the Policy is contingent upon the timely payment of premiums under Section 3 of this Agreement. Each period covered by any individual premium payment shall be considered an independent extension of the Company's Security Interest in the Policy. In the event that the Company waives its rights by reason of failure to make payments under Section 3 of this Agreement, Employee shall immediately attain his or her Security Release Date. The Company's failure to extend its rights in no way affects the Company's duties and obligations under this Agreement.

11. Limitation on Employee's rights prior to a Qualifying Event.

In order to protect the Company's Security Interest and notwithstanding any other provisions in this Agreement, prior to a Qualifying Event, Employee agrees that he or she will not modify the death benefit under the Policy, borrow against the Policy, assign the Policy, direct the investment of the cash surrender value of the Policy, or obtain any portion of the cash value of the Policy. Notwithstanding the preceding sentence, if Section 6 applies to a termination, Employee may borrow or withdraw from the Policy, so long as the borrowing or withdrawal request is submitted to the Insurance Company along with a directive that the borrowed or withdrawn amount be transferred directly to the Company.

12. Tax Withholding.

It is recognized by the parties that the rights of Employee in the Policy (as modified by the Agreement) may cause Employee to be treated under certain circumstances as in receipt of gross income. These circumstances may also impose upon the Company an obligation to deduct and withhold federal, state or local taxes. Unless Employee otherwise provides the Company the amounts it is required to withhold, Employee shall cause, either by withdrawing from or borrowing on a nonrecourse basis against the Policy, to be transferred to the Company that portion of the cash value of the Policy which is equal to the amount of any federal, state or local taxes required to be withheld.

13. Disputes.

(a) The Compensation Committee of the Board of Directors shall be the "Administrator" if Employee is a member of the Board of Directors. In all other cases, the plan administrator of the Corporation's 401(k) Plans shall be the "Administrator." The Administrator (either directly or through its designees) will have power and authority to interpret, construe, and administer this Agreement (for the purpose of this section, the Agreement shall include the Collateral Security Assignment Agreement); provided that, the Administrator's authority to interpret this Agreement shall not cause the Administrator's decisions in this regard to be entitled to a deferential standard of review in the event that Employee or his or her beneficiary seeks review of the Administrator's decision as described below.

(b) Neither the Administrator, its designee nor its advisors, shall be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Agreement.

(c) Because it is agreed that time will be of the essence in detepmining whether any payments are due to Employee or his or her beneficiary under this Agreement, Employee or his or her beneficiary may, if he or she desires, submit any claim for payment under this Agreement or dispute regarding the interpretation of this Agreement to arbitration. This right to select arbitration shall be solely that of Employee or his or her beneficiary and Employee or his or her beneficiary may decide whether or not to arbitrate in his or her discretion. The "right to select arbitration" is not mandatory on Employee or his or her beneficiary and Employee or his or her beneficiary may choose in lieu thereof to bring an action in an appropriate civil court. Once an arbitration is commenced, however, it may not be discontinued without the mutual consent of both parties to the arbitration. During the lifetime of the Employee only he or she can use the arbitration procedure set forth in this section.

(d) Any claim for arbitration may be submitted as follows: if Employee or his or her beneficiary disagrees with the Administrator regarding the interpretation of this Agreement and the claim is finally denied by the Administrator in whole or in part, such claim may be filed in writing with an arbitrator of Employee's or beneficiary's choice who is selected by the method described in the next four sentences. The first step of the selection shall consist of Employee or his or her beneficiary submitting a list of five potential arbitrators to the Administrator. Each of the five arbitrators must be either (1) a member of the National Academy of Arbitrators located in the State of California or (2) a retired California Superior Court or Appellate Court judge. Within one week after receipt of the list, the Administrator shall select one of the five arbitrators as the arbitrator for the dispute in question. If the Administrator fails to select an arbitrator in a timely manner, Employee or his or her beneficiary shall then designate one of the five arbitrators as the arbitrator for the dispute in question.

(e) The arbitration hearing shall be held within seven days (or as soon thereafter as possible) after the picking of the arbitrator. No continuance of said hearing shall be allowed without the mutual consent of Employee or his or her beneficiary and the Administrator. Absence from or nonparticipation at the hearing by either party shall not prevent the issuance of an award. Hearing procedures which will expedite the hearing may be ordered at the arbitrator's discretion, and the arbitrator may close the hearing in his or her sole discretion when he or she decides he or she has heard sufficient evidence to satisfy issuance of an award.

(f) The arbitrator's award shall be rendered as expeditiously as possible and in no event later than one week after the close of the hearing. In the event the arbitrator finds that the Company has breached this Agreement, he or she shall order the

Company to immediately take the necessary steps to remedy the breach. The award of the arbitrator shall be final and binding upon the parties. The award may be enforced in any appropriate court as soon as possible after its rendition. If an action is brought to confirm the award, both the Company and Employee agree that no appeal shall be taken by either party from any decision rendered in such action.

(g) Solely for purposes of determining the allocation of the costs described in this subsection, the Administrator will be considered the prevailing party in a dispute if the arbitrator determines (1) that the Company has not breached this Agreement and (2) the claim by Employee or his or her beneficiary was not made in good faith. Otherwise, Employee or his or her beneficiary will be considered the prevailing party. In the event that the Company is the prevailing party, the fee of the arbitrator and all necessary expenses of the hearing (excluding any attorneys' fees incurred by the Company) including stenographic reporter, if employed, shall be paid by the other party. In the event that Employee or his or her beneficiary is the prevailing party, the fee of the arbitrator and all necessary expenses of the hearing (including all attorneys' fees incurred by Employee or his or her beneficiary in pursuing his or her claim), including the fees of a stenographic reporter if employed, shall be paid by the Company.

14. Collateral Security Assignment of Policy to the Company.

In consideration of the promises contained herein, the Employee has contemporaneously herewith granted the Security Interest in the Policy to the Company as collateral, under the form of Collateral Security Assignment attached hereto as Exhibit A, which Collateral Security Assignment gives the Company the limited power to enforce its rights to recover the cash value of the Policy under the circumstances defined herein, or a portion of the death benefit thereof. The Company's Security Interest in the Policy shall be specifically limited to the rights set forth above in this Agreement, notwithstanding the provisions of any other documents including the Policy. Employee agrees to execute any notice prepared by the Company requesting a withdrawal or non-recourse loan in an amount equal to the amount to which the Company is entitled under Sections 5, 6 or 12 of this Agreement.

15. Employee's beneficiary rights and security interest.

(a) The Company and Employee intend that in no event shall the Company have any power or interest related to the Policy or its proceeds, except as provided herein and in the Collateral Security Assignment. In the event that the Company ever receives or may be deemed to have received any

right or interest in the Policy or its proceeds beyond the limited rights described herein and in the Collateral Security Assignment, such right or interest shall be held in trust for the benefit of Employee and be held separate from the property of the Company.

(b) In order to further protect the rights of the Employee, the Company agrees that its rights to the Policy and proceeds thereof shall serve as security for the Company's obligations as provided in this Agreement to Employee. The Company grants to Employee a security interest in and collaterally assigns to Employee any and all rights the Company has in the Policy, and products and proceeds thereof whether now existing or hereafter arising pursuant to the provisions of the Policy, this Agreement, the Collateral Security Assignment or otherwise, to secure any and all obligations owed by the Company to Employee under this Agreement. In no event shall this provision be interpreted to reduce Employee's rights to the Policy or expand in any way the rights or benefits of the Company under this Agreement, the Policy or the Collateral Security Assignment. This security interest granted to Employee from the Company shall automatically expire and be deemed waived if Employee terminates employment with Employer prior to a Qualifying Event. Nothing in this provision shall prevent the Company from receiving its share of the death benefits under the Policy as provided in Section 4 of this Agreement.

16. Amendment of Agreement.

Except as provided in a written instrument signed by the Company and Employee, this Agreement may not be cancelled, amended, altered, or modified.

17. Notice under Agreement.

Any notice, consent, or demand required or permitted to be given under the provisions of this Agreement by one party to another shall be in writing, signed by the party giving or making it, and may be given either by delivering it to such other party personally or by mailing it, by United States Certified mail, postage prepaid, to such party, addressed to its last known address as shown on the records of the Company. The date of such mailing shall be deemed the date of such mailed notice, consent, or demand.

18. Binding Agreement.

This Agreement shall bind the parties hereto and their respective successors, heirs, executor, administrators, and transferees, and any Policy beneficiary.

19. Controlling law and characterization of Agreement.

(a) To the extent not governed by federal law, this Agreement and the right to the parties hereunder shall be controlled by the laws of the State of California.

(b) If this Agreement is considered a "plan" under the Employee Retirement Income Security Act of 1974 (ERISA), both the Company and Employee acknowledge and agree that for all purposes the Agreement shall be treated as a "welfare plan" within the meaning of section 3(1) of ERISA. Consistent with the preceding sentence, Employee further acknowledges that his or her rights to the Policy and the release of the Company's Security Interest are strictly limited to those rights set forth in this Agreement. In furtherance of this acknowledgement and in consideration of the Company's payment of the initial premiums for this Policy, Employee voluntarily and irrevocably relinquishes and waives any additional rights in the Policy or any different restrictions on the release of the Company's Security Interest that he or she might otherwise argue to exist under either state, federal, or other law. Employee further agrees that he or she will not argue in any judicial or arbitration proceeding that any such additional rights or different restrictions exist. Similarly, the Company acknowledges that its Security Interest is strictly limited as set forth in this Agreement and voluntarily and irrevocably relinquishes and waives any additional interest or different interest or advantages that the Company would have or enjoy if the Agreement were not treated as a "welfare plan" within the meaning of Section 3(1) of ERISA.

20. The Company and Employee agree to execute any and all documents necessary to effectuate the terms of this Agreement.

EMPLOYEE

_____

ADVANCED MICRO DEVICES, INC.

By: _____
Its _____

EXHIBIT B

SPLIT-DOLLAR LIFE INSURANCE SECURITY RELEASE NOTICE

Pursuant to the Split-Dollar Life Insurance Agreement entered into between Advanced Micro Devices, Inc. ("the Company") and me on _____, 199__ (the "Agreement"), I hereby notify the Company that I request to be released on _____, ____ ("Security Release Date") from the Company's collateral security interest in Policy Number _____ issued by Manufacturer's Life Insurance Company. I understand that my Security Release Date must be at least two years from the date the Company receives this Notice. I also understand that my Security Release Date may be changed no more than twice, and then only to a later date, not an earlier date. I further understand that in order for the Company's collateral security interest to be released on my Security Release Date, I must continue to be employed by the Employer (as defined in the Agreement) until such date.

_____
Participant

Date:_____

Received by the Company on _____

by _____

EXHIBIT C

SPOUSAL CONSENT TO DESIGNATION OF NONSPOUSAL BENEFICIARY

My spouse is _____. I hereby consent to the designation made by my spouse of _____ as the beneficiary (subject to any rights collaterally assigned to Advanced Micro Devices, Inc.) under Life Insurance Policy No. _____ which Advanced Micro Devices, Inc. has caused Manufacturer's Life Insurance Company to issue to him/her. I also understand that this consent is valid only with respect to the naming of the beneficiary indicated above and that the designation of any other beneficiary will not be valid unless I consent in writing to such designation.

This consent is being voluntarily given, and no undue influence or coercion has been exercised in connection with my consent to the designation made by my spouse of the beneficiary named above rather than myself as the beneficiary under the Split-Dollar Life Insurance Policy.

_____
Spouse's Signature

_____
Print Spouse's Name

Date: _____

EXHIBIT 10.32

EXHIBIT A
COLLATERAL SECURITY ASSIGNMENT AGREEMENT

This Collateral Security Assignment is made and entered into effective as of _____, 19__, by the undersigned as the owner (the "Owner") of Life Insurance Policy Number _____ (the "Policy") issued by Manufacturer's Life Insurance Company (the "Insurer") upon the life of Owner and by Advanced Micro Devices, Inc. a _____ corporation (the "Assignee").

WHEREAS, the Owner is a valued employee of Assignee or a subsidiary of Assignee, and the Assignee wishes to retain him or her in its or its subsidiary's employ; and

WHEREAS, to encourage the Owner's continued employment, the Assignee wishes to pay premiums on the Policy, as more specifically provided for in that certain Split-Dollar Life Insurance Agreement dated as of _____, 19__, and entered into between the Owner and the Assignee as such agreement may be hereafter amended or modified (the "Agreement") (unless otherwise indicated the terms herein shall have the definitions ascribed thereto in the Agreement);

WHEREAS, in consideration of the Assignee agreeing to make the premium payments, the Owner agrees to grant the Assignee a security interest in the Policy as collateral security; and

WHEREAS, the Owner and Assignee intend that the Assignee have no greater interest in the Policy than that prescribed herein and in the Agreement and that if the Assignee ever obtains any right or interest in the Policy or the proceeds thereof, except as provided herein and in the Agreement, such right or interest shall be held in trust for the Owner to satisfy the obligations of Assignee to Owner under the Agreement and the Assignee additionally agrees that its rights to the Policy shall serve as security for its obligations to the Owner under the Agreement;

NOW, THEREFORE, the Owner hereby assigns, transfers and sets over to the Assignee for security the following specific rights in the Policy, subject to the following terms, agreements and conditions:

1. This Collateral Security Assignment is made, and the Policy is to be held, as collateral security for all liabilities of the Owner to the Assignee pursuant to the terms of the Agreement, whether now existing or hereafter arising (the "Secured Obligations"). The Secured Obligations include: (i) the obligation of the Owner to transfer an amount equal to the entire cash value in the event that the Owner terminates employment with Employer for a reason other than a Qualifying Termination and before attaining his or her Security Release Date; (ii) the obligation of the Owner to pay an amount of cash to the Company or transfer to the Company that portion of the cash value which is

equal to any federal, state or local taxes that Assignee may be required to withhold and collect (as set forth in Section 12 of the Agreement); (iii) the obligation of the Owner to pay an amount of cash to the Company or transfer to the Company that portion of the cash surrender value of the Policy which is equal to the sum of the outstanding balances on any loans made by Assignee to the Owner in the event of a Qualifying Event (as set forth in Section 5(c) of the Agreement; and (iv) the obligation of the Owner to name the Assignee as beneficiary for a portion of the death benefit under the Policy in the event of the death of the insured prior to Owner's termination of employment with Employer in accordance with Section 4 of the Agreement.

2. The Owner hereby grants to Assignee a security interest in and collaterally assigns to Assignee the Policy and the cash value to secure the Secured Obligations. However, the Assignee's interest in the Policy shall be strictly limited to:

(a) The right to be paid the Assignee's portion of the death benefit in the event of the death of the Owner prior to Owner's termination of employment with Employer in accordance with Section 4 of the Agreement;

(b) The right to receive an amount equal to the entire cash value of the Policy (which right may be realized by Assignee's receiving a portion of the death benefit under the Policy or Owner's causing such amount to be transferred to Assignee (through withdrawing from or borrowing against the Policy), in accordance with the terms of the Agreement) if the Owner terminates employment with Employer for a reason other than a Qualifying Termination (unless he or she has previously attained his or her Security Release Date);

(c) The right to receive an amount equal to the sum of the outstanding balances on any loans made by Assignee to the Owner in the event of a Qualifying Event (as set forth in Section 5(c) of the Agreement); and

(d) The right to receive an amount equal to any federal, state or local taxes that Assignee may be required to withhold and collect (as set forth in Section 12 of the Agreement).

3. (a) Owner shall retain all incidents of ownership in the Policy, and may exercise such incidents of ownership except as otherwise limited by the Agreement and hereunder. The Insurer is only authorized to recognize (and is fully protected in recognizing) the exercise of any ownership rights by Owner if the Insurer determines that the Assignee has been given notice of Owner's purported exercise of ownership rights in compliance with the provisions of Section 3(b) hereof and as of the date thirty days after such notice is given, the Insurer has not received written notification from the Assignee of Assignee's objection to such exercise; provided that,

the designation of the beneficiary to receive the death benefits not otherwise payable to Assignee pursuant to Section 4 of the Agreement may be changed by the Owner without prior notification of Assignee. The Insurer shall not be responsible to ensure that the actions of the Owner conform to the Agreement.

(b) Assignee hereby acknowledges that for purposes of this Collateral Security Assignment, Assignee shall be conclusively deemed to have been properly notified of Owner's purported exercise of his or her ownership rights as of the third business day following either of the following events: (1) Owner mails written notice of such exercise to Assignee by United States certified mail, postage paid, at the address below and provides the Insurer with a copy of such notice and a copy of the certified mail receipt or (2) the Insurer mails written notice of such exercise to Assignee by regular United States mail, postage paid, at the address set forth below:

Advanced Micro Devices, Inc.
One AMD Place, M/S 181
Sunnyvale, California 94088

Attn: Corporate Compensation Manager

The foregoing address shall be the appropriate address for such notices to be sent unless and until the receipt by both Owner and the Insured of a written notice from Assignee of a change in such address.

(c) Notwithstanding the foregoing, Owner and Assignee hereby agree that, until Assignee's security interest in the Policy is released, Assignee shall from time to time designate one or more individuals (the "Designee"), who may be officers of Assignee, who shall be entitled to adjust the death benefit under the Policy and to administer the investments under the Policy; provided, however, that the Designee may only increase, but not decrease, the death benefit in effect on the date that the Policy is issued; provided further, that the Designee may only direct the investments under the Policy in funds offered by the Insurer under the Policy. Assignee shall notify the Insurer in writing of the identity of the Designee and any changes in the identity of the Designee. Until Assignee's security interest in the Policy is released, no other party may adjust the death benefit or direct the investments under the Policy without the consent of the Assignee and the Owner.

4. If the Policy is in the possession of the Assignee, the Assignee shall, upon request, forward the Policy to the Insurer without unreasonable delay for endorsement of any designation or change of beneficiary or the exercise of any other right reserved by the Owner.

5.(a) Assignee shall be entitled to exercise its rights under the Agreement by delivering a written notice to Insurer, executed by the Assignee and the Owner or the Owner's beneficiary, requesting either (1) a withdrawal or nonrecourse policy loan equal to the amount to which Assignee is entitled under Sections 5, 6 or 12 of the Agreement and transfer of such withdrawn or borrowed amount to Assignee or (2) the payment to the Assignee of that portion of the death benefit under the Policy to which the Assignee is entitled under Section 4 of the Agreement. So long as the notice is also signed by Owner or his or her beneficiary, Insurer shall pay or loan the specified amounts to Assignee without the need for any additional documentation.

(b) Upon receipt of a properly executed notice complying with the requirements of subsection (a) above, the Insurer is hereby authorized to recognize the Assignee's claims to rights hereunder without the need for any additional documentation and without investigating (1) the reason for such action taken by the Assignee; (2) the validity or the amount of any of the liabilities of the Owner to the Assignee under the Agreement; (3) the existence of any default therein; (4) the giving of any notice required herein; or (5) the application to be made by the Assignee of any amounts to be paid to the Assignee. The receipt of the Assignee for any sums received by it shall be a full discharge and release therefor to the Insurer.

6. Upon the full payment of the liabilities of the Owner to the Assignee pursuant to the Agreement, the Assignee shall execute an appropriate release of this Collateral Security Assignment.

7. The Assignee shall have the right to request of the Insurer and/or the Owner notice of any action taken with respect to the Policy by the Owner.

8.(a) The Assignee and the Owner intend that in no event shall the Assignee have any power or interest related to the Policy or its proceeds, except as provided herein and in the Agreement, notwithstanding the provisions of any other documents including the Policy. In the event that the Assignee ever receives or may be deemed to have received any right or interest beyond the limited rights described herein and in the Agreement, such right or interest shall be held in trust for the benefit of the Owner and be held separate from the property of the Assignee.

(b) In order to further protect the rights of the Owner, the Assignee agrees that its rights to the Policy and proceeds thereof shall serve as security for the Assignee's obligations to the Owner as provided in the Agreement. Assignee hereby grants to Owner a security interest in and collaterally assigns to Owner any and all rights it has in the Policy, and products

and proceeds thereof, whether now existing or hereafter arising pursuant to the provisions of the Policy, the Agreement, this Collateral Security Assignment or otherwise, to secure Assignee's obligations ("Assignee Obligations") to Owner under the Agreement, whether now existing or hereafter arising. The Assignee Obligations include all obligations owed by the Assignee to Owner under the Agreement, including without limitation: (i) the obligation to purchase the Policy designating Owner as the owner and to make the premium payments required under Section 3 of the Agreement and (ii) the obligation to do nothing which may, in any way, endanger, defeat or impair any of the rights of Owner in the Policy as provided in the Agreement. In no event shall this provision be interpreted to reduce Owner's rights in the Policy or expand in any way the rights or benefits of the Assignee under the Agreement. In the event that Owner terminates employment with Employer for any reason prior to a Qualifying Event, this security interest and collateral assignment granted by Assignee to Owner shall automatically expire and be deemed waived. Nothing in this provision shall prevent the Assignee from receiving its share of the death benefits under the Policy as provided in Section 4 of the Agreement.

9. Assignee and Owner agree to execute any documents necessary to effectuate this Collateral Security Assignment pursuant to the provisions of the Agreement. All disputes shall be settled as provided in Section 13 of the Agreement. The rights under this Collateral Security Assignment may be enforced pursuant to the terms of the Agreement.

IN WITNESS WHEREOF, the Owner and Assignee have executed this Collateral Security Assignment effective the day and year first above written.

_____

, Owner

ADVANCED MICRO DEVICES, INC.

By: _____

Title: _____

EXHIBIT 11.1

ADVANCED MICRO DEVICES, INC.

STATEMENT RE: COMPUTATION OF PER SHARE EARNINGS

THREE YEARS ENDED DECEMBER 26, 1993
(THOUSANDS EXCEPT PER SHARE)

PRIMARY	1991	1992	1993
Weighted average number of common shares outstanding during the year	83,270	87,068	90,660
Incremental common shares attributable to shares issuable under employee stock plans (assuming proceeds would be used to purchase treasury stock)	4,926	4,315	4,448
Total shares	88,196	91,383	95,108
Net income:			
Amount applicable to common shares	$134,937	$234,661	$218,431
Per share	$ 1.53	$ 2.57	$ 2.30
FULLY DILUTED			
Weighted average number of common shares outstanding during the year	83,270	87,068	90,660
Incremental common shares attributable to shares issuable under employee stock plans (assuming proceeds would be used to purchase treasury stock)	5,414	4,551	4,547
Preferred stock	6,856	6,856	6,856
Total shares	95,540	98,475	102,063
Net income:			
Amount applicable to common shares	$134,937	$234,661	$218,431
Preferred stock dividends	10,350	10,350	10,350
Net adjusted income	$145,287	$245,011	$228,781
Per share	$ 1.52	$ 2.49	$ 2.24

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EXHIBIT 13

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

Net sales of $1,648.3 million for 1993 rose by 9 percent from sales of $1,514.5 million for 1992. This growth was principally related to a sharp increase in sales of flash memory devices and higher sales in most other product lines partially offset by a decline in Am386(R) microprocessor sales. AMD's non-X86 business grew approximately 23 percent compared to 1992. Even though volume shipments did not commence until the second half of 1993, the company achieved substantial sales of Am486(TM) devices in 1993. However, revenues generated by Am486 products were insufficient to offset declining sales of Am386 devices.

Net sales in 1992 increased by 23 percent from sales of $1,226.6 million in 1991, primarily due to significant growth in Am386 microprocessor sales. Net sales for the rest of the product lines were relatively flat, except for network and telecommunications products, and embedded processors, which rose by 21 percent from 1991 to 1992.

Sales of CMOS products continued to grow in both absolute dollars and as a percentage of sales from 1991 through 1993. Sales of products manufactured with CMOS process technology accounted for approximately 76 percent of net sales in 1993, 70 percent in 1992 and 56 percent in 1991. Sales to international customers were 54 percent in 1993, and 55 percent in 1992 and 1991. The European market showed strong growth in 1993, while the Asia-Pacific market decreased slightly as compared to 1992.

Am386 and Am486 microprocessors were AMD's most significant X86 products in 1993. Since its introduction in 1991, the Am386 family has been a major contributor to AMD revenues. Am386 family sales ramped up to their highest levels in 1992; however, this product has been on a downward trend through 1993 because of its maturing life cycle. Over the past three years, the Am386 family has experienced significant price erosion in response to intense competition and the introduction of more advanced technology. Nevertheless, unit shipments reached their peak in the first quarter of 1993. Management anticipates Am386 microprocessor revenue will continue on its downward trend in 1994, resulting from both unit-shipment and average-selling-price declines, since the market has transitioned to 486 technology as the microprocessor standard.

The company's Am386 and Am486 products have been the subject of litigation with Intel Corporation (see 1993 Annual Report on Form 10K, Item 3, Legal Proceedings). An unfavorable decision in the 287, 386 or 486 microcode litigation could result in a material monetary damages award to Intel and/or preclude the company from continuing to produce those Am386 and Am486 products adjudicated to contain any copyrighted Intel microcode. Therefore, such litigations could have a materially adverse impact on the financial condition and results of operations of the company.

During 1993, the company's X86 business transitioned from Am386 to Am486 products. The company began shipments of its Am486DX microprocessors during the second quarter of 1993. Since this time, Am486DX unit shipments have grown significantly, exceeding 550,000 units, while average selling prices have remained relatively constant. Management anticipates a further increase in Am486DX unit shipments in 1994; however, as volume increases, normal price declines are anticipated due to competitive pressures. The company has initiated an aggressive manufacturing plan in the Submicron Development Center (SDC); nevertheless, Am486 product demand is expected to exceed production capacity during 1994. In February 1994, the company entered into a foundry agreement with Digital Equipment Corporation (DEC) for AMD's Am486 microprocessor family. The agreement is for two years with an option for extension at the end of that period. However, both parties have certain rights to terminate this agreement earlier in the event of adverse developments in the company's microprocessor-related litigations. Initial shipments of Am486 products from wafers manufactured by DEC are expected to begin in the fourth quarter of 1994. The company anticipates that shipments of Am486 microprocessors from the foundry will reach an annual run-rate of 2 million units in the first half of 1995. AMD may enter into additional foundry arrangements in order to supplement internal capacity based on business conditions. Regardless of these foundry arrangements, the company's production capacity is expected to increase in 1995 due to the completion of its 700,000 square-foot submicron semiconductor manufacturing complex in Austin, Texas (Fab 25).

An adverse result in the 287 microcode litigation or the 486 microcode litigation could preclude the company from shipping its Am486DX products adjudicated to contain any copyrighted Intel microcode. In that event, the company's revenues and earnings will be materially adversely impacted until the company is able to manufacture and introduce new members of its Am486 family in lieu of the DX that obtain the same level of market acceptance and profitability currently generated by the Am486DX.

The company is in the process of developing new Am486 products. Development of such Am486 products is expected to be completed by the end of 1994.

The company is also currently developing its next generation of microprocessors, referred to as the K series, based on superscalar RISC-type architecture. Development of these products is expected to be completed in the fourth quarter of 1994 or early 1995.

In addition to the above-mentioned litigations, the future outlook for AMD's microprocessor business is highly dependent upon microprocessor market conditions, which are subject to both demand and price elasticity. Future

growth will rely on the market demand of Am486 products and AMD's future generation microprocessors.

Revenues of network and telecommunication products achieved record levels in 1993, growing 30 percent from 1992 and 58 percent from 1991. Growth was particularly strong in telecommunications products, driven by higher European market demand in 1993. Management expects continued strong growth in network products driven by Ethernet products in 1994. Sales of embedded processors in 1993 rose 22 percent as compared to 1992 and 46 percent as compared to 1991. This growth was primarily attributable to record sales of both 29K(TM) RISC microprocessor and microcontroller products.

Sales of flash memory devices grew substantially from 1991 to 1993. However, in the fourth quarter of 1993, flash sales decreased as compared to the immediate prior quarter due

primarily to pricing pressures caused by increased competition. These pricing pressures are expected to continue in 1994. Management anticipates flash memory unit shipments will resume growth in the first quarter of 1994, as the company ramps up the production of its new 4-megabit flash memory devices introduced in the fourth quarter of 1993. The company plans to meet projected long-term demand for flash memory through a manufacturing joint venture with Fujitsu Limited of Japan, which is expected to begin volume production in 1995.

EPROM sales declined from 1992 because of lower unit shipments due to capacity constraints created by allocating internal capacity to flash memory devices. However, in the fourth quarter of 1993, EPROM revenue grew considerably as compared to the third quarter of 1993 due to higher unit shipments produced by increased foundry capacity. Management anticipates this demand will continue in 1994, and increased EPROM foundry production will expand current capacity levels consistent with market demand in 1994.

Sales of programmable logic devices (PLDs) rose slightly in 1993 from 1992 and 1991 due to an increase in sales of CMOS PLDs, which currently represent a substantial portion of total PLD sales. Sales of CMOS PLDs in 1993 grew significantly from 1992 and 1991, with MACH(R) family products (mid-density PLDs) acting as the driving force. However, in the fourth quarter, CMOS PLD sales declined as compared to the immediate prior quarter. The company believes that one of the factors causing this CMOS PLD sales decline may have been customers' temporary inventory build-up. During 1993, bipolar PLD sales declined as compared to 1992 and 1991. Management anticipates flat PLD sales in 1994 with strong growth in MACH family products offset by declining bipolar PLD sales.

Cost of sales of $789.6 million for 1993 contributed to a gross margin of 52 percent as compared to a gross margin of 51 percent in 1992 and 46 percent in 1991. These gross margin improvements were related to a richer product mix, improved capacity utilization, and better manufacturing yields which more than offset declining Am386 device prices and increased manufacturing costs. Gross margins may decrease in 1994 due to increased competition, increased foundry costs principally related to EPROMs, changes in product mix and the impact of litigation.

Research and development expense for 1993 increased to $262.8 million from $227.9 million in 1992 and $213.8 million in 1991. This increase is mainly due to higher spending on process and product development in the SDC and its supporting engineering organizations, and microprocessor development. Research and development expense exceeded 15 percent of net sales in each of the last three years. The company anticipates a slight increase in research and development expense in 1994.

Marketing, general and administrative expense was $290.9 million for 1993, $270.2 million for 1992, and $244.9 million for 1991. The increase from 1992 to 1993 was primarily attributable to increased legal expenses relating to litigation with Intel, and microprocessor advertising rebates. The incremental change from 1991 to 1992 was mainly related to higher sales commissions and advertising expense and larger bonus and profit-sharing accruals. Marketing, general and administrative expense was 18 percent of sales in 1993 and 1992 and 20 percent in 1991.

In summary, total operating expenses were $1,343.2 million in 1993, $1,244.5 million in 1992 and $1,117.5 million in 1991. Operating expenses as a percentage of sales were on a downward trend from 1991 through 1993. As a result of this trend, operating income as a percentage of sales rose to 19 percent in 1993 as compared to 18 percent in 1992 and 9 percent in 1991. Although the company is continuing to focus on cost-containment, operating expenses may rise in 1994 due to further increases in depreciation and to foundry expenses, which are dependent on product demand.

Interest and other income was $16.5 million in 1993, down from $18.9 million in 1992, and $57.0 million in 1991. While cash balances increased, interest income declined to $16.0 million in 1993 from $16.6 million in 1992, due to lower interest rates during 1993. Interest income increased by $8.0 million from 1991 because of higher cash available for investment. Interest and other income included the net gain on sale of assets for all three years. A net gain of $46.1 million was realized in 1991 on the sale or disposition of assets, primarily attributable to the sale of 3.5 million shares of Xilinx, Inc. Net interest expense was $3.8 million in 1993, down from $17.2 million in 1992 and $20.9 million in 1991 due to lower average outstanding debt and lower interest rates.

Provision for taxes on income was $89.0 million in 1993, $26.6 million in 1992 and zero in 1991. The 1993 income tax provision increased to 28 percent from 10 percent in the prior year as book net operating loss carryforwards were fully utilized in 1992. The 1991 income tax provision included a reduction of previously provided taxes recorded in deferred income taxes as a result of the settlement of various tax audits during the year. Management anticipates that the provision for taxes on income will be between 30 and 32 percent in 1994.

Effective December 28, 1992, the company changed its method of accounting for income taxes to the liability method required by Statement of Financial Accounting Standards No. 109 (SFAS No. 109). As permitted by SFAS No. 109, prior periods' financial statements have not been restated. A valuation allowance of approximately $26 million was provided at December 26, 1993, for certain deferred tax assets related to stock-option deductions. The company believes that the realization of remaining deferred tax assets (approximately $100 million at December 26, 1993) is more likely than not to be realized because of offsetting deferred tax liabilities (approximately $65 million at December 26, 1993) and potential tax carrybacks. There was no effect on net

income by adopting SFAS No. 109 in 1993.

The company recorded net income before preferred stock dividends of $228.8 million in 1993, $245.0 million in 1992 and $145.3 million in 1991. After preferred stock dividends of $10.4 million for each of the three years, the primary net income per common share was $2.30 for 1993, $2.57 for 1992 and $1.53 for 1991.

FACTORS THAT MAY AFFECT FUTURE RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The semiconductor industry is generally characterized by a highly competitive and rapidly changing environment in which operating results are often subject to the effects of new product introductions, manufacturing technology innovations, rapid

fluctuations in product demand, and the ability to secure intellectual property rights. While the company attempts to identify and respond to these changes as soon as possible, the rapidity of their onset makes prediction of and reaction to such events an ongoing challenge.

The company believes that its future results of operations and financial condition could be impacted by the following factors: market acceptance and timing of new products, trends in the personal computer marketplace, capacity constraints, intense price competition, interruption of manufacturing materials supply, negative changes in international economic conditions and decisions in legal disputes relating to intellectual property rights.

Due to the factors noted above, the company's future operations, financial condition and stock price may be subject to volatility. In addition, a shortfall in revenue or earnings from securities analysts' expectations could have an immediate adverse effect on the trading price of the company's common stock in any given period.

FINANCIAL CONDITION

The company's financial condition improved during 1993. Cash and cash equivalents and temporary cash investments rose by $157.1 million to $488.2 million from 1992 to 1993. Net cash provided from operating activities was offset by the purchase of property, plant and equipment of $323.7 million in 1993 to expand manufacturing capacity and also by the purchase of temporary cash investments. Capital acquisitions have been on an upward trend in each of the three years, and this trend is expected to continue in excess of $500 million in 1994 mainly for Fab 25 (see following discussion). In summary, positive cash flow of $8.4 million was generated in 1993 as compared to negative cash flow of $101.9 in 1992. This cash flow improvement was due to higher net cash provided by operating activities, proceeds from stock issuances to employees and Fujitsu Limited in 1993 and retirement of long-term debt in 1992.

Restricted cash totaling approximately $33.2 million was pledged by the company to stay execution of a $27.4 million judgment, plus interest, in favor of Brooktree Corporation. In the first quarter of 1993, the company and Brooktree Corporation settled all pending litigation and agreed that AMD would pay Brooktree $26.8 million. AMD made full payment on this settlement in the second quarter of 1993.

In 1993, the company's current ratio grew to 2.12 from 2.09 in 1992 and 1.38 in 1991. Working capital grew by $124.5 million from $385.1 million in 1992 to $509.6 million in 1993. This growth is primarily due to an increase in temporary cash investments and accounts receivable resulting from higher sales that more than offset higher accounts payable in 1993.

The company is currently involved in litigations with Intel Corporation (see Note 12 of the Consolidated Financial Statements and 1993 Annual Report on Form 10K, Item 3, Legal Proceedings). While it is impossible to predict the resolutions of the AMD/Intel litigations, there could be a material adverse effect on the financial condition, or trends in results of operations of the company, or the ability to raise necessary capital, or some combination of the foregoing if the outcome of the Intel litigations either results in an award to Intel of material monetary damages, or the company's intellectual property rights are not sustained with regard to the Am386 or the Am486 products such that the company is precluded from producing and selling Am386, Am486 and future generations of microprocessors that are adjudicated to contain Intel intellectual property, or from selling such products at competitive prices.

In July 1993, the company commenced construction of its 700,000 square-foot submicron semiconductor manufacturing complex in Austin, Texas. Known as Fab 25, the new facility is expected to cost approximately $1 billion when fully equipped. The first phase of construction and initial equipment installation is expected to cost approximately $400 million through 1994.
Volume production is scheduled to begin in late 1995.

The company and Fujitsu Limited are cooperating in building and operating an approximately $800 million wafer fabrication facility in Aizu-Wakamatsu, Japan through their joint venture "Fujitsu-AMD Semiconductor Limited (FASL)." The forecasted joint venture costs are denominated in yen and therefore are subject to change due to fluctuations of foreign exchange rates. Each company will contribute equally toward funding and supporting FASL. AMD is expected to contribute approximately half of its share of funding in cash and guarantee third-party loans made to FASL for the remaining half. However, to the extent debt cannot be secured by FASL, AMD is required to contribute its portion in cash. During 1993, the company's investment in FASL was immaterial; however, management anticipates this investment will increase substantially, to approximately $135 million in 1994. The company is also required under the terms of the joint venture to contribute approximately one-half of such additional amounts as may be necessary to sustain FASL's operations. The facility, which will be capable of producing flash memory devices utilizing CMOS process technology, is expected to begin operations in the fourth quarter of 1994. Volume production is expected to begin in the first half of 1995.

As of the end of 1993, the company had the following financing arrangements: unsecured committed bank lines of credit of $105 million, unutilized; long-term secured equipment lease lines of $110 million, of which $65 million were utilized; and short-term, unsecured uncommitted bank credit in the amount of $83 million, of which $31 million was outstanding.

The company's current capital plan and requirements are based on various

product-mix, selling-price and unit-demand assumptions and are, therefore, subject to revision due to future market changes and litigation outcomes.

Management believes that, absent unfavorable litigation outcomes, cash flows from operations and current cash balances, together with current and anticipated available long-term financing, will be sufficient to fund operations, capital investments, and research and development projects currently planned for the next several years.

CONSOLIDATED STATEMENTS OF OPERATIONS

Three years ended December 26, 1993, in thousands except per share amounts	1993	1992	1991
NET SALES	$ 1,648,280	$ 1,514,489	$ 1,226,649
Expenses:			
Cost of sales	789,564	746,486	658,824
Research and development	262,802	227,860	213,765
Marketing, general and administrative	290,861	270,198	244,900
	1,343,227	1,244,544	1,117,489
Operating income	305,053	269,945	109,160
Interest and other income	16,490	18,913	57,007
Interest expense	(3,791)	(17,227)	(20,880)
Income before taxes on income	317,752	271,631	145,287
Provision for taxes on income	88,971	26,620	-
NET INCOME	228,781	245,011	145,287
Preferred stock dividends	10,350	10,350	10,350
NET INCOME APPLICABLE TO COMMON SHAREHOLDERS	$ 218,431	$ 234,661	$ 134,937
NET INCOME PER COMMON SHARE			
Primary	$ 2.30	$ 2.57	$ 1.53
Fully diluted	$ 2.24	$ 2.49	$ 1.52
Shares used in per share calculation			
Primary	95,108	91,383	88,196
Fully diluted	102,063	98,475	95,540

See accompanying notes.

CONSOLIDATED BALANCE SHEETS

December 26, 1993, and December 27, 1992, in thousands except share and per share amounts	1993	1992
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 60,423	$ 52,027
Temporary cash investments	427,775	279,061
Restricted cash	-	32,695
Total cash, temporary cash investments and restricted cash	488,198	363,783
Accounts receivable, net of allowance for doubtful accounts of $7,492 in 1993, and $6,679 in 1992	263,617	202,072
Inventories:		
Raw materials	15,371	16,793
Work-in-process	56,504	43,572
Finished goods	32,175	25,683
Total inventories	104,050	86,048
Deferred income taxes	77,922	37,199
Prepaid expenses and other current assets	30,399	48,556
Total current assets	964,186	737,658
PROPERTY, PLANT AND EQUIPMENT:		
Land	26,272	22,192
Buildings and leasehold improvements	444,299	422,089
Equipment	1,335,251	1,162,558
Construction in progress	192,541	77,526
Total property, plant and equipment	1,998,363	1,684,365
Accumulated depreciation and amortization	(1,094,037)	(991,082)
Net property, plant and equipment	904,326	693,283
OTHER ASSETS	60,719	17,154
	$ 1,929,231	$ 1,448,095
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable to banks	$ 30,994	$ 40,659
Accounts payable	127,151	61,680
Accrued compensation and benefits	81,860	76,922
Accrued liabilities	83,982	69,665
Income tax payable	34,991	8,122
Deferred income on shipments to distributors	74,436	56,717
Long-term debt and capital lease obligations due within one year	21,205	6,084
Litigation judgment liability	-	32,695
Total current liabilities	454,619	352,544
DEFERRED INCOME TAXES	42,837	29,135
LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS DUE AFTER ONE YEAR	79,504	19,676
Commitments and contingencies		
SHAREHOLDERS' EQUITY:		
Capital stock:		
Serial preferred stock, par value $.10; 1,000,000 shares authorized; 345,000 shares issued and outstanding ($172,500 aggregate liquidation preference)	35	35
Common stock, par value $.01; 250,000,000 shares authorized; 92,443,911 shares issued and outstanding in 1993, and 88,225,587 in 1992	926	885
Capital in excess of par value	619,733	532,674
Retained earnings	731,577	513,146
Total shareholders' equity	1,352,271	1,046,740
	$ 1,929,231	$ 1,448,095

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Three years ended December 26, 1993, in thousands	1993	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 228,781	$ 245,011	$ 145,287
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	175,067	152,313	155,935
Net (gain) loss on sale of property, plant and equipment	(2,943)	1,325	(2,467)
Write-down of property, plant and equipment	366	222	1,409
Gain on sale of securities	-	(10,689)	(54,915)
Net equity investment income in Xilinx, Inc.	-	-	(2,342)
Compensation recognized on employee stock plans	1,313	3,039	2,859
Decrease in deferred income taxes	(27,021)	(19,109)	(15,497)
Increase in income tax payable	70,255	13,386	5,399
Changes in operating assets and liabilities:			
Net increase in restricted cash, receivables, inventories, prepaids and other assets	(59,340)	(2,471)	(71,759)
Net increase in payables and accrued liabilities	69,750	16,212	25,175
Net cash provided by operating activities	456,228	399,239	189,084
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(323,669)	(222,064)	(111,025)
Proceeds from sale of property, plant and equipment	4,648	1,261	3,002
Proceeds from sale of securities	-	21,263	84,000
Purchase of temporary cash investments	(715,487)	(594,801)	(147,271)
Proceeds from sale of temporary cash investments	566,773	432,590	96,421
Net cash used in investing activities	(467,735)	(361,751)	(74,873)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings	5,941	8,898	25,679
Principal payments on borrowings	(18,089)	(153,094)	(33,590)
Proceeds from issuance of stock	42,401	15,145	8,917
Payments of preferred stock dividends	(10,350)	(10,350)	(10,350)
Net cash provided by (used in) financing activities	19,903	(139,401)	(9,344)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,396	(101,913)	104,867
Cash and cash equivalents at beginning of year	52,027	153,940	49,073
Cash and cash equivalents at end of year	$ 60,423	$ 52,027	$ 153,940
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest (net of amounts capitalized)	$ 2,123	$ 15,136	$ 17,827
Income taxes	$ 44,433	$ 32,149	$ 9,906
Non-cash financing activities:			
Equipment capital leases	$ 64,512	$ -	$ 26,200

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 26, 1993, December 27, 1992, and December 29, 1991

1. ACCOUNTING POLICIES

Fiscal Year. Advanced Micro Devices' fiscal year ends on the last Sunday in December, which resulted in a 52-week year ended December 26, 1993. This compares with a 52-week fiscal year for 1992 and 1991, which ended on December 27 and 29, respectively.

Principles of Consolidation. The consolidated financial statements include the accounts of Advanced Micro Devices, Inc. and its subsidiaries. Upon consolidation, all significant intercompany accounts and transactions are eliminated. Realized and unrealized foreign exchange gains and losses, which have not been material, are included in results of operations.

Cash Equivalents. Cash equivalents consist of short-term financial instruments which are readily convertible to cash and generally have original maturities of three months or less at the time of acquisition.

Temporary Cash Investments. Temporary cash investments consist of commercial paper, time deposits, certificates of deposit, bankers' acceptances and marketable direct obligations of the United States Treasury, maturing within one year. Investments in time deposits and certificates of deposit are acquired from banks having combined capital, surplus and undivided profits of not less than $200 million. Investments in commercial paper of industrial firms and financial institutions are rated A1, P1 or better. Temporary cash investments are carried at cost which approximates market.

Inventories. Inventories are stated principally at standard costs adjusted to approximate the lower of cost (first-in, first-out) or market (net realizable value).

Property, Plant and Equipment. Property, plant and equipment is stated at cost. Depreciation and amortization are provided principally on the straight-line method for financial reporting purposes and on accelerated methods for tax purposes.

Investment in Joint Venture. In 1993, the company and Fujitsu Limited established a joint venture, "Fujitsu-AMD Semiconductor Limited." AMD's share of the joint venture is 49.95 percent and the investment is being accounted for under the equity method. As of December 26, 1993, the amount invested in the joint venture and the company's share of its results of operations were immaterial.

Pursuant to a cross-equity provision between AMD and Fujitsu Limited, the company purchased $10.8 million of Fujitsu Limited shares, with certain resale restrictions. This investment is accounted for under the cost method. Under the same provision, Fujitsu Limited has purchased 1 million shares of AMD common stock and is required to purchase an additional 3.5 million shares over the next several years for a total investment not to exceed $100 million.

Deferred Income on Shipments to Distributors. A portion of sales is made to distributors under terms allowing certain rights of return and price protection on unsold merchandise held by the distributors. These agreements can be canceled by either party upon written notice, at which time the company generally repurchases unsold inventory. Accordingly, recognition of sales to distributors and related gross profits are deferred until the merchandise is resold by the distributors.

Income Taxes. Effective December 28, 1992, the company adopted Statement of Financial Accounting Standards No. 109 (SFAS No. 109), "Accounting for Income Taxes." As permitted by SFAS No. 109, the company has elected not to restate its financial statements for any periods prior to December 28, 1992. There was no effect of adopting SFAS No. 109 on net income for the year ended December 26, 1993.

Net Income per Common Share. Primary net income per common share is based upon weighted average common and dilutive common equivalent shares outstanding using the treasury stock method. Dilutive common equivalent shares include stock options and restricted stock. Fully diluted net income per common share is computed using the weighted average common and dilutive common equivalent shares outstanding, plus other dilutive shares outstanding which are not common equivalent shares. Other dilutive shares which are not common equivalent shares include convertible preferred stock.

Off-Balance-Sheet Risk. The company enters into various off-balance-sheet financial transactions, including currency-forward contracts and interest rate swaps to hedge its currency and interest-rate exposures. These instruments involve, to a varying degree, elements of market and interest rate risk not recognized in the consolidated financial statements.

Gains and losses associated with currency rate changes on forward contracts are recorded currently in income unless the contract hedges a firm commitment, in which case any gains and losses are deferred and included as a component of the related transaction. Generally, the interest element of the forward contract is recognized over the life of the contract.

As of December 26, 1993, the company had approximately $33.8 million in net forward contracts outstanding. Based on quotes from brokers, the carrying amounts of these contracts approximate their fair values.

While the contract or notional amounts often are used to express the volume of these transactions, the amounts potentially subject to credit risk are generally limited to the amounts, if any, by which the counterparties' obligations under the contracts exceed the obligations of the company to the counterparties.

The company controls credit risk through credit approvals, limits, and monitoring procedures. Credit rating policies similar to those for investments are followed for off-balance-sheet transactions.

Concentrations of Credit Risk. Financial instruments which potentially expose the company to concentrations of credit risk consist primarily of investments and trade receivables. The company places its investments with high-credit-quality financial institutions and, by policy, limits the amount of credit exposure to any one financial institution. Concentrations of credit risk with respect to trade receivables are limited because a large number of geographically diverse customers make up the company's customer base, thus spreading the trade-credit risk. Due to the company's credit evaluation and collection process, bad debt expenses have been insignificant. The company performs in-depth credit evaluations for all customers and requires advanced payments or secures transactions when deemed necessary.

Financial Presentation. Certain prior-year amounts on the Consolidated Financial Statements have been reclassified to conform to the 1993 presentation.

2. SHAREHOLDERS' EQUITY

The following is a summary of the changes in the components of consolidated shareholders' equity for the three years ended December 26, 1993.

	PREFERRED STOCK		COMMON STOCK				
Thousands	NUMBER OF SHARES	AMOUNT	NUMBER OF SHARES	AMOUNT	CAPITAL IN EXCESS OF PAR VALUE	RETAINED EARNINGS	TOTAL SHAREHOLDERS' EQUITY
December 30, 1990	345	$ 35	82,338	$ 826	$ 491,895	$ 143,548	$ 636,304
Issuance of shares under employee stock plans	-	-	1,693	16	8,901	-	8,917
Compensation recognized under employee stock plans	-	-	-	-	2,859	-	2,859
Income tax benefits realized from employee stock option exercises	-	-	-	-	339	-	339
Preferred stock dividends	-	-	-	-	-	(10,350)	(10,350)
Net income	-	-	-	-	-	145,287	145,287
December 29, 1991	345	35	84,031	842	503,994	278,485	783,356
Issuance of shares under employee stock plans	-	-	4,195	43	15,102	-	15,145
Compensation recognized under employee stock plans	-	-	-	-	3,039	-	3,039
Income tax benefits realized from employee stock option exercises	-	-	-	-	10,539	-	10,539
Preferred stock dividends	-	-	-	-	-	(10,350)	(10,350)
Net income	-	-	-	-	-	245,011	245,011
December 27, 1992	345	35	88,226	885	532,674	513,146	1,046,740
Issuance of shares:							
employee stock plans	-	-	3,218	31	19,408	-	19,439
to Fujitsu Limited	-	-	1,000	10	22,952	-	22,962
Compensation recognized under employee stock plans	-	-	-	-	1,313	-	1,313
Income tax benefits realized from employee stock option exercises	-	-	-	-	43,386	-	43,386
Preferred stock dividends	-	-	-	-	-	(10,350)	(10,350)
Net income	-	-	-	-	-	228,781	228,781
December 26, 1993	345	$ 35	92,444	$ 926	$ 619,733	$ 731,577	$ 1,352,271

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. SALE OF SERIAL PREFERRED STOCK

In March 1987, the company sold 345,000 shares of Convertible Exchangeable Preferred Stock, $.10 par value. Dividends at an annual rate of $30 per share (6 percent) on the preferred stock are cumulative from the date of original issue and are payable quarterly in arrears, when and as declared by the company's Board of Directors. Voluntary and involuntary liquidation value of each preferred share is $500 plus unpaid dividends. The preferred stock is convertible at any time at the option of the holder into common stock at the initial conversion rate of 19.873 common shares for each preferred share. The preferred stock is exchangeable at the option of the company, in whole but not in part, on any dividend payment date commencing March 15, 1989, for 6 percent Convertible Subordinated Debentures due 2012 at the rate of $500 principal amount of debentures for each preferred share. If exchanged, commencing the first March 15 following the date of initial issuance of the debentures, the company is required to make annual payments into a sinking fund to provide for the redemption of the debentures.

The preferred stock is redeemable for cash at any time at the option of the company, in whole or in part, at prices declining to $500 per share at March 15, 1997, plus unpaid dividends. Holders of preferred stock are entitled to limited voting rights under certain conditions.

The preferred stock is held by a depository and 3,450,000 depository shares have been issued and are listed on the New York Stock Exchange. Each depository share represents one-tenth of a preferred share, with the holder entitled, proportionately, to all the rights and preferences of the underlying preferred stock.

4. STOCKHOLDER RIGHTS PLAN

In February 1990, the company adopted a stockholder rights plan. The plan is intended to enhance stockholders' value by encouraging potential acquirers to negotiate directly with the company's Board of Directors, and to protect stockholders from unfair or coercive takeover practices. In accordance with this plan, the company declared a dividend distribution of preferred stock purchase rights at the rate of one right for each share of common stock.

Each right entitles the registered holder to purchase from the company a unit consisting of one-thousandth of a share of Series A Junior Participating Preferred Stock, par value $.10 per share, at a purchase price of $65, subject to adjustment.

The rights will not be exercisable, or transferable apart from the common stock, until certain events occur. The rights are redeemable by the company and expire on December 31, 2000.

5. TAXES ON INCOME

Provision for taxes on income consists of:

Thousands	1993 SFAS 109 METHOD	1992 SFAS 96 METHOD	1991 SFAS 96 METHOD
Current:			
U.S. Federal	$ 83,351	$ 48,161	$ (7,425)
U.S. State and Local	3,640	7,835	4,611
Foreign National and Local	2,332	1,863	294
Deferred (prepaid):			
U.S. Federal	(1,947)	(31,239)	2,520
U.S. State and Local	1,798	-	-
Foreign National and Local	(203)	-	-
Provision for taxes on income	$ 88,971	$ 26,620	$ -

Included in the current tax provisions reflected above are $43.4 million, $10.5 million and $.3 million for 1993, 1992 and 1991, respectively, of stock option deduction benefits recorded as a credit to shareholders' equity.

Under SFAS No. 109, deferred income taxes reflect the net tax effects of tax carryforwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the company's deferred tax assets and liabilities as of December 26, 1993 and December 28, 1992 as restated under SFAS No. 109 are as follows:

Thousands	1993	1992

Deferred tax assets:		
Deferred distributor income	$ 31,349	$ 22,402
Inventory reserves	14,935	16,690
Accrued expenses not currently deductible	21,799	33,995
Federal tax credit carryovers	30,888	52,208
Other	27,569	31,600
Total deferred tax assets	126,540	156,895
Valuation allowance for deferred tax assets	(26,415)	(47,427)
Net deferred tax assets	100,125	109,468
Deferred tax liabilities:		
Depreciation	(44,886)	(43,742)
Other	(20,154)	(30,993)
Total deferred tax liabilities	(65,040)	(74,735)
Total net deferred tax assets	$ 35,085	$ 34,733

The valuation allowance for deferred tax assets is attributable to stock option deductions, the benefit of which will be credited to equity when realized.

Under SFAS 96, the components of the deferred (prepaid) taxes for 1992 and 1991 consist of:

Thousands	1992	1991
Deferred distributor income	$ (22,402)	$ -
Inventory reserves	(16,690)	-
Accrued expenses not currently deductible	(31,686)	-
Depreciation	41,502	2,347
Other	(1,963)	173
	$ (31,239)	$ 2,520

Pretax income from foreign operations was $40.0 million in 1993, $32.0 million in 1992, and $18.9 million in 1991.

The following is a reconciliation between statutory federal income taxes and the total provision for taxes on income.

	1993 SFAS 109 METHOD		1992 SFAS 96 METHOD		1991 SFAS 96 METHOD	
Thousands except percent	TAX	RATE	TAX	RATE	TAX	RATE
Statutory federal income tax provision	$ 111,213	35.0%	$ 92,355	34.0%	$ 49,398	34.0%
Operating losses utilized	-	-	(46,534)	(17.1)	(30,392)	(20.9)
State taxes net of federal benefit	3,535	1.1	5,228	1.9	4,611	3.2
Tax exempt Foreign Sales Corporation income	(7,236)	(2.3)	(6,175)	(2.3)	(5,040)	(3.5)
Tax credits utilized	(5,004)	(1.5)	(12,306)	(4.5)	-	-
Foreign income at other than U.S. rates	(10,398)	(3.3)	(5,948)	(2.2)	(6,301)	(4.3)
Adjustment of previously provided taxes	-	-	-	-	(12,276)	(8.5)
Other	(3,139)	(1.0)	-	-	-	-
	$ 88,971	28.0%	$ 26,620	9.8%	$ -	-%

No provision has been made for income taxes on approximately $203 million of cumulative undistributed earnings of certain foreign subsidiaries because it is the company's intention to permanently invest such earnings. If such earnings were distributed, additional taxes of $71 million would accrue.

For federal income tax purposes, the company has general business credit carryforwards of $19.0 million which will expire from 2000 to 2002. The company also has alternative minimum tax credits of $11.3 million that can be carried forward indefinitely.

The company's Far East assembly and test plants in Singapore and Thailand are operated under various tax holidays which expire in whole or in part during 1994 and 1998. Possible extensions of the holiday period, as well as other tax incentives, are anticipated to result in minimal tax liabilities in these countries through 1998. The net impact of these tax holidays was an increase to net income of approximately $5.1 million ($.05 per share) in 1993.

6. DEBT

The company has certain debt agreements that contain provisions regarding restrictions on cash dividends, maintenance of specified working capital and net worth levels and specific financial ratio requirements. At December 26, 1993, the company was in compliance with all restrictive covenants of such debt agreements and all retained earnings were restricted as to payments of cash dividends on common stock.

Significant elements of committed and uncommitted, unsecured revolving lines of credit are:

Thousands except percent	1993	1992	1991
Total lines of credit	$ 188,200	$ 100,946	$ 105,780
Portion of lines of credit available to foreign subsidiaries	83,200	100,946	105,650
Amounts outstanding at year-end: Short-term	30,994	40,659	51,421
Short-term borrowings:			
Average daily borrowings	35,783	45,381	50,612
Maximum amount outstanding at any month-end	38,009	52,026	52,278

Weighted daily average interest rate	5.81%	7.84%	9.43%
Average interest rate on amounts outstanding at year-end	4.54%	6.94%	8.34%

Interest on foreign and short-term domestic borrowings is negotiated at the time of the borrowing.

Information with respect to the company's long debt at year-end is:

Thousands	1993	1992
6.88% promissory notes with principal and interest payable annually through January 2000, secured by a partnership interest	$ 12,920	$ -
9.88% mortgage with principal and interest payable in monthly installments through April 2007	2,577	2,754
Obligations under capital leases	76,392	22,133
Obligations secured by equipment	7,997	-
Other	823	873
	100,709	25,760
Less: amount due within one year	(21,205)	(6,084)
Long-term debt due after one year	$ 79,504	$ 19,676

For each of the next five years and beyond, long-term debt and capital lease obligations are:

Thousands	LONG-TERM DEBT (PRINCIPAL ONLY)	CAPITAL LEASES
1994	$ 2,610	$ 21,630
1995	3,430	21,415
1996	3,680	15,090
1997	3,835	14,051
1998	4,066	9,123
Beyond 1998	6,696	6,670
Total	24,317	87,979
Less: Amount representing interest	-	(11,587)
Total at present value	$ 24,317	$ 76,392

The company has capital lease commitments through 2012. Cost and accumulated amortization of capital leases, plus installation costs, included in property, plant and equipment at December 26, 1993 were $97.7 million and $27.1 million, respectively; at December 27, 1992, these costs were $43.6 million and $18.9 million, respectively.

7. INTEREST AND OTHER INCOME

Thousands	1993	1992	1991
Net gain on sale of assets and other	$ 500	$ 2,342	$ 46,115
Interest income	15,990	16,571	8,550
Net equity investment income in Xilinx, Inc.	-	-	2,342
	$ 16,490	$ 18,913	$ 57,007

During 1992, the company realized a net gain of $2.3 million on the sale or other disposition of assets, including the sale of its shares of Xilinx, Inc. As a result of this sale, the company no longer has a significant investment in Xilinx, Inc.

In December 1991, a net gain of $46.1 million on the sale or other disposition of assets was realized, primarily attributable to the sale of 3.5 million shares of Xilinx, Inc. stock. Prior to the sale, the company owned 21 percent of Xilinx and this investment was accounted for on the equity method. After the sale, the remaining investment represented 5.6 percent of outstanding Xilinx shares and was accounted for on the cost method.

8. INTEREST EXPENSE

Thousands	1993	1992	1991
Interest expense	$ 9,785	$ 23,253	$ 25,179
Interest capitalized	(7,084)	(6,026)	(4,299)
Other expense	1,090	-	-
	$ 3,791	$ 17,227	$ 20,880

9. FOREIGN AND DOMESTIC OPERATIONS AND EXPORT SALES

The company is engaged principally in designing, developing, manufacturing and marketing complex monolithic integrated circuits.

Operations outside the United States include both manufacturing and sales. Manufacturing subsidiaries are located in Malaysia, Singapore, Thailand and the United Kingdom. Sales subsidiaries are in Western Europe and the Far East.

The following is a summary of operations by entities within geographic areas for the three years ended December 26, 1993.

Thousands	1993	1992	1991
Sales to unaffiliated customers:			
United States	$ 1,174,410	$ 1,106,245	$ 862,698
Europe	343,600	279,430	231,900
Asia	130,270	128,814	132,051
	$ 1,648,280	$ 1,514,489	$ 1,226,649
Transfers between geographic areas (eliminated in consolidation):			
United States	$ 444,378	$ 360,844	$ 326,966
Asia	277,496	300,773	248,611
	$ 721,874	$ 661,617	$ 575,577
Operating income:			
United States	$ 265,676	$ 235,802	$ 87,799
Europe	8,376	5,165	2,405
Asia	31,001	28,940	18,647
Eliminations	-	38	309
	$ 305,053	$ 269,945	$ 109,160
Identifiable assets:			
United States	$ 1,647,477	$ 1,193,543	$ 1,052,422
Europe	90,582	71,510	69,333
Asia	362,108	311,481	273,642
Eliminations	(170,936)	(128,439)	(103,639)
	$ 1,929,231	$ 1,448,095	$ 1,291,758
U.S. export sales:			
Asia	$ 314,268	$ 360,357	$ 250,472
Europe	109,226	99,635	79,444
	$ 423,494	$ 459,992	$ 329,916

Sales to unaffiliated customers are based on the AMD location. Transfers between geographic areas consist of products and services that are sold at amounts generally above cost and are consistent with governing tax regulations. Operating income is total sales less operating expenses. Identifiable assets are those assets used in each geographic area. Export sales are United States foreign direct sales to unaffiliated customers primarily in Europe and the Far East.

10. EMPLOYEE BENEFIT PLANS

Stock Option Plans. The company has several stock option plans under which key employees have been granted incentive (ISOs) and nonqualified (NSOs) stock options to purchase the company's common stock. Generally, options are exercisable within four years from the date of grant and expire five to 10 years after the date of grant. ISOs granted under the plans have exercise prices of not less than 100 percent of the fair market value of the common stock at the date of grant. Exercise prices of NSOs may not be less than 50 percent of the fair market value of the common stock at the date of grant. At December 26, 1993, 2,739 employees were eligible and participating in the plans.

The following is a summary of stock option exercises.

Thousands	1993	1992	1991
Aggregate exercise price	$14,029	$13,803	$4,410
Options exercised	2,749	3,119	948

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A summary of the stock option plans at December 26, 1993 is shown below.

Thousands except per share amounts	
Options:	
Outstanding at beginning of year	11,927
Granted	2,088
Canceled	(305)
Exercised	(2,749)
Outstanding at end of year	10,961
Exercisable at beginning of year	5,289
Exercisable at end of year	4,852
Available for grant at beginning of year	2,921
Available for grant at end of year	963
Aggregate exercise price of options outstanding at end of year	$ 131,374
Average exercise price of options outstanding at end of year	$ 11.99

Stock Appreciation Rights Plans. The company maintains three stock appreciation rights plans under which stock appreciation rights (SARs) either have been or may be granted to key employees. The number of SARs exercised plus common stock issued under the stock option plans may not exceed the number of shares authorized under the stock option plans. SARs may be granted in tandem with outstanding stock options, in tandem with future stock option grants or independently of any stock options. Generally, the terms of SARs granted under the plans are similar to those of options granted under the stock option plans, including exercise prices, exercise dates and expiration dates. To date, the company has granted only limited SARs, which become exercisable only in the event of certain changes in control of the company.

Stock Purchase Plan. The company has a stock purchase plan that allows participating employees to purchase, through payroll deductions, shares of the company's common stock at 85 percent of the fair market value at specified dates. At December 26, 1993, 5,621 employees were eligible to participate in the plan and 1,361,252 common shares remained available for issuance under the plan. A summary of stock purchased under the plan is shown below.

Thousands except employee participants	1993	1992	1991
Aggregate purchase price	$ 6,413	$ 4,614	$ 4,207
Shares purchased	387	483	689
Employee participants	1,684	1,349	1,065

Profit Sharing Program. The company has a profit sharing program to which the Board of Directors has authorized semiannual contributions. Profit sharing contributions were $33.9 million in 1993, $30.0 million in 1992 and $12.1 million in 1991.

Retirement Savings Plan. The company has a retirement savings plan, commonly known as a 401(k) plan, that allows participating United States employees to contribute from 1 percent to 15 percent of their pre-tax salary subject to I.R.S. limits. The company makes a matching contribution calculated at 50 cents on each dollar of the first 3 percent of participant contributions, to a maximum of 1.5 percent of eligible compensation. The company's contributions to the 401(k) plan were $3.2 million, $2.7 million and $2.6 million for 1993, 1992 and 1991, respectively. There are three investment funds in which each employee may invest contributions in increments of 10 percent.

Restricted Stock Award Plan. The company established the 1987 restricted stock award plan under which up to 2 million shares of common stock may be issued to employees, subject to terms and conditions determined at the discretion of the Board of Directors. The company entered into agreements to issue 19,000 and 564,650 shares in 1992 and 1991, respectively. To date, agreements covering 210,212 shares have been canceled without issuance and 1,049,964 shares have been issued pursuant to prior agreements. At December 26, 1993, agreements covering 235,000 shares were outstanding under the plan and 715,036 shares remained available for future awards. Outstanding awards vest under varying

terms within five years. As of December 26, 1993, there were 186 employees eligible and participating in the plan.

11. COMMITMENTS

The company leases certain of its facilities under agreements which expire at various dates through 2010. The company also leases certain of its manufacturing and office equipment for terms ranging from three to six years. Rent expense was $31.9 million, $29.4 million and $29.7 million in 1993, 1992 and 1991, respectively.

For each of the next five years and beyond, non-cancelable long-term operating lease obligations and commitments to purchase manufacturing supplies and services are as follows:

Thousands	OPERATING LEASES	PURCHASE COMMITMENTS
1994	$ 23,515	$ 4,928
1995	15,663	3,454
1996	11,823	2,549
1997	7,497	2,549
1998	6,750	2,289
Beyond 1998	15,022	2,465

The company had commitments at December 26, 1993 to expend approximately $70.8 million for the construction or acquisition of additional property, plant and equipment.

12. CONTINGENCIES

AMD/INTEL LITIGATIONS
AMD is currently involved in the following disputes with Intel Corporation: (1) the AMD/Intel Technology Exchange Agreement Arbitration, (the "Arbitration"); (2) the 287 Microcode Litigation; (3) the 386 Microcode Litigation; (4) the 486 Microcode Litigation; (5) the Intel Business Interference Case; (6) the Intel Antitrust Case, and (7) the International Trade Commission Proceeding ("ITC Proceeding").

Technology Agreement Arbitration. A 1982 technology exchange agreement (the "1982 Agreement") between Advanced Micro Devices and Intel Corporation has been the subject of a dispute which was submitted to Arbitration through the Superior Court of Santa Clara County, California, and it is now at the California Supreme Court on appeal. The dispute centers around issues relating to whether Intel breached its agreement with AMD, whether that breach injured AMD, and what the remedies should be for the injuries caused to AMD. The California Supreme Court is expected to render its decision by the end of 1994.

The company believes it has the right to use Intel technology to manufacture and sell AMD's microprocessor products based on a variety of factors including: (i) the 1982 Agreement, (ii) the Arbitrator's award in the Arbitration which is pending review by the California Supreme Court and (iii) the terms of the 1976 patent and copyright agreement providing AMD patent and copyrights to Intel products (the "1976 Agreement"). An unfavorable decision by the California Supreme Court could materially adversely affect the company's financial condition and results of operations as well as other AMD/Intel Microcode Litigations discussed herein. The AMD/Intel Litigations involve multiple interrelated and complex issues of fact and law. Therefore, the ultimate outcome of the AMD/Intel Litigations cannot presently be determined. Accordingly, no provision for any liability that may result upon the adjudication of the AMD/Intel Litigations has been made in the company's financial statements.

Microcode Litigations. Intel Corporation has filed three suits against the company, alleging copyright infringement involving AMD's use of Intel microcode in the Am80C287(TM) math coprocessors, the Am386 microprocessors and the Am486 microprocessors. The suits generally allege that the company violated copyrights on Intel microcode and concern two agreements between Intel and the company: (1) the 1976 Agreement and (2) the 1982 Agreement. The Microcode Litigations are all in various stages of litigation.

Depending on the result and the status of the Microcode Litigations, an unfavorable decision in any single or combination of the Microcode Litigations could result in a material monetary damages award to Intel and/or preclude the company from continuing to produce Am386 and Am486 products containing Intel copyrighted microcode, and thus could materially adversely impact the company's financial condition and results of operations. The AMD/Intel Litigations involve multiple interrelated and complex issues of fact and law. Therefore, the ultimate outcome of the AMD/Intel Litigations cannot presently be determined. Accordingly, no provision for any liability that may result upon the adjudication of the AMD/Intel Litigations has been made in the company's financial statements.

Intel Antitrust, Business Interference and ITC Cases. The company filed an antitrust suit against Intel Corporation in 1991, alleging that Intel engaged in a series of unlawful acts designed to secure and maintain a monopoly in iAPX microprocessor chips ("Intel Antitrust Case"). AMD seeks significant monetary damages (which may be trebled) and an injunction requiring Intel to license the 80386 and 80486 to AMD, or other appropriate relief.

In November 1992, the company filed an action in the Superior Court of California against Intel for tortious interference with prospective economic advantage, violation of California's Unfair Competition Act, breach of contract and declaratory relief arising out of Intel's efforts to require licensees of an Intel patent to pay royalties if they purchased 386 and 486 microprocessors from suppliers of those components other than Intel (the "Business Interference Case"). No trial date has been set.

The United States International Trade Commission Proceeding ("ITC Proceeding") was filed by Intel Corporation in May 1993, against Twinhead, a Taiwan-based manufacturer which is a customer of both AMD and Intel. Intel claims that Twinhead induces computer end-users to infringe on what is known as the Crawford '338 patent when its computers, containing non-Intel 386 and 486 microprocessors, are used with multi-tasking software such as Windows, Unix or OS/2. Intel seeks a permanent exclusion order from entry into the United States of certain Twinhead personal computers and an order directing Twinhead to cease and desist from demonstrating, testing or otherwise using such computers in the United States. AMD's dispute with Intel in the Intel Business Interference Case (discussed above) requests a declaration that the Crawford '338 patent is invalid; accordingly, AMD intervened in the ITC Proceeding as a real party in interest by filing a motion with the ITC to intervene on the side of the respondents, and such motion was granted. The company has vigorously contested the relief Intel seeks. An unfavorable outcome in the ITC Proceeding could have an adverse effect on the company's ability to sell microprocessors to Twinhead and other computer manufacturers in Taiwan and potentially, other countries.

ENVIRONMENTAL MATTERS
Cleanup Orders. Since 1981, the company has discovered, investigated and begun

remediation of three sites where releases from underground chemical tanks at its facilities in Santa Clara County, California adversely affected the groundwater. There is no indication, however, that any public drinking water supplies have been affected. The chemicals released into the groundwater were commonly in use in the semiconductor industry in the wafer fabrication process prior to 1979.

At least one of the released chemicals (which is no longer used by the company) has been identified as a probable carcinogen.

In 1991, the company received four Final Site Cleanup Requirements Orders from the California Regional Water Quality Control Board, San Francisco Bay Region ("RWQCB") relating to the three sites. The orders named the company, as well as TRW Microwave, Inc., and Philips Semiconductors, (formerly Signetics Company) in various combinations and degrees of responsibility.

The company has not yet determined to what extent the costs of any related remedial actions will be covered by insurance. The three sites are on the National Priorities List (Superfund). If the company fails to satisfy federal compliance requirements or inadequately performs the compliance measures, the government (a) can bring an action to enforce compliance, or (b) can undertake the desired response actions itself and later bring an action to recover its costs, plus penalties - which are up to three times the costs of clean-up activities - if appropriate. Certain class actions related to this matter have been settled or the statute of limitations has been tolled. It is expected that the foregoing environmental matters or any related litigation will not have a material adverse effect on the financial condition or results of operations of the company.

SHAREHOLDERS AND SECURITIES CLASS ACTIONS

In Re Advanced Micro Devices Securities Litigation. In September 1993 five class actions were filed, purportedly on behalf of purchasers of the company's stock, alleging that the company and various of its officers and directors violated sections of the Securities and Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, by issuing allegedly false and misleading statements concerning the circumstances surrounding the company's development of microcode for one of its Am486 microprocessor products. The complaints also alleged that the company's conduct constituted fraud and negligent misrepresentation.

The five cases were consolidated and an amended class action complaint was filed containing the allegations described above and an additional allegation that the company made false and misleading statements about its revenues and earnings during the third quarter of its 1993 fiscal year. The amended complaint seeks damages in an unspecified amount. The company believes that the ultimate outcome of this litigation will not have a material adverse effect upon the financial condition or trends in results of operations of the company.

George A. Bilunka, et al. v. Sanders, et al. In September 1993, an AMD shareholder, George A. Bilunka, purported to commence an action derivatively on the company's behalf against all of the company's directors and certain of the company's officers. The company is named as a nominal defendant. This purported derivative action essentially alleges that the individual defendants breached their fiduciary duties to the company by causing or permitting the company to make allegedly false and misleading statements about the development of microcode for one of the company's Am486 microprocessor products. Damages are sought against the individual defendants in an unspecified amount. The company believes that the ultimate outcome of this litigation will not have a material adverse effect upon the financial condition or trends in results of operations of the company.

SEC Investigation. The Securities and Exchange Commission (SEC) has notified the company that it is conducting an informal investigation of the company concerning the company's disclosures relating to the development of microcode for one of its Am486 products. The company is cooperating fully with the SEC.

OTHER MATTERS

The company is a defendant or plaintiff in various other actions which arose in the normal course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the financial condition or overall trends in the results of operations of the company.

13. DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Cash Equivalents

The carrying amount approximates fair value.

Temporary Cash Investments

The carrying amount approximates fair value because of the short maturity of these instruments.

Short-Term Debt

The carrying values of these variable-rate borrowings approximate fair values due to their short-term nature.

Long-Term Debt

The company has a 9.88 percent, $2.6 million mortgage with principal and interest payable in monthly installments through April 2007. The fair value for this mortgage loan is estimated using discounted cash flow analysis based on an estimated interest rate of 9 percent for similar types of borrowing

arrangements. The company also obtained $20.9 million long-term borrowings at the end of 1993. Due to the recent acquisition of these borrowings, the carrying amounts approximate their fair value.

The estimated fair values of the company's financial instruments are as follows:

	1993	
Thousands	CARRYING AMOUNT	FAIR VALUE
Cash and cash equivalents	$ 60,423	$ 60,423
Temporary investments	427,775	427,775
Short-term debt:		
Notes payable	30,994	30,994
Long-term debt	23,494	24,321

REPORT OF ERNST & YOUNG, INDEPENDENT AUDITORS

The Board of Directors and Shareholders
Advanced Micro Devices, Inc.

We have audited the accompanying consolidated balance sheets of Advanced Micro Devices, Inc. as of December 26, 1993 and December 27, 1992, and the related consolidated statements of operations and cash flows for each of the three years in the period ended December 26, 1993. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Advanced Micro Devices, Inc. as of December 26, 1993, and December 27, 1992, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 26, 1993, in conformity with generally accepted accounting principles.

As discussed in note 12 to the financial statements, the company is a defendant in various lawsuits with Intel Corporation regarding intellectual property rights. The ultimate outcome of these lawsuits cannot presently be determined. Accordingly, no provision for any liability that may result has been made in the consolidated financial statements.

/S/ Ernst & Young

San Jose, California
January 6, 1994

1993 and 1992 by quarter, unaudited, in thousands except per share amounts	DEC. 26, 1993	SEPT. 26, 1993	JUNE 27, 1993
NET SALES	$ 413,404	$ 418,351	$ 409,092
Expenses:			
Cost of sales	208,552	199,999	186,931
Research and development	66,747	64,905	69,323
Marketing, general and administrative	83,148	71,979	67,253
	358,447	336,883	323,507
Operating income	54,957	81,468	85,585
Interest and other income	4,647	4,413	4,043
Interest expense	(1,772)	(691)	(246)
Income before taxes on income	57,832	85,190	89,382
Provision for taxes on income	16,193	23,852	25,029
NET INCOME	41,639	61,338	64,353
Preferred stock dividends	2,588	2,587	2,588
NET INCOME APPLICABLE TO COMMON SHAREHOLDERS	$ 39,051	$ 58,751	$ 61,765
NET INCOME PER COMMON SHARE - Primary	$ .41	$ .61	$ .65
- Fully diluted	$ .41	$ .60	$ .63
Shares used in per share calculation - Primary	95,895	95,706	95,079
- Fully diluted	102,751	102,743	101,937
Common stock market price range - High	$ 30.00	$ 32.38	$ 31.00
- Low	$ 17.13	$ 22.13	$ 20.63

FINANCIAL SUMMARY

Five years ended December 26, 1993, in thousands except per share amounts	1993	1992	1991
NET SALES	$1,648,280	$1,514,489	$1,226,649
Expenses:			
Cost of sales	789,564	746,486	658,824
Research and development	262,802	227,860	213,765
Marketing, general and administrative	290,861	270,198	244,900
	1,343,227	1,244,544	1,117,489
Operating income (loss)	305,053	269,945	109,160
Litigation judgment	-	-	-
Interest and other income	16,490	18,913	57,007
Interest expense	(3,791)	(17,227)	(20,880)
Income (loss) before taxes on income	317,752	271,631	145,287
Provision for taxes on income	88,971	26,620	-
NET INCOME (LOSS)	228,781	245,011	145,287
Preferred stock dividends	10,350	10,350	10,350
NET INCOME (LOSS) APPLICABLE TO COMMON SHAREHOLDERS	$ 218,431	$ 234,661	$ 134,937
NET INCOME (LOSS) PER COMMON SHARE - Primary	$ 2.30	$ 2.57	$ 1.53

- Fully diluted	$ 2.24	$ 2.49	$ 1.52
Shares used in per share calculation - Primary	95,108	91,383	88,196
- Fully diluted	102,063	98,475	95,540
Long-term debt due after one year	$ 79,504	$ 19,676	$ 42,039
Total assets	$1,929,231	$1,448,095	$1,291,758

1993 and 1992 by quarter, unaudited, in thousands except per share amounts	MAR. 28, 1993	DEC. 27, 1992	SEPT. 27, 1992	JUNE 28, 1992	MAR. 29, 1992
NET SALES	$ 407,433	$ 400,224	$ 356,677	$ 350,180	$ 407,408
Expenses:					
Cost of sales	194,082	198,298	182,792	182,182	183,214
Research and development	61,827	59,194	56,802	56,395	55,469
Marketing, general and administrative	68,481	69,545	65,362	67,553	67,738
	324,390	327,037	304,956	306,130	306,421
Operating income	83,043	73,187	51,721	44,050	100,987
Interest and other income	3,387	5,695	5,110	4,486	3,622
Interest expense	(1,082)	(3,061)	(4,597)	(4,840)	(4,729)
Income before taxes on income	85,348	75,821	52,234	43,696	99,880
Provision for taxes on income	23,897	6,257	3,134	2,247	14,982
NET INCOME	61,451	69,564	49,100	41,449	84,898
Preferred stock dividends	2,587	2,587	2,588	2,587	2,588
NET INCOME APPLICABLE TO COMMON SHAREHOLDERS	$ 58,864	$ 66,977	$ 46,512	$ 38,862	$ 82,310
NET INCOME PER COMMON SHARE - Primary	$ .63	$ .73	$ .51	$ .43	$ .90
- Fully diluted	$ .61	$ .70	$ .50	$ .42	$ .86
Shares used in per share calculation - Primary	93,751	92,297	90,387	91,415	91,434
- Fully diluted	100,820	99,603	97,733	98,272	98,290
Common stock market price range - High	$ 24.00	$ 18.75	$ 12.50	$ 19.50	$ 21.38
- Low	$ 17.63	$ 10.63	$ 7.38	$ 8.50	$ 16.25

FINANCIAL SUMMARY

Five years ended December 26, 1993, in thousands except per share amounts	1990	1989
NET SALES	$1,059,242	$1,104,606
Expenses:		
Cost of sales	678,507	643,427
Research and development	203,651	201,764
Marketing, general and administrative	228,204	220,983
	1,110,362	1,066,174
Operating income (loss)	(51,120)	38,432
Litigation judgment	(27,738)	-
Interest and other income	33,588	27,213
Interest expense	(8,282)	(15,790)
Income (loss) before taxes on income	(53,552)	49,855
Provision for taxes on income	-	3,803
NET INCOME (LOSS)	(53,552)	46,052
Preferred stock dividends	10,350	10,350
NET INCOME (LOSS) APPLICABLE TO COMMON SHAREHOLDERS	$ (63,902)	$ 35,702
NET INCOME (LOSS) PER COMMON SHARE - Primary	$ (.78)	$ .44
- Fully diluted	$ (.78)	$ .43
Shares used in per share calculation - Primary	81,878	82,048
- Fully diluted	81,878	82,197
Long-term debt due after one year	$ 131,307	$ 126,431
Total assets	$1,111,692	$1,122,415

EXHIBIT 22

LIST OF FOREIGN SUBSIDIARIES

Advanced Micro Devices (U.K.) Limited
Advanced Micro Devices S.A. (France)
Advanced Micro Devices S.A. (Switzerland)(1)
Advanced Micro Devices GmbH
Advanced Micro Devices S.p.A.
Advanced Micro Devices AB
Advanced Micro Devices Belgium S.A.N.V.
Advanced Micro Devices (Canada) Limited
AMD Japan Ltd.
Advanced Micro Devices Sdn. Bhd.
Advanced Micro Devices Export Sdn. Bhd.(2)
Advanced Micro Devices (Singapore) Pte. Ltd.
AMD (Thailand) Limited (3)
AMD Foreign Sales Corporation
Advanced Micro Devices Products Sdn. Bhd.(2)
Advanced Micro Devices Technology Sdn. Bhd.(2)
MMI Integrated Circuits (Singapore) Pte. Ltd.

LIST OF DOMESTIC SUBSIDIARIES

Advanced Micro, Ltd.
AMD Corporation
AMD Far East Ltd.
AMD International Sales and Service, Ltd.

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(1)Subsidiary of AMD International Sales and Service, Ltd.
(2)Subsidiary of Advanced Micro Devices Sdn. Bhd.
(3)Subsidiary of Advanced Micro Devices (Singapore) Pte. Ltd.

EXHIBIT 25

POWER OF ATTORNEY

Know All Men By These Presents, that each person whose signature appears below constitutes and appoints W. J. Sanders III and Marvin D. Burkett, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign Advanced Micro Devices, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 26, 1993, and any and all amendments thereto and to file the same, with all exhibits thereto and documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

Signature	Title	Date
/s/ W.J. SANDERS III W. J. Sanders III	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	February 18, 1994
/s/ ANTHONY B. HOLBROOK Anthony B. Holbrook	Vice Chairman of the Board and Chief Technical Officer	February 18, 1994
/s/ RICHARD PREVITE Richard Previte	Director, President and Chief Operating Officer	February 18, 1994
/s/ CHARLES M. BLALACK Charles M. Blalack	Director	February 18, 1994
/s/ GENE BROWN R. Gene Brown	Director	February 18, 1994
/s/ JOE L. ROBY Joe L. Roby	Director	February 18, 1994
/s/ MARVIN D. BURKETT Marvin D. Burkett	Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)	February 18, 1994
Larry R. Carter	Vice President and Corporate Controller (Principal Accounting Officer)	February 18, 1994