

EXHIBIT

10

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 10-Q

(Mark One)

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2001

OR

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

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)	----- (I.R.S. Employer Identification No.)
One AMD Place Sunnyvale, California	94088
----- (Address of principal executive offices)	----- (Zip Code)

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

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 No

The number of shares of \$0.01 par value common stock outstanding as of November 2, 2001: 339,827,235

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Financing Requirements

We will have significant capital requirements during the remainder of 2001 and in 2002. To the extent that we cannot generate the required capital internally or obtain such capital externally, our business could be materially and adversely affected.

In March 1997, our indirect wholly owned subsidiary, AMD Saxony, entered into the Dresden Loan Agreements with a consortium of banks led by Dresdner Bank AG. The Dresden Loan Agreements require that we partially fund Dresden Fab 30 project costs in the form of subordinated loans to, or equity investments in, AMD Saxony. In February 2001, these agreements were amended. If we are unable to meet our obligations to AMD Saxony as required under the Dresden Loan Agreements, we will be in default under the Dresden Loan Agreements, which would permit acceleration of indebtedness.

In July 2000, FASL broke ground for a third fabrication facility, FASL JV3, for the manufacture of Flash memory devices in Aizu-Wakamatsu, Japan. To the extent that additional funds are required for the full facilitization of FASL JV2 and FASL JV3, AMD may be required to contribute cash or guarantee third-party loans in proportion to our 49.992 percent interest in FASL. If we are unable to fulfill our obligations to FASL, our business could be materially and adversely affected.

Manufacturing

Capacity. From time to time, we underutilize our manufacturing facilities as a result of reduced demand for certain of our products. We are substantially increasing our manufacturing capacity by making significant capital investments in Dresden Fab 30, FASL JV3 and our test and assembly facility in Suzhou, China. If industry projections are inaccurate, or if the increase in demand for our products is not consistent with our expectations, we may underutilize our manufacturing facilities and our business could be materially and adversely affected.

There may also be situations in which our manufacturing facilities are inadequate to meet the demand for certain of our products. Our inability to obtain sufficient manufacturing capacities to meet demand, either in our own facilities or through foundry or similar arrangements with others, could have a material adverse effect on our business. At this time, the risk is that we will have underutilized capacity in Fab 25, in our manufacturing facilities that support our Foundry Services segment and in the manufacturing facilities used to make our Flash memory devices.

Conversion of Fab 25 to Flash Memory Device Production. We have begun to convert Fab 25 from production of microprocessors to production of our Flash memory devices. During the period of conversion, this asset may not be fully productive. Further, we cannot be certain that we will be able to implement the process technology for this conversion in a timely manner. A substantial delay in the successful conversion of Fab 25 could have a material adverse effect on our business.

Facilitization of Dresden Fab 30. Facilitization of Dresden Fab 30 is expected to be completed by the end of 2003. During this process, Dresden Fab 30 will not be fully productive. A substantial delay in the facilitization of Dresden Fab 30 could have a material adverse effect on our business.