

ADVANCED MICRO DEVICES INC  
Form S-4  
January 20, 2005  
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As filed with the Securities and Exchange Commission on January 20, 2005

Registration No. 333 -

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM S-4

### REGISTRATION STATEMENT

*UNDER*

*THE SECURITIES ACT OF 1933*

## ADVANCED MICRO DEVICES, INC.

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**3674**  
(Primary Standard Industrial  
Classification Code Number)  
**One AMD Place**

**94-1692300**  
(I.R.S. Employer  
Identification Number)

**Sunnyvale, California 94088-3453**

**(408) 749-4000**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

**Harry Wolin, Esq.**

**Senior Vice President, General Counsel**

**Advanced Micro Devices, Inc.**

**One AMD Place**

**Sunnyvale, California 94088-3453**

**(408) 749-4000**

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

*Copies to:*

Tad J. Freese

Latham & Watkins LLP

505 Montgomery Street, Suite 2000

San Francisco, California 94111

(415) 391-0600

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective date of this registration statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration number for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier, effective registration statement for the same offering. "

**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed	Proposed	Amount of Registration Fee
		Offering Price	Aggregate Offering Price	
7.75% Senior Notes due 2012	\$ 600,000,000	Per Note 100% <sup>(1)</sup>	\$ 600,000,000	\$ 70,620

(1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(f).

**The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the SEC, acting pursuant to said Section 8(a), may determine.**

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**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and we are not soliciting offers to buy these securities, in any state where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED JANUARY 20, 2005**

**PRELIMINARY PROSPECTUS**

**OFFER TO EXCHANGE**

**up to \$600,000,000 aggregate principal amount of its**

**7.75% Senior Notes due 2012,**

**which have been registered under the Securities Act,**

**for any and all of its outstanding 7.75% Senior Notes due 2012**

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The exchange offer expires at 5:00 p.m., New York City time, on \_\_\_\_\_, 2005, unless extended.

We will exchange all outstanding private notes that are validly tendered and not validly withdrawn for an equal principal amount of a new series of notes, referred to in this prospectus as exchange notes, which are registered under the Securities Act.

The exchange offer is not subject to any conditions other than that it not violate applicable law or any applicable interpretation of the staff of the SEC.

You may withdraw tenders of outstanding notes at any time before the exchange offer expires.

The exchange of notes will not be a taxable event for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

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The terms of the exchange notes are substantially identical to the outstanding private notes, except for transfer restrictions and registration rights relating to the outstanding notes.

You may tender outstanding notes only in denominations of \$1,000 and multiples of \$1,000.

Our affiliates may not participate in the exchange offer.

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**Please refer to Risk Factors beginning on page 15 of this prospectus for a description of the risks you should consider before exchanging the notes.**

We are not making this exchange offer in any state where it is not permitted.

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**Neither the Securities and Exchange Commission nor any state securities commission has approved of the notes or determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

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We have not authorized any dealer, salesperson or other person to give any information or make any representations to you other than the information contained in this prospectus. You must not rely on any information or representations not contained in this prospectus as if we had authorized it. This prospectus does not offer to sell or solicit an offer to buy any securities other than the registered notes to which it relates, nor does it offer to buy any notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

The information contained in this prospectus is current only as of the date on the cover page of this prospectus, and may change after that date.

**This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. This information is available without charge to you upon written or oral request. If you would like a copy of any of this information, please submit your request to Advanced Micro Devices, Inc., One AMD Place, Sunnyvale, California 94088, Attention: Legal Department, or call (408) 749-4000 and ask to speak to someone in our Legal Department. In addition, to obtain timely delivery of any information you request, you must submit your request no later than \_\_\_\_\_, 2005, which is five business days before the date the exchange offer expires.**

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Each broker-dealer that receives exchange notes for its own account in exchange for private notes, which the broker-dealer acquired as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. The letter of transmittal accompanying this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. A broker-dealer may use this prospectus, as it may be amended or supplemented from time to time, in connection with resales of exchange notes received in exchange for private notes which the broker-dealer acquired as a result of market-making or other trading activities. We have agreed that, starting on the expiration date and ending on the close of business 180 days after the expiration date, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.



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**MARKET AND INDUSTRY DATA**

Market and industry data throughout this prospectus were obtained from a combination of third-party industry data and good faith estimates of management based on these data. While we believe these industry data and estimates of management are reliable, neither we nor the initial purchasers have independently verified this data. Accordingly, neither we nor the initial purchasers make any representations as to the accuracy or completeness of these data. We are not aware of any misstatements regarding market or industry data contained in this prospectus; however, such data involves risks and uncertainties and is subject to change based on various factors, including those factors discussed in the Risk Factors section of this prospectus.

**TRADEMARKS**

AMD, the AMD Arrow logo, AMD Opteron, AMD Athlon, AMD Sempron, AMD Turion, AMD PowerNow!, Alchemy, Geode and combinations thereof are trademarks of Advanced Micro Devices, Inc. Spansion and MirrorBit are trademarks of Spansion LLC. HyperTransport is a licensed trademark of the HyperTransport Technology Consortium. Windows is a registered trademark of Microsoft Corporation in the United States and/or other jurisdictions. MIPS is a registered trademark of MIPS Technologies, Inc. Other names are for informational purposes only and may be trademarks of their respective owners.

**FORWARD-LOOKING STATEMENTS**

Discussions contained in this prospectus and the documents incorporated by reference in this prospectus include forward-looking statements. These forward-looking statements involve numerous risks and uncertainties and should not be relied upon as predictions of future events as we cannot assure you that the events or circumstances reflected in these statements will be achieved or will occur. You can identify forward-looking statements by the use of forward-looking terminology including believes, expects, may, will, should, seeks, approximately, intends, forms, estimates, or anticipates or the negative of these words and phrases or other variations of these words and phrases or comparable terminology or by discussions of strategy, plans or intentions. These forward-looking statements are based on current expectations and beliefs and involve numerous risks and uncertainties that could cause actual results to differ materially. The forward-looking statements relate to, among other things:

our sales, operating results and anticipated cash flows;

the adequacy of resources to fund operations and capital expenditures;

marketing, general and administrative expenditures;

customer and market acceptance of our AMD Opteron, AMD Athlon 64, AMD Turion 64 and AMD Sempron microprocessors;

customer and market acceptance of Spansion Flash memory products based on MirrorBit and floating gate technology;

our ability to remain competitive and maintain our market position;

our ability to maintain and develop key relationships with our customers;

the ability to produce our microprocessor and Flash memory products in the volumes and mix required by the market;

our ability to maintain the level of investment in research and development and capacity that is required to remain competitive;



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our ability to transition to new products and manufacturing process technologies in a timely and effective way;

our ability to achieve cost reductions in the amounts and in the timeframes anticipated;

the process technology transitions in our wafer fabrication facilities; and

our ability to gain market share in high growth global markets such as China, Latin America, India and Eastern Europe.

See Risk Factors, as well as such other risks and uncertainties as are detailed in our other documents incorporated by reference in this prospectus, for a discussion of the factors that could cause actual results to differ materially from the forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements, which reflect management's analysis only. We assume no obligation to update forward-looking statements.

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**PROSPECTUS SUMMARY**

*As used in this prospectus, references in this prospectus to us, we, our, the Company or AMD shall mean Advanced Micro Devices, Inc. and our consolidated subsidiaries, including Spansion LLC, unless the context indicates otherwise. The summary highlights selected information contained or incorporated by reference in this prospectus. This summary is not complete and does not contain all the information that you should consider before exchanging your notes. You should read this entire prospectus, including the risk factors, the financial statements and the related notes included elsewhere in this prospectus, as well as the information incorporated by reference, before tendering your private notes in exchange for exchange notes.*

**Our Company**

We are a leading semiconductor company with manufacturing facilities in the United States, Europe and Asia, and sales offices throughout the world. We design, manufacture and market industry-standard digital integrated circuits, or ICs, that are used in diverse product applications such as desktop and mobile personal computers, or PCs, workstations, servers, communications equipment such as mobile telephones and automotive and consumer electronics. Our products consist primarily of:

microprocessors, which are used for control and computing tasks, and complementary chipset components, which perform essential logic functions that support the microprocessors; and

Flash memory devices, which are used to store data and programming instructions.

In addition, we are targeting the embedded processor market for personal connectivity devices.

Our major direct microprocessor customers are original equipment manufacturers, or OEMs, such as Acer, eMachines, Fujitsu-Siemens, Hewlett-Packard and Sun Microsystems. Our major direct Flash memory customers include five of the top seven mobile phone manufacturers. For the nine months ended September 26, 2004, we had approximately \$3.7 billion of consolidated net sales. We are listed on the New York Stock Exchange under the trading symbol AMD.

**Our Industry**

***The Microprocessor Market***

A microprocessor is an IC that serves as the central processing unit, or CPU, of a computer. It generally consists of millions of transistors that process data and control other devices in the system. The performance of a microprocessor is a critical factor impacting the performance of a PC and other similar devices. The principal indicators of microprocessor performance are work-per-cycle, or how many instructions are executed per cycle, and clock speed, representing the rate at which its internal logic operates, measured in units of hertz, or cycles processed per second. Other factors impacting microprocessor performance include memory size, data access speed and power consumption.

Emerging trends in the microprocessor market include:

*64-bit computing.* For nearly the last ten years, microprocessors have had 32-bit processing capabilities. While 32-bit processors have historically been sufficient, we believe that they will face challenges as new data and memory-intensive consumer and enterprise software applications gain market popularity. Microprocessors with 64-bit processing capabilities enable systems to have greater performance by allowing software applications and operating systems to access more memory and process more data.

*Dual-core processors.* Over the last ten years as microprocessors have increased in transistor density and overall performance capabilities, they have increasingly faced power consumption challenges. The

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expected introduction of dual-core processors, consisting of two processor cores on one semiconductor die, provides an attractive method of increasing processor performance with minimal increase in power consumption.

Microprocessors are essential components of both PCs and servers, with the greatest demand for microprocessors today coming from PC manufacturers. In 2003, the global market for microprocessors used in PCs was \$20.8 billion according to International Data Corporation, or IDC. IDC expects the global market for microprocessors used in PCs to increase to \$31.4 billion by 2008, representing a compound annual growth rate of 8.6 percent from 2003. According to IDC, the majority of this growth is expected to be driven by increased demand for mobile PCs, with microprocessors used in mobile PCs being expected to grow at a compound annual growth rate of 18.2 percent from 2003 to 2008. In addition, according to Gartner, server unit shipments are expected to grow at a 9.0 percent compound annual growth rate from 2003 to 2008. Accordingly, we believe that there will be increased demand for microprocessors from server manufacturers as enterprises continue to upgrade their networks.

### ***The Flash Memory Market***

Flash memory devices store data and instructions and retain information after electrical power is shut off. Flash memory can be used to provide storage of control programs and system-critical data in communication devices such as mobile telephones and routers. There are two major types of Flash memory employed in the market today: Boolean logic-based NOR (Not Or) Flash memory and NAND (Not And) Flash memory. According to Gartner, in 2003, global NOR Flash memory sales were \$6.8 billion and global NAND Flash memory sales were \$4.1 billion. NOR Flash memory is generally more reliable than NAND Flash memory and less prone to data corruption. NOR Flash memory is typically used to store program code in communication devices such as mobile telephones and consumer products such as DVD players. NAND Flash memory has generally been less expensive to manufacture and is typically used in devices that require high-capacity data storage such as memory cards for digital cameras and MP3 players. Within the Flash memory market, we sell NOR Flash memory products. However, we have designed a new architecture called ORNAND based on our MirrorBit technology that we believe will enable us to offer products that combine the best features of both NOR and NAND architectures. We believe that ORNAND will allow us to offer products with higher densities in the NOR Flash memory market and will enable us to enter and compete in end markets traditionally served by NAND.

The global Flash memory market (both NAND technology and NOR technology) has grown significantly over the past five years, from \$2.8 billion in 1998 to \$10.9 billion in 2003 according to Gartner, representing a compound annual growth rate of 31.5 percent. Gartner projects the global Flash memory market will increase to \$22.6 billion in 2008, representing a compound annual growth rate of 15.7 percent from 2003. Over this period, Gartner projects that global sales of NOR Flash memory will grow by 11.0 percent and global sales of NAND Flash memory will grow by 22.0 percent. We believe much of this growth will be driven by an increase in unit shipments and Flash memory content in mobile telephones, growth in unit shipments and Flash memory content for personal connectivity and consumer electronic devices and proliferation of Flash memory within a variety of new automotive applications.

### **Our Strengths**

We believe that the following strengths have enabled us to attain a leading position as a global manufacturer and supplier of microprocessors and Flash memory devices, and will assist us in penetrating the embedded microprocessor market for personal connectivity devices:

***Customer-Focused Product Development.*** We work with customers to identify evolving needs and new applications in order to develop innovative products and features. For example, we developed our AMD64 technology to address increasing customer demand for systems with greater performance. Our AMD64



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technology allows both 32-bit and 64-bit computing, enabling our customers to protect their investment by continuing to use their 32-bit software applications while transitioning to a 64-bit platform. Currently more than 40 percent of *Forbes* 100 companies or their affiliates now use AMD64 processor-based systems to run critical enterprise applications. In Flash memory, we have worked closely with mobile telephone customers to develop products that deliver high performance and functionality at lower price points. We believe that our MirrorBit technology will enable our customers to cost effectively include next-generation applications, such as high-resolution cameras and streaming video, on their mobile telephones.

***Technology and Product Innovation.*** We believe that our strong research and product development capabilities have resulted in innovative IC designs and the creation of advanced products. For example, we led the industry in providing x86 64-bit computing with the introduction of our AMD Opteron microprocessors in April 2003. In addition, we were the first to demonstrate x86 dual-core processor technology, which provides a path for increasing processor performance with a minimal increase in power consumption. In Flash memory, we have designed our ORNAND architecture to provide the high reliability of NOR, read speeds and burst write speeds significantly faster than those of NAND today and the ability to scale to high densities at competitive costs.

***Leading Manufacturing Process Technology.*** We have devoted significant resources to develop manufacturing process technologies used in the production of ICs. In order to meet anticipated microprocessor demand, we are completing the construction of and facilitating a new 300-millimeter wafer fabrication facility in Dresden, Germany, which will be equipped to manufacture microprocessors at 65-nanometer geometries and below. In addition, we recently upgraded Fab 30 to add incremental capacity at 90-nanometer geometries. For our Flash memory products, we are in volume production on 110-nanometer geometries, and we plan to be in production on 90-nanometer geometries in the second half of 2005.

***Key Technology and Manufacturing Relationships.*** In order to maintain our technology and manufacturing expertise, we have entered into strategic relationships with several companies. Key relationships include:

*Fujitsu.* In June 2003, we established Spansion LLC, a new Flash memory company, which integrated our and Fujitsu's Flash memory businesses, including our previous Flash memory manufacturing joint venture with Fujitsu called Fujitsu AMD Semiconductor Limited, or FASL. We hold a 60 percent interest in Spansion LLC and Fujitsu holds the remaining 40 percent interest. Spansion LLC is currently a leading provider of NOR Flash memory.

*IBM.* We have a joint development agreement with IBM to develop new microprocessor process technologies, including 65-nanometer and 45-nanometer, to be implemented on silicon wafers, which we deploy in our wafer fabrication facilities.

***Strong Market Position.*** We are one of the largest suppliers of microprocessors and the largest company dedicated exclusively to developing, designing and manufacturing Flash memory. According to IDC, in 2003, we had a market share of 16.5 percent in microprocessors based on unit sales, second to Intel. According to the market research firm iSupply, we were the largest NOR Flash memory supplier by revenue based on the first nine months of 2004, with 25.2 percent of the NOR Flash memory market.

## **Our Strategy**

We intend to continue to leverage our technology, manufacturing expertise and customer relationships to build on our position as a leading provider of microprocessors and Flash memory products, and to penetrate the embedded processor market for personal connectivity devices. We are pursuing the following strategies to achieve these goals:

***Expand Our Market Opportunity.*** Through our continued commitment to research and development of cutting-edge products, we plan to continue to be an innovator in the design of new ICs. We plan to leverage our

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technology to expand our market share in existing markets, as well as enter new markets and expand our presence in high growth global markets such as China, Eastern Europe, India and Latin America. Our strategy in each of our operating segments is as follows:

*Microprocessors.* We will seek to increase market acceptance of our AMD64 technology, particularly in the enterprise segment. In addition, we have successfully demonstrated our dual-core processors and we plan to offer commercially dual-core processors for servers and workstations in mid-2005, followed by dual-core processors for the PC market in late 2005. We also intend to invest in our mobile microprocessor product portfolio with increasing emphasis on low-power computing in order to address further the thin-and-light segment.

*Flash Memory.* In the Flash memory sector, we intend to expand our leading position in the NOR Flash memory market as well as leverage our ORNAND architecture based on MirrorBit technology to enter markets traditionally served by NAND Flash memory.

***Accelerate New Product Development through Our Customer-Centric Innovation.*** We are focused on providing new products that assist our customers in adding functionality and enhancing the performance of their products. As we did with our AMD64 and MirrorBit technology, we intend to continue to work closely with our customers to jointly define our next-generation products in order to develop solutions for their technology needs.

***Leverage Our Manufacturing and Process Technology Expertise to Support Next-Generation Products.*** We are focused on developing microprocessor and Flash memory designs using advanced manufacturing process technology. We plan to continue manufacturing products with smaller geometries, such as 90-nanometer geometries and below, on larger silicon wafers, such as 300-millimeter wafers. We believe that using such smaller geometries and larger wafers will result in a lower cost per unit and enhance our competitive advantage.

***Continue to Pursue Strategic Alliances.*** We will continue to pursue strategic technology and manufacturing alliances that provide us with the ability to develop more efficient manufacturing capabilities, offer a stronger product portfolio with next-generation products, and increase market share. We believe these alliances will enable us to continue to improve our cost structure and decrease the risks associated with the development of new products and technologies.

***Distinguish and Market Our Brand Name.*** We seek to increase sales of our products through targeted advertising directed at both business and home users as part of our branding campaign. Through a combination of online media, multimedia, print collateral, public relations activities, trade events and sponsorships, we are also seeking to position ourselves in the market as a leader in innovation driven by customer needs. For example, we seek to distinguish the AMD Athlon 64 brand by marketing our AMD Athlon 64 processors to sophisticated PC users, gamers and enterprises, and our AMD Sempron processors to value-conscious buyers of desktop and notebook PCs. We are also marketing our AMD Opteron processors to server OEMs. In addition, we are marketing our Spansion Flash memory devices to mobile phone and embedded systems markets.

## **Recent Developments**

***Results of Operations for the Fourth Quarter and Fiscal Year Ended December 26, 2004***



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On January 18, 2005, we reported net sales of \$1.26 billion and operating income of \$20 million for the quarter ended December 26, 2004. The net loss of \$30 million, or \$0.08 per share, for the fourth quarter included charges of approximately \$49 million, or \$0.13 per share. These charges are primarily associated with the exchange of an aggregate of \$201.0 million of our 4.50% Convertible Senior Notes due 2007 for 29,391,261 shares of our common stock and the prepayment premium associated with the prepayment of the full amount owed by our indirect wholly-owned German subsidiary, AMD Saxony Limited Liability Company & Co. KG, under its existing term loan, which was paid using the net proceeds from the sale of the notes. For more

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information, see Use of Proceeds. For the fiscal year ended December 26, 2004, net sales were approximately \$5 billion, a 42 percent increase from the fiscal year ended December 28, 2003. Net income for fiscal year 2004 was \$91 million, or \$0.25 per share.

Net sales in the fourth quarter increased by two percent compared to the third quarter of 2004 and increased by five percent compared to the fourth quarter of 2003. In the fourth quarter of 2003, we reported sales of \$1.21 billion and net income of \$43 million, or \$0.12 per share. In the third quarter of 2004, we reported sales of \$1.24 billion and net income of \$44 million, or \$0.12 per share. The increase in net sales in the fourth quarter compared to the third quarter of 2004 was primarily attributable to an increase in net sales for Computation Products of nine percent. In addition, in the fourth quarter, net sales of AMD64-based microprocessors increased to 50 percent of total PC processor sales.

Net sales for Computation Products were \$730 million in the fourth quarter of 2004, an increase of 26 percent from the fourth quarter of 2003 and an increase of nine percent from \$672 million in the third quarter of 2004. Operating income for Computation Products of \$89 million in the fourth quarter was flat compared with the third quarter. The growth in net sales for Computation Products was primarily attributable to an increase in unit shipments across all segments, particularly our server and mobile processor products, with strong sales in high-growth global markets.

Net sales for Memory Products were \$504 million in the fourth quarter of 2004, a decrease of 11 percent from the fourth quarter of 2003 and a decrease of six percent from \$538 million in the third quarter of 2004. Net sales decreased due to an aggressive pricing environment, significantly lower sales in Japan and a delay in qualifying a new product in the wireless segment. Operating loss for Memory Products in the fourth quarter was \$39 million, compared to operating income of \$15 million in the third quarter of 2004. The average bit density in Spansion Flash memory products grew in the fourth quarter and we shipped a record number of bits, with MirrorBit technology increasing as a percentage of overall bits shipped.

Operating income for the fourth quarter of \$20 million declined from \$46 million in the fourth quarter of 2003 and from \$68 million in the third quarter of 2004. Operating expenses of \$498 million increased from \$389 million in the fourth quarter of 2003 and from \$433 million in the third quarter of 2004. Research and development costs for the fourth quarter increased by nine percent compared to the third quarter largely due to start-up costs associated with our new 300-millimeter fabrication facility, Fab 36, and other server and workstation product development costs. Marketing, general and administrative costs in the fourth quarter increased 21 percent as compared to the third quarter of 2004 primarily due to seasonal merchandising activities, increased marketing investments and costs related to compliance with Section 404 of the Sarbanes-Oxley Act of 2002.

Gross margin increased to 41 percent in the fourth quarter of 2004 from 40 percent in the third quarter of 2004 due primarily to increased net sales of Computation Products. Our cash, cash equivalents and short-term investments at December 26, 2004 totaled \$1.20 billion, compared with \$1.19 billion at the end of the third quarter of 2004.

## **Other Information**

We were incorporated under the laws of Delaware on May 1, 1969. Our mailing address and executive offices are located at One AMD Place, Sunnyvale, California 94088, and our telephone number is (408) 749-4000. Our website is [www.amd.com](http://www.amd.com). The information contained on our website does not constitute a part of this prospectus.



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**The Exchange Offer**

The Exchange Offer	We are offering to exchange the exchange notes for the outstanding private notes that are properly tendered and accepted. You may tender outstanding private notes only in denominations of \$1,000 and multiples of \$1,000. We will issue the exchange notes on or promptly after the exchange offer expires. As of the date of this prospectus, \$600,000,000 principal amount of private notes is outstanding.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2005, unless extended, in which case the expiration date will mean the latest date and time to which we extend the exchange offer.
Conditions to the Exchange Offer	The exchange offer is not subject to any condition other than that it not violate applicable law or any applicable interpretation of the staff of the SEC. The exchange offer is not conditioned upon any minimum principal amount of private notes being tendered for exchange.
Procedures for Tendering Private Notes	<p>If you wish to tender your private notes for exchange notes pursuant to the exchange offer, you must transmit to Wells Fargo Bank, N.A., as exchange agent, on or before the expiration date, either:</p> <ul style="list-style-type: none"><li>a computer generated message transmitted through The Depository Trust Company's Automated Tender Offer Program system and received by the exchange agent and forming a part of a confirmation of book-entry transfer in which you acknowledge and agree to be bound by the terms of the letter of transmittal; or</li><li>a properly completed and duly executed letter of transmittal, which accompanies this prospectus, or a facsimile of the letter of transmittal, together with your private notes and any other required documentation, to the exchange agent at its address listed in this prospectus and on the front cover of the letter of transmittal.</li></ul> <p>If you cannot satisfy either of these procedures on a timely basis, then you should comply with the guaranteed delivery procedures described below. By executing the letter of transmittal, you will make the representations to us described under "The Exchange Offer Procedures for Tendering."</p>
Special Procedures for Beneficial Owners	If you are a beneficial owner whose private notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your private notes in the exchange offer, you should contact the registered holder promptly and instruct the registered holder to tender on your behalf. If you wish to tender on your own behalf, you must either (1) make appropriate arrangements to register ownership of the private notes in your name or (2) obtain a properly completed bond power from the registered

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holder before completing and executing the letter of transmittal and delivering your private notes.

**Guaranteed Delivery Procedures**

If you wish to tender your private notes and time will not permit the documents required by the letter of transmittal to reach the exchange agent before the expiration date, or the procedure for book-entry transfer cannot be completed on a timely basis, you must tender your private notes according to the guaranteed delivery procedures described in this prospectus under the heading **The Exchange Offer** **Guaranteed Delivery Procedures**.

**Acceptance of the Private Notes and Delivery of the Exchange Notes**

Subject to the satisfaction or waiver of the conditions to the exchange offer, we will accept for exchange any and all private notes which are validly tendered in the exchange offer and not withdrawn before 5:00 p.m., New York City time, on the expiration date.

**Withdrawal Rights**

You may withdraw the tender of your private notes at any time before 5:00 p.m., New York City time, on the expiration date, by complying with the procedures for withdrawal described in this prospectus under the heading **The Exchange Offer** **Withdrawal of Tenders**.

**U.S. Federal Tax Considerations**

The exchange of notes will not be a taxable event for United States federal income tax purposes. For a discussion of certain federal tax considerations relating to the exchange of notes, see **U.S. Federal Income Tax Considerations**.

**Exchange Agent**

Wells Fargo Bank, N.A., the trustee under the indenture governing the notes, is serving as the exchange agent.

**Consequences of Failure to Exchange**

If you do not exchange your private notes for exchange notes, you will continue to be subject to the restrictions on transfer provided in the private notes and in the indenture governing the private notes. In general, the private notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not currently plan to register the private notes under the Securities Act.

**Broker-Dealers**

Each broker-dealer that receives exchange notes for its own account in exchange for private notes, which the broker-dealer acquired as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. See **Plan of Distribution**.

**Registration Rights Agreement**

You are entitled to exchange your private notes for exchange notes with substantially identical terms. This exchange offer satisfies that right. After the exchange offer is completed, you will no longer be entitled to any exchange or registration rights with respect to your private notes.

We explain the exchange offer in greater detail beginning on page 32.

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**The Exchange Notes**

*The summary below describes the principal terms of the exchange notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of the Notes section of this prospectus contains a more detailed description of the terms of the exchange notes.*

*The form and terms of the exchange notes are the same as the form and terms of the private notes, except that the exchange notes will be registered under the Securities Act and, therefore, the exchange notes will not be subject to the transfer restrictions, registration rights and provisions providing for an increase in the interest rate applicable to the private notes. The exchange notes will evidence the same debt as the private notes and are governed by the same indenture as the private notes.*

Issuer	Advanced Micro Devices, Inc.
Notes Offered	\$600,000,000 aggregate principal amount of 7.75% Senior Notes due 2012.
Interest Payment Dates	May 1 and November 1 of each year, beginning on May 1, 2005.
Maturity Date	November 1, 2012.
Ranking	<p>The notes are our general unsecured senior obligations. The notes:</p> <ul style="list-style-type: none"> <li>rank equal in right of payment with all of our current and future unsecured senior debt;</li> <li>are effectively subordinated in right of payment to all of our existing and future secured debt, to the extent of the value of the assets securing such debt;</li> <li>are effectively subordinated to our debt that is guaranteed in the future by our subsidiaries with respect to the assets and earnings of those subsidiaries, including Spansion LLC, our majority-owned subsidiary;</li> <li>are structurally subordinated to all existing and future debt and other liabilities, including trade payables, of our subsidiaries including Spansion LLC; and</li> <li>are senior in right of payment to all of our subordinated obligations, if any.</li> </ul>

As of September 26, 2004, after giving effect to the issuance of the private notes and the application of the net proceeds therefrom:

we would have had consolidated debt of \$2,024 million, approximately \$1,503 million of which would have constituted debt directly borrowed by AMD, and approximately \$521 million of which would have constituted debt directly borrowed by our subsidiaries;

of the debt directly borrowed by AMD as described above, none of such debt would have been secured or guaranteed by any of our subsidiaries;

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of the debt directly borrowed by our subsidiaries as described above, approximately \$213 million of such debt would have been guaranteed by AMD (of which approximately \$31 million would have been secured by assets of AMD);

in addition to the debt described above, we would have had other liabilities of approximately \$1,869 million, approximately \$1,100 million of which would have constituted other liabilities of our subsidiaries; and

in addition to the debt and other liabilities described above, AMD and/or its subsidiaries would have guaranteed approximately \$178 million of obligations, which guarantees are not reflected on our consolidated balance sheet.

Furthermore, as of September 26, 2004, we had available up to \$100 million for future secured borrowings under a revolving credit facility. We and our subsidiaries may incur additional debt (including secured and guaranteed debt) and other liabilities in the future.

**Unrestricted Subsidiaries**

We derived approximately 27 percent of our consolidated net sales for the year ended December 28, 2003 and 48 percent of our consolidated net sales for the nine months ended September 26, 2004 from our unrestricted subsidiaries, including Spansion LLC. The indenture governing the notes will provide that Spansion LLC and its subsidiaries will constitute unrestricted subsidiaries under, and as defined in, the indenture, even though certain debt of Spansion LLC and its subsidiaries (a) will be recourse debt and (b) could cause cross-defaults on our debt and the debt of our restricted subsidiaries. Spansion LLC and its subsidiaries, as unrestricted subsidiaries, will not be subject to the covenants or certain defaults applicable to us and our restricted subsidiaries. As of September 26, 2004 we had made loans to Spansion LLC and its subsidiaries in an aggregate amount of approximately \$357 million and had guaranteed indebtedness of Spansion LLC and its subsidiaries in an aggregate amount of approximately \$213 million.

**Optional Redemption**

Prior to November 1, 2008, we may redeem some or all of the notes at a price equal to 100 percent of the principal amount, plus accrued and unpaid interest and a make-whole premium. Thereafter, we may redeem all or part of the notes at any time at the redemption prices set forth in the section Description of the Notes Optional Redemption, plus accrued and unpaid interest, if any, to the date of redemption.

On or prior to November 1, 2007, we may redeem up to 35 percent of the notes with the proceeds of certain sales of our equity securities at 107.75 percent of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of redemption. See Description of the Notes Optional Redemption.





**Table of Contents****Summary Historical Consolidated Financial Data**

The following table sets forth summary historical consolidated financial information. The summary statement of operations and cash flows data for the years ended December 30, 2001, December 29, 2002 and December 28, 2003, and the summary balance sheet data as of December 29, 2002 and December 28, 2003, have been derived from, and should be read together with, our audited consolidated financial statements incorporated by reference in this prospectus. The summary balance sheet data as of December 30, 2001, have been derived from our audited consolidated financial statements not incorporated by reference in this prospectus. The summary balance sheet data and summary statement of operations and cash flows data as of and for the nine months ended September 26, 2004, and the summary balance sheet data and summary statement of operations and cash flows data as of and for the nine months ended September 28, 2003, have been derived from, and should be read together with, our unaudited interim condensed consolidated financial statements incorporated by reference in this prospectus. The summary balance sheet data as of September 28, 2003 have been derived from unaudited interim condensed consolidated financial statements not incorporated by reference in this prospectus. Other financial data, including data for the twelve months ended September 26, 2004, are derived from our unaudited interim condensed consolidated financial statements. The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of management include all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair presentation. Our consolidated financial statements for periods subsequent to June 30, 2003 include the financial position and operating results of Spansion LLC, our majority-owned subsidiary, which we formed with Fujitsu Limited, effective June 30, 2003. Results of our operations for periods prior to June 30, 2003 do not include the operating results of Spansion LLC, therefore our operating results for the year ended December 28, 2003 and nine months ended September 26, 2004 are not fully comparable with our results for prior periods. We have provided summary historical consolidated financial data for the twelve-month period ended September 26, 2004 to enable investors to evaluate our consolidated operating results over the most recent cumulative 12-month period. Operating results for the nine months and twelve months ended September 26, 2004 are not necessarily indicative of the results that may be expected for the full year ended December 26, 2004. The following summary historical consolidated financial data should also be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations.

	Fiscal Year Ended			Nine Months Ended		Twelve Months Ended Sept. 26, 2004
	Dec. 30,	Dec. 29,	Dec. 28,	Sept. 28,	Sept. 26,	
	2001	2002	2003	2003	2004	
	(in thousands)					
<b>Statement of Operations Data:</b>						
Net sales	\$ 3,891,754	\$ 2,697,029	\$ 3,070,228	\$ 2,125,989	\$ 2,876,699	\$ 3,820,938
Net sales to related party			448,940	187,586	861,030	1,122,384
Total net sales	3,891,754	2,697,029	3,519,168	2,313,575	3,737,729	4,943,322
Expenses:						
Cost of sales	2,589,747	2,105,661	2,327,063	1,548,556	2,289,935	3,068,442
Research and development	650,930	816,114	852,075	625,572	681,807	908,310
Marketing, general and administrative	620,030	670,065	587,307	424,500	561,389	724,196
Restructuring and other special charges, net	89,305	330,575	(13,893)	(5,854)	2,514	(5,525)
Operating income (loss)	(58,258)	(1,225,386)	(233,384)	(279,199)	202,084	247,899
Interest income and other, net	25,695	32,132	21,116	12,203	11,280	20,193
Interest expense	(61,360)	(71,349)	(109,960)	(79,017)	(83,258)	(114,201)
Income (loss) before minority interest, income taxes and equity in net income of manufacturing joint venture <sup>(1)</sup>	(93,923)	(1,264,603)	(322,228)	(346,013)	130,106	153,891
Minority interest in loss (income) of subsidiary			44,761	25,353	1,832	21,240
Income (loss) before income taxes and equity in net income of manufacturing joint venture	(93,923)	(1,264,603)	(277,467)	(320,660)	131,938	175,131
Provision (benefit) for income taxes	(14,463)	44,586	2,936	2,936	10,819	10,819

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Income (loss) before equity in net income of manufacturing joint venture	(79,460)	(1,309,189)	(280,403)	(323,596)	121,119	164,312
Equity in net income of manufacturing joint venture	18,879	6,177	5,913	5,913		
Net income (loss)	\$ (60,581)	\$ (1,303,012)	\$ (274,490)	\$ (317,683)	121,119	164,312

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	Fiscal Year Ended			Nine Months Ended		Twelve Months Ended
	Dec. 30,	Dec. 29,	Dec. 28,	Sept. 28,	Sept. 26,	Sept. 26,
	2001	2002	2003	2003	2004	2004
(in thousands)						
<b>Cash Flow Data:</b>						
Net cash provided by (used in) operating activities	\$ 167,645	\$ (119,963)	\$ 295,586	\$ (93,006)	\$ 724,333	\$ 1,112,925
Net cash provided by (used in) investing activities	(553,521)	(854,389)	83,183	290,555	(1,011,791)	(1,219,163)
Net cash provided by (used in) financing activities	140,891	907,440	267,402	365,694	98,886	594
<b>Other Financial Data:</b>						
EBITDA <sup>(2)</sup>	\$ 552,759	\$ (466,298)	\$ 814,367	\$ 457,673	\$ 1,098,685	\$ 1,455,379
Depreciation and amortization	622,867	756,169	995,663	708,352	895,104	1,182,415
Capital expenditures	678,865	705,147	570,316	407,535	969,758	1,132,539
Ratio of total debt to LTM net income						12.43x
Ratio of total pro forma debt to LTM EBITDA <sup>(3)</sup>						1.39x
<b>Balance Sheet Data (at end of period):</b>						
Cash <sup>(4)</sup>	\$ 869,997	\$ 1,006,655	\$ 1,313,367	\$ 1,075,939	\$ 1,185,177	\$ 1,185,177
Working capital	1,039,172	851,303	1,448,008	1,248,941	1,467,314	1,467,314
Total assets	5,647,242 <sup>(5)</sup>	5,710,318 <sup>(5)</sup>	7,049,772	6,664,365 <sup>(5)</sup>	7,282,439	7,282,439
Total long term debt and capital lease obligations	635,705	1,640,055	2,092,940	2,081,576	2,043,044	2,043,044
Stockholders' equity	3,555,055	2,467,265	2,438,310	2,282,784	2,571,442	2,571,442

- (1) Manufacturing joint venture refers to Fujitsu AMD Semiconductor Limited (FASL), our previous manufacturing joint venture with Fujitsu Limited, which was contributed to Spansion LLC in connection with the formation of Spansion LLC, effective June 30, 2003.
- (2) EBITDA is defined as net income (loss) before (i) interest income, (ii) interest expense, (iii) provision for income taxes and (iv) depreciation and amortization. EBITDA does not include Fujitsu Limited's 40 percent share of Spansion LLC's net income or loss. Depreciation and amortization, interest income and interest expense as set forth below represent amounts that are also attributable to the results of operations of Spansion LLC and its subsidiaries. Other companies in our industry may calculate EBITDA differently than we do and EBITDA as presented in this prospectus may not be comparable with similarly titled measures of other companies. We have included this non-GAAP financial measure because we believe that it provides holders of the notes with useful information in assessing our operating performance and as an indicator of our ability to service or incur indebtedness, make capital expenditures and finance working capital requirements. EBITDA is not a measure of financial performance under GAAP and should not be considered in isolation or as an alternative to cash flow from operating activities or as an alternative to net income as indicators of operating performance or any other measures of performance derived in accordance with GAAP. The reconciliation of net income (loss) under GAAP to EBITDA is as follows:

	Fiscal Year Ended			Nine Months Ended		Twelve Months Ended
	Dec. 30,	Dec. 29,	Dec. 28,	Sept. 28,	Sept. 26,	Sept. 26,
	2001	2002	2003	2003	2004	2004
(in thousands)						
Net income (loss)	\$ (60,581)	\$ (1,303,012)	\$ (274,490)	\$ (317,683)	\$ 121,119	\$ 164,312
Depreciation and amortization	622,867	756,169	995,663	708,352	895,104	1,182,415
Interest income	(56,424)	(35,390)	(19,702)	(14,949)	(11,615)	(16,368)
Interest expense	61,360	71,349	109,960	79,017	83,258	114,201
Provision (benefit) for income taxes	(14,463)	44,586	2,936	2,936	10,819	10,819
<b>EBITDA</b>	<b>\$ 552,759</b>	<b>\$ (466,298)</b>	<b>\$ 814,367</b>	<b>\$ 457,673</b>	<b>\$ 1,098,685</b>	<b>\$ 1,455,379</b>

(3)

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Total pro forma debt is total debt taking into effect the issuance of the notes and the application of the net proceeds therefrom. We have included this non-GAAP financial measure because we believe that it provides noteholders with useful information in assessing our operating performance and as an indicator of our ability to service or incur indebtedness, make capital expenditures and finance working capital requirements. The reconciliation of the ratio of total debt to LTM net income (loss) under GAAP to the ratio of pro forma debt to LTM EBITDA is as follows:

	<b>Twelve Months Ended</b>
	<b>Sept. 26, 2004</b>
<i>For a reconciliation of net income to EBITDA, see Footnote 2 above.</i>	
<i>Reconciliation of total debt to pro forma total debt:</i>	
Total debt	\$ 2,043,044
Total pro forma debt	2,024,359
EBITDA	1,455,379
Ratio of total debt to net income	12.43x
Ratio of pro forma total debt to net income	12.32x
Ratio of pro forma debt to EBITDA	1.39x

- (4) Cash includes cash, cash equivalents, compensating balance and short-term investments.
- (5) Total assets as of December 30, 2001, December 29, 2002 and September 28, 2003 do not reflect a reclassification of certain prior period amounts to conform to current period presentation. After taking effect of the reclassification, total assets for December 30, 2001, December 29, 2002 and September 28, 2003 were \$5,636,445, \$5,694,453 and \$6,628,996. This reclassification will be reflected in our future earnings releases and periodic reports. We do not believe that these reclassifications are material to the overall presentation of our balance sheet data.

**Table of Contents****Summary Restricted Group Consolidated Financial Data**

The following table sets forth summary restricted group unaudited consolidated financial data for the year ended December 28, 2003 and the nine months and twelve months ended September 26, 2004. Spansion LLC and its subsidiaries constitute unrestricted subsidiaries as defined under the indenture that governs the notes. The restricted group's consolidated financial data does not include the results of operations of Spansion LLC and its subsidiaries. The restricted group consolidated financial data is presented in order to provide investors with financial information that substantially reflects the results of operations of that portion of our business that has been designated as restricted subsidiaries. Periods prior to June 30, 2003 include AMD sales attributable to our memory business, which was contributed to Spansion LLC on June 30, 2003. We have provided summary restricted group consolidated financial data for the twelve-month period ended September 26, 2004 to enable investors to evaluate the restricted group's operating results over the most recent cumulative 12-month period. Operating results for the nine months and twelve months ended September 26, 2004 are not necessarily indicative of the results that may be expected for the full year ended December 26, 2004. The following information should also be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations.

	<b>Fiscal Year Ended</b>	<b>Nine Months Ended</b>	<b>Twelve Months Ended</b>
	<b>Dec. 28, 2003</b>	<b>Sept. 26, 2004</b>	<b>Sept. 26, 2004</b>
	<b>(in thousands)</b>		
<b>Statement of Operations Data:</b>			
Net sales	\$ 2,583,957	\$ 1,962,478	\$ 2,628,021
Expenses:			
Cost of sales	1,537,588	862,646	1,179,711
Research and development	708,274	477,982	629,645
Marketing, general and administrative	508,947	449,115	575,851
Restructuring and other special charges, net	(13,893)	2,514	(5,525)
Operating income (loss)	(156,959)	170,221	248,339
Interest income and other, net	19,962	6,346	13,823
Interest expense	(88,539)	(51,021)	(70,484)
Income (loss) before income taxes	(225,536)	125,546	191,678