

Hester Phillip D
 Form 4
 October 26, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Hester Phillip D

2. Issuer Name and Ticker or Trading Symbol
 ADVANCED MICRO DEVICES INC [AMD]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 ADVANCED MICRO DEVICES, INC., ONE AMD PLACE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 09/16/2006

____ Director
 ____ Officer (give title below) 10% Owner
 ____ Other (specify below)
 Senior VP, Chf Technology Off

SUNNYVALE, CA 94088-3453

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)	
				(A) or (D)	Price			
				Code	V	Amount		
Common Stock	09/16/2006		M	4,000	A	\$ 0	4,672	D
Common Stock	09/16/2006		F	1,058	D	\$ 27.32	3,614	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)				
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
RSU Award	\$ 0	09/16/2006		M		4,000		09/16/2006	09/16/2012	Common Stock	4,000
Employee Stock Option	\$ 20.32	10/24/2006		A		5,000		(1)	10/24/2013	Common Stock	5,000
RSU Award	(2)	10/24/2006		A		2,000		(3)	(3)	Common Stock	2,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Hester Phillip D
ADVANCED MICRO DEVICES, INC.
ONE AMD PLACE
SUNNYVALE, CA 94088-3453

Senior VP, Chf Technology Off

Signatures

Hollis M. O'Brien By Power of Attorney

10/26/2006

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The option vests 33 1/3% on 5/4/2007 then 2.7779% monthly for the next 2 years.

(2) Each restricted stock unit represents a contingent right to receive one share of common stock.

(3) The restricted stock units vest 25% on 5/9/2007 then 6.25% every 3 months thereafter for the next 12 quarters.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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