

[« Back to Article View](#)[Databases selected:](#) ProQuest Newspapers**THE WALL STREET JOURNAL.****AMD's Opteron Chip Puts Pressure on Rival Intel***Don Clark. Wall Street Journal.* (Eastern edition). New York, N.Y.: Feb 13, 2004. pg. B.3

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Intel officials aren't likely to give AMD much credit. Yet there is little dispute that AMD, of Sunnyvale, Calif., is putting pressure on the world's biggest chip maker, and helping to raise more doubts about a microprocessor line called Itanium that Intel, based in Santa Clara, Calif., has nurtured for 10 years.

Oracle Corp., Redwood Shores, Calif., for example, charges for some software based on a computer's clock speed. So upgrading to Intel's fastest Xeon chips would trigger stiff additional charges, Mr. [Dan Agronow] said. So Weather.com bought eight Opteron-based servers from IBM, each with two chips running at 1.4 gigahertz. He says they are 25% faster than prior servers that had four Xeon chips running at 900 megahertz. "They work fantastic," Mr. Agronow said.

The more symbolic battle is with Itanium. Intel used a completely new 64-bit technology, which allows computers to tap into vast pools of data. With Opteron, and a companion desktop chip dubbed Athlon 64, AMD modified a 32-bit design. Where Itanium needs new software to operates at peak speed, AMD's chips run existing 32-bit programs and forthcoming 64-bit software -- at a price that is about the same as Xeon, but as little as a fourth the cost of Itanium.

Full Text (781 words)

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Advanced Micro Devices Inc. is seldom cast as an industry leader. But its image may morph a bit next week.

Craig Barrett, chief executive officer of archrival Intel Corp., is expected to mount a stage in San Francisco and demonstrate a technology for boosting the power of standard microprocessors -- a concept AMD introduced last April.

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Several big companies, including International Business Machines Corp., Armonk, N.Y., and Sun Microsystems Inc., Santa Clara, have adopted an AMD chip called Opteron to make server systems. Even Hewlett-Packard Co., Palo Alto, Calif., which helped develop Itanium and plans to unify several computer lines around it, now is expected to add Opteron-based servers to its product line.

In another coup, the computer designer Andy Bechtolsheim this week disclosed that he has been using Opteron to design

computers at a start-up Sun is buying. He predicts that AMD's technology-not Itanium- will be the foundation for writing future software that handles 64 bits of data, replacing 32-bit technology.

"It's a very remarkable achievement," Mr. Bechtolsheim said.

The endorsements haven't translated into big sales for AMD, which recently posted a fourth-quarter profit after a series of losses dating back to 2001. Indeed, though sales of chips rose sharply between the third and fourth quarters, AMD accounted for just 3.9% of the market for the most popular category of servers in the latest period -- still below the 4.1% level of the first quarter, according to the market research firm IDC. Intel had 96.1% of the market.

But the technology buzz is raising AMD's credibility among corporate computer buyers. "There has been a marked change in the sorts of discussions we are having with customers," said Dirk Meyer, senior vice president of AMD's computation products group.

AMD, founded in 1969 by the flamboyant chip salesman Jerry Sanders, originally built microprocessors based on designs licensed from Intel. That relationship broke up, acrimoniously, but AMD still uses the same basic set of internal instructions to let its chips run the same software as Intel's.

Mr. Sanders, 67 years old, gave up the chief executive role in 2002 and the chairman's title this week. Successor Hector Ruiz, 58, now is pushing a new selling proposition: Instead of the same performance as Intel at a lower price, AMD now claims that its latest chips offer greater performance at the same price.

That is a bit surprising, because Intel's chips routinely top AMD's in clock speed, one performance indicator measured in megahertz or gigahertz. But Opteron uses other tricks to get performance.

Sun this week asserted that one of its new servers with a two- gigahertz Opteron chip runs 45% faster on one computing test than a machine powered by an Intel Xeon chip that operated at a frequency of 3.2 gigahertz. (Intel says it prevails over AMD in other tests.)

Low clock speeds help reduce a computer's power consumption. They can also help customers cope with some software pricing plans, noted Dan Agronow, vice president of technology for weather.com, the Web site for Landmark Communication Inc.'s Weather Channel.

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Intel insists its commitment hasn't changed, and that Mr. Barrett will cite new sales of the chip during his speech to a technical conference next week. "We are really bullish on Itanium," said Robert Manetta, a company spokesman.

But the company also is expected to demonstrate an Opteron-like enhancement to Intel's 32-bit chips, which is expected late this year or early next year. Mr. Manetta declined to comment on that possibility.

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