AMD Shakes Up Organization

Alexei Oreskovic and Andre Grenon

SAN FRANCISCO (Reuters) - Advanced Micro Devices Inc merged its microprocessor and graphics chip businesses on Wednesday, its latest effort to adjust its structure and claw back market share lost to larger rival Intel Corp. The newly merged division will be spearheaded by graphics chip executive Rick Bergman.
The company also announced that Randy Allen, who was in charge of the pivotal business of producing chips for servers and workstation PCs, has left the company. The shake-up marks AMD latest move to revamp is operations and better compete with Intel Corp, the world's No.1 microprocessor maker, in the wake of AMD's bungled introduction of the Barcelona chip in 2007. The Barcelona chip was delayed for months due to a technical bug, causing AMD to give back hard-won market share to Intel and resulting in massive losses.

Last year, AMD's Dirk Meyer replaced Hector Ruiz as CEO. This year, the corporation spun off its chip manufacturing assets into a separate company. Bergman was previously Senior Vice President of AMD's graphics products group and joined AMD through the company's $5.4 billion acquisition of Canadian graphics chip firm ATI in 2006.

While AMD has written off nearly more than $2 billion related to that acquisition, recent versions of graphics chips produced by AMD have received positive reviews and helped AMD compete against

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graphics rival Nvidia Corp, said Wedbush Morgan Securities analyst Patrick Wang.

Wednesday's reorganization is "just putting fresh blood up front and hopefully replicating the success they've had in graphics," Wang said. AMD said the new products group will be responsible for aligning the graphics and microprocessor development groups into a single unified organization.

The company also announced an Advanced Technology group focused on developing future technology, a marketing group, and a customer group responsible for expanding AMD's customer relationships globally, as part of its new organizational structure. AMD did not provide a reason for Allen's departure, but said in a statement he has been an important engineering and business leader "who has played a key role in many of AMD's most significant achievements in recent years."

AMD shares, which have more than doubled since March, were down 1 cent at $4.30 in after hours trading on Wednesday. (www.amd.com [1])

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