

Former Intel Fellow: AMD struggling to remain competitive

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NEW YORK — Former Intel Corp. Fellow Fred Pollack is unambiguously bullish about his ex-employer.

Pollack rates the world's biggest chip maker by revenue well above microprocessor rival Advanced Micro Devices Inc. Not surprisingly, he also believes Intel is ahead of the competition on the PC product roadmap while catching up rapidly in the server market.

Furthermore, Intel is more than one year ahead of AMD in both manufacturing process technology and in microprocessor architecture, according to Pollack.

In a speech at the **Primary Global Research Technology conference** here Tuesday (June 2), Pollack argued AMD is unlikely to return to profitability soon as a result of the disadvantages it faces in competing against Intel.

"Traditionally, AMD has been profitable when it has a CPU advantage against Intel," Pollack said. "That is not currently the case. AMD is more than one generation behind Intel in CPU architecture and one-plus year away in 32-nm process technology."

Even in the market for graphics ICs, where AMD holds a leading position, Pollack said Intel is making inroads, and will eventually eclipse both AMD and Nvidia in the segment as the industry incorporates graphics into CPUs.

"In graphics, AMD/ATI and Nvidia already have a tough competitive landscape," Pollack said. "A third player [Intel] coming in will make the rivalry even tougher. There will be a transition in the graphics market in 2010 and 2011, and both AMD and Nvidia will lose market share to Intel."

Pollack, who headed Intel Microprocessor Research Labs before leaving the company in 2001, said AMD's decision to spin off its manufacturing operation as a separate entity named GlobalFoundries Inc. probably saved the company.

"If AMD had not done the GlobalFoundries deal, it would have been on life support," Pollack said in an interview. "Still, I don't see them returning to profitability soon."

Despite his gloomy outlook on AMD's market position, Pollack believes the company will survive because of its partnership with Abu Dhabi government-owned Advanced Technology Investment Co. and the desire for a second source supplier by PC and server vendors.

"It's in everyone's interest to keep AMD going because each participant in the PC supply chain, including OEMs, Microsoft and even Intel, want to keep competition alive," Pollack said. "Given the level of antitrust focus on Intel, it would seem to be in Intel's interest to have AMD around."

Before beginning his presentation at the conference, Pollack disclosed that he had a "long" position in Intel shares and no investments in rival AMD.