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AMD shares rise on new mobile chip platform

By [Benjamin Pimentel](#), MarketWatch
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SAN FRANCISCO (MarketWatch) -- Shares of Advanced Micro Devices Inc. rose about 6% Wednesday as the chip maker introduced new microprocessors with more sophisticated graphics capabilities.

The AMD ([AMD](#)) rollout of its new platform highlighted the company's efforts to show that its 2006 acquisition of ATI Technologies is paying off and can make it a stronger competitor to archrival Intel Corp. ([INTC](#)) .

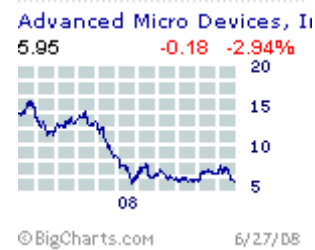
The Sunnyvale, Calif., company's new generation of chips for notebook computers offers improved high definition graphics, wireless connectivity and power management, and is aimed at both consumers, particularly gaming enthusiasts, and businesses.

The rollout comes at a time when AMD is struggling to keep up with Intel, the world's top maker of computer chips. Intel has steadily widened its lead over the past year as AMD struggled with production missteps and the enormous debt that resulted from its ATI acquisition.

"Symbolically, it's important for AMD, which has missed a bunch of schedules for a year or two," said analyst Roger Kay of Endpoint Technologies Associates. "The ATI acquisition is paying off here. That's considered a positive moment for AMD."

Kay said it now appears that AMD is on the way to "some sort of recovery."

Analyst John Dryden of Charter Equity Research also said the rollout is good news for the chip giant saying, "We are encouraged by the underlying strength in the product portfolio, which is AMD's best in two years to stop share erosion."



However, he added, "Management needs to deliver on restructuring and manufacturing transitions to asset light for the stock to outperform the market long-term."

He was referring to AMD statements that it planned to make major changes in its manufacturing operations, which prompted some speculation that the company was considering a break up.

AMD has yet to release details of the planned changes, although CEO Hector Ruiz has reaffirmed the company's goal to be consistently profitable. ■

Benjamin Pimentel is a MarketWatch reporter based in San Francisco.

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