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Nvidia, AMD push graphics chips beyond gaming

By [Benjamin Pimentel](#), MarketWatch

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SAN FRANCISCO (MarketWatch) -- Rivals Nvidia Corp. and Advanced Micro Devices on Monday unveiled new products that seek to extend the reach of graphics chip technology beyond the realm of videogames.

AMD ([AMD](#)) introduced its next generation FireStream 9250 product that the company said builds on the company's graphics processing unit technology and "breaks the one teraflop barrier for single precision performance."

On the other hand, Nvidia ([NVDA](#)) on Monday introduced its Tesla 10 Series computing products based on the chipmaker's one teraflop 240-core parallel processor. Nvidia also introduced its new line of GeForce GTX 200 graphics processors that can render images and perform other PC applications.

"There is really no argument today that the PC is becoming more and more visual and visual applications and demand for consumers are going to drive a change in the construction of the hardware in the PC," Jeff Fisher, an Nvidia senior vice president said in a conference call.

Analyst Nathan Brookwood of Insight 64, a technology research group, said Nvidia and AMD are battling it out in an important market.

"This is a very lively segment," he said. "The AMD product is offering a terra flop which is about close to what Nvidia is claiming as well. The two companies are coming in very close and AMD's products are using a lot less power."

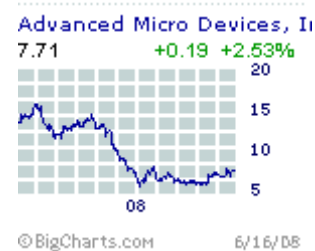
Analyst Crawford Del Prete of International Data Corp. said AMD and Nvidia are playing in "a fast growing space that is getting a lot of attention now."

He noted the two companies' differing approaches, with Nvidia pursuing a "high-end single processor" strategy that stresses speed and AMD focusing more on "a more modularized approach where parts can be strung together and scaled for greater performance."

Brookwood said the rollout is particularly significant for AMD following its bold acquisition of ATI Technologies, a major graphics chips maker and Nvidia competitor, in 2006.

AMD has struggled with the financial implications of the merger, but Brookwood said the rollout shows the bold move may be paying off because it has enabled the company to come out with more competitive products.

Analyst Roger Kay of Endpoint Technologies Associates said the rollout also highlights the push by graphics chipmakers into broader arenas, such as scientific analysis and computations. "They basically can address these



He said the new initiatives also pose a challenge chip giant Intel Corp. ([INTC](#)) as Nvidia and AMD move deeper into a new arena.

"Both of these graphic companies have moved into a new sphere of computing competition that challenges Intel," he said. "Intel is playing catch up in this game."

An Intel spokesman defended the company's integrated graphics components which he said offer "one of the best video and high definition video experiences." The company is developing its own graphics architecture which is expected to be released around 2009-2010. ■

Benjamin Pimentel is a MarketWatch reporter based in San Francisco.

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