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By: Ionut Arghire, Hardware Editor

[AMD's Shanghai Chip Already Shipping to Vendors](#)

The new server processor comes way ahead of schedule, a good thing for the company



AMD spokesman announced the Shanghai chip is being shipped
AMD

Advanced Micro Devices has already started shipping production quality Shanghai microprocessors to OEMs in order for the chip to pass final validations, announced an AMD spokesman on Wednesday. It seems that, although they had only a first look at the server CPU, the hardware vendors did like it. The new Shanghai chip comes to the spotlight well before the originally stated launch date, yet this can only be considered beneficial for the company.

The chip maker has high hopes for Shanghai, as it should push the company into a more competitive position on the server CPU market. AMD went down after its Barcelona server chip was delayed for about eight months since the original launch date. Thus, AMD has been struggling to get back into the game, while also overcome its well known financial issues. According to Rob Enderle, an analyst at Enderle Group, the problems with Barcelona appeared as the executives were focused on ATI's acquisition. This time around, as the leadership is new and the deal long ago settled, the processors will be the main focus again.

"The combination of the higher level of focus and the less risk that they're taking is resulting in them beating their own date," said Enderle, noting that the Shanghai chips have a similar architecture to Barcelona, although they come on the 45nm process. "Right now, the OEMs seemed to be pretty happy with it. One, it's showing up ahead of schedule and it seems to be performing well against expectations. We're still at the front end of sampling, so we won't know how well it's performing for a few weeks yet but so far the OEMs like what they've seen," he added.

According to Dan Olds, principal analyst with the Gabriel Consulting Group, an OEM is already planning to use the chip into systems, after making the evaluation. "I think we're beyond the 'looking/evaluation' stage and into the 'let's build the systems that will use it' stage," Olds said. He added that the vendor intends to start shipping Shanghai based systems in the fourth quarter of this year, or, more likely, in the first quarter of the next one.

Dean McCarron, an analyst at Mercury Research, said that AMD would gain from shipping Shanghai ahead of schedule, yet the company must still catch up with Intel on the 45nm field. Intel, its giant competitor, launched its first 45nm chips, the Penryn family, one year before AMD's first 45nm product will come to the market in November.

"AMD's processor technology is still lagging behind Intel's a little bit," said McCarron, who added that he had also heard positive reviews -- from two OEMs. "The key piece is having it be current enough that they're not missing the big volume part of the curve. It's certainly helping AMD to catch up. Shanghai helps improve AMD's position in the server market."

The news about AMD's advances on the 45nm field comes at a time when the chipmaker was expected to spin off its manufacturing facilities into a separate company funded by a Middle East consortium. The new company was supposed to handle AMD's fabrication and build chips for third parties. Last month, AMD was thought to make the spinning off announcement on 15 September, which didn't happen, but is still

expected to.