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[AMD, Disappointed with ATI](#)

The Canadian GPU company was a financial risk AMD willingly took

AMD confirmed that they will take the "goodwill impairment charge" over the ATI takeover, since the company's goodwill value was impaired. AMD spokespersons said that the company "concluded that the current carrying value of its goodwill which the Company had recorded as a result of its October 2006 acquisition of ATI Technologies Inc. was impaired." The conclusion was drawn by company's financial experts and "was reached based on the results of an updated long-term financial outlook for the businesses of the former ATI Technologies Inc". Shortly put, AMD won't be able to get substantial revenue out of the ATI business, as they would have considered before the purchase. The ATI business was a risky step AMD took 17 months ago. Entering the GPU manufacturers world had set the company off the CPU focus and allowed Intel to gain a huge advantage in the competition. Not to mention that, since the company was a little short of money, they had to borrow \$2.5 billion in order to make the payment. Immediately after the ATI purchase, AMD's stock shares have entered a true vortex and lost more than half their initial value. As this were not enough, Intel broke the market with their successful 45-nanometer quad-cores, while AMD's failures with Barcelonas and Phenoms made the company sink even worse. The company says that they are unable to estimate the real amount of the charge they are pressing, but company officials made it clear that the goodwill impairment will be "material". We are just wondering what hidden secret the AMD reviewers stumbled upon that made the company take the "goodwill impairment charge"? That's sure to be found out soon. "Now we know for a fact that AMD overpaid for ATI, they certainly did not do the due diligence required and did not understand the graphics market as it was at the time of the acquisition," said Raymond James & Associates analyst Hans Mosesmann.