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[Analyst Says AMD Will Spin Off Manufacturing Facilities](#)

The chip maker may spin off two fabs into a new company as part of its "asset smart" strategy



AMD is rumored again to spin off manufacturing facilities
AMD

A few weeks ago, Advanced Micro Devices, one of the world's largest makers of x86 microprocessors, was rumored to be on the verge of spinning off some of its manufacturing facilities. Although the company's officials denied the rumors, they seem to have surfaced again. The Sunnyvale chip maker is expected to reveal this month details regarding its "asset smart" strategy, and there are voices saying that some of its own leading-edge manufacturing facilities will be spun off along with an investment from a middle-East group into a new company. The so called "asset-smart" strategy that AMD announced but refused to detail on, may be considered the most discussed best kept secret of the company in the last couple of years, seeing as how the only thing that the Sunnyvale manufacturer said about it was that it would be deployed in the future. The widely spread rumor about this strategy comes from the strong belief that Advanced Micro Devices is planning on spinning off the manufacturing fabs 36 and 38 into a new company, which would mean reducing its capital consumption on advanced equipment and development of fabrication processes. According to [Austin American Statesman](#), John Lau, an analyst with Jefferies & Co., stated in an investment note that "computer industry sources indicate that AMD could announce its reorganization plan in two weeks." Mr. Lau says that the factories in Dresden, Germany "may be spun off into a separate company," and that this way they will be able to make chips for both AMD and third parties. "A Middle East investment group may acquire a large position in the new foundry and fund its purchase with cash," says Mr. Lau. We should remember that United Arab Emirates-based Mubadala Investment acquired 8.1 percent stake in AMD, although no actual details were unveiled. Investors' acquisition of a stake of the new manufacturing company from AMD would mean that the maker of central processing units (CPUs) and graphics processing units (GPUs) could pay some of its debts, which total more than \$5 billion. There is still the question whether the current investors of the Sunnyvale company will agree with the spinning off. AMD did not make any official statements regarding the rumored "asset smart" strategy, but all could come to light by the end of September if the information from Jefferies & Co. is accurate.