

**Hector Ruiz**  
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Thank you for having me here today. It is an honor to be here with our great partner HP and to share this stage with Mark.

We have enjoyed much success together, and I want to thank you Mark, and your team, for your tremendous support of AMD.

The theme of this summit is aptly titled: Old Walls, New Bridges.

Our world has for too long been defined more by the walls that divided us rather than the bridges that unite us.

We can all name famous walls – the Great Wall of China, the Berlin Wall, the Walls of Troy – but what about the great bridges of our time? Bridges that allowed cultures and countries to break down stereotypes, move beyond the past, and create a future that was built on mutually beneficial ideas, products, and information?

The same can be said for the IT industry. Our past is littered with technological walls like file formats, operating systems, architectures, and applications that needlessly and artificially divided computing users.

However, throughout the last decade we have seen the walls that divide our world, and our industry, begin to crumble.

We have seen the creation of new bridges, perhaps most notable being the Internet. The Internet is not only flattening our world, but also breaking down technological walls by creating a universal network of people, ideas and information.

And in the last decade, our industry – led by our customers and their users – has rejected proprietary walls that some in the IT community tried to erect – walls that were designed to lock users not into the best technology, but instead into a single company's business model.

All around, walls are crumbling. And as those walls crumble, we have a chance to build bridges in ways the past might never have allowed.

Today, I hope to build a bridge with you, as you represent the gateway to our industry's most important and influential customers.

You are one of AMD's most strategic audiences. You represent the products of our biggest customer, in our fastest growing region, for a set of users for whom our value proposition is strongest.

Let me begin by sharing with you a bit about AMD.

Founded in 1969, and now with more than 16,000 employees, AMD is the 7<sup>th</sup>-largest semiconductor company in the world.

We supply leading solutions for the computing, graphics and consumer electronics markets, spanning from supercomputers to mobile phones, digital TVs, and game consoles.

AMD's culture and our strategy are guided by a single principle: customer-centric innovation.

Customer-centric innovation is based on the simple idea that innovation should reflect the needs of customers – not just the limits of technology.

While this is a simple idea, it has had far reaching consequences.

Customer-centric innovation led us in 2003 to introduce the industry's first 64-bit x86 processors, built on our flagship AMD64 architecture. The AMD Opteron™ and AMD Athlon™ processors offered the industry's best 32-bit performance while allowing the customer, not the technology, dictate when to bridge to 64-bit computing.

AMD Opteron processors also reflected the growing desire among technology buyers to address rapidly escalating energy consumption inside the data center. AMD Opteron delivered on customer feedback that the performance that mattered was no longer just about speed, but performance-per-watt.

At AMD, we're proud to have played a pioneering role in energy-efficient computing, and helping our customers and channel partners deliver solutions that reflect the real needs and demands of commercial users.

To further the development of energy-efficient computing solutions, AMD, along with other industry leaders, helped found The Green Grid, a global consortium of key leaders of the data center ecosystem to develop a unified voice around data center energy efficiency issues.

Also earlier this month, AMD joined the newly founded Climate Savers Computing Initiative, a complementary industry effort to improve global computer energy efficiency.

Our commitment to customer-centric innovation also led us to acquire ATI Technologies, one of the great IT companies.

By joining forces with ATI, we have dramatically increased our capability to deliver best-of-breed platforms containing industry-leading computing, graphics and media processing solutions.

Our ability to offer a broad and deep array of solutions enables our customers and their partners to differentiate their products in more ways than ever before.

And with ATI now part of the AMD family, we have the technology to lead the development of the next generation of processing, including solutions that will fuse the GPU and CPU on the same chip.

Customer-centric innovation is about more than just products. At its core, it is about relationships. Relationships such as the one we have built with HP. And relationships such as the one we've built with Microsoft, who is also here today.

We have become one of Microsoft's most important strategic partners, as evidenced by our close collaboration during their launch of Vista, one of the most critical product launches in their history.

Microsoft relied on AMD64 technology to develop Vista, and worked closely with ATI in the development of DirectX 10.

These relationships taught us an important lesson. Customer-centric innovation does not happen when your engineers sit behind closed doors at headquarters. You have to be where your customers and partners are. And no where is this more true than here in Asia-Pacific.

Our commitment to being the best partner possible with this region is demonstrated by our significant presence here.

- AMD has manufacturing, engineering, and R&D operations in China, India, Korea, Japan, Singapore and Malaysia. In Shanghai alone, we have a 300-plus strong team of hardware and software engineers dedicated to provide R&D, testing and support to our partners in the region.
- We have 18 sales offices and more than 6,100 employees throughout Asia-Pacific.
- In the last 18 months, AMD increased the number of account representatives it has dedicated to HP throughout the region. And we have dedicated resources in the region who work with HP and key software partners to help you bring your solutions to market.
- Finally, we have established direct relationships with many of you in the audience today. We have put sales incentives in place and created a joint System Integrator Club with HP to support your marketing campaigns.

Our close relationship with our customers and partners has brought AMD great success. But that is not where customer-centric innovation ends.

At AMD, customer-centric innovation is also about partnering with our customers and users to address some of the great challenges facing our world.

In close collaboration with governments, NGOs, and industry leaders, AMD in 2004 launched 50x15, an initiative to connect 50 percent of the world to the Internet by 2015.

Through our pioneering work with our partners, including HP, 50x15 has resulted in more than 30 technology deployments spanning 12 countries, providing Internet connectivity and computing capability to millions of citizens around the world.

At first glance, 50x15 may look like an act of goodwill. But with more than 80 percent of the world lacking Internet access, it is clearly an act of good business. One we hope you will profit from as well.

Customer-centric innovation has proven to be a powerful focus for AMD – it has revolutionized our company and dramatically changed our relationships with our customers for the better.

But the question you're probably asking yourself right now is the most important one I'm going to address today: and that is how does customer-centric innovation pay off for you?

The answer can be summed up in one word: Choice.

For much of its history, my industry offered little, real choice to our customers, the channel, or to users.

A lack of real choice meant a lack of competition. Of innovation. Of differentiation. Of profits.

During the last few years, we have begun to see what is possible when real choice in processing solutions becomes available – especially here in Asia-Pacific.

According to iSuppli, worldwide semiconductor consumption has jumped about 75% from 2002 through 2007.

But during this same time, semiconductor consumption in Asia-Pacific grew an incredible 122%.

This rise in semiconductor consumption is transforming countries like China from just a strong market for our products, to one that is a growing source of innovation and intellectual property.

A growing market leads to greater opportunity. And HP is a shining example of a company that has capitalized on the business opportunity that greater choice has brought to the industry.

I believe it is no coincidence that the strong health of HP compared to just a few years ago directly correlates to the greater choice and innovation they have delivered to the market – and we are proud to have played a role in HP's Asia-Pacific success.

- According to Gartner Research, AMD's share of HP desktop systems sold throughout Asia-Pacific rose from 12.7% in the first quarter of 2005 to 31.3% by the end of the first quarter 2007.
- During that same time period, AMD's share of HP mobile systems climbed from 1.3% to 21.9%.
- And our share of HP server systems jumped from 0.58% to 10% by the end of last quarter.

The success we've shared with HP is a reflection of the momentum of AMD's brand in Asia-Pacific, and the increasing understanding of the power of choice.

AMD brand equity continues to grow in Asia, particularly in China. Awareness levels of AMD solutions among large enterprise customers are approaching 92 percent, the result of a significant upward trend over the last four years.

Of all our customers, HP sells the most comprehensive line of AMD products, with more than 25 AMD-based HP platforms. We expect our joint success to continue as we further expand our offerings, serving every user segment from SMB to HPC.

There are a few solutions in particular that I would like to highlight:

- The HP ProLiant DL585 server. With around 40% market share worldwide, this powerful 4P datacenter server has become the de facto standard for virtualization platforms.
- Earlier this month, HP announced two new AMD-based enterprise-class blade PCs, the BladeSystem bc2000 and bc2500. These systems provide the most energy-efficient and highest-density blade PC solutions, and are key products supporting HP's Consolidated Client Infrastructure Solutions.
- Finally, AMD has worked with HP to develop multiple solutions specifically tailored for the needs of the Asia-Pacific region. These include the HP Compaq dx2255 and dx2258 microtower PCs, and the XW3400 workstation for entry-level markets.

Looking ahead, HP will bring systems to market employing our quad-core processor Barcelona.

Barcelona is more than four cores - it is a fundamentally enhanced architecture and will bring significant jumps in performance, performance-per-watt, and virtualization - all while providing a seamless upgrade path and delivering improved total cost of ownership.

I have every confidence that with Barcelona, AMD will reaffirm that AMD Opteron is indeed, the "world's best processor."

AMD is working closely with HP's distributors in Asia to increase the availability of all these AMD-based systems throughout the region.

The breadth of AMD-based HP solutions, and the greater choice they offer to your customers, has resulted in commercial customer wins spanning from the data center to mobile.

But there is one customer in particular I want to highlight – one who we are all familiar with...

### ***DREAMWORKS ANIMATION TESTIMONIAL VIDEO PLAYS***

Customer wins such as Dreamworks Animation are proof that choice is indeed coming back to our industry. And the greater innovation and growth that choice delivers benefit us all.

But at AMD, we know that to win your business it is not enough to just provide choice. We have to prove to you, day in and day out, that we are the smarter choice.

For your business, a smarter choice in processing solutions means offering you more opportunities to differentiate and meet your customers' needs.

By providing you and your customers with the freedom to mix-and-match processing components, you will have additional ways to stand apart from your competitors.

By offering a broader array of cost-effective computing solutions, more money will be available for value-added services.

And by offering differentiated solutions and by lowering costs, **you** become more profitable.

At the end of the day, being a smarter choice for your business means we have to be the processing solution your customers ask for.

And this where your company and mine share much in common. We know that by providing solutions based on what the customer wants, ultimately, we will win.

And that is what being a smarter choice is all about.

One of the lessons from history is that it is often easier to tear down walls than to build bridges.

Doing away with the structures and philosophies that separate us is one thing. Learning how to live and prosper with each other is another.

At AMD, we have worked extremely hard to tear down the walls that all too often kept us from doing substantial business with people like you.

As you know very well however, success is not just about great technology. It is also about relationships built on trust and mutual benefit. It is those kinds of relationships that build successful bridges.

Through our extensive presence in Asia-Pacific, we are committed to proving to you that our success depends on your success. I assure you we will continue innovating in ways that you and your customers will find meaningful and valuable.

And through our strong and lasting relationship with Hewlett Packard, we are committed to making sure that you not only have the choice in solutions your customers demand today, but that you will have the *power* of choice available to you in the years to come.

We look forward to doing business with you, and will do everything in our power to earn that business. And once we do, we will do even more to keep it.

Thank you for listening today, and for your support and promotion of AMD.