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AMD's True Performance Initiative
and the Launch of the AMD Athlon™ XP Processor

Thank you, Pat. It's very fitting that we gather here so near Columbus Day – a day when Americans celebrate a bold explorer who discovered what came to be known as “the new world.” In so doing, he helped dispel one of the most astonishing false beliefs in history – that the world was flat.

We have invited you here to help dispel another false belief – perhaps not as important as the one Columbus dispelled – but one that is important to the microprocessor industry, and to the millions of business and home users of PC products.

We live in a world driven by competition. Competition is good – it accelerates innovation, drives down costs, and expands consumers' choices. It causes people to perform at high levels and achieve goals they would never otherwise achieve. Most important, consumers benefit from competition. Conversely, when competition is constrained – consumers suffer.

But, when consumers are somehow not free to make a choice – that's when things start to break down – and it's the consumer who suffers. Without AMD, without competition, innovation suffers. We have a history of introducing new technologies that alter the course of the market.

With our K6 product, we established the foundation for the sub-\$1,000 PC market. We introduced the highest performance PC platform by marrying the AMD Athlon processor with DDR memory. And AMD was the first to introduce the industry's 7th generation, and still the only 7th generation notebook processors, with the AMD Athlon 4 and mobile AMD Duron processors. None of these beneficial technologies would have happened without competition from AMD.

Competition drives innovation. Common sense says innovation should improve things; each new product should perform better than the last. It's an implicit *promise* to customers.

And it's true in everything from laundry soap to automobiles -- but it has been especially true of microprocessors, where performance can improve geometrically with each successive product generation.

Well, with this generation of Pentium processors, Intel has failed. It has violated this principle of innovation. Faster doesn't necessarily mean better. And we have Intel to thank for that. In terms of work per clock — a key component of performance — **the Pentium 4 processor is 20 percent less efficient than the Pentium III.**

You see, with the P4, Intel has failed to produce a processor with superior performance to the AMD Athlon processor. Intel is outclassed on application performance and is taking advantage of consumer ignorance. Why? Because they know that consumers have historically equated megahertz with performance.

This may seem rather harmless to you. But I think it reflects an attitude that Intel's not so interested in helping customers understand the truth – they're interested in selling their inefficient processors. That's not in the consumer's best interest.

In the absence of competition, consumers would not know that the P4 stepped backward in innovation. The fact that their efficiencies slipped... the fact that they require a much larger die size... the fact that this ultimately translates into a much higher-cost solution – none of this would become known. And the consumer would simply pay more – and get less.

Consumers are in a vulnerable position right now. Their options – particularly in the personal computer industry - are shrinking everyday. We believe the consumer needs a strong ally. Someone to look out for their interests, to help them to know their options and understand the truth.

AMD stands for competition. AMD stands for consumers. AMD stands for the truth. We are truth-seekers and truth-tellers. Because of our commitment to providing home and business consumers the freedom of choice, we are announcing a set of initiatives that is intended to enable consumers to make more informed choices.

First, we are announcing an initiative — called the True Performance Initiative — which will assist customers in understanding the benefits of PC performance. The initiative will also help define a new, more accurate measure of processor performance. We'll discuss the TPI in more depth in a few moments.

To drive this initiative, I am pleased to announce that, as a continued confirmation of our commitment to consumers, we are creating a senior staff position at AMD – the *VP of Customer Advocacy* – who will work directly with me and will report to the Office of the CEO. With the creation of this position, we at AMD are making a statement that AMD has a "finger on the pulse" of consumer wants, needs and usage patterns - and an open, ongoing dialogue with consumers, based on respect and trust.

At this moment, I am pleased to announce the appointment of Mr. Pat Moorhead as our first *VP of Customer Advocacy* - “the voice of the consumer” - inside AMD. Pat’s first job will be to bring together industry leaders to develop this new processor metric.

I said earlier that consumers are in a vulnerable position right now -- and that consumers need an ally to help them know the truth. AMD intends to be that ally.

Now, I’d like to turn the stage over to Pat, who will be sharing with you some exciting news about the world’s highest-performance PC processor, the brand-new AMD Athlon XP processor.

(Note: See Pat Moorhead speech of 10-09-01)