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Good Morning. My name is Ed Ellett and I'm vice president of marketing at AMD. I came on board in early 2000, where I've been privileged to participate in one of the most exciting years in company history. Last June, I was in Taiwan to introduce AMD's first dual processor solution into the server/workstation arena. With more than 20 OEMs worldwide selling into the commercial market, with new customers such as Boeing and Daimler-Chrysler, AMD is exploding through old boundaries and into new markets. Each week, we seem to have more success, more momentum, and more opportunity.

Today, we're happy. Our customers are happy. We're happy, but we're not content. You don't rest on your laurels in this business. AMD's next major test is the Hammer processor family, and it will involve each of you. We owe much of our success to our infrastructure and software partners. And we will **all** share in the successes of Hammer.

We come here today to talk about a new platform, a new challenge, and a new business model that goes far beyond the desktop, the notebook and the 1u server.

From 3 to 4 this afternoon, my AMD colleague Mike Goddard will present a more detailed glimpse into the design of our 8th generation architecture. For now, I want to make sure you understand why we've chosen the direction that Hammer takes us, and what we think the benefits will be - to all of us.

Hammer is a unified architecture that will serve as the foundation for future processor platforms across the spectrum, from server/workstation to desktop and mobile.

As you know, this platform is designed to allow a seamless transition from 32-bit to 64-bit computing. We feel confident that Hammer will be the best 32-bit platform ever.

Frankly, there's been too much money, time and effort spent on x86 over the past decade, too many man-hours invested in developing today's hardware and software, to start over.

We're talking about ROI, about the industry's return on its investment. We want our infrastructure partners to know that every effort they make today is also an investment in future platform developments.

While the Hammer-based platform architecture is backward compatible, it also builds a bridge into an exciting future. Hammer requires that we begin to speak a new language. The Northbridge and Southbridge and PCI bus chip-to-chip interconnects have been replaced by Tunnels, I/O hubs and HyperTransport™ links. Bottlenecks have become thoroughfares.

Our chipset suite is a family of Core-Logic components designed to provide a full system solution for AMD's 8th generation of microprocessors. The basic portfolio consists of:

- a HyperTransport™ I/O Hub
- a HyperTransport™ Graphics Tunnel for desktop and workstation
- and a HyperTransport™ PCI-X Tunnel for workstations/servers

When we speak of the Hammer-based platform, we're talking of course about the new, 8th generation processor, the chipset that determines the platform architecture, the platform infrastructure, and

finally, of course, the backbone of the system, HyperTransport technology, our link between chip components.

In terms of memory interfaces, there's DDR: AMD drives it.

In terms of I/O Capacity, there's HyperTransport. AMD delivers it.

In terms of core performance leadership, AMD owns it. Hammer simply adds 64-bit capability to the world's highest performing x86 core.

In terms of new opportunities for the infrastructure that supports x86 architecture, the sky's the limit.

One area where this will pay huge dividends is server design and performance.

By dominating the 1P and 2P server space, the x86 quickly has become the dominant server architecture. System architectures for 4P, 8P and larger x86 systems as well as advanced clustering are now becoming available

However, the optimization of certain server applications is currently limited by existing x86 architectures.

Quite simply, some important applications require 64-bit capability. This larger capability enables large data footprints above 4GB. And it better supports scientific applications such as weather forecasting, petroleum research, CPU design and numerous others. Large-scale multiprocessors require 64-bit capability to map their large memory systems.

It is time to take it to the next level, to lay the foundation for the 64-bit future. And Hammer is the platform to take us there.

The x86-64 technology solution is not a new idea at AMD. We developed our Hammer strategy 18 months ago.

Now we've heard rumors that there's a late addition to the x86-64 party. That comes as no surprise to us. This industry doesn't want to walk away from a multibillion-dollar investment in 32-bit software.

If our competitor asked for our advice, we would tell them, "If you want to succeed with your partners, it helps to listen."

AMD listened and AMD responded. AMD's idea of leadership is to find out where people want to go, and help them get there.

We all want success. How do we achieve it? By working together to grow the industry. From a strategic viewpoint, in our industry the success of new technology is fundamentally a function of the following:

New products must have similar performance and features at lower costs

Or

better performance and features at similar costs

and...

New products must provide a path to the future while maintaining uncompromised support for yesterday and today's applications.

Friends, that is the Hammer program.

We are designing a product based on the one proven marketing strategy for our industry. Hammer promises better performance and features at similar cost. Hammer is a new product that is designed to provide a path to the future yet maintain uncompromised support and compatibility for the applications of yesterday and today.

Hammer will bring x86 economics to the server market.

Hammer will preserve the massive investment in existing software.

Hammer enables a single focus for future software and IT investment.

Hammer will bring new functionality to end-users.

Over the coming months, beginning in fact next month, we will be announcing more and more information about Hammer, providing technical product briefs about our chipset and platform, providing you with information about cost, availability, power requirements, software compatibility and more.

These are the details, the important details we will share with you. But please remember, the whole is greater than the sum of its parts.

Several years ago, AMD recognized the commercial and enterprise markets as the last great frontier. We knew what we needed to do - consolidate consumer and commercial platform development so tier one OEMs could help convert a consumer platform into a commercial platform. We know how we're going to do that - with Hammer. We know who we're going to work with to make that happen - we're going to work with you. As to how soon we're going to succeed in Enterprise - we pretty well know that answer too.

Soon, And with your help, maybe real soon.

Let's go get em.