

AMD sales better than expected, CPU demand rises

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An Advance Micro Devices (AMD) logo is shown on a computer at Best Buy in Mountain View, Calif., Wednesday, Oct. 14, 2009. AMD is scheduled to report quarterly earnings after the market close Thursday. (AP Photo/Paul Sakuma)

(AP) -- Advanced Micro Devices Inc. lost money in the third quarter but said Thursday that sales were stronger than expected, adding to mounting evidence that consumer spending is fueling a turnaround in the personal computer market.

AMD sells about 20 percent of the world's computer microprocessors, which are the brains inside PCs. Although AMD was hurt by weak consumer and business spending on computers in the first half of the

year, the chipmaker said shipments rose from the previous quarter thanks to strong demand for processors used in laptop computers.

That's in line with what PC industry researchers reported earlier this week.

The recession has squelched consumer demand for high-end PCs, but they continued to snap up inexpensive laptops and tiny "netbooks" in the third quarter. That pushed [PC shipments](#) into positive territory for the first time this year, according to IDC and Gartner Inc.

Businesses, however, aren't expected to replace old computers until sometime next year.

It's not possible to tell from AMD's report whether PC makers were stocking up on chips to replenish low supplies, or because the computer makers expect to see a boom in sales through the holiday season.

AMD's larger competitor, Intel Corp., has been more bullish than AMD in predicting a 2009 turnaround for the PC industry since spring. The chipmaker said earlier this week that the year will end with growth in PC sales.

Sunnyvale, Calif.-based AMD posted a loss of \$128 million, or 18 cents per share, narrower than its year-ago loss.

However, the group that makes computer microprocessors reported \$76 million in [operating income](#) - about half the amount it earned a year ago, but up from a loss of \$72 million last quarter.

AMD's revenue fell 22 percent to \$1.4 billion. Analysts were expecting a steeper 30 percent decline, according to Thomson Reuters.

Shares fell 11 cents, or 1.8 percent, to \$6.08 in extended trading after the release of results. Earlier, it closed down 6 cents, or 1 percent, at \$6.19 in regular trading.

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