

TIDBITS

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◆ TSMC BUYS ACER SEMI, WSMC

Taiwan Semiconductor Manufacturing Company has purchased the remaining 70% of Acer's semiconductor facilities through a stock swap worth roughly \$200 million. TSMC bought the first 30% of Acer's fabs in June of last year. TSMC has also said it will purchase Worldwide Semiconductor Manufacturing Company, which is Taiwan's third-largest semiconductor producer, currently valued at \$3 billion. The purchases will boost TSMC's capacity to 3.4-million wafers per year and solidify its position as the largest semiconductor foundry on the planet. —K.D.

◆ REDBACK GRABS SIARA FOR \$4.3B

Redback Networks has purchased Silicon Valley startup Siara Systems for stock valued at \$4.3 billion. Redback issued its IPO in the spring of 1999 but still is not a profitable company. Siara has no currently shipping products but is rumored to be designing network processors and systems employing dense-wave division multiplexing and packet-over-Sonet technologies. Siara employs several ex-AMD processor designers, including K6 chief architect Greg Favor and K6 project leader Mike Yamamura. —K.D.

◆ QED IPOs

Quantum Effect Devices hopes to capture nearly \$30 million of capital through an IPO of 3.7 million shares of common stock. QED, led by one of the original MIPS architects, Tom Riordan, employs one of the most respected design teams in Silicon Valley to design MIPS-compatible processors for embedded-control applications. The IPO would bring the valuation of the startup to \$285 million based on 26 million shares at an assumed \$11 initial share price. QED will sell its stock on the NASDAQ as QEDI. —K.D.

◆ PLAYSTATION 3?

In an interview with *Nikkei Electronics*, Sony Computer

Entertainment VP of Research and Development Shin-ichi Okamoto said that Sony's goal for PlayStation 3 is 1,000 times the performance of PlayStation 2, which is set to intro in Japan in March. Sony put the fear of God into the game-console industry when it disclosed its PlayStation 2 processor (see *MPR 4/19/99-01*, "Sony's Emotionally Charged Chip") earlier this year. While the PlayStation 2 is a phenomenal 300 times faster than the original PlayStation, it will be nothing compared with PlayStation 3, assuming Sony meets its objectives. —K.D.

◆ INTEL EARNINGS UP 12%

For the final quarter of 1999, Intel posted a net income of \$2.1 billion on record revenues of \$8.2 billion. Earnings were up 12% over the previous quarter and 8% over the same quarter in 1998. For the year, Intel earned \$29.4 billion, up 12% over 1998, and generated \$7.3 billion in net income. During 1999, Intel spent \$2.5 billion on R&D. Intel says it is expecting margins of about 61% for 2000, compared with 59.7% for 1999, in spite of Celeron's lower prices and competition from AMD. Intel expects capital spending in 2000 to be \$5 billion, up almost 50% over the \$3.4 billion spent in 1999. The added expenditures will go mostly for the development of its 0.13-micron process, 300-mm wafer development, and new construction and equipment to add 0.18-micron capacity. —K.D.

◆ AMD POSTS Q4 PROFIT

Smashing financial analysts' expectations, AMD reported record sales of \$969 million and a net income of \$65 million for the quarter ending in December 1999. Sales were up by 46% over Q399 and 23% over Q498, when the company lost \$106 million. For all of 1999, sales were up 12% over 1998, but the company still lost \$89 million. All three of AMD's product groups—computation, communications, and memory—contributed to the Q4 success. Athlon sales, which surpassed AMD's goal of 800,000 units

for the quarter, contributed over half of the company's \$300-million quarter-to-quarter sales growth. AMD said that 80% of its fab output of Athlons is currently in 0.18 micron, and this output will be 100% by February. Sales of K6-family processors were also up, allowing AMD

to ship a total of more than six million units in the quarter. AMD expects to grow faster in 2000 than the 20–25% growth the SIA (Semiconductor Industry Association) projects for the worldwide semiconductor industry as a whole. —K.D. ♦

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