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AMD to spin off manufacturing

Austin Business Journal

[Advanced Micro Devices Inc.](#) says it will spin off manufacturing operations, including those in Austin, to a new joint venture, backed by as much as \$6 billion from Abu Dhabi investors.

Sunnyvale, Calif.-based AMD (NYSE: AMD) said Foundry Co. will take over AMD's existing manufacturing as well as pursue plans for a new factory in New York state and upgrade another one in Dresden, Germany.

[Advanced Technology Investment Co.](#) of Abu Dhabi is making a \$700 million payment to AMD for part of Foundry Co. [Mubadala Development Co.](#), also of Abu Dhabi, is making a \$314 million investment in AMD that boosts its stake in the company to 19.4 percent.

Advanced Technology Investment Co. has also agreed to kick in at least \$3.6 billion and up to \$6 billion to the new venture.

AMD is transferring about \$1.2 billion from its balance sheet to the new company's, as well.

With about 2,500 employees in Austin, AMD is one of the largest corporate employers in the region. The company employs a global workforce of about 15,500. A spokesman for AMD says about 150 local employees will join Foundry as part of the deal. He says there are no immediate plans for layoffs, however "it is possible as the separation occurs that some positions would be impacted." If there are cuts, the figure would be small, he adds.

AMD's stock rose more than 16 percent Tuesday morning to \$4.91 after the spinoff announcement. The stock has steadily fallen from a 52-week high of \$14.73 last October.

Courtesy of JB Goodwin